CITY OF LAGRANGE, GEORGIA

Annual Comprehensive Financial Report

Year Ended June 30, 2025

LAGRANGE
GEORGIA

Prepared by the City Finance Department

CITY OF LAGRANGE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION (Unaudited)
- Letter of Transmittal ..... i-vii
- GFOA Certificate of Achievement viii
- List of Principal Officials ix
- Organizational Chart x

FINANCIAL SECTION
- Independent Auditor's Report 1-4
- Management's Discussion and Analysis 5-16
- Basic Financial Statements:
  - Government-Wide Financial Statements:
    - Statement of Net Position 17
    - Statement of Activities 18
  - Fund Financial Statements:
    - Balance Sheet – Governmental Funds 19
    - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 20
    - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 21
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 22
    - General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 23
    - Statement of Net Position – Proprietary Funds 24
    - Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 25
    - Statement of Cash Flows – Proprietary Funds 26
  - Component Units:
    - Combining Statement of Net Position 27
    - Combining Statement of Activities 28
- Notes to Financial Statements 29-73
- Required Supplementary Information:
  - Schedule of Changes in the City's Net Pension Liability and Related Ratios 74
  - Schedule of City Contributions 75
  - Schedule of Changes in the City's Total OPEB Liability and Related Ratios 76
- Combining and Individual Fund Statements and Schedules:
  - Combining Balance Sheet – Nonmajor Governmental Funds 77
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 78
  - Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Community Development Fund 79

CITY OF LAGRANGE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

TABLE OF CONTENTS (Continued)

Page

Combining and Individual Fund Statements and Schedules (Continued):
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – ARPA Fund ... 80
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tax Allocation Fund – LaGrange Mall ... 81
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tax Allocation Fund – Marriott ... 82
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tax Allocation Fund – Mill Creek ... 83
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hotel/Motel Tax Fund ... 84
- Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds ... 85
- Combining Statement of Net Position – Nonmajor Proprietary Funds ... 86
- Combining Statement of Changes in Revenues, Expenditures, and Changes in Fund Net Position – Nonmajor Proprietary Funds ... 87
- Combining Statement of Cash Flows – Nonmajor Proprietary Funds ... 88
- Combining Statement of Net position – Internal Service Funds ... 89
- Combining Statement of Changes in Revenues, Expenditures, and Changes in Fund Net Position – Internal Service Funds ... 90
- Combining Statement of Cash Flows – Internal Service Funds ... 91

STATISTICAL SECTION (Unaudited)
- Net Position by Component ... 92
- Changes in Net Position ... 93 and 94
- Fund Balances of Governmental Funds ... 95
- Changes in Fund Balances of Governmental Funds ... 96
- Governmental Activities Tax Revenues by Source ... 97
- Principal Water Customers ... 98
- Principal Natural Gas Customers ... 99
- Principal Electric Customers ... 100
- Ratios of Outstanding Debt by Type ... 101
- Direct and Overlapping Governmental Activities Debt ... 102
- Pledged Revenue Coverage ... 103
- Demographic and Economic Statistics ... 104
- Principal Employers by Number of Employees ... 105
- Full-Time Equivalent Active City Government Employees by Function/Program ... 106
- Operating Indicators by Function/Program ... 107
- Capital Assets by Function/Program ... 108

TABLE OF CONTENTS (Continued)

Page

COMPLIANCE SECTION

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* ..... 109 and 110

Schedule of Findings and Responses 111-115

INTRODUCTORY SECTION

December 30, 2025

Citizens of the City of LaGrange
Honorable Mayor
Members of the City Council

Ladies and Gentlemen:

Georgia law requires every local government to publish a complete set of audited financial statements within six months of the close of each fiscal year. Pursuant to that requirement, the City of LaGrange, Georgia ("City") hereby issues its annual comprehensive financial report for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

Mauldin & Jenkins, Certified Public Accountants, LLC, have audited the City's financial statements. The independent audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Mauldin & Jenkins has issued an unmodified opinion on the City's financial statements for the fiscal year, and the auditor's report is presented as the first component of the financial section of this report.

The City is subject to the requirements of the Governmental Accounting Standards Board Statement 34, which requires introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A complements this letter of transmittal and should be read in conjunction with it. The City's MD&A immediately follows the independent auditor's report.

Vision, Mission, and Motto

Our Vision, Mission, and Motto answer the questions about who we are, what we value, and where we're going. These clearly understood and communicated messages help us to perform better as an organization and allow us to more effectively evaluate and prioritize resources.

Vision - LaGrange as a safe, enjoyable, and efficient place to live, work, and visit.

Mission - The City of LaGrange will satisfy our customers and citizens by providing responsive and effective services, and well-maintained public infrastructure, which add value to our community.

Motto - Leaving LaGrange Better Than We Found It.

Profile

City Government - According to the U.S. Census Bureau, LaGrange's population was estimated at 32,343 as of July 1, 2024, representing a 3.8 percent increase from the prior year. The City, incorporated in 1828, operates under a council manager form of government. The City Council consists of six members, three elected from each of the City's two districts, and a mayor elected at large. All elected officials serve four-year terms. Pursuant to the City Charter, a full-time City Manager is appointed by and serves at the pleasure of the Mayor and City Council. The mayor's role is primarily focused on leadership and policymaking in collaboration with the Council, while the City Manager serves as the City's Chief Operating Officer and is responsible for the administration and day-to-day operations of all City departments.

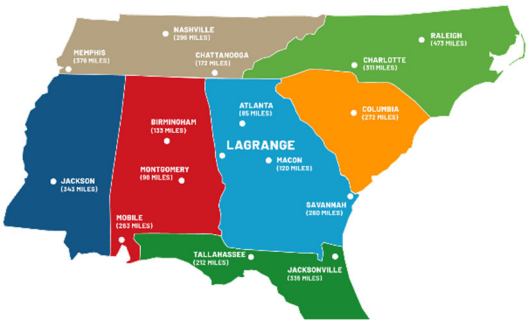
City Services - The City provides a wide range of both governmental and utility services to residents located within the corporate limits of LaGrange. Some utility services are also delivered to customers located in the unincorporated areas of Troup County. Traditional governmental services include general administration, planning and zoning, police and fire protection, parks and cemeteries, plan review and building inspections, economic development, and construction and maintenance of streets and sidewalks. Utility services include electricity, water, sewer, sanitation, natural gas, telecommunications, telephony, and internet access. The City also operates an amphitheater and Subtitle D landfill. Internal support is provided to these various operations through building and fleet maintenance, accounting and financial services, computer and information systems, and personnel and human resources. The City is primarily self-insured and reserves funds for group health, workers' compensation, and property and casualty claims.

Component Units - As a part of its overall community and economic development initiatives, the City works through the LaGrange Development Authority, Downtown Development Authority, and Visit LaGrange. The financial statements of these component units are included in the government-wide statements of this audit report based on the City's influence on the organizations through board appointments, financial integration, and accountability.

Budget Process - The City's annual budget serves as the foundation for financial planning, control, and professional management of City resources. The budget sets priorities and provides an orderly means of controlling cash flows and disbursements. Department managers are required to submit requests for appropriations to the City Manager on or about April 1. The City Manager reviews these requests along with the changes in rates and fees needed to develop a balanced budget for presentation to the Mayor and Council no later than 60 days prior to the beginning of the fiscal year. Following review and comment on the proposed budget, the Mayor and Council are required to hold public hearings and to adopt a final budget no later than June 15.

Budget Control - The legal level of budgetary control is at the fund and department level. Department managers, in consultation with the City Manager, are allowed to make transfers between line items of their operational budgets. The Mayor and Council approve budget transfers or revisions between departments. Budgetary control is maintained through monthly reviews of actual results compared to the budget and through budget confirmation prior to the issuance of a purchase order. Under Georgia law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure expenditures do not exceed appropriations at either the department or fund level. During the budget process, current fiscal year appropriations are reviewed and updated by the City Council based on actual and projected expenses for the remainder of the budget year. Unutilized encumbrances lapse at the fiscal year end; however, multiyear capital funds may show a reservation of fund balance.

Factors Affecting Financial Condition



Location and Transportation - The City is situated in west-central Georgia, roughly 70 miles southwest of Atlanta via Interstate 85. Hartsfield-Jackson Atlanta International Airport is a 45-minute drive via I-85, and Columbus is less than an hour away via I-185 South. CSX operates full-service rail facilities with east/west and north/south lines. The Georgia Ports Authority has secured a site for an inland port in LaGrange. While there is no current development schedule for this site, it holds potential for serving and lowering the transportation costs for local industries. Trucking services include both interstate and intrastate carriers, along with local terminals. Delivery services are provided by companies such as United Parcel Service, Federal Express, and several other national and regional providers. The Georgia Department of Transportation has several major road projects underway, with the most notable improvements occurring along U.S. 27.



Industry - The Georgia International Business Park, established in 2018, brings together the LaGrange Industrial Business Park, Jim Hamilton Park, and Callaway South Industrial Park under a single framework. It is the largest business park in the Southeast and the fourth largest in the nation, hosting more than 41 international companies representing 18 countries. The available workforce exceeds 150,000 drawn from seven nearby counties and more than 400,000 from twelve surrounding counties. LaGrange is experiencing significant industrial growth, with Soprema and Aerotron breaking ground and other local industries expanding operations. Several large speculative buildings have been constructed, three of which now house Kia Motors suppliers, with others in the process of being leased. As shown in the image to the left, Google has acquired the former Jindal Films facility and is constructing a large data center that is expected to begin operations in 2027. The additional utility margins, sales taxes, and other revenues generated by this project will help to replace the revenue lost from Jindal, which had been the City's largest utility customer representing over 9% of electric sales.

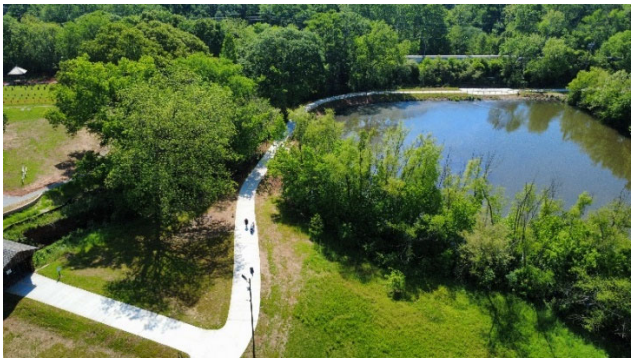


Tourism - West Point Lake, managed by the U.S. Army Corps of Engineers, spans 35 miles along the Chattahoochee River and marks the boundary between Alabama and Georgia. With 525 miles of shoreline, the lake offers abundant opportunities for fishing, camping, boating, and other recreational activities. The surrounding area includes day use parks, campgrounds, two commercial marinas, beach areas, fishing piers, and public hunting zones. Many parks provide picnic shelters, boat ramps with courtesy docks, nature trails, and convenient access to the lake for fishing. A key local attraction, Great Wolf Lodge, features



a 300,000 square foot four story hotel with 456 themed suites, a 20,000 square foot conference center, and a 35,000 square foot lobby. The resort's primary attraction is its 93,000 square foot indoor water park, which significantly boosts tourism and is one of the City's larger commercial utility customers. Opened in December 2023, the Oakfuskee Conservation Center offers scenic views of West Point Lake and hosts a variety of public and private events. The center also provides opportunities for outdoor recreation, including hiking, horseback riding, camping, and mountain biking. The City's Sweetland Amphitheater attracts visitors from across the country through its live music concerts featuring nationally recognized performers and its seasonal winter ice skating venue.

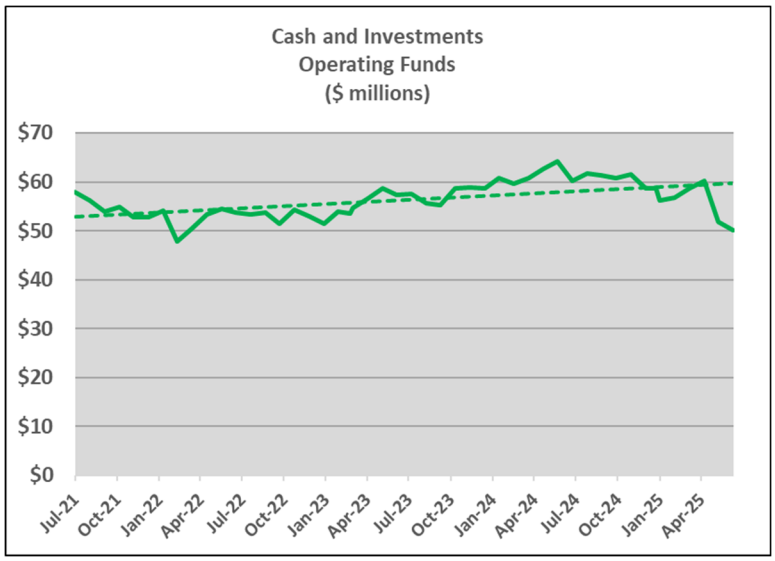




Parks and Outdoor Recreation - LaGrange offers a diverse system of outdoor parks and recreational amenities that enhance quality of life for residents and visitors. The City's Thread Trail provides miles of multiuse pathways connecting neighborhoods, parks, and natural areas throughout the community, promoting recreation, wellness, and connectivity. In addition, development is underway on W. T. Edmondson Park at Ridley Lake, which will further expand outdoor recreation opportunities with improved access to green space and water-based activities. Together, these investments reflect the City's ongoing commitment to preserving natural resources and supporting active lifestyles.

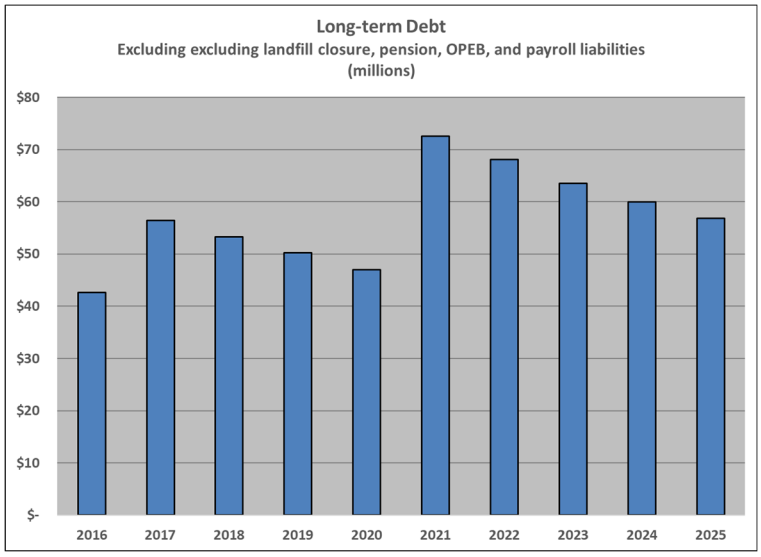
Housing - The City experienced significant housing growth during the fiscal year, with more than 1,200 apartment units completed or in the final stages of construction, along with over 200 single family homes and townhomes. While workforce housing and affordability remain ongoing concerns, a total of 147 cottage style homes have been built or are currently under construction over the past three years, with price points ranging from 175,000 dollars to 225,000 dollars. The City continues to monitor the Unity Mill loft apartment project being developed by DASH, a local nonprofit organization focused on affordable housing, which is expected to include approximately 100 units. In addition, there is a potential 100-unit multifamily tax credit development proposed for Ragland Street, as well as a potential 240-unit multifamily tax credit project planned for the 800 block of New Franklin Road adjacent to Walmart.





City Operations - Revenues used to fund City operations are derived from both governmental and business type activities. Governmental revenues include taxes, regulatory fees, court fines, and donations, while business type activities generate revenues primarily from the sale of utility and sanitation services. Excess cash flow is deposited into cash reserves, which provide financial stability during periods of economic fluctuation and weather-related variability that can affect utility sales, and these reserves may also be used to more cost effectively fund capital projects. The cash and investments balance in the City's operating funds as of June 30, 2025 was approximately $50.2 million. The decrease from the prior year is attributable to several major factors. Most notably, the City settled a lawsuit related to a 1981 wrongful imprisonment for $10.525 million, with $5.2 million funded from cash reserves and the remainder from insurance. In addition, several capital expenditures were funded through interfund loans that will be paid back over time. This is in conjunction with our newly established goal of maintaining working capital equal to 25% of expenses for governmental funds and 42% for enterprise funds. Finally, the City acquired property at a cost of approximately $3 million for the construction of a new utility service center adjacent to the existing public works facility.

Long-Term Liabilities - The City routinely uses both internal and external debt financing to fund assets and projects with significant costs and long useful lives. This approach allows costs to be spread over multiple budget years and helps minimize the financial impact on citizens and utility customers. The City's debt obligations include revenue bonds, certificates of participation issued through Georgia Municipal Association financing programs, notes, financed purchases, advances from other funds, and intergovernmental agreements. As of June 30, 2025, the City's outstanding long-term liabilities, excluding landfill closure, pension, other postemployment benefits, and payroll related liabilities, totaled approximately $56.9 million dollars. This represents a decrease of $3.0 million dollars, or 5.1 percent, from the prior fiscal year. The increase recorded in 2021 resulted from the issuance of $26.8 million dollars in water and sewer revenue bonds to fund several major capital projects.



Major Initiatives

Public Safety Employee Vacancies - In July 2024, an average salary increase of 9.7% was implemented for all fire department personnel, raising the starting pay for firefighters to $54,080 per year. The increased pay rates have yielded positive results, reducing the number of open positions from 9 to 4 in the fire department. Additionally, there has been an improvement in the quality of candidates and higher pass rates on entrance exams.



Water and Sewer Infrastructure - As mentioned above, the City issued $26.8 million in revenue bonds in 2021 for various water and sewer infrastructure projects including: 1) Upgrades at the Long Cane Wastewater Treatment Plant, 2) Repairs and upgrades at the Walter Williams Filtration Plant, 3) A water line extension to Rosemont Elementary School, 4) Utility relocations and upgrades for the widening of Hamilton Road, and 5) Construction of two new lift stations and an upgrade to an existing lift station. As of the end of this fiscal year, all projects have been completed except for a small portion of the utility relocation associated with the Hamilton Road widening and the upgrade of the Mooty Bridge Road lift station. In addition to the bonded projects, the water tank on Callaway Church Road was rehabilitated and repainted.

AMI Metering - The City continues to invest in an Automated Metering Infrastructure (AMI) system, which allows for remote reading of water, gas and electric meters and the remote disconnection of electric meters. By the end of the fiscal year, 93% of all meters were being read using fixed or drive by technology.

Telecom Services - Funding was provided to upgrade our Calix fiber backbone to 100 gigabits per second. Higher speeds are necessary to retain existing customers, attract new customers, and remain competitive versus other area providers.

Vehicles - Five large vehicles in public works and sanitation averaging over 17 years old were replaced using excess reserves and an interfund loan from the Telecom Fund. Ten aging police vehicles were funded for replacement under the Enterprise Fleet Management lease program.



The Thread - Special Purpose Local Option Sales Tax (SPLOST) funds were used to add 2.4 miles of additional trail to The Thread. One project extended from the Harris Baseball Complex past Nutwood Winery and is planned for future connection to W. T. Edmondson Park. The second project created the trail system's first major loop by connecting the Hillside community to Southbend Park including construction of a tunnel beneath the CSX railroad and an entryway to Mulberry Street Cemetery through a restored Horace King covered bridge.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report for the fiscal year ended June 30, 2025. This was the 39th consecutive year that the City has received this award. To be awarded a Certificate of Achievement, the recipient must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgements

The timely preparation and publication of this Annual Comprehensive Financial Report is the result of significant effort by the Finance Department working with the City's independent auditors, Mauldin & Jenkins, Certified Public Accountants, LLC. We also want to express our sincere appreciation to the Mayor and Council and department managers for their assistance and leadership this past year in matters pertaining to the financial affairs of the City.

Respectfully submitted,

Patrick Bowie
City Manager

Lisa Duke
Accounting Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of LaGrange
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of LaGrange, Georgia

LIST OF PRINCIPAL OFFICIALS

June 30, 2025

ELECTED OFFICIALS

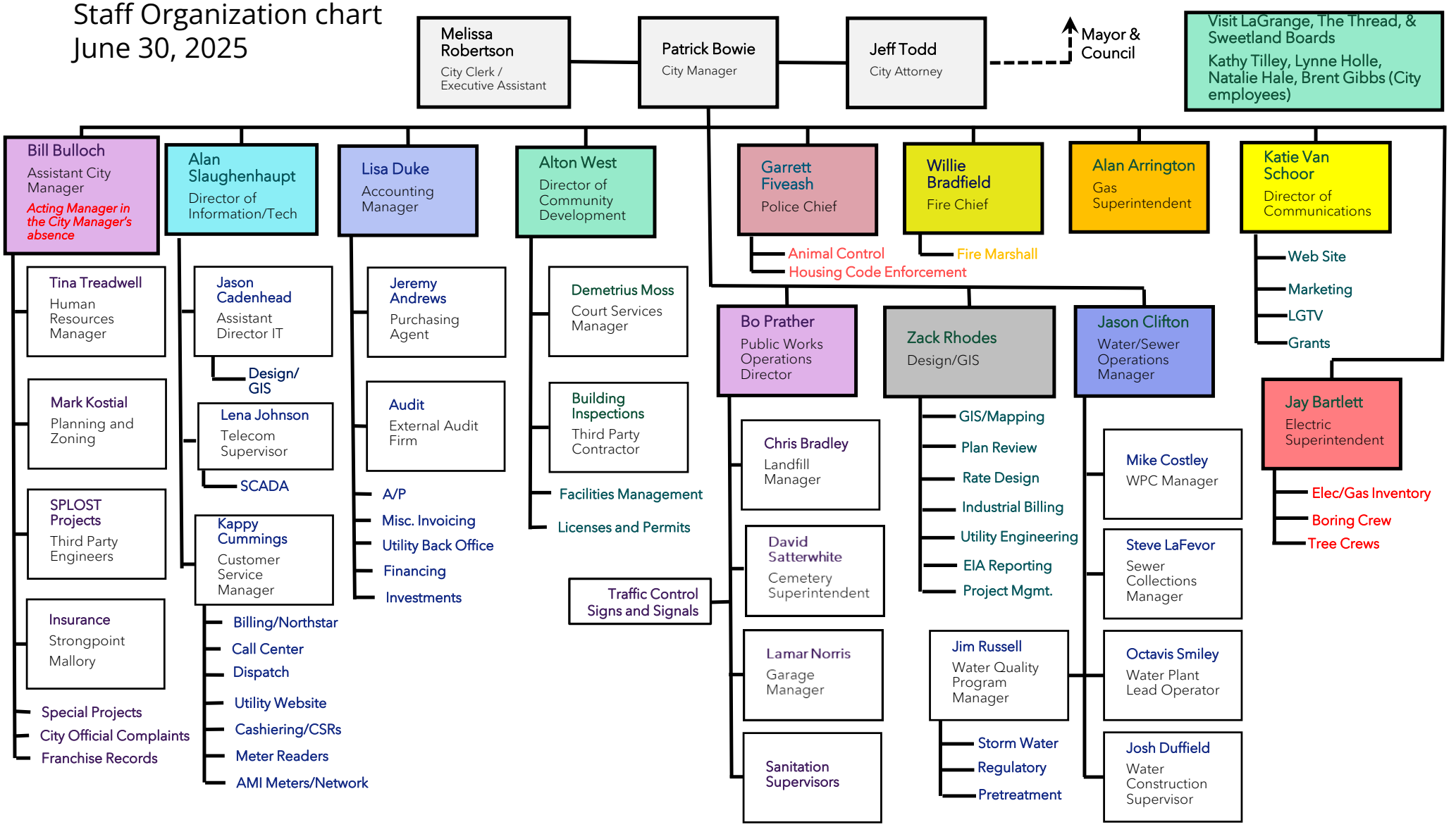
Jim Arrington	Mayor
Quay Boddie	Council Member
Tom Gore	Council Member
Darby Pippin	Council Member
Nathan Gaskin	Council Member
Mark Mitchell	Council Member
Leon Childs	Council Member

OTHER OFFICIALS

Patrick Bowie	City Manager
Bill Bulloch	Assistant City Manager
Jeff Todd	City Attorney
Alton West	Director of Community Development
Patrick Bowie	Director of Public Utilities
Garrett Fiveash	Chief of Police
Willie Bradfield	Fire Chief
Alan Slaughenhaupt	Director of Information And Technology
Katie Van Schoor	Marketing and Communications Manager

CITY OF LAGRANGE

Staff Organization chart
June 30, 2025



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
City of LaGrange, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of LaGrange, Georgia** (the "City") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Visit LaGrange (the "CVB"), which represents 9%, 8%, and 76%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. We also did not audit the financial statements of the LaGrange Development Authority (the "LDA"), a blended component unit of the City, which represents 30%, 40%, and 6%, respectively, of the assets, fund balance, and revenues of the major funds as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Visit LaGrange and the LaGrange Development Authority are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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. The financial statements of the LaGrange Development Authority and Visit LaGrange were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, the City implemented Governmental Accounting Standard Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. These standards significantly changed the reporting of the City's compensated absences liability. Our opinions are not modified with respect to this matter.

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'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 GAAS 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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'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'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 the City's Net Pension Liability and Related Ratios, the Schedule of City Contributions, and the Schedule of Changes in the City's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios, as listed in the table of contents, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds (the "supplementary information") 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 30, 2025

CITY OF LAGRANGE, GEORGIA
Management's Discussion and Analysis
June 30, 2025

As management of the City of LaGrange ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this financial report.

FINANCIAL HIGHLIGHTS

- Known as net position, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by approximately $230,556,000. Of this amount, approximately $198,700,000 represents net investment in capital assets, approximately $6,397,000 is restricted for special purposes by external sources or third parties, leaving approximately $25,459,000 available to meet the City's ongoing obligations. Governmental activities produced an increase in net position of approximately $4,631,000 while business-type activities produced an increase in net position of approximately $2,308,000.

- Fund balance is an important indicator of the City's financial health and fiscal flexibility. Governmental funds use a modified accrual basis of accounting under which capital and long-term assets and long-term liabilities are not reported in the funds. Accordingly, fund balance simply represents the difference between current financial resources and current obligations of the funds. The City's governmental funds reported a total combined ending fund balance of approximately $23,690,00, a decrease of approximately $2,055,000 from the prior fiscal year. The General Fund ending fund balance was approximately $10,576,000, which represented 24.7% of total General Fund expenditures.

- The City's net pension liability decreased approximately $7,611,000 during the fiscal year, and the total OPEB liability increased $95,000.

- The total additions to capital assets for governmental and business-type activities, net of deletions and depreciation and amortization, amounted to approximately $18,567,000 bringing the total balance to approximately $255,421,000.

- The City's long-term debt, excluding pension liability, OPEB liability, landfill liability, and compensated absence liabilities, decreased by approximately $3,056,000 to approximately $56,884,000. The City experienced a decline in long term debt as a percentage of government-wide net position from 26% to 25%, indicating improved leverage despite ongoing capital investment.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business. Comparable to equity in the private sector, net position is used to help assess the City's long term financial condition. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event occurs, regardless of the timing of related cash flows. As a result, revenues and expenses may be reported in this statement for items that will result in cash flows in future fiscal periods, such as uncollected revenues and earned but unused vacation leave.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes, fines and forfeitures, charges for services, and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include administration, public safety, public works, community and economic development, culture and recreation, and interest charges. The City's business-type activities encompass water and sewer, sanitation, telecommunications, utility, electricity, natural gas services, and the Sweetland Amphitheater (operated by the Downtown Development Authority or DDA). The Amphitheater generates revenue through ticket sales, user fees, and other related activities. The DDA is reported as a blended component unit of the City.

The City's financial statements include not only the City's governmental and business-type activities (known as the primary government), but also several legally separate component units: the Downtown LaGrange Development Authority (DLDA) and Visit LaGrange, which are reported as discretely presented component units, as well as the LaGrange Development Authority (LDA), which is reported as a governmental fund type blended component unit. Financial information for the discretely presented component units is reported separately from the financial information presented for the primary government.

FUND FINANCIAL STATEMENTS

A fund is a set of accounts used to maintain control over resources that are segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance related legal and regulatory requirements. The City's funds are classified into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide statements, however, the governmental fund financial statements are prepared using the modified accrual basis of accounting and focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in assessing the City's short-term financing needs and fiscal flexibility.

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

In addition to the General Fund, the City maintains several other governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the SPLOST Fund (that includes both SPLOST V and SPLOST VI Resolution approved funds), the Capital Projects Fund, and the LaGrange Development Authority (LDA), all of which are considered major governmental funds. Data for the remaining governmental funds are aggregated and reported as nonmajor governmental funds. Individual financial information for these nonmajor governmental funds is presented in the combining statements elsewhere in this report.

The City adopts annual budgets for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budgeted amounts. Budgetary comparison statements have been provided for the special revenue funds in the supplementary financial information elsewhere in this report. Since the capital project fund budgets are adopted on a project basis, supplementary budgetary comparison schedules have not been provided.

Proprietary funds

The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and are used to account for the City's electric, gas, telecommunications, water and sewer, sanitation, and Sweetland Amphitheater operations. In addition, the City uses a Utility fund to account for costs related to customer service, metering, dispatch, radio communications, and information technology, which are allocated to the appropriate departments throughout the year.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the following funds: Water and Sewerage, Sanitation, Electric, Gas, and the nonmajor enterprise funds. Individual fund data for the Utility Fund is provided in the form of combining statements elsewhere in this report.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A substantial portion of the City's net position, 86.2 percent, represents its net investment in capital assets, including land, construction in progress, buildings, utility and other infrastructure, and machinery, vehicles, and equipment, net of any related outstanding debt or capital related payables incurred to acquire those assets. These capital assets are used to provide services to the public and, as a result, are not available for future spending.

Although the City's investment in capital assets is reported net of related debt and payables, the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities. The remaining net position consists of amounts restricted for specific purposes, totaling 2.8 percent, and unrestricted net position of 11.0 percent, which may be used to meet the City's ongoing obligations to citizens and creditors.

A summary of the statement of net position as of June 30, 2025, compared to June 30, 2024, is presented below.

City of LaGrange's Summary of Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Assets:								
Current and other assets	$ 34,245	$ 36,605	$ 59,243	$ 72,248	$ 93,488	$ 108,853	26.79%	31.49%
Capital assets	106,213	101,627	149,208	135,226	255,421	236,853	73.21%	68.51%
Total assets	140,458	138,232	208,451	207,474	348,909	345,706	100.00%	100.00%
Deferred outflows of resources	4,120	5,591	2,185	2,927	6,305	8,518	100.00%	100.00%
Liabilities:								
Current liabilities	4,372	4,428	10,848	9,572	15,220	14,000	13.70%	11.61%
Long-term liabilities	38,336	44,324 *	57,565	62,211 *	95,901	106,535	86.30%	88.39%
Total liabilities	42,708	48,752	68,413	71,783	111,121	120,535	100.00%	100.00%
Deferred inflows of resources	10,046	7,877	3,491	2,194	13,537	10,071	100.00%	100.00%
Net position:								
Net Investment in capital assets	85,335	80,798	113,365	99,590	198,700	180,388	86.18%	80.67%
Restricted	6,397	6,281	-	-	6,397	6,281	2.77%	2.81%
Unrestricted	92	115 *	25,367	36,834 *	25,459	36,949 *	11.04%	16.52%
Total net position	$ 91,824	$ 87,194	$ 138,732	$ 136,424	$ 230,556	$ 223,618	100.00%	100.00%

* 2024 net position was revised as a result of implementation of GASB 101 and an adjustment to landfill postclosure liability in business-type activities.

Comparison of Current Assets and Liabilities

The current ratio is a financial metric used to assess an entity's ability to meet its short-term obligations with its short-term assets. It is calculated by dividing current assets by current liabilities. The City's current ratio of 6.1 indicates very strong liquidity and the ability to meet its short-term obligations particularly in light of the City's significant utility operations and reserve policies.

	Fiscal Year Ended June 30 (in thousands of dollars)			
	2025	**2024**	**2023**	**2022**
Current Assets	$93,488	$108,853	$114,179	$102,787
Current Liabilities	$15,220	$14,000	$18,730	$14,461
Ratio	6.1	7.8	6.1	7.1

On the following page is a breakdown of revenues and expenses by governmental and business-type activities for fiscal years 2025 and 2024.

City of LaGrange's Changes in Net Position

Summary of Changes in Net Position

(in thousands of dollars)

	Governmental Activities		Business Activities		Total		Percentage of Total (Rounded)	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenues:								
Program:								
Charges for services	$ 5,400	$ 4,430	$ 106,550	$ 107,499	$ 111,950	$ 111,929	71.43%	72.33%
Operating grants	3,272	8,018	311	1,412	3,583	9,430	2.29%	6.09%
Capital grants and contributions	8,196	6,837	8,313	2,859	16,509	9,696	10.53%	6.27%
General:								
Sales and use taxes	8,474	8,307	-	-	8,474	8,307	5.41%	5.37%
Insurance taxes	2,945	2,737	-	-	2,945	2,737	1.88%	1.77%
Other taxes	8,699	8,731	-	-	8,699	8,731	5.55%	5.64%
Investment earnings	908	945	2,366	2,385	3,274	3,330	2.09%	2.16%
Miscellaneous	1,286	592	-	-	1,286	592	0.82%	0.38%
Total revenues	39,180	40,597	117,540	114,155	156,720	154,752	100.00%	100.00%
Program Expenses:								
General government	4,614	5,363	-	-	4,614	5,363	3.08%	3.80%
Judicial	-	14	-	-	-	14	0.00%	0.01%
Public safety	27,017	25,045	-	-	27,017	25,045	18.02%	17.77%
Public works	6,048	6,126	-	-	6,048	6,126	4.03%	4.35%
Culture and recreation	2,845	2,948	-	-	2,845	2,948	1.90%	2.09%
Community and economic development	8,660	10,697	-	-	8,660	10,697	5.78%	7.59%
Interest	1,078	1,719	-	-	1,078	1,719	0.72%	1.22%
Utility	-	-	6,106	5,143	6,106	5,143	4.07%	3.65%
Electric	-	-	51,214	47,979	51,214	47,979	34.15%	34.04%
Gas	-	-	13,237	10,718	13,237	10,718	8.83%	7.60%
Water and sewerage	-	-	18,215	16,792	18,215	16,792	12.15%	11.91%
Sanitation	-	-	5,357	3,576	5,357	3,576	3.57%	2.54%
Telecommunications	-	-	3,221	2,769	3,221	2,769	2.15%	1.96%
Sweetland Amphitheater	-	-	2,339	2,072	2,339	2,072	1.58%	1.49%
Total expenses	50,262	51,912	99,689	89,049	149,951	140,961	100%	100%
Excess (deficiency)	(11,082)	(11,315)	17,851	25,106	6,769	13,791		
Gain on sale of capital assets	132	-	37	43	169	43		
Transfers	15,580	15,457	(15,580)	(15,457)	-	-		
Change in net position	4,630	4,142	2,308	9,692	6,938	13,834		
Beginning net position before adjustment	87,194	83,316	136,424	133,154	223,618	216,470		
Adjustment - GASB 101 implementation	-	(264)	-	(208)	-	(472)		
Adjustment - error correction	-		-	(6,214)	-	(6,214)		
Beginning net position, as adjusted	87,194	83,052	136,424	126,732	223,618	209,784		
Ending net position	$ 91,824	$ 87,194	$ 138,732	$ 136,424	$ 230,556	$ 223,618		

Governmental activities

As discussed above, governmental activities increased net position by $4.630 million during the current fiscal year, compared to an increase of $4.142 million in the prior fiscal year. The significant growth in net position from fiscal year 2020 through fiscal year 2024 was primarily attributable to the receipt of $10.6 million in CARES and ARPA funding, strong growth in sales taxes and fees driven by increased consumer spending following federal stimulus payments, and increased transfers from the City's utility operations. For fiscal year 2025, the revenue and expense highlights impacting governmental activities are as follows:

Revenues

- The largest revenue source for governmental activities in fiscal year 2025 was taxes, including sales taxes, insurance premium taxes, and franchise taxes, which totaled $20.118 million and accounted for 36.7% of total governmental revenues, including transfers. For the twenty fifth consecutive year, the City did not levy a property tax. Transfers from enterprise funds totaled $15.580 million and represented 28.5% of governmental funding. The remaining 34.8% of revenues needed to fund governmental activities was derived from grants and contributions, charges for services, interest earnings, and other miscellaneous sources.

- Visit LaGrange, a discretely presented component unit, recorded a $1.3 million grant for the rehabilitation of Mulberry Street Cemetery, a historically significant site that served as the final resting place for individuals from diverse backgrounds between 1863 and 1930, including noted bridge builder Horace King.

- The $8.2 million in capital contributions included roadways and sidewalks constructed in connection with new development projects. Under City requirements, developers are responsible for installing this infrastructure in accordance with City standards and deeding it to the City upon completion and formal acceptance, at which time the assets are recorded as capital contributions.

Expenses

- Public Safety represented 53.8% of governmental spending during fiscal year 2025, up from 48.2% the prior year. After increasing salaries for the Police Department in fiscal year 2024, the City Council increased Fire Department salaries by an average of 7.5% in fiscal year 2025 at a cost of just over $400,000.

- Payments to the vendor providing inspection services for the City were previously offset against permit fee revenue; however, beginning in fiscal year 2025, these costs were recorded as contractual services within the Community Development department of the General Fund. As a result, both reported permit fee revenue and Community and Economic Development expenses increased.

- To more accurately reflect the costs associated with certain governmental activities, several staffing assignments were reclassified for fiscal year 2025. Sweetland Amphitheater personnel were transferred from the General Fund to the Sweetland enterprise fund. Ten positions related to curbside yard waste collection, trash disposal, and recycling center operations were reclassified from the General Fund to the Sanitation Fund. In addition, the Director of Information and Technology was moved from the General Fund to the Utility Fund. Finally, the Assistant Municipal Court Judge position was eliminated.

Business-type activities

As noted above, business-type activities increased net position by $2.308 million during the fiscal year. This compares to $9.692 million in fiscal year 2024. The highlights of business-type activity revenue and expenses are as follows:

Revenues

- Capital contributions related to water and sewer infrastructure installed as part of new developments accounted for more than $8.3 million in additional revenue. Under City policy, developers are required to construct these facilities and deed them to the City upon completion and acceptance.

- The Water and Sewer adjustment factor applied to all rate schedules increased from 0 percent to 6 percent effective July 1, 2024, generating approximately $0.945 million in additional revenue to meet projected sales requirements.

- Off-system electric sales sold to other utilities increased from $1.2 million to $2.7 million as wholesale power market prices increased along with available excess power from the City's contracted generating resources.

- An electric rate increase totaling slightly more than $4.0 million was implemented to recover costs associated with the construction of Plant Vogtle Units 3 and 4, maintain a General Fund transfer of at least 15 percent, and offset the loss of Jindal Films, the City's largest electric customer, which represented 9.2 percent of energy sales. During the same period, the City's Purchased Power Adjustment mechanism refunded more than $1.5 million in prior year over collections related to variable power supply costs.

- Following the reclassification of several employees from the General Fund to the Sanitation Fund, sanitation rates were increased by approximately $400,000 to address half of the projected funding shortfall, with plans for an additional rate increase in fiscal year 2026 to fully balance the Sanitation Fund.

- The Purchased Gas Adjustment, which is used to recover the commodity cost of delivered natural gas volumes, refunded over $1.2 million in prior year over collections during the fiscal year.

Expenses

- As mentioned above, several employees were reassigned from the General Fund into more appropriate enterprise funds to more accurately account for these costs. This change is reflected in higher personnel expenses in the Sanitation, Sweetland, and Utility Funds.

- The contracting firm used by the City to install and maintain its external telecommunications plant went out of business, so additional employees and equipment were added to the Telecommunications Fund to perform this work in-house.

- Significant investments were made in the City's utility systems during the fiscal year, including the $3.0 million acquisition of property for the construction of a new utility service center and ongoing expenditures related to projects funded by the 2021 water and sewer bond issue. In addition, the

City's telecommunications fiber backbone was upgraded to 100 gigabits per second to enhance service capacity and reliability.

FUNDS FINANCIAL ANALYSIS

As discussed previously, the City uses fund accounting to ensure compliance with finance-related legal and regulatory requirements and to demonstrate accountability for resources that are restricted or designated for specific purposes.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the City's primary operating fund. At the end of fiscal year 2025, the General Fund reported an unassigned fund balance of $8,744,372 and a total fund balance of $10,575,680, representing a decrease of $1,145,723 from the prior fiscal year. Total General Fund revenues increased by $1,603,429, or 7.2 percent, to $23,826,138, while net transfers from other funds increased by $175,516, or 1.08 percent, to $16,640,400.

Total General Fund expenditures rose by $4,811,269, or 12.7 percent, to $42,843,111. Public safety expenditures were the primary driver of this increase, accounting for approximately $5,611,000, with additional impacts from one-time capital expenditures and a change in the accounting treatment for inspection services. Beginning in fiscal year 2025, inspection service costs were no longer netted against permit fee revenues and were instead recorded as contractual services within the Community Development department.

To evaluate the stability of the General Fund, management compares fund balance to total expenditures. As of June 30, 2025, the fund balance represented 24.7 percent of total expenditures, slightly below the City's target of 25 percent, or approximately three months of operating expenditures. Net transfers from other funds to support General Fund operations totaled $16,640,400, providing 38.8 percent of total General Fund expenditures.

The City of LaGrange does not levy a municipal property tax and, therefore, relies on revenues from business-type activities and other sources to fund governmental services. In setting utility rates, the City seeks to remain below the average rates of comparable Georgia entities while limiting transfers to the General Fund to no more than 15 percent of total revenues for each enterprise activity.

The SPLOST Fund reported a fund balance of $1,129,449 at the end of fiscal year 2025. Expenditures during the year included trail extensions to The Thread, road resurfacing projects, streetscape improvements along Lincoln Street, and preliminary work related to the development of the new W. T. Edmondson Park at Ridley Lake. SPLOST V referendum revenues concluded in 2024 and have since been replaced by revenues from SPLOST VI.

The Capital Projects Fund reported a fund deficit of $114,598 at the end of fiscal year 2025. This fund accounts for lease obligations related to the Department of Human Resources building, the Transition Center, and the Carmike (now AMC) Theater, as well as grant reimbursable capital expenditures associated with The Thread and W. T. Edmondson Park. The fund also provides debt service payments related to the LaGrange Development Authority and Downtown LaGrange Development Authority, in addition to debt service on the renovated Visit LaGrange office building.

Starting in fiscal year 2023, the City began reporting the LaGrange Development Authority (LDA) as a blended component unit and major governmental fund, as the City is responsible for repaying a portion of the Authority's outstanding bonded debt. As of June 30, 2025, the total unpaid principal balance of these bonds was approximately $16 million. A portion of the debt service is supported through an Intergovernmental Agreement with Troup County, while the major portion, related to a conference center, is supported by hotel taxes from Great Wolf Lodge. Separate financial statements for the LDA are also prepared.

Proprietary Funds

Unlike governmental funds, which report equity as fund balance, proprietary funds report equity as net position. The net position of the City's municipal utility funds represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. A significant portion of utility net position reflects the City's investment in utility infrastructure, including plants, distribution systems, and related equipment, net of outstanding debt.

The unrestricted portion of net position consists of resources that are not subject to external restrictions or capital investment requirements and may be used to support operations, maintain reserves, fund capital improvements, or provide transfers to other City funds as authorized by policy. As shown in the table below, unrestricted net position in the major utility funds declined primarily due to a $4.75 million contribution toward the settlement of litigation related to a 1981 police case, the $3.0 million acquisition of property for the construction of a new utility service center, the refunding of more than $2.7 million in prior year over collections through electric and gas adjustment mechanisms, and an adjustment to the landfill liability reported in the Sanitation Fund.

	Water/Sewer	Sanitation	Electric	Gas	Nonmajor
Total Net Position	$71,369,614	$(544,530)	$30,538,473	$20,351,876	$16,819,819
Unrestricted	$11,299,550	($13,817,806)	$22,718,712	$5,871,869	($901,864)
Change in Unrestricted	($2,972,004)	($7,188,643)	($3,550,055)	($3,919,111)	($456,071)

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget amendments at the department, or functional, level require approval by the City Council. A schedule comparing actual expenditures to the final budget for the General Fund is presented in the ACFR within the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the Fiscal Year Ended June 30, 2025*, and is discussed further in Note 2 to the financial statements. Although total expenditures exceeded the original budget, projections were adjusted accordingly during the development and presentation of the fiscal year 2026 budget to the Mayor and Council. In addition, certain departments experienced offsetting increases in revenues, such as higher building permit fees that helped offset increased inspection service costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's financial statements report capital assets in two categories: assets subject to depreciation or amortization, including buildings, infrastructure, equipment, and right-to-use assets; and assets not subject to depreciation or amortization, such as land and construction in progress. As of June 30, 2025, the City had approximately $255.42 million invested in capital assets, as summarized in the schedule below. During the fiscal year, capital asset balances increased by $18.567 million, reflecting additions net of retirements, depreciation, and amortization. Additional information regarding the City's capital assets is provided in Note 6 to the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Nondepreciable assets:						
Land	$ 13,517	$ 13,709	$ 6,490	$ 3,487	$ 20,007	$ 17,196
Construction in Progress	2,661	3,149	24,341	26,939	27,002	30,088
Total nondepreciable assets	16,178	16,858	30,831	30,426	47,009	47,284
Depreciable assets:						
Buildings	47,980	47,980	30,898	30,898	78,878	78,878
Infrastructure and land improvements	82,507	75,532	24,834	24,828	107,341	100,360
Machinery and equipment	17,630	17,027	2,012	2,034	19,642	19,061
Vehicles	7,502	6,482	226,481	207,214	233,983	213,696
Right-to-use assets	1,168	136	-	-	1,168	136
Total depreciable assets	156,787	147,157	284,225	264,974	441,012	412,131
Less accumulated depreciation and amortization:	66,753	62,388	165,848	160,174	232,601	222,562
Net book value of capital assets	90,034	84,769	118,377	104,800	208,411	189,569
Pecentage depreciated/amortized	42.58%	42.40%	58.35%	60.45%	52.74%	54.00%
Total Capital Assets	$ 106,212	$ 101,627	$ 149,208	$ 135,226	$ 255,420	$ 236,853

Long-Term Debt

At the end of fiscal year 2025, the City's total long-term liabilities amounted to approximately $96.700 million, reflecting a decrease of $9.835 million or 9.23%. The total outstanding bonded debt net of bond premiums is approximately $41.0 million, which represents a reduction of approximately $2.42 million or 5.6%. None of this debt is backed by the full faith and credit of the City and is instead secured by specific business-type revenue sources. State law limits the amount of general obligation debt a government entity can issue to 10% of its total assessed value of taxable property within the municipality. Currently, the City has no outstanding general obligation bonds. More detailed information about the City's long-term debt and liabilities is available in the table below and in Note 8 of the financial statements.

City of LaGrange's Long-Term Debt as of June 30, 2025 and 2024

(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Certificates of Participation	$ 3,888	$ 3,888	$ -	$ -	$ 3,888	$ 3,888
Financed purchases payable	285	563	-	-	285	563
Notes payable	931	1,092	9,785	10,630	10,716	11,722
Leases payable	996	94	-	-	996	94
Intergovernmental agreement payable	-	255	-	-	-	255
Net pension liability	7,298	12,373	3,925	6,461	11,223	18,834
Total OPEB liability	7,603	7,541	3,984	3,951	11,587	11,492
Revenue bonds payable	16,165	17,410	23,260	24,225	39,425	41,635
Plus: premium	36	37	1,537	1,746	1,573	1,783
Landfill closure and postclosure	-	-	15,073	14,515 **	15,073	14,515
Compensated absences	1,133	1,071 *	801	683 *	1,934	1,754
Total	$ 38,335	$ 44,324	$ 58,365	$ 62,211	$ 96,700	$ 106,535

* 2024 figures adjusted to reflect the impact of GASB 101 implementation

** 2024 figures adjusted to reflect an adjustment to landfill closure and postclosure

UPCOMING CHALLENGES AND OPPORTUNITIES

The factors below were considered when preparing the City's budget for the 2026 fiscal year:

Challenges

- **Funding Sources for the General Fund**. The primary revenue sources directly controlled by the Mayor and Council are enterprise rates and property taxes. Other sources, such as sales tax, are largely influenced by broader economic conditions. The most recent U.S. recession occurred during the COVID-19 pandemic in 2020 and lasted just three months—from February to April—followed by a rapid recovery fueled by federal stimulus efforts. Prior to that, the "Great Recession" spanned from December 2007 to June 2009. If a recession occurs in FY 2026, as some forecasts suggest, it could significantly affect General Fund revenues.

- **Limited Electric Territory.** Much of the City's growth has been outside of our electric territory established by the Georgia Territorial Electric Service Act of 1973. Fortunately, the Newman tract, Millcreek, and Hills and Dales are large areas of undeveloped land remaining in our territory, and we are also allowed to compete for large loads over 900 kilowatts in size, but growth in areas around the interstate and on the periphery of the current city limits is outside of our assigned service territory. This creates additional governmental costs without offsetting electric revenues.

- **Police Department Turnover.** During calendar year 2024, the Police Department experienced 22 terminations consisting of 4 discharges, 17 resignations, and 2 retirements producing a turnover rate approaching 20% of active positions. This compares to 37 terminations and a turnover rate of less than 12% for the remaining city departments. There are currently 11 vacancies.

- **Sanitation Fund.** As discussed last year, the Sanitation Fund was projected to incur an $800,000 loss in fiscal year 2025 due to rates that did not fully cover the costs of residential garbage collection, trash and limb pickup, landfill operations, and the recycling center. Rates were increased to offset half of the shortfall, with plans for an additional increase in fiscal year 2026 to close the remaining gap. Fortunately, the fund's outlook has improved thanks to the addition of new customers, the transfer of recycling operations to AmWaste, and the acceptance of unincorporated residential waste at the landfill. As a result, cash flow is now projected to decline by only $40,000 for the year. This improvement reduces the size of the necessary rate increase, although the Sanitation Fund still lacks the capacity to contribute to General Fund operations.

- **Water and Sewer Infrastructure.** The water and sewer system continues to require significant capital upgrades and investment. Following a 2021 Bond issue, nearly $32 million has been spent — prices were affected by COVID-related inflation. For fiscal year 2026, the budget proposes an additional $5.7 million in needed infrastructure improvements and GDOT relocation work.

Opportunities

- **Data Center**. It is expected that a large data center will begin operation beginning in Q4 2026 in the Pegasus Parkway facility vacated by Jindal Films. The addition of this large utility customer is expected to provide substantial financial benefit to future budgets.

- **Property Taxes**. The City began the elimination of property taxes in 1995 with the abandonment of its school system charter, with the final half mill eliminated a few years later, leaving the General Fund

dependent on less stable funding sources. The City's charter limits the property tax levy for operations to 17.5 mills; however, the millage for debt service payment is not limited. Should LaGrange wish to levy a property tax in the future, each mill is currently estimated to bring in $1.9 million.

- **Competitive Enterprise Fund Rates**. While City budgets are heavily dependent on utility fund transfers from electric, natural gas, water, sewer, and telecommunications operations, there is fortunately significant headroom available to raise rates and still remain competitive versus other local utility providers.

- **Hotel/Motel Taxes**. The hotel/motel taxes generated by Great Wolf Lodge exceed the amount necessary to pay the debt service on the Development Authority Conference Center bonds thus freeing up additional dollars to support the General Fund.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to The City of LaGrange, Finance Department, 200 Ridley Avenue, LaGrange, Georgia 30240.

CITY OF LAGRANGE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 15,522,476	$ 6,922,738	$ 22,445,214	$ 1,328,009
Investments	6,392,747	32,217,961	38,610,708	-
Taxes receivable	126,789	-	126,789	-
Accounts receivable, net of allowances	90,818	12,295,236	12,386,054	277,822
Due from other governments	2,679,174	-	2,679,174	317,413
Intergovernmental contract receivable - Troup County	797,417	-	797,417	-
Due from component unit	1,285	-	1,285	-
Lease receivable, current	446,937	-	446,937	212,847
Lease receivable, noncurrent	2,804,250	-	2,804,250	1,373,404
Notes receivable	-	-	-	143,528
Other receivables	781,987	-	781,987	-
Internal balances	(2,051,951)	2,051,951	-	-
Inventory	245,067	5,691,130	5,936,197	-
Prepaid items	6,806	64,384	71,190	5,672
Restricted cash and cash equivalents	277,157	-	277,157	205,127
Land held for development	5,914,305	-	5,914,305	-
Fair value of hedging derivative	210,298	-	210,298	-
Capital assets:				
Nondepreciable	16,177,903	30,831,404	47,009,307	1,621,710
Depreciable, net of accumulated depreciation and amortization	90,034,692	118,376,531	208,411,223	12,816,298
Total assets	140,458,157	208,451,335	348,909,492	18,301,830
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	3,036,338	1,617,701	4,654,039	-
OPEB related items	1,083,315	567,579	1,650,894	-
Total deferred outflows of resources	4,119,653	2,185,280	6,304,933	-
LIABILITIES				
Accounts payable	1,032,225	5,661,315	6,693,540	461,797
Retainage payable	12,757	319,693	332,450	-
Due to primary government	-	-	-	1,285
Unearned revenue	191,982	156,930	348,912	68,710
Accrued liabilities	2,961,230	371,300	3,332,530	10,944
Accrued interest payable	173,696	330,050	503,746	-
Customer deposits payable	-	3,208,800	3,208,800	-
Compensated absences due within one fiscal year	777,637	527,077	1,304,714	-
Compensated absences due in more than one fiscal year	355,781	273,488	629,269	-
Landfill closure and postclosure liability due within one fiscal year	-	288,000	288,000	-
Landfill closure and postclosure liability due in more than one fiscal year	-	14,785,864	14,785,864	-
Leases payable due within one fiscal year	197,763	-	197,763	2,878
Leases payable due in more than one fiscal year	798,638	-	798,638	6,226
Financed purchases due within one fiscal year	285,099	-	285,099	-
Notes payable due within one fiscal year	81,000	859,170	940,170	109,070
Notes payable due in more than one fiscal year	850,000	8,925,716	9,775,716	1,739,286
Bonds payable due within one fiscal year	1,360,000	1,015,000	2,375,000	-
Bonds payable due in more than one fiscal year	14,841,055	23,782,234	38,623,289	-
Certificates of participation due in more than one fiscal year	3,888,000	-	3,888,000	-
Net pension liability due in more than one fiscal year	7,297,945	3,925,078	11,223,023	-
Total OPEB liability due within one fiscal year	244,755	128,234	372,989	-
Total OPEB liability due in more than one fiscal year	7,358,542	3,855,329	11,213,871	-
Total liabilities	42,708,105	68,413,278	111,121,383	2,400,196
DEFERRED INFLOWS OF RESOURCES				
Lease related deferred inflows	3,025,239	-	3,025,239	1,488,966
Pension related items	3,460,428	1,736,136	5,196,564	-
OPEB related items	3,349,937	1,755,114	5,105,051	-
Accumulated increase in fair value of hedging derivative	210,298	-	210,298	-
Total deferred inflows of resources	10,045,902	3,491,250	13,537,152	1,488,966
NET POSITION				
Net investment in capital assets	85,334,898	113,364,791	198,699,689	12,580,548
Restricted for debt service	2,056,835	-	2,056,835	-
Restricted for capital improvements	2,294,317	-	2,294,317	-
Restricted for tourism	498,408	-	498,408	-
Restricted for planning and development	146,994	-	146,994	-
Restricted for corpus of permanent fund	2,500	-	2,500	-
Restricted for cemetery operating capital	1,397,756	-	1,397,756	205,127
Unrestricted	92,095	25,367,296	25,459,391	1,626,993
Total net position	$ 91,823,803	$ 138,732,087	$ 230,555,890	$ 14,412,668

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 4,614,294	$ 2,091,266	$ 2,045,363	$ -	$ (477,665)	$ -	$ (477,665)	$ -
Public safety	27,016,512	2,081,275	910,182	-	(24,025,055)	-	(24,025,055)	-
Public works	6,048,433	-	36,159	8,196,346	2,184,072	-	2,184,072	-
Culture and recreation	2,845,102	-	-	-	(2,845,102)	-	(2,845,102)	-
Community and economic development	8,660,000	1,227,515	280,208	-	(7,152,277)	-	(7,152,277)	-
Interest	1,077,958	-	-	-	(1,077,958)	-	(1,077,958)	-
Total governmental activities	50,262,299	5,400,056	3,271,912	8,196,346	(33,393,985)	-	(33,393,985)	-
Business-type activities:								
Water and sewer	18,215,398	21,976,895	-	8,312,510	-	12,074,007	12,074,007	-
Sanitation	5,356,950	4,232,564	-	-	-	(1,124,386)	(1,124,386)	-
Electric	51,214,287	56,536,159	-	-	-	5,321,872	5,321,872	-
Gas	13,236,954	14,962,453	-	-	-	1,725,499	1,725,499	-
Utility	6,105,686	3,317,354	310,521	-	-	(2,477,811)	(2,477,811)	-
Telecommunications	3,221,033	3,776,919	-	-	-	555,886	555,886	-
Sweetland Amphitheater	2,338,586	1,747,462	-	-	-	(591,124)	(591,124)	-
Total business-type activities	99,688,894	106,549,806	310,521	8,312,510	-	15,483,943	15,483,943	-
Total primary government	$ 149,951,193	$ 111,949,862	$ 3,582,433	$ 16,508,856	$ (33,393,985)	$ 15,483,943	$ (17,910,042)	$ -
Component units:	$ 5,305,628	$ 795,819	$ 1,333,882	$ -	$ -	$ -	$ -	$ (3,175,927)
General revenues:								
Franchise taxes					$ 1,143,714	$ -	$ 1,143,714	$ -
Insurance premium taxes					2,944,858	-	2,944,858	-
Sales and use taxes					8,474,325	-	8,474,325	-
Motor vehicle taxes					1,057,279	-	1,057,279	-
Beer, wine, and liquor taxes					679,736	-	679,736	-
Hotel/Motel taxes					4,628,617	-	4,628,617	2,109,372
Other taxes					1,189,424	-	1,189,424	-
Unrestricted investment earnings					908,463	2,366,661	3,275,124	97,271
Gain on disposal of capital assets					132,369	37,011	169,380	-
Miscellaneous					1,286,111	-	1,286,111	212,713
Transfers					15,579,644	(15,579,644)	-	-
Total general revenues and transfers					38,024,540	(13,175,972)	24,848,568	2,419,356
Change in net position					4,630,555	2,307,971	6,938,526	(756,571)
Net position, beginning of fiscal year					87,457,560	142,846,367	230,303,927	15,169,239
Error correction					-	(6,214,437)	(6,214,437)	-
Adjustment, change in accounting principle					(264,312)	(207,814)	(472,126)	-
Net position, beginning of fiscal year, as adjusted					87,193,248	136,424,116	223,617,364	15,169,239
Net position, end of fiscal year					$ 91,823,803	$ 138,732,087	$ 230,555,890	$ 14,412,668

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

CITY OF LAGRANGE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	SPLOST Fund	Capital Projects Fund	LaGrange Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 5,169,592	$ 88,773	$ 320,303	$ 3,217,166	$ 2,786,211	$ 11,582,045
Restricted cash and cash equivalents	277,157	-	-	-	-	277,157
Investments	4,304,333	-	-	-	1,400,256	5,704,589
Taxes receivable	126,789	-	-	-	-	126,789
Other receivables	246,137	-	530,000	5,850	-	781,987
Intergovernmental receivables	759,473	1,465,969	-	14,917	438,815	2,679,174
Due from component unit	1,285	-	-	-	-	1,285
Lease receivable	-	-	3,251,187	-	-	3,251,187
Due from other funds	59,564	-	-	-	-	59,564
Land held for development	-	-	-	5,914,305	-	5,914,305
Prepaid items	-	-	-	6,806	-	6,806
Inventory	245,067	-	-	-	-	245,067
Advances to other funds	1,009,079	-	-	390,000	-	1,399,079
Total assets	$ 12,198,476	$ 1,554,742	$ 4,101,490	$ 9,549,044	$ 4,625,282	$ 32,029,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 441,637	$ 412,536	$ 105,849	$ 61,324	$ 10,879	$ 1,032,225
Retainage payable	-	12,757	-	-	-	12,757
Accrued liabilities	703,249	-	-	9,351	-	712,600
Intergovernmental payable	-	-	-	-	191,982	191,982
Due to other funds	-	-	-	-	124,346	124,346
Advances from other funds	477,910	-	1,085,000	-	1,676,503	3,239,413
Total liabilities	1,622,796	425,293	1,190,849	70,675	2,003,710	5,313,323
DEFERRED INFLOWS OF RESOURCES						
Lease related deferred inflows	-	-	3,025,239	-	-	3,025,239
Total deferred inflows of resources	-	-	3,025,239	-	-	3,025,239
FUND BALANCES						
Fund balances:						
Nonspendable for:						
Prepaid items	-	-	-	6,806	-	6,806
Inventory	245,067	-	-	-	-	245,067
Land held for development	-	-	-	5,914,305	-	5,914,305
Lease receivable, net	-	-	225,948	-	-	225,948
Corpus of permanent fund	-	-	-	-	2,500	2,500
Advances to other funds	1,009,079	-	-	390,000	-	1,399,079
Restricted for:						
Capital Improvements	577,162	1,129,449	-	-	56,564	1,763,175
Debt service	-	-	-	-	2,230,531	2,230,531
Tourism	-	-	-	-	498,408	498,408
Planning and development	-	-	-	-	146,994	146,994
Cemetery operating capital	-	-	-	-	1,397,756	1,397,756
Committed for:						
Economic development	-	-	-	3,167,258	-	3,167,258
Unassigned	8,744,372	-	(340,546)	-	(1,711,181)	6,692,645
Total fund balances	10,575,680	1,129,449	(114,598)	9,478,369	2,621,572	23,690,472
Total liabilities, deferred inflows of resources, and fund balances	$ 12,198,476	$ 1,554,742	$ 4,101,490	$ 9,549,044	$ 4,625,282	$ 32,029,034

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

CITY OF LAGRANGE, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2025

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

Total governmental fund balances		$ 23,690,472
Capital and right-to-use lease assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost	$ 172,768,378	
Less accumulated depreciation and amortization	(66,738,058)	106,030,320
Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		2,606,217
Long-term intergovernmental contract receivable is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.		797,417
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences (i.e., paid time off)	(1,133,418)	
Accrued interest	(173,696)	
Certificates of participation	(3,888,000)	
Legal claim payable	(100,000)	
Bonds payable	(16,165,000)	
Premium on bonds payable	(36,055)	
Leases payable	(996,401)	
Notes payable	(931,000)	
Financed purchases payable	(285,099)	(23,708,669)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability and total OPEB liability related to the City's pension and OPEB plan are not expected to be liquidated with available financial resources and, therefore, are not reported in the governmental funds.		
Net pension liability	(7,297,945)	
Pension related deferred outflows of resources	3,036,338	
Pension related deferred inflows of resources	(3,460,428)	
Total OPEB liability	(7,603,297)	
OPEB related deferred outflows of resources	1,083,315	
OPEB related deferred inflows of resources	(3,349,937)	(17,591,954)
Net position - governmental activities		$ 91,823,803

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

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	SPLOST Fund	Capital Projects Fund	LaGrange Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 15,489,336	$ -	$ -	$ -	$ 4,628,617	$ 20,117,953
Licenses and permits	1,227,350	-	-	-	-	1,227,350
Intergovernmental	2,753,925	4,345,325	1,993,841	280,208	655,810	10,029,109
Fines and forfeitures	1,420,247	-	-	-	-	1,420,247
Charges for services	1,832,570	-	889,889	30,000	-	2,752,459
Interest income	420,100	664	139,681	147,536	201,146	909,127
Miscellaneous	682,608	28,387	313,622	590,092	21,325	1,636,034
Total revenues	23,826,136	4,374,376	3,337,033	1,047,836	5,506,898	38,092,279
Expenditures						
Current:						
General government	4,390,766	-	-	-	-	4,390,766
Public safety	28,501,470	-	-	-	-	28,501,470
Public works	3,889,982	-	-	-	-	3,889,982
Culture and recreation	2,867,602	-	-	-	-	2,867,602
Community development	2,279,105	-	-	711,077	56,435	3,046,617
Economic development	-	-	-	-	2,254,505	2,254,505
Telecommunications	596,223	-	-	-	-	596,223
Capital outlay	-	5,175,046	2,508,952	169,023	532,914	8,385,935
Debt service:						
Principal retirements	91,598	-	693,468	1,282,666	-	2,067,732
Interest and fiscal charges	226,365	-	41,094	835,567	-	1,103,026
Total expenditures	42,843,111	5,175,046	3,243,514	2,998,333	2,843,854	57,103,858
Excess (deficiency) of revenues over expenditures	(19,016,975)	(800,670)	93,519	(1,950,497)	2,663,044	(19,011,579)
Other financing sources (uses):						
Lease issuance	884,916	-	-	146,398	-	1,031,314
Proceeds from disposal of assets	345,936	-	-	-	-	345,936
Transfers in	16,823,225	81,174	213,479	1,241,364	-	18,359,242
Transfers out	(182,825)	-	(543,293)	-	(2,053,480)	(2,779,598)
Total other financing sources (uses)	17,871,252	81,174	(329,814)	1,387,762	(2,053,480)	16,956,894
Net change in fund balances	(1,145,723)	(719,496)	(236,295)	(562,735)	609,564	(2,054,685)
Fund balances, beginning of fiscal year	11,721,403	1,848,945	121,697	10,041,104	2,012,008	25,745,157
Fund balances (deficit), end of fiscal year	$ 10,575,680	$ 1,129,449	$ (114,598)	$ 9,478,369	$ 2,621,572	$ 23,690,472

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

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (2,054,685)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense of capital assets and amortization expense of right-to-use assets.		
Capital outlay	$ 8,410,970	
Depreciation and amortization expense	(4,696,922)	3,714,048
The receipt of payment for a long term intergovernmental contract reduces the balance of intergovernmental receivable in the statement of net position.		(217,282)
The net effect of miscellaneous transactions involving capital assets is to increase net position in the current year:		
Disposals of capital assets	(213,567)	
Donation of capital asset	1,088,562	874,995
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of this difference in the treatment of long-term debt and related items is as follows:		
Issuance of leases payable	(1,031,314)	
Legal claim payable	(100,000)	
Principal payment on note payable	161,000	
Principal payment on intergovernmental agreement payable	255,000	
Principal payment on bonds payable	1,245,000	
Amortization of premium on bonds payable	582	
Principal payment on leases payable	129,264	
Principal payment on financed purchases	277,468	937,000
Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.		492,563
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 governmental funds.		
Change in accrued interest payable		24,486
Change in deferred inflows and outflows - pension related items and net pension liability		764,040
Change in deferred inflows and outflows - OPEB related items and total OPEB liability		157,555
Change in compensated absences		(62,165)
Change in net position - governmental activities		$ 4,630,555

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

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Sales taxes	$ 8,900,000	$ 8,900,000	$ 8,474,325	$ (425,675)
Franchise taxes	1,110,800	1,110,800	1,143,714	32,914
Insurance premium taxes	2,600,000	2,600,000	2,944,858	344,858
Beer, liquor, and wine taxes	725,000	725,000	679,736	(45,264)
Hotel/motel taxes	5,105,000	-	-	-
Ad valorem taxes	1,106,000	1,106,000	1,057,279	(48,721)
Other taxes	991,000	991,000	1,189,424	198,424
Licenses and permits	1,865,000	1,865,000	1,227,350	(637,650)
Intergovernmental	2,566,544	2,580,714	2,753,925	173,211
Fines and forfeitures	1,013,150	1,013,150	1,420,247	407,097
Interest income	200,000	200,000	420,100	220,100
Garage charges	1,066,400	1,066,400	1,109,648	43,248
Charges for services	461,575	461,575	722,922	261,347
Miscellaneous	568,000	568,000	682,608	114,608
Total revenues	28,278,469	23,187,639	23,826,136	638,497
Expenditures				
Current:				
General government:				
City clerk	207,418	207,418	194,849	12,569
City manager	4,106,529	1,876,663	1,952,366	(75,703)
General administration	382,605	382,605	424,504	(41,899)
Finance	841,275	841,275	780,554	60,721
Garage	1,043,111	1,043,111	1,038,493	4,618
Total general government	6,580,938	4,351,072	4,390,766	(39,694)
Public safety:				
Court administration	514,237	514,237	533,093	(18,856)
Probation	-	-	45	(45)
Police	15,823,940	16,379,841	17,645,168	(1,265,327)
Community service	103,442	103,442	139,341	(35,899)
Traffic control	1,224,770	1,224,770	1,136,551	88,219
Fire services	8,221,003	8,221,003	7,870,199	350,804
Animal control	774,277	774,277	1,177,073	(402,796)
Total public safety	26,661,669	27,217,570	28,501,470	(1,283,900)
Public works:				
Engineering	212,195	212,195	162,028	50,167
Streets	2,978,072	3,671,044	3,728,899	(57,855)
Solid waste	-	-	783	(783)
Recycling	-	-	(1,728)	1,728
Total public works	3,190,267	3,883,239	3,889,982	(6,743)
Culture and recreation:				
Landscaping and cemetery maintenance	2,602,945	2,602,945	2,867,602	(264,657)
Total culture and recreation	2,602,945	2,602,945	2,867,602	(264,657)
Community development				
Community development	1,575,320	1,575,320	1,977,516	(402,196)
Other community support	292,500	242,700	301,589	(58,889)
Total community development	1,867,820	1,818,020	2,279,105	(461,085)
Telecommunications:				
Administration	-	-	-	-
LGTV	593,332	593,332	596,223	(2,891)
Total telecommunications	593,332	593,332	596,223	(2,891)
Debt service				
Principal	1,214,192	769,192	91,598	677,594
Interest and fiscal charges	589,403	50,172	226,365	(176,193)
Total debt service	1,803,595	819,364	317,963	501,401
Total expenditures	43,300,566	41,285,542	42,843,111	(1,557,569)
Deficiency of revenues over expenditures	(15,022,097)	(18,097,903)	(19,016,975)	(919,072)
Other financing sources (uses)				
Lease Issuance	-	1,337,733	884,916	(452,817)
Proceeds from disposal of capital assets	1,000	1,000	345,936	344,936
Transfers in	16,064,358	18,629,492	16,823,225	(1,806,267)
Transfers out	(460,000)	(160,000)	(182,825)	(22,825)
Total other financing sources (uses)	15,605,358	19,808,225	17,871,252	(1,936,973)
Net change in fund balances	583,261	1,710,322	(1,145,723)	(2,856,045)
Fund balance, beginning of fiscal year	11,721,403	11,721,403	11,721,403	-
Fund balance, end of fiscal year	$ 12,304,664	$ 13,431,725	$ 10,575,680	$ (2,856,045)

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

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

ASSETS	Enterprise Funds: Water and Sewerage Fund	Enterprise Funds: Sanitation Fund	Enterprise Funds: Electric Fund	Enterprise Funds: Gas Fund	Enterprise Funds: Nonmajor Enterprise Funds	Total	Internal Service Funds
CURRENT ASSETS							
Cash and cash equivalents	$ 2,574,077	$ 1,670,123	$ 2,009,003	$ 2,125	$ 667,410	$ 6,922,738	$ 3,940,431
Investments	10,475,824	469,368	12,733,594	5,811,384	2,727,791	32,217,961	688,158
Accounts receivable, net of allowances	2,446,638	198,706	7,358,606	1,138,098	1,153,188	12,295,236	90,818
Due from other funds	-	-	1,021,421	35,000	29,782	1,086,203	50,000
Prepaid items	-	-	-	-	64,384	64,384	-
Inventory	1,597,293	-	3,689,115	247,247	157,475	5,691,130	-
Total current assets	17,093,832	2,338,197	26,811,739	7,233,854	4,800,030	58,277,652	4,769,407
NONCURRENT ASSETS							
Advances to other funds	-	-	1,876,503	500,000	862,910	3,239,413	-
Capital assets:							
Nondepreciable	22,939,907	1,437,733	10,000	3,012,881	3,430,883	30,831,404	34,457
Depreciable, net of accumulated depreciation	71,199,056	13,609,788	7,809,761	11,467,126	14,290,800	118,376,531	147,818
Total capital assets	94,138,963	15,047,521	7,819,761	14,480,007	17,721,683	149,207,935	182,275
Total noncurrent assets	94,138,963	15,047,521	9,696,264	14,980,007	18,584,593	152,447,348	182,275
Total assets	111,232,795	17,385,718	36,508,003	22,213,861	23,384,623	210,725,000	4,951,682
DEFERRED OUTFLOWS OF RESOURCES							
Pension related items	603,768	104,136	249,919	103,224	556,654	1,617,701	-
OPEB related items	212,471	41,437	97,238	34,504	181,929	567,579	-
Total deferred outflows of resources	816,239	145,573	347,157	137,728	738,583	2,185,280	-
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	1,055,119	4,850	4,036,033	61,837	503,476	5,661,315	110,630
Retainage payable	319,693	-	-	-	-	319,693	-
Accrued liabilities	134,982	41,032	65,891	17,764	111,631	371,300	-
Accrued interest payable	330,050	-	-	-	-	330,050	-
Customer deposits	663,635	1,469	-	-	2,543,696	3,208,800	-
Due to other funds	-	-	-	1,021,421	50,000	1,071,421	-
Compensated absences payable	197,955	65,774	61,784	30,254	171,310	527,077	-
Accrued landfill closure and postclosure care costs	-	288,000	-	-	-	288,000	-
Notes payable	710,682	148,488	-	-	-	859,170	-
Claims reserve	-	-	-	-	-	-	559,500
Total OPEB liability	48,004	9,362	21,969	7,795	41,104	128,234	-
Revenue bonds payable	1,015,000	-	-	-	-	1,015,000	-
Total current liabilities	4,475,120	558,975	4,185,677	1,139,071	3,421,217	13,780,060	670,130
NONCURRENT LIABILITIES							
Compensated absences payable	96,679	29,740	54,945	14,181	77,943	273,488	-
Advances from other funds	806,765	264,838	170,257	-	157,219	1,399,079	-
Accrued landfill closure and postclosure care costs	-	14,785,864	-	-	-	14,785,864	-
Revenue bonds payable, net	23,782,234	-	-	-	-	23,782,234	-
Unearned revenue	-	-	-	156,930	-	156,930	-
Notes payable	7,299,959	1,625,757	-	-	-	8,925,716	-
Claims reserve	-	-	-	-	-	-	1,478,500
Net pension liability	1,465,261	259,029	626,525	247,544	1,326,719	3,925,078	-
Total OPEB liability	1,443,225	281,468	660,497	234,371	1,235,768	3,855,329	-
Total noncurrent liabilities	34,894,123	17,246,696	1,512,224	653,026	2,797,649	57,103,718	1,478,500
Total liabilities	39,369,243	17,805,671	5,697,901	1,792,097	6,218,866	70,883,778	2,148,630
DEFERRED INFLOWS OF RESOURCES							
Pension related items	653,157	142,013	318,099	100,921	521,946	1,736,136	-
OPEB related items	657,020	128,137	300,687	106,695	562,575	1,755,114	-
Total deferred outflows of resources	1,310,177	270,150	618,786	207,616	1,084,521	3,491,250	-
NET POSITION							
Net investment in capital assets	60,070,064	13,273,276	7,819,761	14,480,007	17,721,683	113,364,791	182,275
Unrestricted	11,299,550	(13,817,806)	22,718,712	5,871,869	(901,864)	25,170,461	2,620,777
Total net position	$ 71,369,614	$ (544,530)	$ 30,538,473	$ 20,351,876	$ 16,819,819	$ 138,535,252	$ 2,803,052
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds						196,835	
Net position of business-type activities						$ 138,732,087	

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

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Enterprise Funds						
	Water and Sewerage Fund	Sanitation Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Water and sewerage system	$ 21,509,905	$ -	$ -	$ -	$ -	$ 21,509,905	$ -
Gas system	-	-	-	14,962,453	-	14,962,453	-
Electric system	-	-	56,536,159	-	-	56,536,159	-
Sanitation	-	4,216,688	-	-	-	4,216,688	-
Premiums	-	-	-	-	-	-	14,535,084
Telecommunications and utility	-	-	-	-	4,505,599	4,505,599	-
Sponsorships	-	-	-	-	435,675	435,675	-
Miscellaneous income	-	-	-	-	-	-	244,716
Other sales	466,990	15,876	-	-	3,849,565	4,332,431	-
Insurance recoveries	-	-	-	-	50,896	50,896	1,070,444
Total operating revenues	21,976,895	4,232,564	56,536,159	14,962,453	8,841,735	106,549,806	15,850,244
OPERATING EXPENSES							
Water and sewerage system	14,057,210	-	-	-	-	14,057,210	-
Gas system	-	-	-	12,219,210	-	12,219,210	-
Electric system	-	-	50,806,418	-	-	50,806,418	-
Sanitation	-	4,439,979	-	-	-	4,439,979	-
Telecommunications	-	-	-	-	2,746,107	2,746,107	-
Administrative services	-	-	-	-	5,995,590	5,995,590	1,061,036
Depreciation	3,612,299	890,353	398,245	1,006,851	824,946	6,732,694	3,721
Risk management	-	-	-	-	-	-	14,238,500
Community development	-	-	-	-	2,173,241	2,173,241	-
Total operating expenses	17,669,509	5,330,332	51,204,663	13,226,061	11,739,884	99,170,449	15,303,257
Operating income (loss)	4,307,386	(1,097,768)	5,331,496	1,736,392	(2,898,149)	7,379,357	546,987
NON-OPERATING REVENUES (EXPENSES)							
Investment income	826,207	73,576	1,050,686	255,386	160,806	2,366,661	73,080
Interest expense	(616,336)	(75,116)	(8,422)	(7,160)	(8,246)	(715,280)	-
Intergovernmental revenue	-	-	-	-	310,521	310,521	69,331
Gain (loss) on sale of assets	13,529	17,840	34,129	(38,272)	9,785	37,011	-
Total nonoperating revenues (expenses)	223,400	16,300	1,076,393	209,954	472,866	1,998,913	142,411
Income (loss) before transfers and capital contributions	4,530,786	(1,081,468)	6,407,889	1,946,346	(2,425,283)	9,378,270	689,398
Transfers in	250,000	-	-	-	4,067,917	4,317,917	-
Transfers out	(4,937,807)	(229,574)	(10,049,204)	(3,764,913)	(916,063)	(19,897,561)	-
Capital contributions	8,312,510	-	-	-	-	8,312,510	-
	3,624,703	(229,574)	(10,049,204)	(3,764,913)	3,151,854	(7,267,134)	-
Change in net position	8,155,489	(1,311,042)	(3,641,315)	(1,818,567)	726,571	2,111,136	689,398
Net position, July 1	63,301,610	7,003,190	34,214,422	22,181,383	16,145,762	142,846,367	2,113,654
Error correction	-	(6,214,437)	-	-	-	(6,214,437)	-
Adjustment - change in accounting principle	(87,485)	(22,241)	(34,634)	(10,940)	(52,514)	(207,814)	-
Net position, July 1, as adjusted	63,214,125	766,512	34,179,788	22,170,443	16,093,248	136,424,116	2,113,654
Net position, end of fiscal year	$ 71,369,614	$ (544,530)	$ 30,538,473	$ 20,351,876	$ 16,819,819	$ 138,535,252	$ 2,803,052

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds	196,835
Change in net position of business-type activities	$ 2,307,971

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Proprietary Funds						Internal Service Funds
	Water and Sewerage Fund	Sanitation Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Governmental Activities
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 22,674,889	$ 4,271,756	$ 55,449,716	$ 15,127,916	$ 9,474,530	$ 106,998,807	$ 1,070,444
Receipts from interfund charges	-	-	-	-	-	-	14,729,705
Payments to suppliers	(7,977,537)	(1,930,163)	(49,110,016)	(10,364,390)	(6,207,514)	(75,589,620)	(15,445,906)
Payments to employees	(5,635,034)	(1,936,482)	(2,836,251)	(767,536)	(4,685,562)	(15,860,865)	-
Net cash provided by (used in) operating activities	9,062,318	405,111	3,503,449	3,995,990	(1,418,546)	15,548,322	354,243
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES							
Repayment of interfund advance	(518,163)	(139,989)	128,815	(136,386)	(49,806)	(715,529)	136,386
Intergovernmental receipts	-	-	-	-	310,521	310,521	69,331
Transfers out to other funds	(4,937,807)	(229,574)	(10,049,204)	(3,764,913)	(916,063)	(19,897,561)	-
Transfers in from other funds	250,000	-	-	-	4,067,917	4,317,917	-
Net cash provided by (used in) noncapital financing activities	(5,205,970)	(369,563)	(9,920,389)	(3,901,299)	3,412,569	(15,984,652)	205,717
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal payment on bonds	(965,000)	-	-	-	-	(965,000)	-
Principal payments on notes payable	(700,807)	(144,061)	-	-	-	(844,868)	-
Interest and fiscal charges	(849,312)	(75,116)	(8,422)	(5,760)	(8,247)	(946,857)	-
Interfund advances	-	-	(200,000)	(500,000)	(862,910)	(1,562,910)	-
Purchase of capital assets	(6,684,910)	(387,215)	(272,351)	(3,136,127)	(1,955,073)	(12,435,676)	-
Proceeds from disposal of capital assets	14,845	17,840	34,129	-	9,785	76,599	-
Net cash used in capital and related financing activities	(9,185,184)	(588,552)	(446,644)	(3,641,887)	(2,816,445)	(16,678,712)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest income	818,765	73,576	1,050,686	255,386	160,806	2,359,219	73,080
Purchase of investments	-	-	-	(1,505,380)	(149,295)	(1,654,675)	(41,180)
Proceeds from sale of investments	6,326,037	464,313	5,541,221	-	-	12,331,571	-
Net cash provided by (used in) investing activities	7,144,802	537,889	6,591,907	(1,249,994)	11,511	13,036,115	31,900
Net increase (decrease) in cash and cash equivalents	1,815,966	(15,115)	(271,677)	(4,797,190)	(810,911)	(4,078,927)	591,860
Cash and cash equivalents, beginning of fiscal year	758,111	1,685,238	2,280,680	4,799,315	1,478,321	11,001,665	3,348,571
Cash and cash equivalents, end of fiscal year	$ 2,574,077	$ 1,670,123	$ 2,009,003	$ 2,125	$ 667,410	$ 6,922,738	$ 3,940,431
Classified as:							
Cash and cash equivalents	$ 2,574,077	$ 1,670,123	$ 2,009,003	$ 2,125	$ 667,410	$ 6,922,738	$ 3,940,431
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES							
Operating income (loss)	$ 4,307,386	$ (1,097,768)	$ 5,331,496	$ 1,736,392	$ (2,898,149)	$ 7,379,357	$ 546,987
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	3,612,299	890,353	398,245	1,006,851	824,946	6,732,694	3,721
Change in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	199,244	39,192	(65,022)	364,934	624,659	1,163,007	(95)
Due from other funds	498,750	-	(1,021,421)	(35,000)	192,520	(365,151)	-
Inventory	41,015	-	(1,003,634)	105,699	(7,672)	(864,592)	-
Prepaid items	-	-	-	-	(518)	(518)	(50,000)
Increase (decrease) in:							
Accounts payable	979,367	4,089	(2,547)	2,760	272,715	1,256,384	110,630
Retainage payable	(449,957)	-	-	-	-	(449,957)	-
Due to other funds	-	-	-	995,374	(96,101)	899,273	-
Advance from other funds	-	-	(56,752)	-	(50,747)	(107,499)	-
Accrued liabilities and claims reserves	24,060	572,004	8,297	1,261	(4,306)	601,316	(257,000)
Customer deposits	-	-	-	-	(184,384)	(184,384)	-
Unearned revenue	-	-	-	(164,471)	-	(164,471)	-
Compensated absences payable	24,663	34,916	(291)	9,261	48,612	117,161	-
Net pension liability and related deferred inflows and outflows	(143,608)	(71,699)	(70,780)	(22,052)	(113,662)	(421,801)	-
Total OPEB liability and related deferred inflows and outflows	(30,901)	34,024	(14,142)	(5,019)	(26,459)	(42,497)	-
Net cash provided by (used in) operating activities	$ 9,062,318	$ 405,111	$ 3,503,449	$ 3,995,990	$ (1,418,546)	$ 15,548,322	$ 354,243
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES							
Contributions of capital assets	$ 8,312,510	$ -	$ -	$ -	$ -	$ 8,312,510	$ -
Capital related accounts payable and retainage payable	1,261,024	-	-	-	-	1,261,024	-

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

CITY OF LAGRANGE, GEORGIA

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025

ASSETS	Component Units: Downtown LaGrange Development Authority	Component Units: Visit LaGrange	Total
Cash and cash equivalents	$ 224,744	$ 1,103,265	$ 1,328,009
Accounts receivable	46,639	231,183	277,822
Intergovernmental receivable	-	317,413	317,413
Notes receivable	143,528	-	143,528
Lease receivable, current	212,847	-	212,847
Lease receivable, noncurrent	1,373,404	-	1,373,404
Prepaid items	-	5,672	5,672
Restricted cash	205,127	-	205,127
Capital assets:			
Nondepreciable	1,621,710	-	1,621,710
Depreciable, net of accumulated depreciation and amortization	12,784,780	31,518	12,816,298
Total assets	16,612,779	1,689,051	18,301,830
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
LIABILITIES			
Accounts and contracts payable	-	461,797	461,797
Due to primary government	1,285	-	1,285
Accrued liabilities	10,944	-	10,944
Unearned revenue	68,710	-	68,710
Leases payable due within one fiscal year	-	2,878	2,878
Leases payable due in more than one fiscal year	-	6,226	6,226
Notes payable due within one year	109,070	-	109,070
Notes payable due in more than one year	1,739,286	-	1,739,286
Total liabilities	1,929,295	470,901	2,400,196
DEFERRED INFLOWS OF RESOURCES			
Lease related deferred inflows	1,488,966	-	1,488,966
Total deferred inflows of resources	1,488,966	-	1,488,966
NET POSITION			
Net investment in capital assets	12,558,134	22,414	12,580,548
Restricted	205,127	-	205,127
Unrestricted	431,257	1,195,736	1,626,993
Total net position	$ 13,194,518	$ 1,218,150	$ 14,412,668

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

CITY OF LAGRANGE, GEORGIA

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues			Component Units		
Component units	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Downtown LaGrange Development Authority**	**Visit LaGrange**	**Total**
Downtown LaGrange Development Authority	$ 1,638,944	$ 790,898	$ -	$ -	$ (848,046)	$ -	$ (848,046)
Visit LaGrange	3,666,684	4,921	1,333,882	-	-	(2,327,881)	(2,327,881)
Total component units	$ 5,305,628	$ 795,819	$ 1,333,882	$ -	(848,046)	(2,327,881)	(3,175,927)
	General revenues:						
	Hotel/motel taxes				-	2,109,372	2,109,372
	Net investment earnings				83,517	13,754	97,271
	Miscellaneous				212,713	-	212,713
	Total general revenues				296,230	2,123,126	2,419,356
	Change in net position				(551,816)	(204,755)	(756,571)
	Net position, beginning of year				13,746,334	1,422,905	15,169,239
	Net position, end of year				$ 13,194,518	$ 1,218,150	$ 14,412,668

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of LaGrange, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to 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 City of LaGrange, Georgia (the "City") was incorporated in 1828, under the provisions of the state of Georgia. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and social services, culture and recreation, community development, planning and zoning, and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

The Downtown Development Authority (the "Authority") consists of a six-member board appointed by the governing body of the City and is reported as a blended component unit of the City. Its purpose is to oversee the operations of the Sweetland Amphitheatre, and although a legally separate entity from the City, the Authority is reported as a nonmajor enterprise fund of the City. The City can impose its will on the Authority, and any debt reported by the Authority would be expected to be repaid by the City. Separate financial statements are not prepared by the Downtown Development Authority.

The LaGrange Development Authority and Development Authority of LaGrange (consolidated for financial reporting as the "LaGrange Development Authority" or the "LDA") have been included as a blended component unit. The Boards of both Authorities are appointed by the City and have the purpose of promoting the expansion and development of trade and industry in the City. A portion of the LDA's bonded debt is to be repaid with the City's resources. The LDA is reported as a governmental type component unit. The LDA's financial statements can be obtained by writing to 17 ½ N Lafayette Square, Lagrange, Georgia 30240.

Discretely Presented Component Units

The Downtown LaGrange Development Authority (the "DLDA") has been included as a discretely presented component unit in the accompanying financial statements. The purpose of the DLDA is to revitalize and develop central business districts and beautify the historic downtown area. The Authority is governed by a five-member executive committee and management of the City has determined that it would be misleading to exclude the DLDA from the financial reporting of the City. Separate financial statements for the Downtown LaGrange Development Authority are not prepared. There are no differences between the fund level and government-wide reporting for the DLDA; therefore, fund level statements have not been prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Visit LaGrange (the "CVB") has been included as a discretely presented component unit in the accompanying financial statements. The CVB President is appointed by the City and its purpose is to promote and encourage tourism within the City. Due to the significant portion of hotel/motel tax received by the CVB, management believes it would be misleading not to include the CVB as a component unit. Visit LaGrange's financial statements can be obtained by writing to 206 Ridley Avenue, Lagrange, Georgia 30240.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government including its blended component unit. For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from legally separate component units for which the primary government is financially accountable.

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues susceptible to accrual and 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.

Sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **SPLOST Fund** is a capital projects fund and accounts for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure as allowed per the SPLOST referendum.

The **Capital Projects Fund** accounts for the capital expenditures made by the City on long-term projects and/or major capital assets.

The **LaGrange Development Authority** accounts for the operations of the LaGrange Development Authority and Development Authority of LaGrange, which include the purchase and sale of land for development and industrial prospects and general commercial and development within the City.

The City reports the following major proprietary funds:

The **Water and Sewerage Fund** accounts for the operations of the City's water and sewerage activities and services rendered to the residents and businesses of the City.

The **Sanitation Fund** accounts for the provision of solid waste collection and disposal services rendered to the residents and businesses of the City.

The **Electric Fund** accounts for the operation, maintenance and development of the City's electric system and services.

The **Gas Fund** accounts for the operation, maintenance and development of the City's natural gas system and services.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted or committed to expenditures for specific purposes.

The **Permanent Fund** accounts for amounts received by the City which can only be used for a specific purpose. The principal of perpetual care City funds are not available for expenditures based on legal or contractual requirements and must remain in trust and not be encroached upon. Only the income from such funds may be used for general Citywide purposes.

The **Nonmajor Enterprise Funds** account for operations that are operated in a manner similar to private business enterprises where the intent is that the costs of providing goods and services be financed or recovered primarily through user charges.

The **Internal Service Funds** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City uses internal service funds to account for the City's partial self-insurance of employee medical claims, workers' compensation claims and general liability claims.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the 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 nonoperating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

The budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Capital Projects Fund and SPLOST Fund are budgeted on a project basis, which may be one or more years in length. Proprietary fund type budgets are adopted for management control purposes only. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is not employed by the City.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

F. Deposits and Investments

The local government investment pool, “Georgia Fund 1,” created by OCGA 36-83-8, is a stable asset value investment pool, which follows Fitch’s criteria for AAAf-rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool’s primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principle ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants’ shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of fiscal year-end and the City’s investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The City’s nonparticipating interest-earning investment contracts (certificates of deposit and guaranteed investment contract) are recorded at cost. The City’s remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component investment earnings.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. The cost is recorded as an expenditure in the governmental funds when consumed. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute “available, spendable resources” even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds (if any), as reported in the fund financial statements, are offset by nonspendable or restricted fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, right-to-use and infrastructure assets (e.g., streets, traffic signals, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or greater and an estimated useful life in excess of one year. Assets are capitalized when the aggregated amount of a group of an asset is material. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the time of acquisition plus any ancillary charges incurred to put the asset into service. Depreciation and/or amortization has been provided over the estimated useful lives of the assets using the straight-line method.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

Capital assets of the primary government are depreciated and/or amortized using the straight-line method over the following useful lives:

Asset Category	Years
Buildings	40 - 50
Machinery and equipment	5 - 25
Vehicles	5 - 25
Infrastructure and land improvements	10 - 50
Right-to-use	3 - 5

J. Leases

Lessor

The City is a lessor for noncancellable building leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The City recognizes lease receivables with an initial, individual value of $25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Continued)

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City sets the interest rate stated in the lease agreement.
- When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The City is a lessee for noncancellable vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

The LaGrange Development Authority is a lessee for noncancellable office space and a vehicle. The Authority recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources until that time. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources until that time. The City also reports a deferred inflow of resources on a lease receivable, which is reported both at the fund level and the government-wide level.

The City has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and total other postemployment benefit (OPEB) liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plan and OPEB plan before year end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources.

The statement of net position reports the *accumulated increase in the fair value of the hedging derivative* as a deferred inflow of resources. As the derivative qualifies as an effective hedge, the change in fair value which occurs each fiscal year is deferred and thus the asset and deferred inflow are adjusted.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Vacation time is allowed to be carried over from the current calendar year up to a maximum of 160 hours without special approval from the City Manager. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Sick pay is accumulated and in accordance with GASB Statement No. 101 and an estimate for the time to be used during employment has been accrued. A liability for the estimated sick leave earned has been accrued in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Unearned Revenue

Unearned revenue arises in both the governmental fund level and government-wide level when resources are received by the City before it has a legal claim to them. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity

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

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

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e., ordinance) of the City Council. The same formal action is required to modify or rescind a fund balance 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. The City Council established a policy through a unanimous vote and passage of a resolution which expressly delegated to the City Manager the authority to assign funds for particular purposes.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the previous section. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and state laws.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of LaGrange Retirement Plan (the “Plan”) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Management Estimates

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

S. Land Held for Development

The City’s land held for development consists of real estate properties held by the LaGrange Development Authority. The properties are held with the intention of future development within the City and are not held for income or profit purposes.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the Council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council.

Deficit Fund Equity/Net Position

The Tax Allocation Fund – Marriott had a deficit fund balance of $1,676,434 at June 30, 2025. This is the result of an advance from the Electric Fund, which is being paid back annually with revenues collected within the Tax Allocation Fund. The Tax Allocation Fund – Downtown Bull is newly reported in the fiscal year and had a deficit fund balance of $34,747 at June 30, 2025 as a result of expenditures incurred that will be recovered with future revenues. The Capital Projects Fund had a deficit fund balance of $114,598 at June 30, 2025 as a result of expenditures incurred on City funded project and an advance owed to three enterprise funds. The deficit will be recovered in future years from third-party remittances to reimburse certain project expenditures and future rental income collected within the fund.

The Sanitation Fund had a deficit net position of $544,530 as a result of an adjustment of its landfill closure and postclosure liability. The deficit will be recovered in future years with rate increases to cover operational costs.

Excess Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the functional level (e.g., administration). For the fiscal year ended June 30, 2025, expenditures exceeded final appropriations in the following funds:

General Fund - general government	$ 39,694
General Fund - public safety	1,283,900
General Fund - public works	6,743
General Fund - culture and recreation	264,657
General Fund - community development	461,085
General Fund - telecommunications	2,891

The excess of expenditures over budget noted above were funded by revenues in excess of budgeted amounts, other financing sources, and use of fund balance.

NOTE 3. DEPOSITS AND INVESTMENTS

Primary Government

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2025, the City's investments in the Municipal Competitive Trust were not rated.

Custodial Credit Risk. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2025, the financial institutions holding all of the City's deposits were participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the state. As of June 30, 2025, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

At June 30, 2025, the City had the following investments that are included in the custodial credit risk discussion above related to deposits:

Investment	Fair Value	Credit Rating	Weighted Average Maturity (Years)
U.S. Treasury Bonds/Notes	$ 17,694,547	AAA	2.71
Municipal Bonds	187,727	AAA	3.36
Mortgage Pass-Through Securities	1,903,258	AAA	9.30
U.S. GSE (U.S. Government Sponsored Enterprise)	756,609	AAA	3.14
U.S. Agency Bonds	687,415	AAA	1.32
Collateralized Mortgage Obligations (CMOs)	3,777,298	AAA	9.31
Coca Cola Stock	1,385,568	N/A	N/A
Georgia Fund 1	6,460,073	AAAf	0.14
Municipal Competitive Trust - Short-Term	3,524,460	N/A	0.62
Guaranteed Investment Contract	2,233,753	N/A	June 1, 2028
	$ 38,610,708		

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments. To reduce interest rate risk, the City limits the maturity of any investment to five years. An investment held to maturity will be paid at par value. The City intends to hold all investments to maturity.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2025:

Investment	Level 1	Level 2	Fair Value
U.S. Treasury Bond/Notes	$ 17,694,547	$ -	$ 17,694,547
Municipal Bonds	-	187,727	187,727
Mortgage Pass-Through Securities	-	1,903,258	1,903,258
U.S. GSE	-	756,609	756,609
U.S. Agency Bonds	-	687,415	687,415
Collateralized Mortgage Obligations (CMOs)	-	3,777,298	3,777,298
Coca Cola Stock	1,385,568	-	1,385,568
Municipal Competitive Trust - Short-Term	-	3,524,460	3,524,460
Total investments measured at fair value	$ 19,080,115	$ 10,836,767	$ 29,916,882
Investments not subject to level disclosure:			
Guaranteed Investment Contract			2,233,753
Georgia Fund 1			6,460,073
Total investments			$ 38,610,708

The Coca Cola Stock and U.S. Treasury Notes/Bonds classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for that investment. The remaining investments in Municipal Bonds, Mortgage Pass-Through Securities, U.S. GSE, U.S. Agency Bonds, Collateralized Mortgage Obligations, and Municipal Competitive Trust classified as Level 2 of the fair value hierarchy are valued using a matrix-pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The Guaranteed Investment Contract is a nonparticipating interest-earning investment contract, and, accordingly, is recorded at cost.

The interest rate swap agreement that is more fully described in Note 8 is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 4. RECEIVABLES

Receivables at June 30, 2025, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST V Fund	Capital Projects Fund	LaGrange Development Authority	Nonmajor Governmental Funds
Receivables:					
Taxes	$ 126,789	$ -	$ -	$ -	$ -
Intergovernmental	759,473	1,465,969	-	14,917	438,815
Accounts	246,137	-	530,000	5,850	-
Lease receivable	-	-	3,251,187	-	-
Gross receivables	1,132,399	1,465,969	3,781,187	20,767	438,815
Less allowance for uncollectibles	-	-	-	-	-
Net receivables	$ 1,132,399	$ 1,465,969	$ 3,781,187	$ 20,767	$ 438,815

	Water and Sewerage Fund	Sanitation Fund	Electric Fund	Gas Fund	Nonmajor Proprietary Funds	Governmental Activities Internal Service Funds
Receivables:						
Accounts	$ 5,753,846	$ 198,706	$ 14,428,274	$ 2,515,154	$ 2,033,713	$ 90,818
Gross receivables	5,753,846	198,706			2,033,713	90,818
Less allowance for uncollectibles	(3,307,208)	-	(7,069,668)	(1,377,056)	(880,525)	-
Net receivables	$ 2,446,638	$ 198,706	$ 7,358,606	$ 1,138,098	$ 1,153,188	$ 90,818

NOTE 4. RECEIVABLES (CONTINUED)

In May 2007, the LaGrange Development Authority (LDA) issued two series of revenue bonds: Series 2007A in the aggregate amount of $1,565,000 and Series 2007B in the aggregate amount of $5,285,000. In the fiscal year ended June 30, 2014, the LDA refunded the 2007B in full. The LDA entered into a contract with the City of LaGrange and Troup County in which the City and County have agreed to pay one-half of the debt service requirements on the outstanding bonds. A long-term, intergovernmental receivable was recorded to report the County's share of its outstanding intergovernmental payable on the outstanding principal amount of the bonds.

Future payments to be received by the LDA from the County under the debt service schedules are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 250,000	$ 36,543	$ 286,543
2027	260,000	24,868	284,868
2028	272,500	12,725	285,225
Total	$ 782,500	$ 74,136	$ 856,636

NOTE 5. LEASE RECEIVABLE

The City is a lessor of a property parcel. The City receives monthly payments in amount of $47,404, which include the principal and interest components of the payments. As the lease does not contain a specified interest rate, the City has used estimated discount rate of 4.00% utilizing the daily treasury par yield curve rates plus the applicable federal rate at the beginning of the lease. At June 30, 2025, the City's total receivable for future lease payments was $3,251,187. The City reports a deferred inflow of resources in the amount of $3,025,239 associated with the agreement, which terminates in December 2031. The principal and interest payments to maturity on the lease are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 446,937	$ 121,913	$ 568,850
2027	465,146	103,704	568,850
2028	484,096	84,753	568,849
2029	503,819	65,030	568,849
2030	524,345	44,504	568,849
2031-2032	826,844	26,430	853,274
Total	$ 3,251,187	$ 446,334	$ 3,697,521

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	$ 13,708,776	$ 21,300	$ (213,567)	$ -	$ 13,516,509
Construction in progress	3,148,952	686,026	-	(1,173,584)	2,661,394
Total	16,857,728	707,326	(213,567)	(1,173,584)	16,177,903
Capital assets, being depreciated or amortized:					
Buildings	47,979,550	-	-	-	47,979,550
Infrastructure and land improvements	75,531,661	5,819,838	(18,039)	1,173,584	82,507,044
Machinery and equipment	17,027,311	900,905	(298,022)	-	17,630,194
Vehicles	6,481,665	1,040,149	(19,600)	-	7,502,214
Right-to-use lease assets - vehicles	107,539	884,916	-	-	992,455
Right-to-use lease assets - building	29,441	146,398	-	-	175,839
Total	147,157,167	8,792,206	(335,661)	1,173,584	156,787,296
Less accummulated depreciation and amortization for:					
Buildings	(12,104,259)	(1,098,432)	-	-	(13,202,691)
Infrastructure and land improvements	(31,971,222)	(2,224,807)	18,039	-	(34,177,990)
Machinery and equipment	(12,658,696)	(830,097)	298,022	-	(13,190,771)
Vehicles	(5,612,086)	(404,897)	19,600	-	(5,997,383)
Right-to-use assets - vehicles	(18,542)	(112,969)	-	-	(131,511)
Right-to-use lease assets - building	(22,817)	(29,441)	-	-	(52,258)
Total	(62,387,622)	(4,700,643)	335,661	-	(66,752,604)
Total capital assets, being depreciated and amortized, net	84,769,545	4,091,563	-	1,173,584	90,034,692
Governmental activities capital assets, net	$ 101,627,273	$ 4,798,889	$ (213,567)	$ -	$ 106,212,595

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 3,487,036	$ 3,002,827	$ -	$ -	$ 6,489,863
Construction in progress	27,723,309	6,930,929	-	(10,312,697)	24,341,541
Total	31,210,345	9,933,756	-	(10,312,697)	30,831,404
Capital assets, being depreciated:					
Buildings	30,898,355	-	-	-	30,898,355
Machinery and equipment	24,043,137	1,754,852	(964,357)	-	24,833,632
Vehicles	2,034,587	72,895	(95,601)	-	2,011,881
Infrastructure and improvements	207,213,663	8,954,454	-	10,312,697	226,480,814
Total	264,189,742	10,782,201	(1,059,958)	10,312,697	284,224,682
Less accummulated depreciation for:					
Buildings	(19,666,445)	(526,570)	-	-	(20,193,015)
Machinery and equipment	(19,039,080)	(674,025)	964,357	-	(18,748,748)
Vehicles	(1,696,536)	(118,880)	94,285	-	(1,721,131)
Infrastructure and improvements	(119,772,038)	(5,413,219)	-	-	(125,185,257)
Total	(160,174,099)	(6,732,694)	1,058,642	-	(165,848,151)
Total capital assets, being depreciated, net	104,015,643	4,049,507	(1,316)	10,312,697	118,376,531
Business-type activities capital assets, net	$ 135,225,988	$ 13,983,263	$ (1,316)	$ -	$ 149,207,935

The beginning balance of construction in progress was increased by $784,574 and machinery and equipment was reduced by $784,574 to properly capture the asset category and resulted in no change to the net beginning balance of business-type activities capital assets.

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 333,152
Public safety	720,672
Public works	411,789
Culture and recreation	82,358
Planning and development	3,152,672
Total depreciation and amortization expense – governmental activities	$ 4,700,643
Business-type activities:	
Water and Sewerage Fund	$ 3,612,299
Sanitation Fund	890,353
Electric Fund	398,245
Gas Fund	1,006,851
Utility Fund	168,039
Telecommunications Fund	493,429
Downtown Development Authority	163,478
Total depreciation expense – business-type activities	$ 6,732,694

B. Component Unit – Downtown LaGrange Development Authority

Capital asset activity for the Downtown LaGrange Development Authority for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,621,710	$ -	$ -	$ 1,621,710
Total	1,621,710	-	-	1,621,710
Capital assets, being depreciated:				
Buildings and improvements	19,764,045	12,500	-	19,776,545
Equipment	907,090	-	-	907,090
Total	20,671,135	12,500	-	20,683,635
Less accummulated depreciation for:				
Buildings and improvements	(6,551,636)	(504,366)	-	(7,056,002)
Equipment	(830,119)	(12,734)	-	(842,853)
Total	(7,381,755)	(517,100)	-	(7,898,855)
Total capital assets, being depreciated, net	13,289,380	(504,600)	-	12,784,780
Total capital assets, net	$ 14,911,090	$ (504,600)	$ -	$ 14,406,490

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor Governmental Funds	$ 59,564
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	29,782
Internal Service Fund	Nonmajor Proprietary Funds	50,000
Electric Fund	Gas Fund	1,021,421
Gas Fund	Nonmajor Governmental Funds	35,000
		$ 1,195,767

These balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Balances between nonmajor governmental funds and General Fund Gas Fund, and nonmajor proprietary funds is to remit hotel/motel collections to the General Fund and supplement project costs within proprietary funds. The balance between the Gas Fund and Electric Fund is related to balances owed for project related expenses.

Advances to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Water and Sewerage Fund	$ 416,765
General Fund	Sanitation Fund	264,838
General Fund	Electric Fund	170,257
General Fund	Nonmajor Proprietary Funds	157,219
LaGrange Development Authority	Water and Sewerage Fund	390,000
Electric Fund	Nonmajor Governmental Fund	1,676,503
Electric Fund	Capital Projects Fund	200,000
Gas Fund	Capital Projects Fund	500,000
Nonmajor Proprietary Funds	Capital Projects Fund	385,000
Nonmajor Proprietary Funds	General Fund	477,910
		$ 4,638,492

The advance between the Electric Fund and nonmajor governmental funds represents a long-term loan made to the Tax Allocation – Marriott Fund, originally made in 2017 for $2.6 million to assist with the construction in the downtown area. The advance between the General Fund, Water and Sewerage Fund, Sanitation Fund, Electric Fund, and nonmajor proprietary funds pertains to the funds' share of leased vehicle balances owed to the General Fund under the GMA lease pool. The advance between the LaGrange Development Authority and the Water and Sewerage Fund represents the Water and Sewerage Fund's share of a long-term loan made from the Authority pertaining to its Series 2005A and 2005B Revenue Bonds that were utilized to acquire, construct, and equip an office park. The advance between the Capital Projects Fund and Electric, Gas, and nonmajor proprietary funds relates to project and construction expenditures that will be repaid over several years. The advance between the General Fund and nonmajor proprietary funds is an internal financing arrangement of capital assets to be repaid over several years.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers for the fiscal year ended June 30, 2025 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Water and Sewerage Fund	$ 3,109,083
General Fund	Electric Fund	9,025,170
General Fund	Gas Fund	3,180,188
General Fund	Nonmajor Proprietary Funds	715,917
General Fund	Capital Projects Fund	36,160
General Fund	Nonmajor Governmental Funds	756,707
Water and Sewerage Fund	Capital Projects Fund	250,000
Nonmajor Proprietary Funds	Water and Sewerage Fund	1,747,550
Nonmajor Proprietary Funds	Sanitation Fund	229,574
Nonmajor Proprietary Funds	Electric Fund	1,024,034
Nonmajor Proprietary Funds	Gas Fund	584,725
Nonmajor Proprietary Funds	Nonmajor Proprietary Funds	22,826
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	312,542
Nonmajor Proprietary Funds	General Fund	146,666
Capital Projects Fund	General Fund	36,159
Capital Projects Fund	Nonmajor Proprietary Funds	177,320
SPLOST Fund	Water and Sewerage Fund	81,174
LaGrange Development Authority	Capital Projects Fund	257,133
LaGrange Development Authority	Nonmajor Governmental Funds	984,231
		$ 22,677,159

Transfers were used to: (1) use unrestricted revenues collected in the proprietary funds to finance and supplement various programs accounted for in other funds (2) to supplement governmental funds for certain project and operational costs, including the General Fund and Capital Projects Fund (3) to move Hotel/Motel tax collections to the General Fund (4) to supplement proprietary funds for certain project and operational costs incurred (5) to refund SPLOST for referendum approved project expenditures ultimately funded with local dollars and (6) to move debt service payments from the Capital Projects Fund and nonmajor governmental funds to the LaGrange Development Authority.

NOTE 8. LONG-TERM DEBT

A. Primary Government

Long-term liability and obligation activity for the fiscal year ended June 30, 2025 was as follows:

	Adjusted Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 17,410,000	$ -	$ (1,245,000)	$ 16,165,000	$ 1,360,000
Bond premium	36,637	-	(582)	36,055	-
Subtotal	17,446,637	-	(1,245,582)	16,201,055	1,360,000
Certificates of participation	3,888,000	-	-	3,888,000	-
Financed purchases - direct borrowing	562,567	-	(277,468)	285,099	285,099
Note payable - direct borrowing	1,092,000	-	(161,000)	931,000	81,000
Lease liabilities	94,351	1,031,314	(129,264)	996,401	197,763
Intergovernmental agreement payable	255,000	-	(255,000)	-	-
Total OPEB liability	7,541,143	605,405	(543,251)	7,603,297	244,755
Net pension liability	12,372,994	5,197,453	(10,272,502)	7,297,945	-
Compensated absences *	1,071,253	62,165	-	1,133,418	777,637
Governmental activities Long-term liabilities and obligations	$ 44,323,945	$ 6,896,337	$ (12,884,067)	$ 38,336,215	$ 2,946,254

* The change in compensated absences liabilities is presented as a net change

	Adjusted Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds - direct placement	$ 24,225,000	$ -	$ (965,000)	$ 23,260,000	$ 1,015,000
Bond premium	1,746,085	-	(208,851)	1,537,234	-
Subtotal	25,971,085	-	(1,173,851)	24,797,234	1,015,000
Notes payable - direct borrowings	10,629,754	-	(844,868)	9,784,886	859,170
Landfill closure and postclosure liability	14,515,446	558,418	-	15,073,864	288,000
Total OPEB liability	3,951,000	317,183	(284,620)	3,983,563	128,234
Net pension liability	6,460,811	2,559,939	(5,095,672)	3,925,078	-
Compensated absences *	683,315	117,250	-	800,565	527,077
Business-type activities Long-term liabilities and obligations	$ 62,211,411	$ 3,552,790	$ (7,399,011)	$ 58,365,190	$ 2,817,481

* The change in compensated absences liabilities is presented as a net change.

Beginning balances of compensated absences liabilities have been adjusted as a result of GASB No. 101 implementation. See Note 17. Beginning balance of landfill closure and postclosure liability has been adjusted due to an error correction. See Note 17. For governmental activities, the net pension liability and the total OPEB liability are liquidated by the General Fund. For business-type activities, the net pension liability and the total OPEB liability are liquidated by the Water and Sewerage Fund, Electric Fund, Gas Fund and the nonmajor proprietary funds.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Financed Purchases from Direct Borrowings – Governmental Activities - The City has entered into financed purchase agreements for the acquisition of various public safety equipment for which Troup County is responsible for approximately 40% of the debt service liability. The financed purchases are for a period of ten years at interest rates ranging from 2.26% - 2.75%. As of June 30, 2025, the City had equipment with a total cost of $2,545,310, accumulated depreciation of $2,142,303 and a net book value of $403,007 under financed purchases from direct borrowings as reported in its governmental activities. The financed purchases from direct borrowings contain an event of default that allows the lender to demand full payment in the case of a missed payment.

The City's total financed purchases debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 285,099	$ 7,840	$ 292,939
Total	$ 285,099	$ 7,840	$ 292,939

Note Payable From Direct Borrowing – Governmental Activities. During fiscal year 2021, the City entered into an installment sale agreement with Georgia Municipal Association for the acquisition and renovation of a building. The terms of the note are semiannual payments for a period of ten years at an interest rate of 1.59%. The note payable from direct borrowing contains an event of default that allows the lender to repossess the property and/or resell it to the public as well as demand full payment.

The City's debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 81,000	$ 7,402	$ 88,402
2027	165,000	12,863	177,863
2028	167,000	10,232	177,232
2029	170,000	7,560	177,560
2030	173,000	4,850	177,850
2031	175,000	2,091	177,091
Total	$ 931,000	$ 44,998	$ 975,998

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds – LaGrange Development Authority (LDA). In December 2005, the LDA issued tax-exempt Series 2005A Revenue Bonds totaling $2,800,000 to provide funding to acquire, construct and equip certain public utilities. Interest payments are due semiannually on January 1 and July 1 at a rate of 4.41%. The bonds are to be repaid from funds provided by the City of LaGrange based on an intergovernmental agreement. The unpaid principal balance as of June 30, 2025 is $390,000.

In June 2007 the LDA issued tax-exempt Series 2007A and 2007B Revenue Bonds totaling $1,565,000 and $5,285,000, respectively. The bonds were issued to provide funding to acquire land, construct and equip infrastructure and other public improvements for a new industrial park. Interest payments are due semiannually on February 1 and August 1 at rates of 4.67% and 6.11% on the Series 2007A and 2007B Bonds, respectively. Principal payments began in 2009 on the Series 2007B Bonds and commence in 2026 on the Series 2007A Bonds. The bonds are to be repaid from funds provided by the City of LaGrange and Troup County based on an intergovernmental agreement. The Series 2007B Bonds were refinanced in August 2012 at a new interest rate of 2.60%. The newly issued bonds mature in February 2025.

The unpaid principal balance as of June 30, 2025 on the Series 2007A Bonds is $1,565,000. The unpaid principal balance as of June 30, 2025 on the Series 2007B Bonds is $390,000. The Series 2007A and 2007B Bonds were issued to finance capital assets not reported by the City and therefore represent non-capital debt.

In December 2016, the LDA issued tax-exempt Series 2016 Revenue Bonds totaling $16,920,000 to provide funding to build a conference center. Interest payments are due semiannually on April 1 and October 1 at a rate of 5.00%. The bonds are to be repaid from funds provided by the City of LaGrange based on an intergovernmental agreement. The unpaid principal balance as of June 30, 2025 is $14,210,000 net of unamortized premium of $36,055.

The LDA's debt service requirements to maturity on its bonds payable for governmental activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 1,360,000	$ 598,666	$ 1,958,666
2027	1,015,000	543,217	1,558,217
2028	1,050,000	504,083	1,554,083
2029	525,000	463,481	988,481
2030	540,000	447,075	987,075
2031-2035	2,975,000	1,961,006	4,936,006
2036-2040	3,525,000	1,411,369	4,936,369
2041-2045	4,225,000	703,588	4,928,588
2046	950,000	38,000	988,000
Total	$ 16,165,000	$ 6,670,485	$ 22,835,485

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation – Governmental Activities. In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling $3,888,000. The lease pool agreement with the Association provides that the City owns its portion of the assets invested by the pool and is responsible for the payment of its portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay: (i) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semiannual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation – Governmental Activities (Continued). In the unlikely event that the Swap Counterparty becomes insolvent or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2025, the floating rate being paid by the City is 0.38% and the market value of this agreement is $210,298, an increase of $14,639 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2025 based on the derivative contract and it is reported as a noncurrent asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

Lease Liabilities. The LDA has entered into agreements with third parties to lease office space and vehicles for general use. The agreements terminate at various dates in 2026 and were entered into at initial three-year terms. The outstanding balance of the LDA's lease liabilities as of June 30, 2025 is $150,788.

The City has entered into agreements with a third party to lease vehicles for public safety departmental use. As the leases do not reflect a stated interest rate, the City utilized its incremental borrowing rate as calculated at the inception of the lease agreement ranging from 4.00% - 10.85%. Monthly payments range from $952 to $1,009 and are payable over the duration of the leases, which terminate through fiscal year 2030. The outstanding balance of the City's lease liabilities as of June 30, 2025 is $845,613.

The City and LDA's total lease liabilities debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 197,763	$ 58,594	$ 256,357
2027	207,920	47,386	255,306
2028	221,221	33,655	254,876
2029	234,796	18,770	253,566
2030	130,847	4,484	135,331
2031	3,854	30	3,884
Total	$ 996,401	$ 162,919	$ 1,159,320

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Direct Placement Revenue Bonds – Business-Type Activities. In March 2021, the City issued $26,795,000 (at a premium of $2,389,551), 2.00% – 4.00% Series 2021 Water and Sewerage Revenue Bonds with varying semiannual principal and interest payments due January 1 and July 1 through January 1, 2042 for the purpose of acquiring, constructing, equipping and installing certain improvements or extensions to the City's water and sewerage system, pay-off of select Georgia Environmental Finance Authority (GEFA) notes, and paying the costs of issuing the Series 2021 Bonds.

The City is required to be in compliance with the covenants as to rates, fees, charges, and other debt covenants per the bond agreements. The Series 2021 Bonds contain: (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the fiscal year are less than 125% of debt service coverage due in the following fiscal year and (2) a provision that in the event of a missed debt service payment, outstanding amounts may become immediately due and payable.

Revenue bonds (Series 2021) currently outstanding mature as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 1,015,000	$ 660,100	$ 1,675,100
2027	1,065,000	609,350	1,674,350
2028	1,120,000	556,100	1,676,100
2029	1,165,000	511,300	1,676,300
2030	1,220,000	453,050	1,673,050
2031-2035	6,835,000	1,539,550	8,374,550
2036-2040	7,590,000	786,500	8,376,500
2041-2042	3,250,000	97,800	3,347,800
Total	$ 23,260,000	$ 5,213,750	$ 28,473,750
Plus unamortized bond premium	1,537,234		
	$ 24,797,234		

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable From Direct Borrowings – Business-Type Activities. The City has incurred debt to GEFA for construction and improvement of various water and sewerage system projects and sanitation and gas system projects. A summary of the projects and their purpose is as follows:

Purpose	Interest Rate	Amount
Construction of Cell #5 - Sanitation	3.03	$ 1,774,244
Long Cane pump station - Water and Sewerage	1.40	4,906,174
Yellow Jacket Creek pump station - Water and Sewerage	1.40	3,104,468
		$ 9,784,886

The debt service requirements to maturity on the notes payable from direct borrowings - business-type are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 859,170	$ 159,309	$ 1,018,479
2027	873,745	144,733	1,018,478
2028	888,602	129,876	1,018,478
2029	903,746	114,732	1,018,478
2030	919,185	99,293	1,018,478
2031-2035	4,838,269	254,121	5,092,390
2036	502,169	2,459	504,628
Total	$ 9,784,886	$ 904,523	$ 10,689,409

Landfill Closure and Postclosure. State and federal laws require the City to place a final cover over its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. The City reported a liability for closure and postclosure care of its two landfills in the Sanitation Fund of $15,073,864. Two of the City's landfills continue to accept waste and have used approximately 74% and 98%, respectively, of total capacity. Remaining costs of $4,813,174 not yet accrued for the landfill, will be recognized over the future life of the landfills as capacity is used. Actual costs may be higher upon completion of the cost estimates, or due to inflation, change in technology, or change in regulations.

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Downtown LaGrange Development Authority

In September 2016, the Downtown LaGrange Development Authority (DLDA) converted a line of credit into a 20-year direct borrowing note payable for the construction of a building. The total amount of the loan was $2,070,000. Subsequently, in September 2017, the DLDA issued two separate direct borrowing notes payable for the purpose of refinancing the line of credit for the acquisition of equipment for the craft brewery company. Each loan is a 10-year loan for $250,000. All of the Authority's direct borrowing notes payable are secured with collateral of assignment of lease income on real property and/or real property. Also, all notes contain a provision that in the event of default, outstanding amounts become immediately due if the DLDA is unable to make a payment. During fiscal year 2025, the DLDA paid off two notes pertaining to the brewery company therefore the balance of the notes are zero as of June 30, 2025. As of June 30, 2025, the outstanding amount of the notes payable were $1,848,356.

The debt service requirements to maturity on the notes payable from direct borrowings – component unit are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 109,070	$ 63,597	$ 172,667
2027	113,095	59,572	172,667
2028	117,142	55,525	172,667
2029	121,594	51,073	172,667
2030	126,083	46,583	172,666
2031-2035	572,935	165,738	738,673
2036-2037	688,437	27,150	715,587
Total	$ 1,848,356	$ 469,238	$ 2,317,594

NOTE 9. PENSION PLAN

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (The City of LaGrange Retirement Plan) covering all full-time employees. The City Council in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Active plan members (employees of the City) are not required to make contributions to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472 or on the internet at www.gmanet.com.

Plan Membership. At January 1, 2025, the date of the most recent actuarial valuation, there were 771 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	277
Terminated vested participants not yet receiving benefits	97
Active employees - vested	391
Active employees - nonvested	6
Total	771

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. At this time, Plan members are not required to make contributions to the Plan. For the fiscal year ended June 30, 2025, the City's contribution rate was 12.15% of annual payroll. City contributions to the Plan were $2,848,812 for the fiscal year ended June 30, 2025.

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City. The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2025 with update procedures performed by the actuary to rollforward to the total pension asset measured as of September 30, 2024.

Actuarial Assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%
Investment rate of return	7.38%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2025 valuation were based on the sex-distinct Pri-2012 Headcount-Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

Cost-of-living adjustments were assumed to be 0%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.60%
International equity	20%	7.03
Real estate	10%	3.40
Global fixed income	5%	3.70
Domestic fixed income	20%	2.70
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

NOTE 9. PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.38%. There was no change in the discount rate from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2025, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2024	$ 70,753,004	$ 51,919,199	$ 18,833,805
Changes for the fiscal year:			
Service cost	737,934	-	737,934
Interest	5,132,842	-	5,132,842
Differences between expected and actual experience	1,818,830	-	1,818,830
Changes of benefit terms	-	-	-
Contributions—employer	-	2,970,559	(2,970,559)
Net investment income	-	12,397,615	(12,397,615)
Benefit payments, including refunds of employee contributions	(3,786,154)	(3,786,154)	-
Administrative expense	-	(67,786)	67,786
Other	-	-	-
Net changes	3,903,452	11,514,234	(7,610,782)
Balances at 6/30/2025	$ 74,656,456	$ 63,433,433	$ 11,223,023

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 9. PENSION PLAN (CONTINUED)

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 7.38%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's net pension liability	$ 20,640,613	$ 11,223,023	$ 3,365,770

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024 and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2025, the City recognized pension expense of $1,703,019. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,517,430	$ 363,246
Net difference between projected and actual earnings on pension plan investments	-	4,833,318
City contributions subsequent to the measurement date	2,136,609	-
Total	$ 4,654,039	$ 5,196,564

NOTE 9. PENSION PLAN (CONTINUED)

City contributions subsequent to the measurement date of $2,136,609 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30:		
2026	$	(443,268)
2027		797,323
2028		(1,676,725)
2029		(1,356,464)
Total	$	(2,679,134)

NOTE 10. DEFINED CONTRIBUTION PLAN

The City of LaGrange has a defined contribution plan which is administered by Nationwide Retirement Services. The Plan is a combined 457 Plan and 401A Plan. The City matches employee contributions on a 1:2 ratio up to a maximum of $667 per year. During the fiscal year ended June 30, 2025, the City contributed $207,858 and employees contributed $842,280. Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Employees are vested in the 401A Plan upon two years of employment. For fiscal year ended June 30, 2025, 357 employees participated in the Plan.

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NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits. The City of LaGrange Other Postretirement Benefits Plan (the "OPEB Plan") is a single employer defined benefit postretirement healthcare plan, or other postemployment benefit (OPEB) plan. The City has not elected to advance fund the plan, but rather maintains the plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. There are no separately issued financial statements related to the City's OPEB Plan.

Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. The City provides postretirement healthcare insurance and prescription drug benefits to all employees that retire from the City and meet the eligible requirements. To be eligible for benefits, members of the Plan must be retired, at least 55 years of age, and receiving a pension from GMA (the "City's pension plan").

Plan Membership. As of January 1, 2023, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries currently receiving benefits	18
Active employees	394
Total	412

City Contributions. The City has elected to fund the Plan on a pay-as-you-go basis. For the fiscal year ended June 30, 2025, the City contributed $372,989 for the pay-as-you-go benefits for the OPEB plan.

Total OPEB Liability. The City's total OPEB liability of $11,586,860 was measured as of June 30, 2024 and was determined by an actuarial valuation as of January 1, 2023 using standard rollforward techniques.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation rate	2.25%
Salary increase, including wage inflation	2.25% plus serviced based merit increases
Discount rate	3.93%
Healthcare cost trends	
Medical	7.00% trended down to 4.50% over 10 years
Prescription drug	8.00% trended down to 4.50% over 14 years

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Mortality rates were based on the sex-distinct Pri-2012 Headcount-Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

The discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). Specifically, the chosen rate of the Bond Buyer General Obligation 20-year Municipal Bond Index published as of the measurement date of June 30, 2024. The discount rate for the fiscal year ended June 30, 2025 increased from the prior fiscal year.

Changes in the Total OPEB Liability. The changes in the total OPEB liability for the City for the fiscal year ended June 30, 2025 were as follows:

	Total OPEB Liability
Balance at June 30, 2024	$ 11,492,142
Service cost	444,209
Interest	426,695
Experience differences	51,690
Assumption changes	(331,293)
Benefit payments	(496,583)
Balance at June 30, 2025	$ 11,586,860

Sensitivity for the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	$ 12,821,433	$ 11,586,860	$ 10,490,264

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase Healthcare Cost Trend Rates
Total OPEB liability	$ 10,145,516	$ 11,586,860	$ 13,311,963

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2024 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2025, the City recognized OPEB expense of $132,888. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 509,322	$ 369,120
Changes in assumptions	768,583	4,735,931
City contributions subsequent to the measurement date	372,989	-
Total	$ 1,650,894	$ 5,105,051

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued). City contributions made subsequent to the measurement date of $372,989 are reported as deferred outflows of resources and will be recognized as a decrease of the total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	
2026	$ (669,239)
2027	(669,239)
2028	(669,239)
2029	(608,135)
2030	(847,497)
Thereafter	(363,797)
Total	$ (3,827,146)

NOTE 12. RISK MANAGEMENT AND SELF INSURANCE

The City is exposed to various risks of loss related to: torts, thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Group Insurance. The City has established a self-funded trust for the administration and funding of the City's health insurance and medical expenses. This trust is the source of funding for claims or expense reimbursement of employees for losses due to death, disability, dental, or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee. Claim liabilities do not include non-incremental claims adjustment expenses.

The following describes the activity in the healthcare plan, including changes to the estimate for claims incurred but not reported, for the past two fiscal years.

Fiscal Year	Beginning of Fiscal Year Claims Liability	Current Fiscal Year Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Claims Liability
2025	$ 1,950,000	$ 6,340,651	$ 6,540,651	$ 1,750,000
2024	635,000	7,195,003	5,880,003	1,950,000

NOTE 12. RISK MANAGEMENT AND SELF INSURANCE (CONTINUED)

Property and Casualty Insurance. The City is self-insured for workers' compensation, general, automobile and personal liability claims. Individual limits for City payments are $100,000 per general insurance claim and $600,000 per workers' compensation claim. After these limits are met, private insurance covers the claims. The City has entered into a contract with a third-party administrator to administer the claims. Claim liabilities do not include non-incremental claims adjustment expenses. The following describes the activity related to these claims based on actual claims presented after year-end and historical experience for the past two fiscal years.

Fiscal Year	Beginning of Fiscal Year Claims Liability	Current Fiscal Year Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Claims Liability
2024	$ 345,000	$ 306,611	$ 363,611	$ 288,000
2024	230,000	574,733	459,733	345,000

Group insurance has not paid claims that exceeded its coverage for the past three fiscal years.

NOTE 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the five counties west Georgia area, is a member of the Three Rivers Regional Commission and is required to pay annual dues thereto. For the fiscal year ended June 30, 2024, the City paid $31,173 in dues.

Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from: Three Rivers Regional Commission, 120 N Hill St., Griffin, Georgia 30223.

NOTE 14. RELATED ORGANIZATIONS

The City's governing body is responsible for appointing a majority of the board members of the City of LaGrange Housing Authority. However, the City has no further accountability for this organization.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation. The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. The City has accrued a contingent liability for $100,000 pertaining to one matter in which the City's monetary exposure is limited to $100,000. Additional liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments. For the fiscal year ended June 30, 2025, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately $9,764,000.

Grant Contingencies. The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Financial Guarantees. The City has entered into intergovernmental agreements with the LaGrange Development Authority (the "LDA") to transfer a sum of money for purchase of property adjoining an industrial park. The Authority sells property and remits to the City the sales price of the property. To date, $291,296 has been remitted to the City. There is no set maturity schedule for the property sales reimbursements. In addition, the City, along with Troup County, and the LDA have entered into an intergovernmental agreement in which the City and County pay the LDA amounts sufficient to meet debt service requirements on the LDA's Series 2007A and 2007B Revenue Bonds. The City and LDA have intergovernmental agreements in which the City pays the LDA amounts sufficient to meet debt service requirements on the LDA's Series 2005A and 2005B and Series 2016 Revenue Bonds. The City's total debt guarantee on each outstanding debt as of June 30, 2024 was $390,000 on the Series 2005A and 2005B Revenue Bonds, $782,500 on the Series 2007A and 2007B Revenue Bonds, and $14,210,000 on the Series 2016 Revenue Bonds.

Agreements with the Municipal Electric Authority of Georgia. The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit, unless any such profits insure to the benefit of the public.

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued). As of June 30, 2025, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $41,067,821 for the fiscal year ended 2025.

At June 30, 2025, the outstanding debt of MEAG was approximately $8.082 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $461 million at June 30, 2025.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City established an 8% tax under O.C.G.A. 48-13-51 on gross hotel occupancy revenues. During the fiscal year ended June 30, 2025, the City collected $4,628,617 in hotel/motel taxes. O.C.G.A. 48-13-51 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. For the fiscal year ended, the Hotel/Motel Tax fund expended and/or transferred out $4,219,478 of collections for the promotion of tourism and in accordance with provisions of O.C.G.A. 48-13-51.

NOTE 17. ACCOUNTING CHANGES AND ERROR CORRECTION

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. Therefore, with the implementation of GASB Statement No. 101, an adjustment was required to the beginning net position of the governmental activities, Water and Sewerage Fund, Sanitation Fund, Electric Fund, Gas Fund, nonmajor enterprise funds, and the business-type activities.

	Governmental Activities
Beginning net position, as previously reported	$ 87,457,560
Adjustment due to implementation of GASB No. 101	(264,312)
Beginning net position, as adjusted	$ 87,193,248

	Business-Type Activities
Beginning net position, as previously reported	$ 142,846,367
Error correction (see table on next page)	(6,214,437)
Adjustment due to implementation of GASB No. 101	(207,814)
Beginning net position, as adjusted	$ 136,424,116

	Water and Sewerage Fund
Beginning net position, as previously reported	$ 63,301,610
Adjustment due to implementation of GASB No. 101	(87,485)
Beginning net position, as adjusted	$ 63,214,125

	Sanitation Fund
Beginning net position, as previously reported	$ 7,003,190
Error correction (see table on next page)	(6,214,437)
Adjustment due to implementation of GASB No. 101	(22,241)
Beginning net position, as adjusted	$ 766,512

	Electric Fund
Beginning net position, as previously reported	$ 34,214,422
Adjustment due to implementation of GASB No. 101	(34,634)
Beginning net position, as adjusted	$ 34,179,788

NOTE 17. ACCOUNTING CHANGES AND ERROR CORRECTION (CONTINUED)

Change in Accounting Principle (Continued)

	Gas Fund
Beginning net position, as previously reported	$ 22,181,383
Adjustment due to implementation of GASB No. 101	(10,940)
Beginning net position, as adjusted	$ 22,170,443

	Nonmajor Enterprise Funds
Beginning net position, as previously reported	$ 16,145,762
Adjustment due to implementation of GASB No. 101	(52,514)
Beginning net position, as adjusted	$ 16,093,248

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2025, the City determined an adjustment was necessary to the Sanitation Fund and business-type activities to adjust the estimated accrued close and post-closure landfill liability as both landfills continue to accept waste. The full closure of permitted landfill require monitoring and thus the City must still accrue for monitoring costs for the full site. It was determined that the prior accrual of the full estimate of the liability was understated by $6,214,437. The effect of the adjustment is as follows:

	Sanitation Fund
Beginning net position, as previously reported	$ 7,003,190
Error correction	(6,214,437)
Adjustment due to implementation of GASB No. 101 (see table on prior page)	(22,241)
Beginning net position, as adjusted	$ 766,512

	Business-Type Activities
Beginning net position, as previously reported	$ 142,846,367
Error correction	(6,214,437)
Adjustment due to implementation of GASB No. 101 (see table on prior page)	(207,814)
Beginning net position, as adjusted	$ 136,424,116

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 737,934	$ 752,883	$ 732,056	$ 646,452	$ 646,529
Interest	5,132,842	4,886,929	4,796,391	4,533,981	4,287,702
Difference between expected and actual experience	1,818,830	1,272,663	(908,115)	1,493,834	977,869
Assumption changes	-	-	-	-	-
Changes of benefit terms	-	94,915	-	-	503,677
Benefit payments, including refunds of employee contributions	(3,786,154)	(3,529,893)	(3,297,168)	(3,106,365)	(3,046,275)
Net change in total pension liability	3,903,452	3,477,497	1,323,164	3,567,902	3,369,502
Total pension liability - beginning	70,753,004	67,275,507	65,952,343	62,384,441	59,014,939
Total pension liability - ending (a)	74,656,456	70,753,004	67,275,507	65,952,343	62,384,441
Plan fiduciary net position					
Contributions - employer	2,970,559	2,632,502	3,120,118	2,636,301	2,210,122
Net investment income	12,397,615	6,276,103	(9,155,686)	11,035,075	4,050,182
Benefit payments, including refunds of employee contributions	(3,786,154)	(3,529,893)	(3,297,168)	(3,106,365)	(3,046,275)
Administrative expenses	(67,786)	(77,657)	(76,460)	(75,213)	(74,229)
Net change in plan fiduciary net position	11,514,234	5,301,055	(9,409,196)	10,489,798	3,139,800
Plan fiduciary net position - beginning	51,919,199	46,618,144	56,027,340	45,537,542	42,397,742
Plan fiduciary net position - ending (b)	63,433,433	51,919,199	46,618,144	56,027,340	45,537,542
City's net pension liability - ending (a) - (b)	$ 11,223,023	$ 18,833,805	$ 20,657,363	$ 9,925,003	$ 16,846,899
Plan fiduciary net position as a percentage of the total pension liability	84.97%	73.38%	69.29%	84.95%	73.00%
Covered payroll	$ 23,557,014	$ 23,217,097	$ 21,853,256	$ 20,869,709	$ 22,861,575
City's net pension liability as a percentage of covered payroll	47.64%	81.12%	94.53%	47.56%	73.69%

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 599,482	$ 675,133	$ 606,810	$ 566,691	$ 601,117
Interest	3,971,716	3,811,600	3,689,948	3,467,194	3,246,447
Difference between expected and actual experience	446,629	588,937	(34,143)	1,246,142	1,221,867
Assumption changes	3,034,773	-	897,697	-	-
Changes of benefit terms	91,555	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,971,882)	(2,758,396)	(2,494,300)	(2,317,271)	(2,124,885)
Net change in total pension liability	5,172,273	2,317,274	2,666,012	2,962,756	2,944,546
Total pension liability - beginning	53,842,666	51,525,392	48,859,380	45,896,624	42,952,078
Total pension liability - ending (a)	59,014,939	53,842,666	51,525,392	48,859,380	45,896,624
Plan fiduciary net position					
Contributions - employer	2,395,939	2,365,708	2,248,158	2,119,251	1,967,135
Net investment income	1,223,468	3,788,480	5,053,361	3,396,335	353,223
Benefit payments, including refunds of employee contributions	(2,971,882)	(2,758,396)	(2,494,300)	(2,317,271)	(2,124,885)
Administrative expenses	(69,344)	(72,327)	(74,652)	(44,222)	(49,424)
Net change in plan fiduciary net position	578,181	3,323,465	4,732,567	3,154,093	146,049
Plan fiduciary net position - beginning	41,819,561	38,496,096	33,763,529	30,609,436	30,463,387
Plan fiduciary net position - ending (b)	42,397,742	41,819,561	38,496,096	33,763,529	30,609,436
City's net pension liability - ending (a) - (b)	$ 16,617,197	$ 12,023,105	$ 13,029,296	$ 15,095,851	$ 15,287,188
Plan fiduciary net position as a percentage of the total pension liability	71.84%	77.67%	74.71%	69.10%	66.69%
Covered payroll	$ 23,224,805	$ 22,664,063	$ 22,195,629	$ 21,866,679	$ 20,789,429
City's net pension liability as a percentage of covered payroll	71.55%	53.05%	58.70%	69.04%	73.53%

CITY OF LAGRANGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 2,848,812	$ 2,710,027	$ 2,907,775	$ 2,738,495	$ 2,636,301
Contributions in relation to the actuarially determined contribution	2,848,812	2,710,027	2,907,775	2,738,495	2,636,301
Contribution excess (deficiency)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 23,446,632	$ 23,593,808	$ 23,091,526	$ 21,440,499	$ 20,679,445
Contributions as a percentage of covered payroll	12.15%	11.49%	12.59%	12.77%	12.75%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 2,360,585	$ 2,408,124	$ 2,351,569	$ 2,213,688	$ 2,080,493
Contributions in relation to the actuarially determined contribution	2,360,585	2,408,124	2,351,569	2,213,688	2,085,952
Contribution excess (deficiency)	$ -	$ -	$ -	$ -	$ 5,459
Covered payroll	$ 23,588,951	$ 23,103,423	$ 22,517,609	$ 22,088,302	$ 21,792,805
Contributions as a percentage of covered payroll	10.01%	10.42%	10.44%	10.02%	9.57%

CITY OF LAGRANGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	$ 444,209	$ 572,653	$ 826,041	$ 747,854	$ 590,193
Interest on total OPEB liability	426,695	480,353	363,802	376,098	508,629
Change in benefit terms	-	(33,941)	-	(574,900)	-
Differences between expected and actual experience	51,690	18,324	(245,538)	(388,185)	549,810
Changes of assumptions	(331,293)	(2,369,486)	(3,647,410)	99,887	1,604,446
Benefit payments	(496,583)	(341,846)	(293,327)	(732,741)	(1,111,759)
Net change in total OPEB liability	94,718	(1,673,943)	(2,996,432)	(471,987)	2,141,319
Total OPEB liability - beginning	11,492,142	13,166,085	16,162,517	16,634,504	14,493,185
Total OPEB liability - ending	$ 11,586,860	$ 11,492,142	$ 13,166,085	$ 16,162,517	$ 16,634,504
Covered-employee payroll	$ 23,997,352	$ 23,469,293	$ 21,922,910	$ 21,440,499	$ 21,144,733
Total OPEB liability as a percentage of covered-employee payroll	48.3%	49.0%	60.1%	75.4%	78.7%

	2019	2019	2018
Total OPEB liability			
Service cost	$ 566,816	$ 570,148	$ 652,817
Interest on total OPEB liability	567,864	518,765	431,222
Change in benefit terms	-	-	-
Differences between expected and actual experience	617,966	(85,513)	(195,255)
Changes of assumptions	(1,167,899)	(395,962)	(1,052,013)
Benefit payments	(396,468)	(446,057)	(342,027)
Net change in total OPEB liability	188,279	161,381	(505,256)
Total OPEB liability - beginning	14,304,906	14,143,525	14,648,781
Total OPEB liability - ending	$ 14,493,185	$ 14,304,906	$ 14,143,525
Covered-employee payroll	$ 20,679,445	$ 19,975,967	$ 19,347,185
Total OPEB liability as a percentage of covered-employee payroll	70.1%	71.6%	73.1%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City is not accumulating assets in a trust fund that meets the criteria GASB Statement No. 75 for payment of future OPEB benefits.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF LAGRANGE, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services and capital projects.

Community Development Fund – This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.

ARPA Fund – This fund is used to account for grant activity that is legally restricted for particular purposes outlined in the American Rescue Plan Act.

Tax Allocation Fund – LaGrange Mall – This fund is used to account for activity related to the rebate of annual incremental property tax revenue derived from the increase in property taxes generated by new development in a designated redevelopment are to be used for specified redevelopment purposes.

Tax Allocation Fund – Marriott – This fund is used to account for resources devoted to construction of capital improvements in a district located in the City's downtown. Incremental property tax revenues derived from the increase in market values of a property located within the district will be devoted to capital improvements.

Tax Allocation Fund – Mill Creek – This fund is used to account for resources devoted to construction of capital improvements in a district located in the City. Incremental property tax revenues derived from the increase in market values of a property located within the district will be devoted to capital improvements.

Tax Allocation Fund – Downtown Bull – This fund is used to account for resources devoted to construction of capital improvements in a district located in the City. Incremental property tax revenues derived from the increase in market values of a property located within the district will be devoted to capital improvements.

Hotel/Motel Tax Fund – This fund is used to account for 5% lodging tax levied in the City, which is restricted by state law.

PERMANENT FUND

Cemetery Care Fund – To account for monies received by the City which can only be used for a specific purpose. The principal of perpetual care cemetery funds are not available for expenditures based on legal or contractual requirements and must remain in trust and not be encroached upon (reported as nonspendable). Only the income from such funds may be used for maintenance and upkeep of the LaGrange municipal cemetery.

CITY OF LAGRANGE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
	Community Development Fund	ARPA Fund	Tax Allocation Fund LaGrange Mall	Tax Allocation Fund Marriott	Tax Allocation Fund Mill Creek	Tax Allocation Fund Downtown Bull	Hotel/Motel Tax Fund	Cemetery Care Fund	
Cash and cash equivalents	$ 146,994	$ -	$ 56,564	$ 69	$ -	$ 253	$ 2,582,331	$ -	$ 2,786,211
Investments	-	-	-	-	-	-	-	1,400,256	1,400,256
Accounts receivable	-	-	-	-	-	-	438,815	-	438,815
Total assets	$ 146,994	$ -	$ 56,564	$ 69	$ -	$ 253	$ 3,021,146	$ 1,400,256	$ 4,625,282
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,879	$ -	$ 10,879
Intergovernmental payable	-	-	-	-	-	-	191,982	-	191,982
Due to other funds	-	-	-	-	-	35,000	89,346	-	124,346
Advances from other funds	-	-	-	1,676,503	-	-	-	-	1,676,503
Total liabilities	-	-	-	1,676,503	-	35,000	292,207	-	2,003,710
FUND BALANCES									
Nonspendable for:									
Corpus of permanent fund	-	-	-	-	-	-	-	2,500	2,500
Restricted for:									
Debt service	-		-	-	-	-	2,230,531	-	2,230,531
Tourism	-	-	-	-	-	-	498,408	-	498,408
Capital Improvements	-	-	56,564	-	-	-	-	-	56,564
Cemetery operating capital	-	-	-	-	-	-	-	1,397,756	1,397,756
Planning and development	146,994	-	-	-	-	-	-	-	146,994
Unassigned (deficits)	-	-	-	(1,676,434)	-	(34,747)	-	-	(1,711,181)
Total fund balances (deficits)	146,994	-	56,564	(1,676,434)	-	(34,747)	2,728,939	1,400,256	2,621,572
Total liabilities and fund balances	$ 146,994	$ -	$ 56,564	$ 69	$ -	$ 253	$ 3,021,146	$ 1,400,256	$ 4,625,282

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds							Permanent Fund	Total
	Community Development Fund	ARPA Fund	Tax Allocation Fund LaGrange Mall	Tax Allocation Fund Marriott	Tax Allocation Fund Mill Creek	Tax Allocation Fund Downtown Bull	Hotel/Motel Tax Fund	Cemetery Care Fund	Nonmajor Governmental Funds
REVENUES									
Hotel/motel tax	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,628,617	$ -	$ 4,628,617
Intergovernmental	-	16,502	182,602	128,815	327,891	-	-	-	655,810
Interest income	-	6	-	-	-	-	1,188	199,952	201,146
Miscellaneous	21,325	-	-	-	-	-	-	-	21,325
Total revenues	21,325	16,508	182,602	128,815	327,891	-	4,629,805	199,952	5,506,898
EXPENDITURES									
Current									
Community development	56,435	-	-	-	-	-	-	-	56,435
Economic development	-	-	-	-	-	-	2,254,505	-	2,254,505
Capital outlay	-	-	170,276	-	327,891	34,747	-	-	532,914
Total expenditures	56,435	-	170,276	-	327,891	34,747	2,254,505	-	2,843,854
Excess (deficiency) of revenues over expenditures	(35,110)	16,508	12,326	128,815	-	(34,747)	2,375,300	199,952	2,663,044
Other financing uses:									
Transfers out	-	(49,535)	-	-	-	-	(1,964,973)	(38,972)	(2,053,480)
Total other financing uses	-	(49,535)	-	-	-	-	(1,964,973)	(38,972)	(2,053,480)
Net change in fund balances	(35,110)	(33,027)	12,326	128,815	-	(34,747)	410,327	160,980	609,564
FUND BALANCES (DEFICIT), beginning of fiscal year	182,104	33,027	44,238	(1,805,249)	-	-	2,318,612	1,239,276	2,012,008
FUND BALANCES (DEFICIT), end of fiscal year	$ 146,994	$ -	$ 56,564	$ (1,676,434)	$ -	$ (34,747)	$ 2,728,939	$ 1,400,256	$ 2,621,572

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ 100	$ 100	$	$ (100)
Miscellaneous	35,000	35,000	21,325	(13,675)
Total revenues	35,100	35,100	21,325	(13,775)
EXPENDITURES				
Community development	92,500	182,500	56,435	126,065
Net change in fund balances	(57,400)	(147,400)	(35,110)	112,290
FUND BALANCES, beginning of fiscal year	182,104	182,104	182,104	-
FUND BALANCES, end of fiscal year	$ 124,704	$ 34,704	$ 146,994	$ 112,290

CITY OF LAGRANGE, GEORGIA
ARPA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 16,508	$ 16,508	$ 16,502	$ (6)
Interest income	-	-	6	6
Total revenues	16,508	16,508	16,508	-
Other financing uses:				
Transfers out	(49,535)	(49,535)	(49,535)	-
Total other financing uses	(49,535)	(49,535)	(49,535)	-
Net change in fund balances	(33,027)	(33,027)	(33,027)	-
FUND BALANCES, beginning of fiscal year	33,027	33,027	33,027	33,027
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ 33,027

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND - LAGRANGE MALL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 200,000	200,000	$ 182,602	$ (17,398)
Total revenues	200,000	200,000	182,602	(17,398)
EXPENDITURES				
Capital outlay	200,000	200,000	170,276	29,724
Net change in fund balances	-	-	12,326	12,326
FUND BALANCES, beginning of fiscal year	44,238	44,238	44,238	-
FUND BALANCES, end of fiscal year	$ 44,238	$ 44,238	$ 56,564	$ 12,326

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND - MARRIOTT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 135,000	135,000	$ 128,815	$ (6,185)
Total revenues	135,000	135,000	128,815	(6,185)
Net change in fund balances	135,000	135,000	128,815	(6,185)
FUND DEFICITS, beginning of fiscal year	(1,805,249)	(1,805,249)	(1,805,249)	-
FUND DEFICITS, end of fiscal year	$ (1,670,249)	$ (1,670,249)	$ (1,676,434)	$ (6,185)

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND - MILL CREEK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 350,000	350,000	$ 327,891	$ (22,109)
Total revenues	350,000	350,000	327,891	(22,109)
EXPENDITURES				
Capital outlay	350,000	350,000	327,891	22,109
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 5,105,000	$ 5,105,000	$ 4,628,617	$ (476,383)
Interest Income	-	-	1,188	1,188
Total revenues	5,105,000	5,105,000	4,629,805	(475,195)
EXPENDITURES				
Economic development	2,289,866	2,289,866	2,254,505	35,361
Total expenditures	2,289,866	2,289,866	2,254,505	35,361
Excess of revenues over expenditures	2,815,134	2,815,134	2,375,300	(439,834)
Other financing uses:				
Transfers out	(3,849,365)	(3,849,365)	(1,964,973)	1,884,392
Total other financing uses	(3,849,365)	(3,849,365)	(1,964,973)	1,884,392
Net change in fund balances	(1,034,231)	(1,034,231)	410,327	1,444,558
FUND BALANCES, beginning of fiscal year	2,318,612	2,318,612	2,318,612	-
FUND BALANCES, end of fiscal year	$ 1,284,381	$ 1,284,381	$ 2,728,939	$ 1,444,558

CITY OF LAGRANGE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SPLOST - 2017

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Fiscal Years	Expenditures: Current Fiscal Year	Expenditures: Total	Estimated Percent Complete
Special Local Option Sales Tax - 2017:						
The Thread - multiuse trail	$ 10,000,000	$ 8,689,916	$ 7,553,592	$ 1,136,324	$ 8,689,916	100.00 %
Park upgrades	550,000	6,888,984	5,295,992	1,592,992	6,888,984	100.00
Gateway corridor enhancements	2,000,000	772,868	772,868	-	772,868	100.00
Roads and bridge improvements	6,000,000	7,362,052	5,350,035	2,012,017 (1)	7,362,052	100.00
Utility relocation	1,400,000	1,681,584	1,681,584	-	1,681,584	100.00
Regional stormwater management initiatives	1,000,000	1,633,311	1,633,311	-	1,633,311	100.00
Public safety	4,000,000	7,154,890	7,154,890	-	7,154,890	100.00
Total SPLOST 2017	$ 24,950,000	$ 34,183,605	$ 29,442,272	$ 4,741,333	$ 34,183,605	

SPLOST - 2022

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Fiscal Years	Expenditures: Current Fiscal Year	Expenditures: Total	Estimated Percent Complete
Special Local Option Sales Tax - 2022:						
The Thread - multiuse trail	$ 10,000,000	$ 10,000,000	$ -	$ -	$ -	- %
Park upgrades	5,300,000	5,300,000	-	263,714	263,714	4.98
Gateway corridor enhancements	4,440,000	4,440,000	-	-	-	-
Roads and bridge improvements	4,000,000	4,000,000	-	88,825	88,825	2.22
Regional stormwater management initiatives	1,000,000	1,000,000	-	-	-	-
Public safety	7,000,000	7,000,000	-	-	-	-
Total SPLOST 2022	$ 31,740,000	$ 31,740,000	$ -	$ 352,539	$ 352,539	

Total SPLOST expenditures	$ 5,093,872
	81,174 (1)
Total SPLOST fund expenditures	$ 5,175,046

(1) Local funding of $81,174 was used to supplement Roads and bridge improvements projects in fiscal year 2025.

Note 2: The Roads and bridge improvements project prior fiscal year expenditures were revised to accurately reflect cumulative expenditures incurred in prior fiscal years.

CITY OF LAGRANGE, GEORGIA
NONMAJOR PROPRIETARY FUNDS

Utility Fund – This fund is used to account for the operations of the City's information technology and general utility services such as the utility service center, customer service, engineering and billing.

Telecommunications Fund – This fund is used to account for the operations of the City's telecommunications activities and services rendered to the residents and businesses of the City.

Downtown Development Authority – This fund is used to account for the City's operations of the Sweetland Amphitheater.

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2025

	Nonmajor Proprietary Funds			Total Nonmajor Proprietary Funds
ASSETS	Utility Fund	Telecommunications Fund	Downtown Development Authority	
CURRENT ASSETS				
Cash	$ 3,160	$ 589,035	$ 75,215	$ 667,410
Investments	-	2,727,791	-	2,727,791
Accounts receivable, net of allowances	455,392	692,796	5,000	1,153,188
Due from other funds	-	-	29,782	29,782
Prepaid items	64,384	-	-	64,384
Inventory	-	157,475	-	157,475
Total current assets	522,936	4,167,097	109,997	4,800,030
NONCURRENT ASSETS				
Advances to other funds	385,000	477,910	-	862,910
Capital Assets:				
Nondepreciable	2,671,842	709,041	50,000	3,430,883
Depreciable, net of accumulated depreciation	5,028,589	5,628,179	3,634,032	14,290,800
Total capital assets	7,700,431	6,337,220	3,684,032	17,721,683
Total noncurrent assets	8,085,431	6,815,130	3,684,032	18,584,593
Total assets	8,608,367	10,982,227	3,794,029	23,384,623
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	438,652	118,002	-	556,654
OPEB related items	141,152	40,777	-	181,929
Total deferred outflows of resources	579,804	158,779	-	738,583
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	368,791	89,956	44,729	503,476
Accrued liabilities	75,355	31,915	4,361	111,631
Customer deposits	2,543,696	-	-	2,543,696
Due to other funds	-	-	50,000	50,000
Compensated absences payable	56,631	114,679	-	171,310
Total OPEB liability	31,891	9,213	-	41,104
Total current liabilities	3,076,364	245,763	99,090	3,421,217
NONCURRENT LIABILITIES				
Compensated absences payable	26,292	51,651	-	77,943
Advances from other funds	49,807	-	107,412	157,219
Net pension liability	1,041,089	285,630	-	1,326,719
Total OPEB liability	958,786	276,982	-	1,235,768
Total noncurrent liabilities	2,075,974	614,263	107,412	2,797,649
Total liabilities	5,152,338	860,026	206,502	6,218,866
DEFERRED INFLOWS OF RESOURCES				
Pension related items	399,396	122,550	-	521,946
OPEB related items	436,481	126,094	-	562,575
Total deferred inflows of resources	835,877	248,644	-	1,084,521
NET POSITION				
Investment in capital assets	7,700,431	6,337,220	3,684,032	17,721,683
Unrestricted	(4,500,475)	3,695,116	(96,505)	(901,864)
Total net position	$ 3,199,956	$ 10,032,336	$ 3,587,527	$ 16,819,819

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

CITY OF LAGRANGE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonmajor Proprietary Funds			Total Nonmajor Proprietary Funds
	Utility Fund	Telecommunications Fund	Downtown Development Authority	
OPERATING REVENUES				
Telecommunications and utilities	$ 728,680	$ 3,776,919	$ -	$ 4,505,599
Sponsorships	-	-	435,675	435,675
Other sales	2,588,674	-	1,260,891	3,849,565
Miscellaneous income	-	-	50,896	50,896
Total operating revenues	3,317,354	3,776,919	1,747,462	8,841,735
OPERATING EXPENSES				
Telecommunications	-	2,746,107	-	2,746,107
Administrative services	5,995,590	-	-	5,995,590
Depreciation	168,039	493,429	163,478	824,946
Community development	-	-	2,173,241	2,173,241
Total operating expenses	6,163,629	3,239,536	2,336,719	11,739,884
Operating income (loss)	(2,846,275)	537,383	(589,257)	(2,898,149)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	160,806	-	160,806
Interest expense	(2,787)	-	(5,459)	(8,246)
Intergovernmental revenue	310,521	-	-	310,521
Gain on sale of assets	-	-	9,785	9,785
Total nonoperating revenues (expenses)	307,734	160,806	4,326	472,866
Income (loss) before transfers	(2,538,541)	698,189	(584,931)	(2,425,283)
Transfers in	3,608,709	-	459,208	4,067,917
Transfers out	(177,320)	(738,743)	-	(916,063)
	3,431,389	(738,743)	459,208	3,151,854
Change in net position	892,848	(40,554)	(125,723)	726,571
Net position, beginning of fiscal year	2,329,727	10,102,785	3,713,250	16,145,762
Adjustment - change in accounting principle	(22,619)	(29,895)	-	(52,514)
Net position, beginning of year, as adjusted	2,307,108	10,072,890	3,713,250	16,093,248
Net position, end of fiscal year	$ 3,199,956	$ 10,032,336	$ 3,587,527	$ 16,819,819

CITY OF LAGRANGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Utility Fund	Telecommunications Fund	Downtown Development Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 3,895,686	$ 3,861,164	$ 1,717,680	$ 9,474,530
Payments to suppliers	(2,942,866)	(1,541,960)	(1,722,688)	(6,207,514)
Payments to employees	(3,105,593)	(1,137,233)	(442,736)	(4,685,562)
Net cash provided by (used in) operating activities	(2,152,773)	1,181,971	(447,744)	(1,418,546)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Repayment of interfund advance	(49,806)	-	-	(49,806)
Intergovernmental receipts	310,521	-	-	310,521
Transfers out to other funds	(177,320)	(738,743)	-	(916,063)
Transfers in from other funds	3,608,709	-	459,208	4,067,917
Net cash provided by (used in) noncapital financing activities	3,692,104	(738,743)	459,208	3,412,569
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund advances	(385,000)	(477,910)	-	(862,910)
Interest and fiscal charges	(2,787)	-	(5,460)	(8,247)
Proceeds from the sale of assets	-	-	9,785	9,785
Purchase of capital assets	(1,096,032)	(859,041)	-	(1,955,073)
Net cash provided by (used in) capital and related financing activities	(1,483,819)	(1,336,951)	4,325	(2,816,445)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	160,806	-	160,806
Purchase of investments	-	(149,295)	-	(149,295)
Net cash provided by investing activities	-	11,511	-	11,511
Net increase (decrease) in cash and cash equivalents	55,512	(882,212)	15,789	(810,911)
Cash and cash equivalents, beginning of fiscal year	(52,352)	1,471,247	59,426	1,478,321
Cash and cash equivalents, end of fiscal year	$ 3,160	$ 589,035	$ 75,215	$ 667,410
Classified as:				
Cash and cash equivalents	$ 3,160	$ 589,035	$ 75,215	$ 667,410
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ (2,846,275)	$ 537,383	$ (589,257)	$ (2,898,149)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	168,039	493,429	163,478	824,946
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	762,716	(138,057)	-	624,659
Due from other funds	-	222,302	(29,782)	192,520
Inventory	8,900	(16,572)	-	(7,672)
Prepaid items	(518)	-	-	(518)
Increase (decrease) in:				
Accounts payable	177,812	89,956	4,947	272,715
Due to other funds	(146,101)	-	50,000	(96,101)
Advance from other funds	-	-	(50,747)	(50,747)
Accrued liabilities and claims reserves	12,347	(20,270)	3,617	(4,306)
Customer deposits	(184,384)	-	-	(184,384)
Compensated absences payable	1,981	46,631	-	48,612
Net pension liability and related deferred inflows and outflows	(86,761)	(26,901)	-	(113,662)
Total OPEB liability and related deferred inflows and outflows	(20,529)	(5,930)	-	(26,459)
Net cash provided by (used in) operating activities	$ (2,152,773)	$ 1,181,971	$ (447,744)	$ (1,418,546)

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

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS

Group Insurance Fund – This fund is used to account for the City's partial self-insurance of employees' medical claims.

Property and Casualty Insurance Fund – This fund is used to account for the City's partial self-insurance of workers' compensation and liability claims.

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

ASSETS	Group Insurance Fund	Property and Casualty Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 2,972,782	$ 967,649	$ 3,940,431
Investments	-	688,158	688,158
Due from other funds	-	50,000	50,000
Accounts receivable, net of allowances	90,818	-	90,818
Total current assets	3,063,600	1,705,807	4,769,407
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	-	34,457	34,457
Depreciable	-	147,818	147,818
Total noncurrent assets	-	182,275	182,275
Total assets	3,063,600	1,888,082	4,951,682
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	110,000	630	110,630
Claims reserve	487,500	72,000	559,500
NONCURRENT LIABILITIES			
Claims reserve	1,262,500	216,000	1,478,500
Total liabilities	1,860,000	288,630	2,148,630
NET POSITION			
Investment in capital assets	-	182,275	182,275
Unrestricted	1,203,600	1,417,177	2,620,777
Total net position	$ 1,203,600	$ 1,599,452	$ 2,803,052

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Group Insurance Fund	Property and Casualty Fund	Total
OPERATING REVENUES			
Premiums	$ 8,077,872	$ 6,457,212	$ 14,535,084
Insurance recoveries	-	1,070,444	1,070,444
Miscellaneous	244,716	-	244,716
Total operating revenues	8,322,588	7,527,656	15,850,244
OPERATING EXPENSES			
Administrative services	1,061,036	-	1,061,036
Risk management	6,519,505	7,718,995	14,238,500
Depreciation	-	3,721	3,721
Total operating expenses	7,580,541	7,722,716	15,303,257
Operating income (loss)	742,047	(195,060)	546,987
NONOPERATING REVENUES			
Investment income	1,161	71,919	73,080
Intergovernmental revenue	69,331	-	69,331
Total nonoperating revenues	70,492	71,919	142,411
Change in net position	812,539	(123,141)	689,398
Net position, beginning of fiscal year	391,061	1,722,593	2,113,654
Net position, end of fiscal year	$ 1,203,600	$ 1,599,452	$ 2,803,052

CITY OF LAGRANGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Group Health Fund	Property and Casualty Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from third parties	$ -	$ 1,070,444	$ 1,070,444
Receipts from interfund charges	8,322,493	6,407,212	14,729,705
Payments to suppliers and service providers	(7,670,541)	(7,775,365)	(15,445,906)
Net cash provided by (used in) operating activities	651,952	(297,709)	354,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(41,180)	(41,180)
Interest income	1,161	71,919	73,080
Net cash provided by investing activities	1,161	30,739	31,900
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayment of advances to other funds	-	136,386	136,386
Intergovernmental receipts	69,331	-	69,331
Net cash provided by noncapital financing activities	69,331	136,386	205,717
Net increase (decrease) in cash	722,444	(130,584)	591,860
Cash:			
Beginning of fiscal year	2,250,338	1,098,233	3,348,571
End of fiscal year	$ 2,972,782	$ 967,649	$ 3,940,431
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 742,047	$ (195,060)	$ 546,987
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	3,721	3,721
Change in assets and liabilities:			
Increase in accounts receivable	(95)	-	(95)
Increase in due from other funds	-	(50,000)	(50,000)
Increase in accounts payable	110,000	630	110,630
Net cash provided by (used in) operating activities	$ 651,952	$ (297,709)	$ 354,243

STATISTICAL SECTION

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

Page

Financial Trends **93**

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

Revenue Capacity **97**

These schedules contain information to help the reader assess the City's most significant local revenue source, utility revenue.

Debt Capacity **101**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **104**

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

Operating Information **106**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant fiscal year.

CITY OF LAGRANGE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	$ 61,734,629	$ 62,112,183	$ 66,096,412	$ 71,977,857	$ 75,206,491	$ 72,832,138	$ 78,713,611	$ 79,669,454	$ 80,797,964	$ 85,334,898
Restricted	6,680,165	6,284,954	4,259,880	1,354,746	2,019,890	1,709,556	2,132,117	2,578,717	6,280,996	6,396,810
Unrestricted	(10,317,280)	(30,591,947)	(36,742,232)	(35,829,384)	(41,643,138)	(35,701,085)	(31,049,297)	1,067,658	114,288	92,095
Total governmental activities net position	$ 58,097,514	$ 37,805,190	$ 33,614,060	$ 37,503,219	$ 35,583,243	$ 38,840,609	$ 49,796,431	$ 83,315,829	$ 87,193,248 (1)	$ 91,823,803
Business-type activities:										
Net investment in capital assets	$ 110,250,942	$ 108,454,603	$ 105,812,200	$ 101,324,627	$ 101,978,981	$ 96,653,024	$ 96,223,060	$ 97,351,042	$ 99,590,022	$ 113,364,791
Restricted	-	-	-	-	125,000	-	-	-	-	-
Unrestricted	30,199,537	30,425,124	28,695,522	32,991,564	37,442,117	36,693,302	34,397,198	35,803,450	36,834,094	25,367,296
Total business-type activities net position	$ 140,450,479	$ 138,879,727	$ 134,507,722	$ 134,316,191	$ 139,546,098	$ 133,346,326	$ 130,620,258	$ 133,154,492	$ 136,424,116 (1)	$ 138,732,087
Primary government:										
Net investment in capital assets	$ 171,985,571	$ 170,566,786	$ 171,908,612	$ 173,302,484	$ 177,185,472	$ 169,485,162	$ 174,936,671	$ 177,020,496	$ 180,387,986	$ 198,699,689
Restricted	6,680,165	6,284,954	4,259,880	1,354,746	2,144,890	1,709,556	2,132,117	2,578,717	6,280,996	6,396,810
Unrestricted	19,882,257	(166,823)	(8,046,710)	(2,837,820)	(4,201,021)	992,217	3,347,901	36,871,108	36,948,382	25,459,391
Total primary government net position	$ 198,547,993	$ 176,684,917	$ 168,121,782	$ 171,819,410	$ 175,129,341	$ 172,186,935	$ 180,416,689	$ 216,470,321	$ 223,617,364	$ 230,555,890

(1) Fiscal year 2024 net position was adjusted due to implementation of GASB 101. Business-type activities 2024 net position was also restated to adjust its landfill liability.

CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 2,536,687	$ 2,151,318	$ 2,072,410	$ 3,348,886	$ 3,859,865	$ 4,030,522	$ 5,434,086	$ 4,530,855	$ 5,362,628	$ 4,614,294
Judicial	-	-	-	-	-	39,474	4,231	15,724	13,564	-
Public safety	16,528,248	17,995,155	17,573,577	18,711,064	20,681,558	23,010,757	20,159,162	21,444,780	25,044,465	27,016,512
Public works	3,281,515	3,582,226	3,861,703	3,149,068	4,059,207	3,923,555	4,552,261	6,975,461	6,126,248	6,048,433
Culture and recreation	1,009,469	1,024,270	1,586,548	1,579,867	1,726,942	2,111,808	2,476,012	2,900,039	2,948,460	2,845,102
Community development	3,547,065	25,296,195	4,551,535	6,359,208	5,777,406	6,171,569 (1)	6,250,382	9,112,159 (8)	10,697,367	8,660,000
Redevelopment and housing	228,000	352,895	280,462	206,000	206,000	- (1)	-	-	-	-
Miscellaneous	438,347	443,353	438,966	451,737	507,970	-	-	-	-	-
Interest	232,542	533,129	788,434	831,861	803,005	1,062,274	956,391	1,817,837	1,719,829	1,077,958
Total governmental activities expenses	27,801,873	51,378,541	31,153,635	34,637,691	37,621,953	40,349,959	39,832,525	46,796,855	51,912,561	50,262,299
Business-type activities:										
Water and sewerage	12,491,721	12,714,739	12,609,701	13,650,697	13,729,797	13,041,808	14,284,191	15,545,354	16,791,975	18,215,398
Gas	9,585,058	10,552,167	10,771,403	12,057,058	9,025,876	9,325,641	14,960,571	18,272,779	10,717,631	13,236,954
Electric system	43,771,606	43,424,244	43,465,618	46,453,642	42,879,125	46,255,005	47,216,516	51,962,242 (7)	47,979,124	51,214,287
Sanitation	9,320,613	8,947,980	9,050,058	8,097,230	2,918,963	3,713,205	3,280,098	3,168,720	3,575,721	5,356,950
Utility	-	-	-	-	-	-	-	-	5,143,278 (9)	6,105,686
Telecommunications	2,318,542	2,975,585	2,976,708	3,214,448	3,571,878	2,608,631	2,414,134	2,636,467	2,769,111	3,221,033
Sweetland Amphitheater	-	-	-	-	232,707	382,477	1,582,441	1,314,277	2,072,049	2,338,586
Total business-type activities expenses	77,487,540	78,614,715	78,873,488	83,473,075	72,358,346	75,326,767	83,737,951	92,899,839	89,048,889	99,688,894
Total primary government expenses	$ 105,289,413	$ 129,993,256	$ 110,027,123	$ 118,110,766	$ 109,980,299	$ 115,676,726	$ 123,570,476	$ 139,696,694	$ 140,961,450	$ 149,951,193
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 356,953	$ 366,991	$ 366,546	$ 1,716,581	$ 1,280,442	$ 1,729,001	$ 1,729,520	$ 1,933,761	$ 1,895,472	$ 2,091,266
Public safety	1,464,613	1,438,475	1,508,576	1,388,901	1,225,329	965,468	1,176,755	1,243,566	1,371,197	2,081,275
Culture and recreation	61,010	44,875	57,315	51,180	48,545	-	-	-	-	-
Community development	1,079,498	1,162,818	861,664	1,057,964	993,385	205,967	261,336	641,879	1,163,439	1,227,515
Operating grants and contributions	218,943	586,037	2,817,707	910,388	418,466	2,071,631	7,652,603 (4)	7,456,129	8,018,131	3,271,912
Capital grants and contributions	10,525,756	3,307,053	3,366,043	4,556,503	5,123,036	6,543,151	7,167,456	7,141,840	6,837,083	8,196,347
Total government activities program revenues	13,706,773	6,906,249	8,977,851	9,681,517	9,089,203	11,515,218	17,987,670	18,417,175	19,285,322	16,868,315
Business-type activities:										
Charges for services:										
Water and sewerage	16,165,910	16,667,241	15,996,574	16,986,695	17,826,037	18,627,256	18,173,806	22,239,721	21,907,296	21,976,895
Gas system	11,694,411	11,994,070	13,575,746	14,983,093	12,660,263	12,638,121	18,536,463 (5)	20,538,841	18,038,461	14,962,453
Electric system	50,570,883	48,812,549	50,257,072	51,933,231	48,052,304	47,508,167	51,862,335	58,912,194 (7)	57,532,955	56,536,159
Sanitation	9,456,822	9,406,918	8,713,822	7,911,900	2,657,310	2,667,166	2,988,028	3,002,170	3,393,105	4,232,564
Utility	-	-	-	-	-	-	-	-	1,477,579 (9)	3,317,354
Telecommunications	2,998,812	3,082,439	3,215,182	3,376,166	3,421,210	3,289,836	3,053,701	3,774,717	3,382,566	3,776,919
Sweetland Amphitheater	-	-	-	-	338,680	148,961	1,437,568	1,240,584	1,767,047	1,747,462
Operating grants and contributions	-	-	-	-	-	-	-	-	1,412,033 (10)	310,521
Capital grants and contributions	-	-	-	-	225,538	-	-	731,011	2,859,149	8,312,510 (12)
Total business-type activities program revenues	90,886,838	89,963,217	91,758,396	95,191,085	85,181,342	84,879,507	96,051,901	110,439,238	111,770,191	115,172,837
Total primary government program revenues	$ 104,593,611	$ 96,869,466	$ 100,736,247	$ 104,872,602	$ 94,270,545	$ 96,394,725	$ 114,039,571	$ 128,856,413	$ 131,055,513	$ 132,041,152

(continued)

CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue										
Governmental activities	$ (44,472,292)	$ (22,175,784)	$ (24,956,174)	$ (28,532,750)	$ (28,834,741)	$ (21,844,855)	$ (21,844,855)	$ (28,379,680)	$ (32,627,239)	$ (33,393,984)
Business-type activities	11,348,502	12,884,908	11,718,010	12,822,996	9,552,740	12,313,950	12,313,950	17,539,399	22,721,302	15,483,943
Total primary government net expense	$ (33,123,790)	$ (9,290,876)	$ (13,238,164)	$ (15,709,754)	$ (19,282,001)	$ (9,530,905)	$ (9,530,905)	$ (10,840,281)	$ (9,905,937)	$ (17,910,041)
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	$ 4,395,627	$ 4,545,898	$ 4,586,458	$ 4,933,177	$ 7,666,659	$ 8,285,491	$ 9,505,770	$ 10,359,637	$ 10,376,215	$ 10,499,914
Sales and use taxes	5,021,093	4,769,502	4,968,287	5,230,046	5,750,141	6,659,373	7,307,383	8,003,206	8,306,774	8,474,325
Franchise taxes	1,204,116	1,110,440	1,083,001	1,073,386	1,130,709	1,038,066	1,098,906	1,260,309	1,092,147	1,143,714
Unrestricted investment earnings	35,789	42,269	51,222	64,512	100,637	508,877	598,855	543,454	944,707 (11)	908,460
Miscellaneous	-	-	-	-	-	677,756 (2)	996,160	560,656	592,379	1,286,113
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	132,369
Transfers	13,073,728	11,815,000	13,491,000	13,914,000	13,842,000	15,832,000	13,293,603	15,550,100	15,456,748	15,579,644
Total governmental activities	23,730,353	22,283,109	24,179,968	25,215,121	28,490,146	33,001,563	32,800,677	36,277,362	36,768,970	38,024,539
Business-type activities:										
Unrestricted investment earnings (loss)	72,298	103,009	370,511	183,985	1,321,759	25,380 (3)	(1,747,661) (6)	492,043	2,384,687 (11)	2,366,661
Gain on sale of capital assets	-	-	-	-	1,083,763	54,108	1,246	52,892	42,634	37,011
Transfers	(13,073,728)	(11,815,000)	(13,491,000)	(13,914,000)	(13,842,000)	(15,832,000)	(13,293,603)	(15,550,100)	(15,456,748)	(15,579,644)
Total business-type activities	(13,001,430)	(11,711,991)	(13,120,489)	(13,730,015)	(11,436,478)	(15,752,512)	(15,040,018)	(15,005,165)	(13,029,427)	(13,175,972)
Total primary government	$ 10,728,923	$ 10,571,118	$ 11,059,479	$ 11,485,106	$ 17,053,668	$ 17,249,051	$ 17,760,659	$ 21,272,197	$ 23,739,543	$ 24,848,567
Change in Net Position										
Governmental activities	$ (20,741,939)	$ 107,325	$ (776,206)	$ (3,317,629)	$ (344,595)	$ 11,156,708	$ 10,955,822	$ 7,897,682	$ 4,141,731	$ 4,630,555
Business-type activities	(1,652,928)	1,172,917	(1,402,479)	(907,019)	(1,883,738)	(3,438,562)	(2,726,068)	2,534,234	9,691,875	2,307,971
Total primary government	$ (22,394,867)	$ 1,280,242	$ (2,178,685)	$ (4,224,648)	$ (2,228,333)	$ 7,718,146	$ 8,229,754	$ 10,431,916	$ 13,833,606	$ 6,938,526

(1) Redevelopment and housing was consolidated into Community development in fiscal year 2021.
(2) This category was not broken out separately in prior fiscal years.
(3) Decrease the result of market fluctuations in the current fiscal year and allocation of investments to governmental activities.
(4) Increase attributable to ARPA Grant expenditures in fiscal year 2022.
(5) Natural gas prices hit record highs in fiscal year 2022.
(6) During 2022, the U.S. economy experienced its most significant stock market decline since 2008.
(7) Market factors resulted in a sharp rise in cost of goods sold for electric and power supply, which also contributed to an increase in revenue.
(8) In fiscal year 2023, the LaGrange Development Authority was reported as a blended component unit and major governmental fund of the City.
(9) In fiscal year 2024, the City reported a change in reporting entity that resulted in the Utility Fund operations being broken out and separately reported within the ACFR.
(10) Disaster recovery grants and supplemental coronavirus funding were reported in various enterprise funds in fiscal year 2024.
(11) A rise in interest rates contributed to increased investment income.
(12) Several large parcel donations in 2025.

CITY OF LAGRANGE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund:										
Nonspendable	$ 183,753	$ 195,491	$ 179,260	$ 170,003	$ 165,344	$ 585,202	$ 976,295	$ 973,771	$ 1,690,142	$ 1,254,146
Restricted	936,059	932,122	928,387	1,354,746	1,279,007	404,455	714,086	870,050	275,585	577,162
Assigned	-	-	-	7,000	12,540	-	-	-	-	-
Unassigned	2,203,372	1,902,981	1,773,138	1,687,912	(1,021,517)	2,924,547	4,694,610	9,131,954	9,755,676	8,744,372
Total General Fund	$ 3,323,184	$ 3,030,594	$ 2,880,785	$ 3,219,661	$ 435,374	$ 3,914,204	$ 6,384,991	$ 10,975,775	$ 11,721,403	$ 10,575,680
All other governmental funds:										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 2,500	$ 70,961	$ 7,360,310	$ 6,876,045	$ 6,539,559
Restricted	5,744,106	5,352,832	3,331,493	883,110	740,883	1,532,135	1,625,180	1,962,963	5,663,702	5,459,702
Committed	-	-	-	-	-	-	-	3,529,503	3,357,527	3,167,258
Assigned	-	-	-	-	-	366,778	113,553	135,653	-	-
Unassigned	-	(2,720,609)	(2,595,426)	(2,894,486)	(3,844,976)	(2,206,286)	(3,197,106)	(1,934,106)	(1,873,520)	(2,051,727)
Total all other governmental funds	$ 5,744,106	$ 2,632,223	$ 736,067	$ (2,011,376)	$ (3,104,093)	$ (304,873)	$ (1,387,412)	$ 11,054,323	$ 14,023,754	$ 13,114,792

Note: 2023 fund balance includes reporting of the LaGrange Development Authority as a blended component unit and major governmental fund of the City.

CITY OF LAGRANGE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes, licenses, and permits	$ 10,579,163	$ 10,890,064	$ 11,434,333	$ 14,823,776	$ 13,709,187	$ 16,193,912	$ 18,195,987	$ 20,257,417	$ 20,859,715	$ 21,345,303
Intergovernmental	3,206,315	3,767,004	5,293,293	5,104,531	5,541,033	8,614,574	14,819,893 (3)	15,205,223	15,450,655	10,029,109
Fines and forfeitures	1,133,181	1,115,505	1,164,063	1,037,600	803,272	679,268	785,384	903,297	980,235	1,420,247
Charges for services	310,653	253,768	285,318	1,339,516	1,152,663	2,010,186	2,098,299	2,281,644	2,365,294	2,752,459
Investment income	993,538	907,538	928,570	1,033,323	928,285	509,085 (1)	599,021	543,700	945,607	909,125
Miscellaneous	425,595	568,710	507,452	620,716	490,537	677,756	772,635	558,210	628,538	1,636,036
Total revenues	16,648,445	17,502,589	19,613,029	23,959,462	22,624,977	28,684,781	37,271,219	39,749,491	41,230,044	38,092,279
Expenditures										
General government	1,901,425	1,964,022	2,085,775	3,096,624	3,333,594	3,595,620	5,345,978	4,203,993	4,835,052	4,390,766
Public safety	15,947,584	16,935,100	17,424,091	17,766,922	18,893,216	20,868,958	21,391,748	21,813,752	22,890,176	28,501,470
Public works	2,941,310	3,253,462	2,856,934	2,780,224	2,955,747	3,315,572 (2)	3,894,994	4,986,279	4,441,631	3,889,982
Culture and recreation	944,873	945,898	1,349,158	1,467,014	1,620,773	2,003,320	2,509,790	2,653,862	3,321,533	2,867,602
Community development	2,049,237	4,917,482	2,320,175	3,896,650	3,267,663	3,690,865	3,605,010	5,751,977	7,129,662	3,046,617
Economic development	-	-	-	-	-	-	-	-	-	2,254,505 (4)
Redevelopment and housing	228,000	352,895	280,462	206,000	206,000	- (2)	-	-	-	-
Telecommunications and technology	422,411	443,359	466,364	460,021	477,190	532,100	520,730	549,749	619,648	596,223
Debt service:										
Principal	978,491	1,366,227	1,440,153	1,376,182	1,588,199	1,033,934	1,297,780	2,198,818	2,548,644	2,067,732
Interest	226,215	259,488	224,699	865,575	808,359	1,056,501	976,276	1,828,130	1,746,680	1,103,026
Capital outlay	5,699,449	4,702,862	7,535,200	8,875,042	7,083,458	4,929,548	9,857,793	5,744,195	5,534,586	8,385,935
Total expenditures	31,338,995	35,140,795	35,983,011	40,790,254	40,234,199	41,026,418	49,400,099	49,730,755	53,067,612	57,103,858
Excess (deficiency) of revenues over expenditures	(14,690,550)	(17,638,206)	(16,369,982)	(16,830,792)	(17,609,222)	(12,341,637)	(12,128,880)	(9,981,264)	(11,837,568)	(19,011,579)
Other financing sources (uses)										
Financed purchases	2,725,707	713,427	396,555	213,418	625,083	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	54,782	1,031,314
Long-term debt	-	-	-	-	-	1,635,000	-	82,199	-	-
Proceeds from sale of capital assets	4,984	29,306	13,462	11,621	30,135	-	223,525	2,446	41,097	345,936
Transfers in	13,494,882	15,281,892	15,910,705	20,588,068	18,385,659	20,802,614	24,336,031	28,177,452	19,159,538	18,359,242
Transfers out	(1,679,882)	(1,790,892)	(1,996,705)	(6,746,068)	(5,308,659)	(6,065,614)	(11,042,428)	(12,643,084)	(3,702,790)	(2,779,598)
Total other financing sources (uses)	14,545,691	14,233,733	14,324,017	14,067,039	13,732,218	16,372,000	13,517,128	15,619,013	15,552,627	16,956,894
Net change in fund balances	$ (144,859)	$ (3,404,473)	$ (2,045,965)	$ (2,763,753)	$ (3,877,004)	$ 4,030,363	$ 1,388,248	$ 5,637,749	$ 3,715,059	$ (2,054,685)
Debt service as a percentage of noncapital expenditures	4.69%	5.24%	5.64%	6.92%	7.15%	5.87%	5.80%	8.88%	9.14%	6.64%

(1) Decrease due to change in accounting and treatment of leasepool interest income.
(2) Departments consolidated under public works for financial reporting.
(3) Increase attributable to ARPA funding expended in fiscal year 2022.
(4) City revised its reporting function of certain hotel/motel related expenditures in 2025.

Note: 2023 changes in fund balances includes reporting of the LaGrange Development Authority as a blended component unit and major governmental fund of the City.

CITY OF LAGRANGE, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Local Option Sales Tax	Other Taxes	Franchise Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
2016	$ 4,769,502	$ 2,987,372	$ 1,110,440	$ 713,178	$ 916,803	$ 10,497,295
2017	4,968,287	3,205,545	1,083,001	718,706	993,808	10,969,347
2018	5,230,046	3,359,689	1,073,386	717,267	1,122,254	11,502,642
2019	5,750,141	4,194,143	1,130,709	760,968	3,526,384	15,362,345
2020	5,349,061	4,622,567	1,144,431	720,255	2,634,225	14,470,539
2021	6,659,373	4,175,205	1,038,066	767,733	3,319,900	15,960,277
2022	7,307,383	4,183,105	1,098,906	749,243	4,573,422	17,912,059
2023	8,003,206	4,586,462	1,260,309	725,894	5,047,281	19,623,152
2024	8,306,774	4,860,221	1,092,147	714,933	4,801,061	19,775,136
2025	8,474,325	5,191,561	1,143,714	679,736	4,628,617	20,117,953

CITY OF LAGRANGE, GEORGIA
PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

	2025			2016		
Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	$ 653,573	1	5.3	$ 543,294	1	3.0
City of Greenville	263,378	2	2.1	231,641	3	1.3
Great Wolf Lodge	249,540	3	2.0			
City of Hogansville	209,140	4	1.7	227,120	4	1.3
Troup Co. School System	156,563	5	1.3	97,955	7	0.5
West Ga Health	141,213	6	1.1	173,170	5	1.0
Mountville Mills	124,623	7	1.0	80,775	10	0.4
The Hamilton Townhouses	115,136	8	0.9			
Kimberly Clark	110,102	9	0.9	125,189	6	0.7
Troup Co. Commissioners	109,721	10	0.9	232,796	2	1.3
Lee Crossing Apartments				96,353	8	0.5
Jindal Films America				84,316	9	0.5
	$ 2,132,989		17.2	$ 1,892,609		10.5

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
PRINCIPAL NATURAL GAS CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

	2025			2016		
Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
KIA Motor Corporation	$ 3,001,925	1	20.4	$ 2,370,402	1	20.7
Milliken & Co.	2,382,506	2	16.2	2,057,766	2	18.0
Interface Flooring Systems	938,654	3	6.4	315,244	6	2.8
Mountville Mills, Inc	732,294	4	5.0	687,912	3	6.0
Kimberly Clark	387,706	5	2.6	316,311	5	2.8
Great Wolf Lodge	363,031	6	2.5			
West Ga Health	328,113	7	2.2	244,358	7	2.1
CW Matthews Contracting Co.	323,416	8	2.2			
Troup Co. School System	192,837	9	1.3	113,418	9	1.1
Glovis VPC	132,401	10	0.9			
Troup County Commissioners				97,898	10	0.9
Walmart				129,248	8	1.1
Jindal Films America				411,735	4	3.6
	$ 8,782,883		59.7	$ 6,744,292		59.1

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
PRINCIPAL ELECTRIC CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

	2025			2016		
Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Duracell USA	$ 2,370,340	1	4.2	$ 2,362,751	2	4.7
Sewon America, Inc.	2,292,928	2	4.1	1,457,903	4	2.9
Interface Flooring Systems	1,822,729	3	3.2	1,205,346	6	2.4
Walmart	1,464,453	4	2.6	1,435,191	5	2.8
Seoyon Interior Systems	1,451,030	5	2.6			
West Ga Health	1,390,970	6	2.5	1,553,593	3	3.1
Troup Co. School System	1,282,936	7	2.3	1,069,191	8	2.1
SAFA	1,101,969	8	2.0	1,072,623	7	2.1
LaGrange College	858,617	9	1.5	800,838	10	1.6
Great Wolf Lodge	757,223	10	1.3			
Jindal Films America				3,493,301	1	6.9
Mountville Mills, Inc.				809,452	9	1.6
	$ 14,793,195		26.3	$ 15,260,189		30.2

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Certificates of Participation	Revenue Bonds	Leases Payable	Financed Purchases	Notes Payable	Intergovernmental Agreements	Revenue Bonds	Notes Payable			
2016	$ 4,570,000	$ 3,888,000	$ -	$ -	$ 2,545,000	$ 855,000	$ 3,195,000	$ 7,415,000	$20,123,755	$ 42,591,755	8.40%	1,394
2017	21,120,000	3,888,000	-	-	2,315,323	445,000	2,940,000	6,590,000	19,176,976	56,475,299	11.14%	1,837
2018	20,737,500	3,888,000	-	-	2,080,456	-	2,670,000	5,740,000	18,211,640	53,327,596	10.52%	1,700
2019	20,005,000	3,888,000	-	-	1,842,408	-	2,385,000	4,860,000	17,227,306	50,207,714	9.90%	1,581
2020	19,247,500	3,888,000	-	-	1,600,136	-	2,090,000	3,950,000	16,223,544	46,999,180	9.27%	1,464
2021	18,462,500	3,888,000	-	-	1,351,202	1,635,000	1,780,000	32,194,551	13,248,725	72,559,978	14.31%	2,395
2022	755,000 ***	3,888,000	19,567,979 ***	-	1,095,422	1,408,000	- ***	30,258,812	12,385,478	69,358,691	10.47%	2,198
2023	510,000 ***	3,888,000	18,643,623 ***	76,672 ***	832,608	1,251,000	- ***	28,148,498	11,507,317	64,857,718	9.10%	2,041
2024	255,000	3,888,000	17,446,637	94,351	562,567	1,092,000	-	25,971,085	10,629,754	59,939,394	7.13%	1,853
2025	-	3,888,000	16,201,055	996,401	285,099	931,000	-	24,797,234	9,784,886	56,883,675	5.89%	1,708

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.
**See Demographic and Economic Statistics for personal income and population data.
***In 2023, the LaGrange Development Authority was reported as a blended component unit of the City. This change in reporting entity created a change in the reporting of the governmental activities intergovernmental agreements payable, resulted in the addition of revenue bonds payable, leases payable, and affected the reporting of the business-type intergovernmental agreements payable.

CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	$ 3,775,461	45%	$ 1,698,957
Troup County School System	28,182,239 **	45%	12,682,008
Subtotal, overlapping debt			14,380,965
Direct debt:			
City of LaGrange, Georgia			
governmental activities			22,301,555
Subtotal, direct debt			22,301,555
Total direct and overlapping debt			$ 36,682,520

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of LaGrange, Georgia.
This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

***** The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

****** Fiscal year 2025 data was not available and thus the 2024 figure was used.

CITY OF LAGRANGE, GEORGIA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Gross Revenue *	Less: Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
2021	$ 18,627,256	$ 8,963,081	$ 9,664,175	$ -	$ -	$ -	0.00
2022	18,173,806	9,446,309	8,727,497	775,000	1,029,012	1,804,012	4.84
2023	22,239,721	11,276,144	10,963,577	875,000	776,225	1,651,225	6.64
2024	21,907,296	15,823,838	6,083,458	920,000	731,350	1,651,350	3.68
2025	21,976,895	14,057,210	7,919,685	965,000	708,350	1,673,350	4.73

* Operating and nonoperating revenue available for debt service.
** Operating expenses other than interest on debt, depreciation, and amortization.
***Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that fiscal year. There were no debt service payments made in 2021.

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements.
Note: The City issued Water and Sewer Series 2021 Bonds in fiscal year 2021. This schedule will show ten years as accumulated.

CITY OF LAGRANGE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City/County Consolidated School Enrollment **	Unemployment Rate ***
2016	30,000	506,900,000	16,897	33.0	N/A	12,386	5.2%
2017	30,000	506,900,000	16,897	33.0	N/A	12,204	4.9%
2018	30,500	506,900,000	16,620	33.0	N/A	12,100	3.9%
2019	30,300	506,900,000	16,730	33.0	N/A	12,066	3.6%
2020	30,300	506,900,000	16,730	33.0	N/A	12,184	9.1%
2021	30,300	506,900,000	16,730	33.0	N/A	12,121	5.1%
2022	31,000	651,000,000	21,000	34.0	N/A	12,252	3.2%
2023	31,773	713,000,000	23,000	34.0	N/A	12,139	3.2%
2024	32,343	840,918,000	26,000	34.9	N/A	12,280	3.6%
2025	33,300	965,700,000	29,000	34.9	N/A	12,278	3.4%

N/A - Not Available

Data Sources:

* 2020 U.S. Census: other years - LaGrange Planning Office.

** Board of Education

*** Troup County Department of Labor (latest completed calendar year, City of LaGrange)

CITY OF LAGRANGE, GEORGIA
PRINCIPAL EMPLOYERS BY NUMBER OF EMPLOYEES (CITY OF LAGRANGE)
CURRENT YEAR AND TEN YEARS AGO

		2025			2016		
Employer	Type of Business	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Troup County School System	Education	1,829	1	4.8 %	1,770	1	4.6 %
Walmart Distribution Center	Warehousing	1,550	2	4.1	922	5	2.4
WellStar West Georgia Health Systems	Medical Services	1,438	3	3.8	1,500	3	3.9
Sewon America, Inc.	Car Manufacturing Supplier	835	4	2.2	912	6	2.4
Great Wolf Lodge	Resort	632	5	1.7			
Interface Flooring	Floor coverings	355	6	0.9	1,623	2	4.2
Mountville Mills	Carpet	818	7	2.1	518	8	1.4
Milliken and Company	Floor coverings	536	8	1.4	1,084	4	2.8
City of LaGrange	Government	452	9	1.2			
Duracell	Batteries	400	10	1.0	373	10	1.0
Troup County Board of Commissioners	Government				585	7	1.5
American Home Shield	Home Warranties				496	9	1.3
		8,845		23.20 %	9,783		25.50 %

Data Source: LaGrange Development Authority, Direct contact with Business Department - Business Licensing

CITY OF LAGRANGE, GEORGIA
FULL-TIME EQUIVALENT ACTIVE CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
Function	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities:										
General Government	16	16	13	13	13	17	19	20	19	16
Public safety:										
Police	105	105	105	106	108	108	114	116	109	114
Fire	57	57	64	64	65	65	67	70	60	65
Animal control	4	4	4	4	4	4	4	4	4	5
Court services	3	3	3	3	3	3	4	3	3	3
Probation services	5	5	5	5	5	5	0	0	0	0
Public service:										
Landscaping and cemeteries	8	9	18	18	18	21	23	23	22	22
Highways and streets	17	17	17	16	17	17	23	23	18	20
Traffic control	3	3	3	3	2	2	2	2	2	2
Trash and refuse	8	8	8	8	8	9	9	9	9	9
Recycling	3	3	5	5	5	4	3	1	1	1
Engineering	2	2	2	2	2	1	1	1	1	1
Community development:										
Life and building safety	0	0	0	0	0	0	0	0	0	0
Housing and inspections	0	0	0	0	0	0	0	0	0	0
Economic development	1	1	1	1	1	2	2	2	0	0
Community and economic development	8	8	9	8	9	9	4	4	4	4
Other governmental services:										
Vehicle maintenance	16	17	17	15	12	12	11	11	11	11
Local governmental television	2	2	2	2	2	2	2	2	3	4
Total governmental activities	258	260	276	273	274	281	288	291	266	277
Business-type activities:										
Water and sewerage	63	63	63	63	63	64	64	63	62	64
Electric	17	17	18	23	23	23	23	23	21	23
Gas	8	8	8	8	8	8	8	8	8	8
Telecommunications	8	8	8	8	8	9	9	9	12	19
Sanitation	31	31	31	33	15	16	16	16	13	18
Business-type activities support services	29	29	32	32	33	35	35	35	30	31
Total business-type activities	156	156	160	167	150	155	155	154	146	163
Grand total	414	416	436	440	424	436	443	445	412	440

Data Source: City Finance Department

CITY OF LAGRANGE, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
Police:										
Physical arrests	4,519	4,018	4,175	3,323	2,929	2,776	3,171	3,889	3,777	3,872
Parking violations	255	391	611	288	108	23	106	335	202	876
Traffic violations	12,625	12,955	15,095	14,809	8,029	7,702	11,386	10,645	16,898	18,663
Fire:										
Number of calls answered	4,634	4,607	4,722	5,040	5,470	5,474	5,575	5,881	6,260	6,353
Inspections	2,579	2,451	1,986	2,598	2,236	2,399	1,984	2,851	1,424	2,104
Health and Welfare:										
Animal Control (captured animals-City)	1,163	1,132	1,394	1,568	1,202	1,437	1,239	1,220	1,380	1,073
Highways and streets:										
Street resurfacing (miles)	2	5	2	6	4	2	5	1	4	6
Potholes repaired	74	58	72	13	63	76	84	74	59	68
Water and sewerage:										
New water connections	111	144	162	129	164	207	192	148	269	307
New sewage connections	28	29	17	59	74	79	83	89	99	213
Average daily consumption (thousands of gallons)	5,288	5,526	5,200	5,321	5,384	5,243	5,472	5,555	5,488	5,700
Average daily sewage treatment (thousands of gallons)	5,120	4,900	3,750	3,750	6,480	4,570	5,500	5,470	5,350	4,860
Gas:										
Breaks on gas main	6	0	0	1	4	1	1	1	4	4
Solid waste:										
Refuse collected (tons/day)	442	442	442	50	58	63	31	55	65	70
Recyclables collected (tons/day)	15	15	15	20	15	18	0	1	5	1

Data Sources: Various City Departments

Note: Indicators not available for the general government function.

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
Function	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	86	89	93	98	97	98	96	101	102	142
Fire stations	5	5	5	5	6	6	6	5	5	5
Fire engines	11	11	9	9	9	9	9	9	9	8
Health and welfare:										
Animal control:										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Cemeteries	6	6	11	11	11	11	11	11	11	11
Parks acreage	207	207	207	211	211	211	211	300	301	301
Parks	14	14	14	15	15	15	15	15	16	16
Swimming pools	2	2	2	2	2	2	2	1	1	1
Tennis courts	3	3	3	3	3	3	3	2	2	2
Community centers	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	209	209	214	218	222	226	227	254	200	201
Streetlights (additions)	209	50	72	84	48	81	90			
Traffic signals (City-owned)	8	8	8	8	8	8	8	8	8	
Water and sewerage:										
Water mains (miles)	448	449	445	449	453	453	461	468	474	478
Fire hydrants	1,929	1,939	1,930	1,971	2,011	2,038	2,079	2,160	2,231	2,257
Maximum daily water capacity (thousands of gallons)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Sanitary sewers (miles)	215	215	215	216	217	238	249	244	247	254
Storm sewers (miles)	57	57	57	57	61	68	68	68	68	71
Maximum daily sewer treatment capacity (thousands of gallons)	12,500	12,500	10,000	10,000	12,500	12,500	12,500	12,500	12,500	12,500
Gas:										
Gas lines (miles)	339	343	337	337	341	341	342	300	300	300
Number of distribution stations	19	19	19	18	14	14	15	16	17	17
Sanitation:										
Collection trucks	44	44	44	18	14	14	16	19	20	17

Data Sources: Various City departments.
Note: No capital asset statistics are available for the general government function.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia (the "City"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the LaGrange Development Authority (the "LDA") and Visit LaGrange (the "CVB"), as described in our report on the City's financial statements. The financial statements of the LDA were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the LDA or that are reported on separately by those auditors who audited the financial statements of the LDA. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges 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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as Item 2025-003.

The City's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the responses.

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 30, 2025

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ___ no
Significant deficiencies identified?	___ yes X none reported
Noncompliance material to financial statements noted?	X yes ___ no

Federal Awards

There was not an audit of major federal award programs for the year ended June 30, 2025, due to the total amount of federal awards expended being less than $750,000.

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025-001 Financial Year-End Close and Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives as to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operational objectives. Generally accepted accounting principles require assets, liabilities, revenues, and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and nonfinancial transactions and activities.

Condition: During the fiscal year ended June 30, 2025, we noted several areas pertaining to fiscal year-end financial close-out that resulted in audit adjustments to correct the reported balances.

Context/Cause: Adjustments were determined and required to be recorded during the audit process, by fund or at the government-wide level, as follows:

ARPA Fund

- An adjustment of $16,502 was required to properly report intergovernmental revenue and reduce unearned revenue balances.

Capital Improvement Fund

- An adjustment of $115,623 was required to properly report debt service expenditures and intergovernmental revenue.
- A net adjustment of $35,981 was required to properly report lease receivables and deferred inflows of resources balances.

Electric Fund

- An adjustment of $1,021,421 was required to properly report the fund’s cash position and interfund receivable balance.

Gas Fund

- An adjustment of $1,021,421 was required to properly report the fund’s cash position and interfund payable balance.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2025-001 Financial Year-End Close and Procedures (Continued)

Downtown LaGrange Development Authority

- A net adjustment of $192,735 was required to reconcile opening net position.
- An adjustment of $17,924 was required to properly report unearned revenue and adjust revenue.
- An adjustment of $5,127 was required to properly report cash and cash equivalent balances to actual.

Governmental Activities

- An adjustment of $1,088,562 was required to record donated capital assets and infrastructure.

Effects: The ultimate effect of the above conditions is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Recommendation: We recommend that the City continue to strengthen its internal control structure, specifically within the accounting and finance department to facilitate the timely recording, reconciling, and reporting of financial transactions that reflect the operations of the City in accordance with GAAP.

Auditee's Response: Management concurs with this audit finding. The City will evaluate its ongoing needs to reduce and eliminate year-end audit adjustments and will evaluate engaging the firm for permissible non-attest services under the engagement letter to address the underlying causes of this finding.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2025-002 Landfill Closure and Postclosure Liability

Criteria: GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, establishes guidance for accounting for regulatory requirements pertaining to landfill closure and postclosure care expenses and liabilities. Total estimated costs include cost of final cover expected to be applied near the date the landfill stops accepting waste and costs of monitoring and maintaining an area in postclosure phase. These components should be based on federal, state or local laws and regulations concerning closure and postclosure care.

Condition: During the fiscal year ended June 30, 2025, a misstatement was detected in the reporting of the City's landfill closure and postclosure liability.

Context/Cause: An adjustment to restate opening balances of the Sanitation Fund and business-type activities' net position in the amount of $6,214,437 and adjust the current year reported liability by $558,418 to a total, newly reported liability of $15,073,864 was required in the current fiscal year.

Effects: A total audit adjustment of $7,279,997 was required to correct the City's reported landfill closure and postclosure care liability.

Recommendation: We recommend that the City ensure the landfill liability and related expenses are properly reported in accordance with GAAP and GASB standards.

Auditee's Response: Management concurs with this audit finding. The City's external auditors identified a misstatement in the accounting and reporting of the City's landfill closure and postclosure care liability that originated in prior fiscal years. Management worked with the auditors to evaluate the liability in accordance with GASB Statement No. 18 and to record the required adjustments to restate beginning net position and properly report the current year's liability. Management will strengthen procedures for the periodic review and updating of closure and postclosure cost estimates moving forward, including enhanced coordination with qualified consultants and improved internal review processes, to ensure compliance with GAAP and applicable GASB standards.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2025-003 Budget Compliance

Criteria: State of Georgia law (OCGA 36-81-3) states:

a) Each unit of local government shall adopt and operate under an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article.

Condition: State law requires local governments to adopt annual appropriated balanced budgets for all governmental funds. Management did not adopt a balanced budget for the Tax Allocation Fund – Downtown Bull. In addition, the City's General Fund exceeded budget appropriations at the legal level of control, which is a violation of state law.

Context/Cause: The City did not adopt and operate under a balanced budget with regard to the Tax Allocation Fund – Downtown Bull. This fund was newly adopted during the fiscal year, but no budget amendment was made to adopt and/or revise a budget for the new special revenue fund. In the City's General Fund, expenditures exceeded budget appropriations at the legal level of control.

Effects: The City failed to adopt and operate under a balanced budget in the Tax Allocation Fund – Downtown Bull, which has resulted in a compliance violation with state law. The amounts (in total) of expenditures in excess of appropriations are as follows: General Fund - $1,557,569. In addition, fiscal control and accountability over functional expenditures may be jeopardized regarding governmental funds in which expenditures exceeded budget appropriations at the legal level of control.

Recommendation: We recommend the City timely adopt and operate under balanced budgets for all governmental funds. We also recommend the City amend the budget(s) at the legal level of control to prevent budget deficiencies as necessary.

Auditee's Response: Management concurs with this audit finding. The City did not timely adopt a budget for miscellaneous legal expenses related to the Tax Allocation Fund – Downtown Bull, which was approved by City Council mid-year, and these costs will be reimbursed by future TAD revenues. General Fund expenditures exceeded original budget appropriations at the legal level of control. Updated budget estimates were presented to and adopted by City Council during the fiscal year 2026 budget process, but the City's financial system does not post updated budget amounts back to the general ledger, which results in the reported variances. A significant portion of the overage was attributable to increased building permit activity and related contractor costs, which were more than offset by additional permit revenues. Another major portion of the budget overage was related to police salaries as turnover decreased and vacancies were filled during the year. Management will work to ensure timely adoption and updating of balanced budgets for all governmental funds in order to maintain compliance with OCGA 36-81-3.