CITY OF LAKE CITY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF LAKE CITY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of City of Lake City, Georgia (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly , in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Lake City, Georgia, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund and the Seized Assets Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 and the schedules of "Changes in Net Pension Liability and Related Ratios" and "Contributions" on pages 45 - 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake City, Georgia's basic financial statements. The individual fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement 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 individual fund financial statements and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Lake City, Georgia's basic financial statements for the year ended December 31, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities and each major fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake City, Georgia's basic financial statements as a whole. The individual fund financial statements, related to the 2018 financial statements, 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 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated August 10, 2020 on our consideration of City of Lake City, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City of Lake City, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
August 10, 2020

CITY OF LAKE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lake City, we offer readers of the City of Lake City's financial statements this narrative overview and analysis of the financial activities of the City of Lake City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets of the City of Lake City exceeded its liabilities at December 31, 2019 by $12,130,999. Of this amount unrestricted net position of $3,758,780 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $707,681. Of this amount an increase of $719,356 was associated with governmental activities and a decrease of $11,675 was associated with business-type activities.

- As of the close of the current fiscal year, the City of Lake City's governmental funds reported combined ending fund balances of $5,262,698 an increase of $127,827 in comparison with the prior year. Of this amount $3,559,109 is unassigned and available for spending; $1,157,342 is restricted for Police Activities and Capital Outlay; $514,980 is assigned for the 2020 budget; and $31,267 is nonspendable and in the form of prepaid expenses.

- At the end of the current year, unassigned fund balance for the general fund was $3,559,109 or 99.8 percent of total General Fund expenditures.

- The City of Lake City's total long-term obligations consisted of a net pension obligation of $616,289. The City paid off the balance of its certificate of participation during 2019 in the amount of $594,150.

- Overall, the City continues to maintain a healthy financial position.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Lake City's basic financial statements. The City of Lake City's basic financial statements are comprised 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 of Lake City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Lake City include general government, public safety and courts, highways and streets, public improvements, parks and recreation, and community development. The business-type activity of the City is solid waste management.

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

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

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

The City maintains three major governmental funds. The City's major governmental funds are the General Fund, the Seized Assets Special Revenue Fund and the Special Purpose Local Option Sales Tax Fund (SPLOST). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major fund. The governmental funds financial statements begin on page 13.

The City of Lake City adopts an annual budget for its General Fund and its Seized Assets Fund and a project-length budget for its SPLOST Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the FY 19 budget. The budgetary comparison statements begin on page 17.

Proprietary funds. The City of Lake City maintains one enterprise fund (a component of proprietary funds) to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Solid Waste Management Fund.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Solid Waste Management Fund, which is considered to be a major fund of the City of Lake City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements beginning on page 48.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2019, the City's assets exceeded liabilities by $12,130,999. The City's net position reflects its net investment in capital assets $7,214,877 (59.5 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $12,130,999, $1,157,342 (9.5 percent) is restricted for police activities and capital projects and $3,758,780 (31.0 percent) is unrestricted.

City of Lake City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 5,675,024	$ 5,610,355	$ 10,357	$ 22,032	$ 5,685,381	$ 5,632,387
Capital assets	7,214,877	7,199,956	-	-	7,214,877	7,199,956
Deferred pension outflows	206,714	157,670	-	-	206,714	157,670
Total assets	13,096,615	12,967,981	10,357	22,032	13,106,972	12,990,013
Current liabilities	275,341	340,050	-	-	275,341	340,050
Long-term liabilities	616,289	989,183	-	-	616,289	989,183
Deferred pension inflows	84,343	237,462	-	-	84,343	237,462
Total liabilities	975,973	1,566,695	-	-	975,973	1,566,695
Net Position:						
Net investment in capital assets	7,214,877	6,605,806	-	-	7,214,877	6,605,806
Restricted	1,157,342	930,117	-	-	1,157,342	930,117
Unrestricted	3,748,423	3,865,363	10,357	22,032	3,758,780	3,887,395
Total Net Position	$ 12,120,642	$ 11,401,286	$ 10,357	$ 22,032	$ 12,130,999	$ 11,423,318

A portion of the net position (9.5 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($3,758,780) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Lake City is able to report positive balances in all three categories of net position. The same held true for the prior fiscal year.

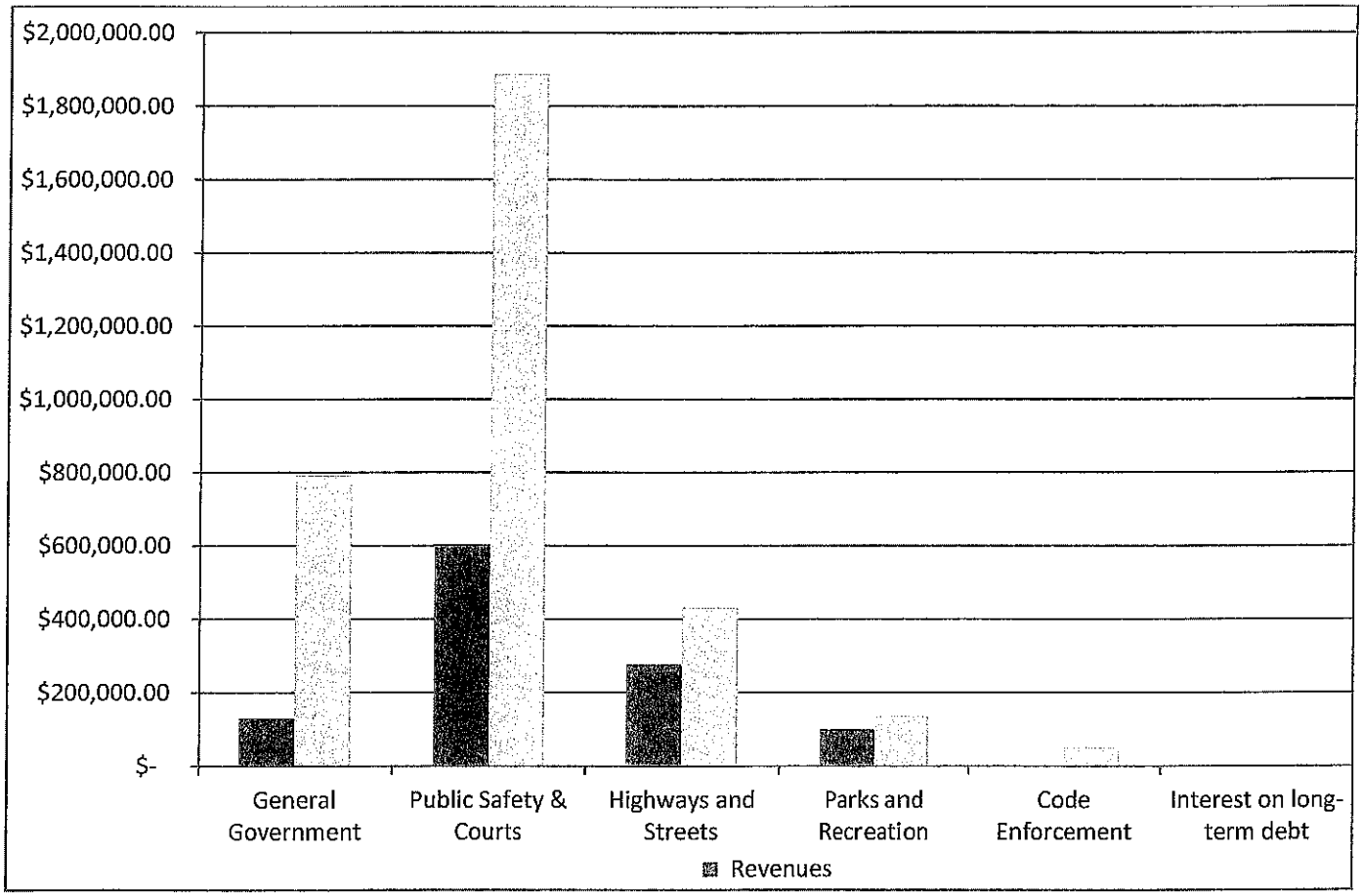
Governmental activities. Governmental activities increased the City's net position by $719,356. Key elements of this increase are as follows:

City of Lake City's Change in Net Position
For The Years Ended December 31, 2019 and 2018

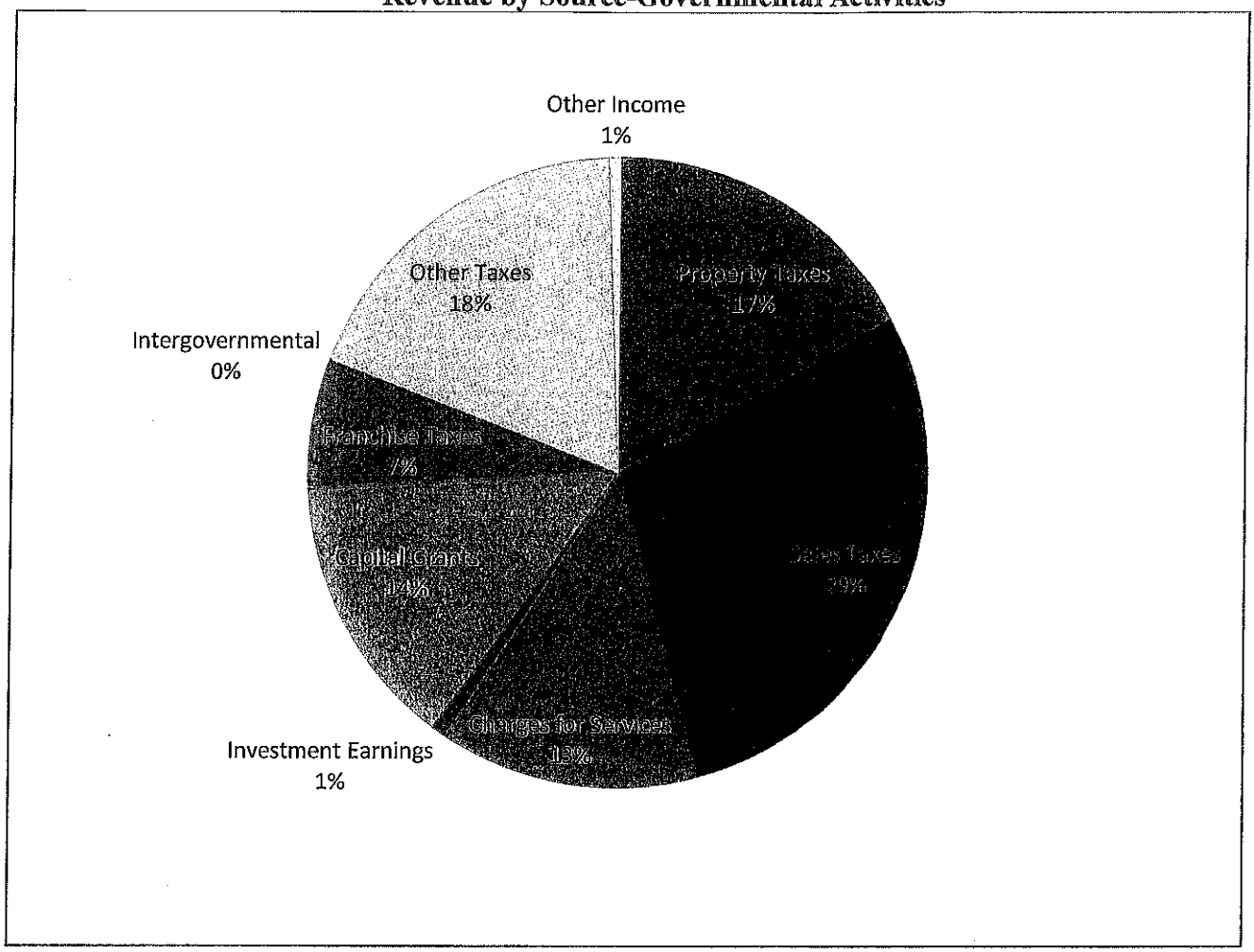
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues -						
Charges for services	$ 543,049	$ 807,188	$ 137,288	$ 137,398	$ 680,337	$ 944,586
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	564,490	453,704	-	-	564,490	453,704
General Revenues-						
Property taxes	676,318	617,611	-	-	676,318	617,611
Sales taxes	1,154,660	1,245,768	-	-	1,154,660	1,245,768
Other taxes	1,009,977	916,932	-	-	1,009,977	916,932
Intergovernmental	-	606,371	-	-	-	606,371
Interest	29,124	22,178	-	-	29,124	22,178
Other	24,288	27,600	-	-	24,288	27,600
	4,001,906	4,697,352	137,288	137,398	4,139,194	4,834,750
Expenses:						
General government	792,785	715,181	-	-	792,785	715,181
Public safety and courts	1,888,155	1,952,747	-	-	1,888,155	1,952,747
Highways and strees	432,045	449,587	-	-	432,045	449,587
Parks and recreation	136,710	164,736	-	-	136,710	164,736
Code enforcement	51,121	-	-	-	51,121	-
Interest on long-term debt	2,734	30,990	-	-	2,734	30,990
Solid waste	-	-	127,963	122,062	127,963	122,062
	3,303,550	3,313,241	127,963	122,062	3,431,513	3,435,303
Increase (decrease) in Net Position before transfers	698,356	1,384,111	9,325	15,336	707,681	1,399,447
Transfers	21,000	23,270	(21,000)	(23,270)	-	-
Increase (decrease) in Net Position	719,356	1,407,381	(11,675)	(7,934)	707,681	1,399,447
Net Position - beginning of year	11,401,286	9,993,905	22,032	29,966	11,423,318	10,023,871
Net Position - end of year	$ 12,120,642	$ 11,401,286	$ 10,357	$ 22,032	$ 12,130,999	$ 11,423,318

- Property taxes levied increased 1.9% over 2018 taxes levied while taxable property increased by $2,036,506 or 2.2%. The property tax rate remained at 7.5 mills.
- The 2018 Revenue listed as Intergovernmental in the amount of $606,371.00 was a settlement between the State and Clayton County governments which amounts to the approximate amount of the FAA fuel tax that would have been distributed to Lake City by Clayton County for FY 2018, 2019, and 2020. Lake City received approximately $200,000.00 per year in Local Option Sales Taxes distributed by Clayton County based on the LOST percentage of 2.25%. The City used the proceeds from the settlement during 2019 to payoff the balance of the City's liability under the Certificates of Participation in the amount of $594,150
- Motor vehicle tax revenue and TAVT tax revenue increased by $31,218 or 59.8%.

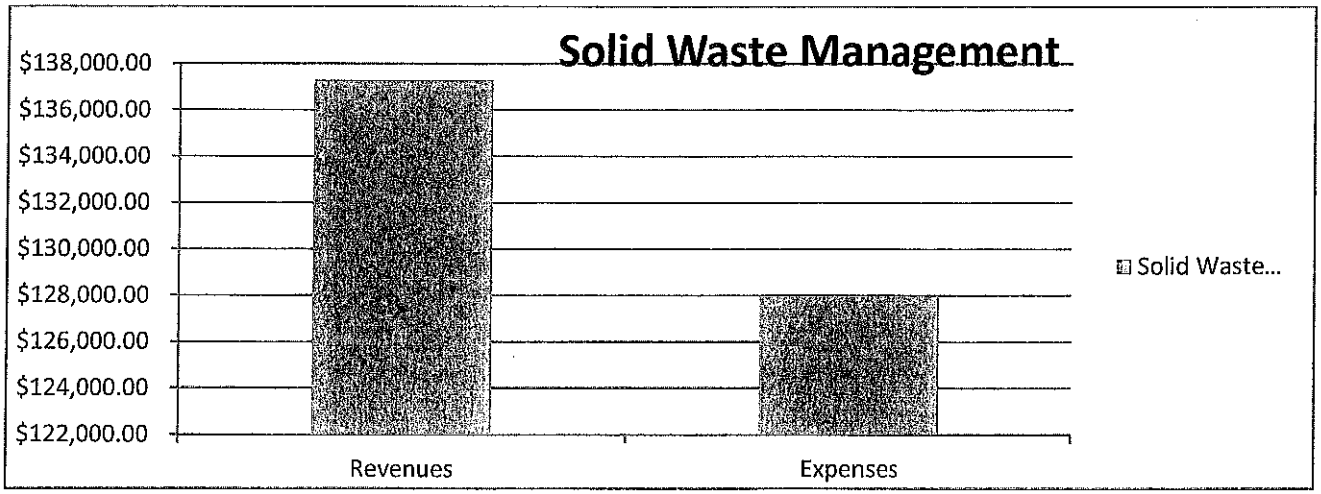
Expenses and Program Revenues-Governmental Activities



Revenue by Source-Governmental Activities



Business-type activities. Business type activities decreased the City's net position by $11,675. The Solid Waste Management Fund had operating income of $9,325 and it transferred $21,000 to the General Fund as a result of net cash flows. As of fiscal year 2012, City Council implemented a sanitation tax as opposed to the previous sanitation charge in an effort to collect such fees. This venture has been successful in that the City has reported positive operating incomes versus showing an operating loss in years prior to 2013.



Financial Analysis of the Government's Funds

As noted earlier, the City of Lake City used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental fund financial statements 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.

At December 31, 2019 the City's governmental funds reported combined ending fund balances of $5,262,698. Of this amount, $3,559,109 (67.6 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because $1,157,342 is restricted for Police Activities and Capital Outlay, $514,980 is assigned for the 2020 budget, and $31,267 is non-spendable consisting of prepaid expenses.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $3,559,109 while the total fund balance totaled $4,177,523. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 99.8 percent of the total general fund expenditures, while total fund balance represents 117.2 percent of that same amount.

During the current fiscal year, the fund balance of the City's general fund decreased by $96,390 which can be attributed to the payoff of the certificates of participation in the amount of $594,150.

The Seized Assets Special Revenue Fund is used to account for court approved forfeitures of assets confiscated by police during investigations of illegal drug activities. All of these assets are restricted for police activities authorized under state and federal laws. The fund balance had previously remained constant due to the Police Department wanting to use these funds to replace their department issued firearms. This was completed in late summer 2018. The fund balance at December 31, 2019 amounted to $350.

The SPLOST Fund is used to account for the acquisition and construction of major capital outlays for equipment, facilities and improvements that were approved by the voters of Clayton County, Georgia through the special purpose local option sales tax referendum. The newly approved 2015 SPLOST series is currently being accounted for in this fund. As of December 31, 2019, the fund balance in this fund amounted to $1,084,825 and is restricted for capital projects approved under the 2015 SPLOST referendum.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

The original budget adopted this fiscal year totaled $4,249,600. The 2019 budget allowed the City to pay off the remaining loan amount of $594,150 for the Municipal building. In addition, we purchased a vehicle to be used by City Hall Personnel to conduct city business and Council approved take home vehicles for the Lake City Police Department. The City Budgeted for a fulltime code enforcement officer and transferred that position to be under the supervision of the Police Chief. In addition, there were a number of Police Officer positions that were vacant for an extended period of time. Two of those positions were filled by individuals that would have to attend the Police Training Academy and their salaries were lower which created a cost savings as well.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2019 amounts to $7,214,877 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. In 2019 four new vehicles were purchased and outfitted costing $143,200. In addition, $167,600 was spent towards improvements to Phillips Drive Park.

Additional information on the City's capital assets can be found in note 9 on page 35 of this report.

Long-term obligations. At the end of the current fiscal year, the City had $616,289 in outstanding long-term obligations consisting of the following:

CITY OF LAKE CITY'S OUTSTANDING DEBT

	Balance
Governmental Activities:	
Certificates of Participation	$ -
Capital Lease	-
Net Pension Liability	616,289
Total Long-Term Debt	$ 616,289

The City's total debt decreased by $594,150 with the payoff of the certificates of participation. However, the City's net pension liability increased by $221,256 to $616,289.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Lake City is approximately $8,800,000 which is significantly in excess of the City of Lake City's outstanding general obligation debt.

Status of the City of Lake City's Economy

In June 2019 Lake City had a Councilmember pass away. The November 2019 election saw the re-election of the Mayor and One Councilmember and the election of a new Councilmember that filled the vacant council position. The Mayor and Councilmembers were sworn in January 2020.

The City had several new businesses open in 2019. One of which is a new Convenient store /gas station that has three additional retail spaces ready for occupation. This is a new construction and was built on the site of a vacant business that had not been in operation for over 5 years. Also, Milestone Food LLC. opened in a commercial space on Dixie Industrial Blvd that had been vacant for several years. This business is a wholesale retail food distributor. In addition, the city is working with the Clayton County Economic Development Authority to attract a developer to develop an eleven-acre commercial site on Jonesboro Road. This site was an Ingles grocery store that has been vacant for several years and is a key property for the re-development of the Jonesboro Road Corridor.

The construction of a new fire station was not completed in 2019. Completion of this project was moved into the late fall of 2020 or early 2021. This was due to some issues with the site selection. This is an approved project of the Clayton County Board of Commission.

The City partnered with Clayton County for a grant to repave Forest Parkway. This project was approved by the Georgia Department of Transportation to be completed in the 2019 budget year but was extended out to the 2020 budget year. Due to the rising cost of materials, the matching funds from Lake City increased from $500,00.00 to approximately $900,000.00. The additional funding requirement was approved by the Mayor and Council and the cost will be paid by existing SPLOST Funds.

The City completed Phase I of the Lake City Community Park renovation. This was a SPLOST funded project and included placing smaller pavilions with picnic tables and grills, repaving the walking trails and adding a pollinator garden in the park. Phase II will be the installation of the playground equipment and be funded utilizing a Community Development Block Grant with the expected completion date of Fall 2020.

Requests for Information

This financial report is designed to provide a general overview of the City of Lake City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (404) 366-8080 or at the following address:

City Administrator
City of Lake City
5455 Jonesboro Road
Lake City, GA 30260

CITY OF LAKE CITY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 3,031,195	$ -	$ 3,031,195
Investments	944,231	-	944,231
Receivables, net			
Taxes	489,869	-	489,869
Accounts	-	10,357	10,357
Fines	89,979	-	89,979
Due from other governments	87,238	-	87,238
Prepaid expenses	31,267	-	31,267
Restricted assets -			
Cash	1,001,245	-	1,001,245
Investment	-	-	-
Capital assets -			
Non-depreciable capital assets	1,042,801	-	1,042,801
Other capital assets, net of depreciation	6,172,076	-	6,172,076
Total Assets	12,889,901	10,357	12,900,258
Deferred Outflows			
Deferred pension outlflows	206,714	-	206,714
Total Assets and Deferred Outflows	13,096,615	10,357	13,106,972
LIABILITIES			
Accounts payable -			
Trade	46,462	-	46,462
Accrued expenses -			
Salaries	99,596	-	99,596
Interest	-	-	-
Unearned items	115,506	-	115,506
Bond deposits	13,777	-	13,777
Long-term liabilities -			
Net pension liability	616,289	-	616,289
Total Liabilities	891,630	-	891,630
Deferred pension inflows			
Deferred pension inflows	84,343	-	84,343
Total Liabilities and Deferred Inflows	975,973	-	975,973
NET POSITION			
Net investment in capital assets	7,214,877	-	7,214,877
Restricted for:			
Capital outlay	1,156,992	-	1,156,992
Law enforcement activities	350	-	350
Unrestricted	3,748,423	10,357	3,758,780
Total Net Position	$ 12,120,642	$ 10,357	$ 12,130,999

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

CITY OF LAKE CITY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	$ 792,785	$ 28,153	$ -	$ 102,624
Public Safety and Courts	1,888,155	451,196	-	148,856
Highways and Streets	432,045	-	-	277,108
Park Areas	136,710	63,700	-	35,902
Code Enforcement	51,121	-	-	-
Interest on long-term debt	2,734	-	-	-
Total Governmental Activities	3,303,550	543,049	-	564,490
Business-Type Activities:				
Solid Waste Management	127,963	137,288	-	-
Total Primary Government	$ 3,431,513	$ 680,337	$ -	$ 564,490

General Revenues:
Taxes:
Property taxes
Motor vehicle
Local option sales taxes
Alcohol beverage taxes
Franchise taxes
Business and occupational taxes
Insurance premium taxes
Transfer taxes
Intergovernmental
Investment earnings
Miscellaneous
Total General Revenues
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - beginning

Net Position - ending

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

	NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
	$ (662,008)	$ -	$ (662,008)
	(1,288,103)	-	(1,288,103)
	(154,937)	-	(154,937)
	(37,108)	-	(37,108)
	(51,121)	-	(51,121)
	(2,734)	-	(2,734)
	(2,196,011)	-	(2,196,011)
	-	9,325	9,325
	(2,196,011)	9,325	(2,186,686)
	676,318	-	676,318
	83,526	-	83,526
	1,154,660	-	1,154,660
	72,628	-	72,628
	267,513	-	267,513
	383,044	-	383,044
	198,864	-	198,864
	4,402	-	4,402
	-	-	-
	29,124	-	29,124
	24,288	-	24,288
	2,894,367	-	2,894,367
	21,000	(21,000)	-
	2,915,367	(21,000)	2,894,367
	719,356	(11,675)	707,681
	11,401,286	22,032	11,423,318
	$ 12,120,642	$ 10,357	$ 12,130,999

CITY OF LAKE CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	SEIZED ASSETS	SPLOST	
ASSETS				
Cash and cash equivalents	$ 3,031,195	$ -	$ -	$ 3,031,195
Investments	944,231	-	-	944,231
Receivables -				
Taxes, net	489,869	-	-	489,869
Accounts receivable	-	-	-	-
Fines, net	89,979	-	-	89,979
Due from other funds	3,308	-	-	3,308
Due from other governments	-	-	87,238	87,238
Prepaid expenses	31,267	-	-	31,267
Restricted assets -				
Cash	-	1,805	999,440	1,001,245
Investments	-	-	-	-
Interest receivable	-	-	-	-
Total Assets	$ 4,589,849	$ 1,805	$ 1,086,678	$ 5,678,332
Liabilities:				
Accounts payable -				
Trade	$ 46,462	$ -	$ -	$ 46,462
Capital	-	-	-	-
Due to other funds	-	1,455	1,853	3,308
Accrued expenses -				
Salaries	99,596	-	-	99,596
Bond deposits	13,777	-	-	13,777
Unearned revenues	115,506	-	-	115,506
Total Liabilities	275,341	1,455	1,853	278,649
Deferred Inflows of Resources				
Unavilable revenues	136,985	-	-	136,985
Fund Balances:				
Nonspendable	31,267	-	-	31,267
Restricted -				
Capital outlay	72,167	-	1,084,825	1,156,992
Law enforcement activities	-	350	-	350
Assigned for appropriation for next year's budget	514,980	-	-	514,980
Unassigned	3,559,109	-	-	3,559,109
Total Fund Balances	4,177,523	350	1,084,825	5,262,698
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 4,589,849	$ 1,805	$ 1,086,678	$ 5,678,332

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

CITY OF LAKE CITY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Amounts reported for governmental activities in the statement of net assets are different because:		
Total fund balances -- total governmental funds	$	5,262,698
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		7,214,877
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		136,985
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:		
Deferred outflows		206,714
Deferred inflows		(84,343)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital lease		-
Accrued interest payable		-
Net pension liability		(616,289)
Net position of governmental activities.	$	12,120,642

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

CITY OF LAKE CITY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	MAJOR FUNDS			
	GENERAL	SEIZED ASSETS	SPLOST	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	$ 2,841,976	$ -	$ -	$ 2,841,976
Business licenses and permits	25,580	-	-	25,580
Intergovernmental	-	-	564,490	564,490
Charges for services	79,506	-	-	79,506
Fines and forfeitures	452,302	1,137	-	453,439
Investment income	29,124	-	-	29,124
Miscellaneous	6,972	-	-	6,972
Total Revenues	3,435,460	1,137	564,490	4,001,087
EXPENDITURES:				
Current -				
General Government	679,925	-	-	679,925
Municipal Court	411,709	-	-	411,709
Public Safety	1,324,783	1,045	-	1,325,828
Highways and Streets	397,660	-	-	397,660
Park Areas	41,907	-	-	41,907
Code Enforcement	51,121	-	-	51,121
Capital Outlay -				
General Government	31,238	-	38,885	70,123
Municipal Court	-	-	-	-
Police	16,892	-	128,444	145,336
Highway and Streets	-	-	5,468	5,468
Park Areas	-	-	167,568	167,568
Debt Service -				
Principal	594,150	-	-	594,150
Interest	15,359	-	-	15,359
Total Expenditures	3,564,744	1,045	340,365	3,906,154
Excess (deficiency) of revenues over expenditures	(129,284)	92	224,125	94,933
OTHER FINANCING SOURCES (USES):				
Transfers	21,000	-	-	21,000
Proceeds from debt issue	-	-	-	-
Sale of capital assets	11,894	-	-	11,894
Total Other Financing Sources (Uses)	32,894	-	-	32,894
Net change in fund balances	(96,390)	92	224,125	127,827
Fund balances - beginning	4,273,913	258	860,700	5,134,871
Fund balances - ending	$ 4,177,523	$ 350	$ 1,084,825	$ 5,262,698

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

CITY OF LAKE CITY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances -- total governmental funds	$	127,827
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.		
Capital outlay		369,768
Depreciation expense		(354,847)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		(1,021)
Fines		(10,054)
Motor vehicle Tax		-
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayments of principal		594,150
Proceeds from debt issues		-
Net effect of transactions involving capital assets (sales, dispositions)		-
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		12,627
Change in net pension liability and related deferred items		(19,094)
Change in net position of governmental activities.	$	719,356

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

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Taxes -				
Property	$ 547,100	$ 547,100	$ 680,342	$ 133,242
Motor vehicle	44,000	44,000	83,526	39,526
Real estate transfer	4,000	4,000	4,402	402
Franchise	231,500	231,500	267,513	36,013
Local option sales	1,190,000	1,190,000	1,154,660	(35,340)
Alcohol beverage	65,500	65,500	72,628	7,128
Business occupation	305,200	305,200	380,041	74,841
Insurance premium	165,000	165,000	198,864	33,864
Licenses and permits	13,650	13,650	25,580	11,930
Charges for services	79,050	79,050	79,506	456
Intergovernmental	35,000	35,000	-	(35,000)
Fines and forfeitures	530,000	530,000	452,302	(77,698)
Investment earnings	6,000	6,000	29,124	23,124
Miscellaneous	1,600	1,600	6,972	5,372
Total Revenues	3,217,600	3,217,600	3,435,460	217,860
EXPENDITURES:				
Current -				
General government -				
Mayor and council	79,250	79,250	60,765	18,485
City administrator	120,390	120,390	111,629	8,761
General administration	403,560	403,560	290,771	112,789
Information technology	54,100	72,000	69,638	2,362
Human resource	71,400	71,400	59,374	12,026
Building and grounds	91,031	91,031	87,748	3,283
Municipal court	559,100	559,100	411,709	147,391
Public safety -				
Police services	1,560,850	1,560,850	1,324,783	236,067
Highways and streets	484,532	484,532	397,660	86,872
Community Center	55,240	42,340	34,796	7,544
Park areas	15,647	10,647	7,111	3,536
Code enforcement	57,800	57,800	51,121	6,679
Capital Outlay	69,200	69,200	48,130	21,070
Debt Service	627,500	627,500	609,509	17,991
Total expenditures	4,249,600	4,249,600	3,564,744	684,856
Excess of revenues over (under) expenditures	(1,032,000)	(1,032,000)	(129,284)	902,716
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	21,000	21,000
Sale of capital assets	10,000	10,000	11,894	1,894
Total other financing sources (uses)	10,000	10,000	32,894	22,894
Net change in fund balances	(1,022,000)	(1,022,000)	(96,390)	925,610
Fund balances - beginning	4,273,913	4,273,913	4,273,913	-
Fund balances - ending	$ 3,251,913	$ 3,251,913	$ 4,177,523	$ 925,610

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

CITY OF LAKE CITY, GEORGIA
SEIZED ASSETS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Confiscations	$ -	$ -	$ 1,137	$ 1,137
Interest income	-	-	-	-
Total Revenues	-	-	1,137	1,137
EXPENDITURES:				
Current -				
Police services	44,000	44,000	1,045	42,955
Total expenditures	44,000	44,000	1,045	42,955
Excess of revenues over (under) expenditures	(44,000)	(44,000)	92	44,092
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Net change in fund balances	(44,000)	(44,000)	92	44,092
Fund balances - beginning	258	258	258	-
Fund balances - ending	$ (43,742)	$ (43,742)	$ 350	$ 44,092

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

CITY OF LAKE CITY, GEORGIA
STATEMENT OF NET POSITION
SOLID WASTE MANAGEMENT FUND
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Receivables-		
Accounts (net)	$ 10,357	$ 22,032
Total current assets	10,357	22,032
Total assets	10,357	22,032
LIABILITIES		
Current liabilities		
Accounts payable	-	-
Accrued salaries and wages	-	-
Total current liabilities	-	-
Total liabilties	-	-
Net Position		
Unrestricted	10,357	22,032
Total Net Position	$ 10,357	$ 22,032

See accompanying notes to the basic financial statements

CITY OF LAKE CITY, GEORGIA
SOLID WASTE MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Charges for services	$ 137,088	$ 137,398
Miscellaneous	200	-
Total operating revenues	137,288	137,398
OPERATING EXPENSES		
Purchased/contracted services	127,963	122,062
Bad debt	-	-
Total operating expenses	127,963	122,062
Operating income (loss) before capital contributions and transfers	9,325	15,336
Transfers	(21,000)	(23,270)
Change in net assets	(11,675)	(7,934)
NET POSITION - BEGINNING	22,032	29,966
NET POSITION - ENDING	$ 10,357	$ 22,032

See accompanying notes to the basic financial statements

CITY OF LAKE CITY, GEORGIA
SOLID WASTE MANAGEMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers and users	$ 148,963	$ 155,323
Cash paid to suppliers for goods	(127,963)	(132,053)
Cash paid to employees	-	-
Net cash provided from operating activities	21,000	23,270
Cash flows from investing activities:		
Interest received	-	-
(Purchase) / redemption of investments	-	-
Net cash from investing activities	-	-
Cash flows from non-capital financing activities:		
Transfers	(21,000)	(23,270)
Net cash flows from non-capital financing activities	(21,000)	(23,270)
Cash flows from capital financing activities:		
Purchase / construction of capital assets	-	-
Net cash flows from capital financing activities	-	-
Net cash flows	-	-
Cash and cash equivalents - beginning	-	-
Cash and cash equivalents - ending	$ -	$ -

See accompanying notes to the basic financial statements

CITY OF LAKE CITY, GEORGIA
SOLID WASTE MANAGEMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2019	2018
Operating income (loss)	$ 9,325	$ 15,336
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	-	-
Bad debt expense	-	-
(Increase) decrease in receivables	11,675	17,925
Increase (decrease) in payables	-	(9,991)
Total adjustments	11,675	7,934
Net cash from operating activities	$ 21,000	$ 23,270

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City operates under a council/mayor form of government and provides the following services: public safety, highways and streets, sanitation, culture and recreation, public improvements and general and administrative services.

Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government.

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the government's operations. The Lake City Governmental Finance Corporation was created by the City's elected officials to provide for the issuance of certificates of participation to finance the construction of the new city administrative and police facilities. Although legally separate, the Lake City Governmental Financial Corporation is blended as a governmental major fund into the primary government. Separate financial statements for the Corporation are not issued. This fund was terminated during 2005 since its purpose for which it had been created had been completed and all proceeds from the certificates of participation had been utilized. However, the obligation for the certificates of participation, for which this entity was created, continues to be included in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Since the City only has four funds, the City considers all of the funds to be major funds.

The government-wide Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, flow of economic resource measurement basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the city are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column. Since the City has only four funds, the City considers all the funds to be major funds. The various funds are grouped, in the financial statements in this report, into the following fund types:

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's Seized Assets Fund is a special revenue fund used to account for transactions involving confiscated assets.

Capital Projects Fund – Capital Project Funds are used to account for the acquisition and construction of major capital facilities and improvements other than those financed by proprietary funds and trust funds. The SPLOST Fund is used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Clayton County, Georgia through the special purpose local option sales tax referendum.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, change in net position, financial position, and cash flows. The City's proprietary fund is classified as an enterprise fund. Enterprise funds may be used to account for any activity in which a fee is charged to external users for goods or services. The City's only enterprise fund is as follows:

Solid Waste Management Fund – The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as unavailable revenues.

F. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

F. Measurement Focus, Continued

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

H. Investments

The City's investments consist of certificates of deposit with a maturity date of three months or greater from the date of purchase and the State of Georgia's Georgia Fund 1. For reporting purposes, all investments are recorded at fair value.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2019

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items in external pools that are not SEC-registered; c) items subject to involuntary participation in an external pool; and, d) items associated with a fund other than the fund to which the income is assigned.

The City's policy is to hold investments until maturity.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General and Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure when consumed rather than when purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

J. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2019 are recorded as prepaid items and are expensed during the period benefited.

K. Capital Assets

Capital assets purchased or acquired with an original cost of $3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10-40 years
Machinery and equipment	5-10 years
Office equipment	5-20 years
Vehicles	7-10 years
Infrastructure	10-50 years

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the year GASB 34 is implemented. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signal, etc. The City, in accordance with GASB No. 34 requirements, has elected to record infrastructure assets prospectively. Therefore, infrastructure assets purchased or constructed by the City prior to January 1, 2002, will not be reported as capital assets in the City's financial statements.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

N. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

O. Compensated Absences

The City accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

P. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. Capitalization of Interest

The City does not capitalize interest cost incurred during the construction period to finance the construction of capital assets.

R. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all of the City's funds. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. Formal budgetary integration is employed as a management control device during the year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator presents a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. Any revisions that increase expenditures of any department must be approved by City Council.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are as originally approved by city council on January 14, 2019 or as last amended.
6. Unexpended budget appropriations at year-end lapse.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The government has one item that qualifies for reporting in this category as of December 31, 2019 which is deferred pension outflows recognized in the Statement of Net Position.

In addition to liabilities, the statement of financial position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, probation fines, and business licenses revenues. In addition, the City recognizes deferred pension inflows in its Statement of Net Position under governmental activities.

T. Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net position reports $1,157,342 of restricted net position, all of which are restricted by enabling legislation.

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

U. Fund Equity – Governmental Funds

As of December 31, 2019, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Lake City's Council. Lake City's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

U. Fund Equity – Governmental Funds – (Continued):

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

Unassigned – all other spendable amounts.

As of December 31, 2019, fund balances are composed of the following:

	Non-Spendable	Restricted		Assigned		
	Prepaids	Police Activities	Capital Outlays	2019 Budget	Unassigned	Total
General Fund	$ 31,267	$ -	$ 72,167	$ 514,980	$ 3,559,109	$ 4,177,523
Seized Assets Fund	-	350		-	-	350
SPLOST Fund	-	-	1,084,825	-	-	1,084,825
Total	$ 31,267	$ 350	$ 1,156,992	$ 514,980	$ 3,559,109	$ 5,262,698

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

V. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

W. 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 Lake City Retirement Plan (LCRP) and additions to/deductions from LCRP's fiduciary net position have been determined on the same basis as they are reported in the LCRP. For this purpose, benefit payments (including refunds of employee contributions, if applicable) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2019, $3,810,902 of the City's bank balance of $4,060,902 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ -
Collateralized with securities held by the pledging financial institution or its agent	3,810,902
Total	$ 3,810,902

Investments

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, the legal government investment pool established by state law, direct and agency obligations of the State of Georgia, and direct obligations issued or guaranteed by the U.S. Government or by a government agency of the United States.

Investments as of December 31, 2019 were as follows:

Investments	Maturities	Fair Value
Georgia Fund 1	39 days average	$ 944,231
		$ 944,231

As of December 31, 2019, the City's investment in the Georgia Fund 1 was rated AAAf by Standard and Poor's.

"Georgia Fund 1" created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. 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 principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. The fund is managed by the Georgia Office of the State Treasury (OST). OST is guided by the policies of the State Depository Board and OCGA 55-17-2 and 50-17-63.

3. PROPERTY TAX

Property taxes become the obligation of the property owner as of January 1. Taxes were levied on September 9, 2019 and were due and payable on or before December 20, and penalties and interest may be assessed if not paid by this date. The City bills and collects its own property taxes.

In 1995, a local option sales tax was implemented. Proceeds from this tax are remitted to the City on a monthly basis and are utilized to give property owners tax relief. Total revenues recognized from sales taxes in 2019 amount to $1,154,660. Property tax revenues amounted to $676,318 at the government-wide level for the year ended December 31, 2019. Property taxes receivable as of December 31, 2019 was $216,443, net of an $80,000 allowance for bad debt.

4. RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Solid Waste	Total
Taxes	$ 489,869	$ -	$ 489,869
Accounts	-	100,357	100,357
Fines	224,979	-	224,979
Gross Receivables	714,848	100,357	815,205
Less: Allowance for Uncollectibles	(215,000)	(90,000)	(305,000)
Total	$ 499,848	$ 10,357	$ 510,205

5. FINES AND FORFEITURES (NET OF ALLOWANCE)

The City entered into a contract with Professional Probation Services, Inc. to coordinate and provide direct probation and rehabilitation programs and services to offenders sentenced by and under the jurisdiction of the court. Court-ordered fines, restitution, and costs will be collected and paid to the court on a monthly basis. The City shall not be obligated for any fees accrued to Professional Probation Services, Inc.

6. POLICE BAIL BOND DEPOSITS

Police bail bonds of $13,777, shown as a liability, represent money that has been paid in advance for court cases which have not been heard as of December 31, 2019.

7. INTER-FUND TRANSACTIONS

The following is a summary of interfund receivable and payable balances as of December 31, 2019:

	Payable From			
Payable To	General Fund	Seized Assets	Splost	Total
General Fund	$ -	$ 1,455	$ 1,853	$ 3,308
Seized Assets	-	-	-	-
Total	$ -	$ 1,455	$ 1,853	$ 3,308

As of December 31, 2019, the SPLOST Fund and the Confiscated Asset Fund owed the General Fund $1,853 and $1,455, respectively, for payment of items that were eligible to be paid out of the respective accounts and will eventually be repaid to the General Fund.

The following is a summary of interfund transfers for the year ended December 31, 2019:

	Transfer From		
Transfer To	General	Solid Waste Management	Total
General Fund	$ -	$ -	$ -
Solid Waste Mgmt	-	21,000	21,000
Total	$ -	$ 21,000	$ 21,000

The City uses one bank account that is reported in the City's General Fund to process the General Fund and the Solid Waste Management Fund's cash receipts and disbursements. As a result, when the General fund receives revenues or pays expenditures for the Solid Waste Management Fund, the entry is made to the corresponding transfer account, unless the monies are to be repaid. Therefore, most of the above transfers from the Solid Waste Fund are for the net cash flows of the Solid Waste Fund.

8. LITIGATION:

At present, the City's management is not aware of any pending or threatened litigation that would have a material financial effect on the City's financial condition.

(See Independent Auditor's Report

9. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 1,042,801	$ -	$ -	$ 1,042,801
Construction in progress	-	-	-	-
Total capital assets, not being depre	1,042,801	-	-	1,042,801
Capital assets being depreciated:				
Buildings	4,070,279	-	-	4,070,279
Improvements other than buildings	3,311,631	178,846	-	3,490,477
Other machinery and equipment	1,092,264	11,705	(24,698)	1,079,271
Office equipment	326,998	36,058	-	363,056
Vehicles	808,646	143,159	(112,337)	839,468
Total capital assets being depreciate	9,609,818	369,768	(137,035)	9,842,551
Less accumulated depreciation for:				
Buildings	1,346,158	101,757	-	1,447,915
Improvements other than buildings	668,179	83,361	-	751,540
Other machinery and equipment	668,036	77,775	(24,698)	721,113
Office equipment	292,763	9,558	-	302,321
Vehicles	477,527	82,396	(112,337)	447,586
Total accumulated depreciation	3,452,663	354,847	(137,035)	3,670,475
Total capital assets being depreciate	6,157,155	14,921	-	6,172,076
Governmental capital assets, net	$ 7,199,956	$ 14,921	$ -	$ 7,214,877

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

General government	$ 94,906
Public safety	132,250
Highways and streets	32,887
Park areas	94,804
Total depreciation expense	$ 354,847

10. LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of changes in 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Certificates of Participation	$ 594,150	$ -	$ (594,150)	$ -	$ -
Capital Lease	-	-	-	-	-
	-				
Total Long-Term Liabilities	$ 594,150	$ -	$ (594,150)	$ -	$ -

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities.

Certificates of Participation

During 2001, the City entered into a lease-purchase agreement with the Lake City Governmental Finance Corporation to finance the costs of the new administrative and police facilities and related furnishings and equipment. Certificates of Participation in the amount of $2,647,143 were issued in connection with the lease purchase agreement. The interest rate associated with the certificates of participation is 5.1%. Principal and interest are payable in February of each year and interest is due in August of each year until the final payment in August, 2021.

In January 2019, the City paid off the remaining balance of the Certificates of Participation along with interest of $15,359.

11. JOINT VENTURE

Under Georgia law, the city, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in this organization 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 ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

12. RISK MANAGEMENT

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

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

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

Coverages are as follows:

COVERAGE DESCRIPTION – PROPERTY:	
Buildings and Contents (Blanket)	$ 4,446,999
Automobile Physical Damage	Per Application on file with GIRMA
COVERAGE DESCRIPTION – CASUALTY:	
Comprehensive General Liability	$ 2,000,000
Automobile Liability	$ 1,000,000
Errors and Omissions (Public Officials) Liability	$ 2,000,000
Employees Benefits Liability	$ 2,000,000
COVERAGE DESCRIPTION – CRIME	
Blanket Bond	$ 500,000
Computer	$ 500,000
Depositors Forgery	$ 500,000
Money and Securities – Loss Inside and Outside the Premises	$ 500,000
DEDUCTIBLE:	
All coverages are subject to a per occurrence deductible of	$ 1,000

COVERAGE EXCEPTIONS: None

COVERAGE SUBJECT TO A RETROACTIVE DATE:
Coverages for public officials and employee benefit liabilities are subject to retroactive date of 5/1/97.

13. EMPLOYEE BENEFIT PLANS:

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by July Business Services. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is mandatory.

DEFINED CONTRIBUTION PLAN

As authorized by City Council, the City provided pension benefits for all of its full-time employees through a defined contribution plan, City of Lake City Pension Plan. Under the terms of the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan was administered by the Principal Financial Group.

The Defined Contribution Plan ended May 31, 2014 and was replaced with an Employee Benefit Pension Plan beginning June 1, 2014.

DEFINED BENEFIT PLAN

Creation of Plan
In April 2014 the Mayor and Council approved an ordinance creating the City of Lake City Defined Benefit Pension Plan, which effectively terminated the City's previous Defined Contribution Plan. The effective date of the new Defined Benefit Plan was June 1, 2014.

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Lake City Retirement Plan) covering all full-time employees and elected officials. 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. Contributions made by the City and City Employees are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. 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.

As provided by State law, benefit provisions for Participants in GMEBS are established and amended by the respective employers. As authorized by the City Council, the Plan provides pension benefits and death benefits for Plan members and beneficiaries. All full-time employees are eligible to participate immediately upon hiring. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.00% of final average earnings of covered compensation. Elected officials also participate with no waiting period and immediate vesting. An employee may elect early retirement at age 55 provided he or she has a minimum of 10 years total credited service to receive partial benefits. Death benefits are calculated using an actuarial reserve.

13. EMPLOYEE BENEFIT PLANS – Continued:

At July 1, 2019, the date of the most recent actuarial valuation, there were 41 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	10
Terminated vested participants not yet receiving benefits	2
Active employees - vested	20
Active employees - nonvested	9
Total	41

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard 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 is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2019, the actuarially determined contribution rate was $86,591 or 6.17% of covered payroll. LCRP members are required to contribute 5% of their gross salary to the plan. For fiscal year ended December 31, 2019 member contributions amounted to $74,891.

For fiscal year ended December 31, 2019, the City's recommended and actual contribution was $86,591 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report dated July 1, 2019 was $105,229. The amount of expense in the Government-Wide Statement of Activity was $105,229.

13. EMPLOYEE BENEFIT PLANS – Continued:

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Outflows of Resources Related to Pensions

At December 31, 2019, the City reported a liability of $616,289 for its net pension liability. The net pension liability was measured as of March 31, 2019 and was determined by an actuarial valuation as of July 1, 2019. The changes in the Net Pension Liability for the year ended March 31, 2019 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at beginning of year	$ 2,838,941	$ 2,443,908	$ 395,033
Changes for the year-			
Service cost	110,346	-	110,346
Interest	217,995	-	217,995
Differences between expected and actual experience	125,171	-	125,171
Contributions - Employer	-	83,519	(83,519)
Contributions - Employee	-	70,609	(70,609)
Transfers from defined contribution plan	-	-	-
Net investment income	-	91,717	(91,717)
Benefit payments, including refunds of employee contributions	(85,369)	(85,369)	-
Administrative expense	-	(13,589)	13,589
Other	-	-	-
Net Changes	368,143	146,887	221,256
Balance at end	$ 3,207,084	$ 2,590,795	$ 616,289

For the year ended December 31, 2019 the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	$ 110,346
Interest on The Pension Liability (TPL)	217,995
Administrative expenses	13,589
Employee Contributions	(70,609)
Expected return on assets	(185,362)
Expensed portion of current year period assumption change	25,032
Expensed portion of current year period differences between expected and actual experience in TPL	-
Current year recognition of deferred inflows and outflows established in prior years	(24,491)
Expensed portion of current year period differences between projected and actual investment earnings	18,729
Total expense	$ 105,229

13. EMPLOYEE BENEFIT PLANS – Continued:

$64,943 reported as deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

F/Y/E December 31,	Deferred Outflows	Deferred Inflows
2019	$ 40,358	$ (21,086)
2020	16,119	(21,086)
2021	33,711	(21,086)
2022	51,583	(21,085)
2023	-	-
2024 and Thereafter	-	-
	$ 141,771	$ (84,343)

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2019 are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	$ 64,943	$ -
Demographic	105,962	84,343
Investment	4,529	-
Assumption change	31,280	-
Total	$ 206,714	$ 84,343

13. EMPLOYEE BENEFIT PLANS – Continued:

Actuarial Assumptions

The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Mortality Rates -	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - sex distinct rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study conducted in September 2018.

The long-term 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 March 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.00%	6.40%
International equity	20.00%	7.40%
Real estate	10.00%	5.10%
Global fixed income	5.00%	3.03%
Domestic fixed income	20.00%	1.75%
Cash	0.00%	
Total	100.00%	

13. EMPLOYEE BENEFIT PLANS – Continued:

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability
To Changes in the Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 7.50 percent, 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 or 1-percentage-point higher than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Net Pension Liability	$1,055,768	$ 616,286	$ 248,803

Pension Plan Net Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Lake City Retirement Plan financial report.

14. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

A. Deficit fund balances or retained earnings balances of individual funds – As of December 31, 2019 no fund of the City had a deficit fund balance.

B. Excess of revenues and expenditures over budget - No Fund incurred expenditures that materially exceeded the corresponding appropriations. Materiality is defined as if over 5 percent and greater than $5,000.

(See Independent Auditor's Report)

CITY OF LAKE CITY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	Fiscal Year End									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Pension Liability										
Service cost	$ 110,346	$ 132,874	$ 111,470	$ 112,323	$ 2,093,546					
Interest	217,995	193,982	183,093	161,906	-					
Differerences between expected and actual experience	125,168	(19,221)	(125,176)	13,593	-					
Changes in assumptions	-	46,919	-	-	-	(Historical information prior to implementation of GASB 67/68 is not required)				
Changes of benefit terms	-	-	-	275	-					
Benefit payments	(85,369)	(37,216)	(20,555)	(8,872)	-					
Net changes in total pension liability	368,140	317,338	148,832	279,225	2,093,546					
Total pension liability - beginning	2,838,941	2,521,603	2,372,771	2,093,546	-					
Total pension liability - ending	$ 3,207,081	$ 2,838,941	$ 2,521,603	$ 2,372,771	$ 2,093,546					
Plan Fiduciary Net Position										
Contributions - employer	$ 83,519	$ 79,714	$ 90,022	$ 67,686	$ 594,079					
Contributions - employees	70,609	71,153	71,238	73,328	33,478					
Transfers from define contribution plan	-	-	-	-	929,549					
Net investment income	91,717	264,154	226,702	7,136	37,824					
Benefit payments	(85,369)	(37,216)	(20,555)	(8,872)	-					
Administrative expense	(13,589)	(14,430)	(13,506)	(4,856)	(2,720)	(Historical information prior to implementation of GASB 67/68 is not required)				
Other	-	-	-	-	-					
Net change in fiduciary net position	146,887	363,375	353,901	134,422	1,592,210					
Plan fiduciary net position - beginning	2,443,908	2,080,533	1,726,632	1,592,210	-					
Plan dicuciary net position - ending	$ 2,590,795	$ 2,443,908	$ 2,080,533	$ 1,726,632	$ 1,592,210					
Net Pension Liability										
Net pension liability	$ 616,286	$ 395,033	$ 441,070	$ 646,139	$ 501,336					
Plan's fiduciary net position as a percentage of the total pension liability	80.78%	86.09%	82.51%	72.77%	76.05%					
Covered-employee payroll	$ 1,434,823	$ 1,383,596	$ 1,431,010	$ 1,513,483	$ 1,416,077	(Historical information prior to implementation of GASB 67/68 is not required)				
Net pension liability as a percentage of covered payroll	42.95%	28.55%	30.82%	42.69%	35.40%					

CITY OF LAKE CITY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	Fiscal Year End									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Actuarially determined contributions	$ 86,591	$ 83,099	$ 77,737	$ 76,184	66,052					
Contributions in relation to the actuarially determined contribution	(83,591)	(83,099)	(77,737)	(76,184)	(66,052)					
Contribution deficiency (excess)	3,000	-	-	-		(Historical information prior to implementation of GASB 67/68 is not required)				
Covered-employee payroll	$ 1,434,823	$ 1,383,596	$ 1,431,010	$ 1,513,483	1,416,077					
Contributions as a percentage of covered-employee payroll	6.03%	6.01%	5.43%	5.03%	4.66%					

CITY OF LAKE CITY, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1

Significant methods and assumptions used in calculating the actuarially determined calculations are as follow:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 30 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Mortality Rates -	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - sex distinct rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2018:

- The investment return assumption was decreased from 7.75% to 7.50%.
- The inflation assumption was decreased from 3.25% to 2.75%

(See Independent Auditor's Report)

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash	$ 3,031,195	$ 3,195,185
Investments	944,231	923,682
Accounts receivable:		
Taxes, net of allowance of $80,000 in 2019 and 2018	489,869	471,940
Fines and forfeitures, net of allowance of $135,000 in 2019 and $177,000 in 2018	89,979	118,446
Other	-	867
Due from other funds	3,308	6,836
Prepaid expenses	31,267	26,941
Total Assets	$ 4,589,849	$ 4,743,897
LIABILITIES:		
Accounts payable - Trade	$ 46,462	$ 54,957
Accrued salaries	99,596	141,420
Due to other funds	-	-
Bond deposits	13,777	9,170
Unearned revenues	115,506	116,377
Total Liabilities	275,341	321,924
DEFERRED INFLOWS OF REVENUES		
Unavailable revenues	136,985	148,060
FUND EQUITY:		
Fund balance-		
Nonspendable	31,267	26,941
Restricted for capital outlay	72,167	69,159
Assigned for appropriation for next years budget	514,980	1,022,000
Unassigned	3,559,109	3,155,813
Total Fund Equity	4,177,523	4,273,913
Total Liabilities, deferred inflows of revenues and Fund Equity	$ 4,589,849	$ 4,743,897

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES - BY DEPARTMENT
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
REVENUES:		
Taxes	$ 2,841,976	$ 2,740,771
Business licenses and permits	25,580	25,372
Intergovernmental	-	606,371
Charges for services	79,506	94,120
Fines and forfeitures	452,302	680,106
Investment income	29,124	22,178
Miscellaneous	6,972	18,093
Total Revenues	3,435,460	4,187,011
EXPENDITURES:		
Current -		
General Government	679,925	634,521
Municipal Court	411,709	460,059
Public Safety	1,324,783	1,363,127
Highways and Streets	397,660	416,958
Park Areas	41,907	59,208
Code Enforcement	51,121	-
Debt Service	609,509	213,845
Capital Outlay -		
General Government	31,238	5,219
Municipal Court	-	-
Police Services	16,892	16,723
Highways and Streets	-	-
Park Areas	-	-
Total Expenditures	3,564,744	3,169,660
Excess of Revenues Over (Under) Expenditures	(129,284)	1,017,351
Other Financing Sources (Uses):		
Transfers	21,000	23,270
Proceeds from debt issue	-	-
Sale of capital assets	11,894	100
Total Other Financing Sources (Uses)	32,894	23,370
Change in Fund Balance	(96,390)	1,040,721
Fund Balance - Beginning of Year	4,273,913	3,233,192
Fund Balance - End of year	$ 4,177,523	$ 4,273,913

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CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019			2018
	Final Budget	Actual	Variance	Actual
Taxes:				
Property taxes	$ 547,100	$ 680,342	$ 133,242	$ 572,370
Motor vehicle	44,000	83,526	39,526	52,308
Real estate transfer	4,000	4,402	402	11,524
Franchise -				
Atlanta Gas Light	17,000	26,399	9,399	21,857
Georgia Power	197,000	222,873	25,873	209,608
AT&T	3,500	2,528	(972)	2,347
Cable TV	14,000	15,713	1,713	15,299
Other	-	-	-	-
Local option sales	1,190,000	1,154,660	(35,340)	1,245,768
Beer and wine	65,000	71,911	6,911	70,690
Consumption	500	717	217	636
Business occupation	305,200	380,041	74,841	351,149
Insurance premium	165,000	198,864	33,864	187,215
Licenses and Permits -				
Business licenses	5,000	8,850	3,850	9,350
Building permits	7,500	15,745	8,245	15,627
Other permits	1,150	985	(165)	395
Grants:				
Federal	-	-	-	-
State	35,000	-	(35,000)	606,371
Services:				
Other	79,050	79,506	456	94,120
Fines and Forfeitures	530,000	452,302	(77,698)	680,106
Investment income	6,000	29,124	23,124	22,178
Miscellaneous	1,600	6,972	5,372	18,093
Total Revenues	$ 3,217,600	$ 3,435,460	$ 217,860	$ 4,187,011

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019			2018
	Final Budget	Actual	Variance	Actual
General Government:				
Governing Body -				
Personal services	$ 54,350	$ 49,690	$ 4,660	$ 47,320
Purchased/contracted services	23,500	10,882	12,618	6,497
Supplies	1,400	193	1,207	200
City Administrator -				
Personal services	108,950	109,651	(701)	112,839
Purchased/contracted services	5,910	1,807	4,103	5,300
Supplies	1,530	171	1,359	73
Contingency	4,000	-	4,000	-
General Administration -				
Personal services	125,710	102,376	23,334	122,071
Purchased/contracted services	239,100	166,780	72,320	180,525
Supplies	23,350	19,322	4,028	20,270
Other	7,900	2,293	5,607	4,780
Contingency	7,500	-	7,500	-
Human Resources & MIS -				
Information Technology	72,000	69,638	2,362	55,023
Human Resources	71,400	59,374	12,026	7,166
Buildings and Grounds -				
Purchased/contracted services	46,300	61,248	(14,948)	44,791
Supplies	37,231	26,500	10,731	27,666
Contingency	7,500	-	7,500	-
Total General Government	837,631	679,925	157,706	634,521
Municipal Court -				
Personal services	207,250	184,462	22,788	163,726
Purchased/contracted services	97,800	89,519	8,281	89,648
Supplies	1,700	1,868	(168)	1,271
Other costs	247,350	135,860	111,490	205,414
Contingency	5,000	-	5,000	-
Total Municipal court	559,100	411,709	147,391	460,059
Public Safety:				
Police Services -				
Police Administration -				
Personal services	204,150	182,075	22,075	183,087
Purchases/contracted services	6,750	3,135	3,615	813
Supplies	-	-	-	-
Other	10,000	6,386	3,614	3,011
Contingency	-	-	-	-
Crime Control -				
Personal services	179,500	176,062	3,438	171,412
Purchased/contracted services	-	-	-	-
Supplies	2,000	1,579	421	1,749
Traffic Control -				
Personal services	982,450	821,980	160,470	876,437
Purchased/contracted services	57,350	46,879	10,471	43,292
Supplies	87,500	67,956	19,544	64,038
Other	31,150	18,731	12,419	19,288
Total Police Services	1,560,850	1,324,783	236,067	1,363,127

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019			2018
	Final Budget	Actual	Variance	Actual
Fire Services -				
Purchased/contracted services	$ -	$ -	$ -	$ -
Total Public Safety	1,560,850	1,324,783	236,067	1,363,127
Highways and Streets:				
Personal services	319,700	292,306	27,394	316,377
Purchased/contracted services	95,800	41,061	54,739	44,289
Supplies	64,032	64,293	(261)	56,292
Other	5,000	-	5,000	-
Total Highways and Streets	484,532	397,660	86,872	416,958
Parks and Culture:				
Community Center	42,340	34,796	7,544	52,925
Park Areas	10,647	7,111	3,536	6,283
Total Parks	52,987	41,907	11,080	59,208
Code Enforcement:				
Personal services	53,600	50,775	2,825	-
Purchased/contracted services	2,500	281	2,219	-
Supplies	1,700	65	1,635	-
Total Code Enforcement	57,800	51,121	6,679	-
Debt Service:				
Principal	595,000	594,150	850	179,050
Interest	32,500	15,359	17,141	34,795
Total Debt Service	627,500	609,509	17,991	213,845
Capital Outlay:				
General Administration	37,500	31,238	6,262	5,219
Buildings and Grounds	-	-	-	-
Human Resources	-	-	-	-
Police Services	23,000	16,892	6,108	16,723
Highways and Streets	3,000	-	3,000	-
Park Areas	3,500	-	3,500	-
Code Enforcement	2,200	-	2,200	-
Total Capital Outlay	69,200	48,130	21,070	21,942
Total Expenditures	$ 4,249,600	$ 3,564,744	$ 684,856	$ 3,169,660

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SPECIAL REVENUE FUND

SEIZED ASSETS FUND – Funds of this type are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Seized Assets Fund accounts for confiscated funds revenue that is legally restricted to expenditures for law enforcement activities.

CITY OF LAKE CITY, GEORGIA
SEIZED ASSETS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018

Assets	2019	2018
Cash - restricted	$ 1,805	$ 358
Due from other funds	-	-
Total assets	$ 1,805	$ 358
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ -	$ -
Due to other funds	1,455	100
Total Liabilities	1,455	100
Fund Balance		
Restricted for law enforcement activities	350	258
Total liabilities and fund balance	$ 1,805	$ 358

CITY OF LAKE CITY, GEORGIA
SEIZED ASSETS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Revenues		
Fines and forfeitures	$ 1,137	$ -
Interest income	-	-
Total Revenues	1,137	-
Expenditures		
Current -		
Public safety-		
Purchased/contracted services	1,045	7,581
Capital -		
Public Safety	-	-
Total Expenditures	1,045	7,581
Excess (deficiency) of revenues over (under) expenditures.	92	(7,581)
Fund balance-		
Beginning of year	258	7,839
End of year	$ 350	$ 258

CAPITAL PROJECTS FUND

SPLOST FUND – This fund is used to account for acquisition and construction of major capital facilities that were approved by the voters of Clayton County, Georgia through the special purpose local option sales tax referendum.

CITY OF LAKE CITY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018

Assets	2019	2018
Cash	$ -	$ -
Due from Clayton County	87,238	84,638
Restricted assets -		
Cash	999,440	788,298
Investments	-	-
Interest receivable	-	-
Total assets	$ 1,086,678	$ 872,936
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$ -	$ 5,500
Accrued payroll	-	-
Accrued expenditures	-	-
Due to other funds	1,853	6,736
Total Liabilities	1,853	12,236
Fund Balance		
Restricted for capital outlay	1,084,825	860,700
Total liabilities and fund balance	$ 1,086,678	$ 872,936

CITY OF LAKE CITY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Revenues:		
Intergovernmental	$ 564,490	$ 453,703
Interest earned	-	-
Total Revenues	564,490	453,703
Expenditures:		
Capital -		
General Administration	38,885	63,726
Public Safety	128,444	115,051
Public Works	5,468	7,901
Parks	167,568	10,878
Debt Service -		
Principal	-	-
Interest	-	-
Total Expenditures	340,365	197,556
Excess (deficiency) of revenues over (under) expenditures.	224,125	256,147
Other financing sources (uses):		
Proceeds from revenue bonds	-	-
Transfers	-	-
Total other financing sources (uses)	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	224,125	256,147
Fund balance-		
Beginning of year	860,700	604,553
End of year	$ 1,084,825	$ 860,700

CITY OF LAKE CITY, GEORGIA
2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - PROJECT LENGTH BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES:				
Intergovernmental	$ 1,796,404	$ 564,490	$ 2,360,894	$ 2,749,774
Interest	-	-	-	-
Total Revenues	1,796,404	564,490	2,360,894	2,749,774
EXPENDITURES:				
Capital outlay -				
General administrative	217,193	38,885	256,078	500,000
Public safety	543,381	128,444	671,825	725,000
Highways & streets -				
Equipment	94,834	5,468	100,302	265,000
Sidewalks and streets	61,413	-	61,413	1,084,774
Parks	10,878	167,568	178,446	175,000
Debt service -				
Debt issue costs	-	-	-	-
Principal - Police	5,209	-	5,209	-
Interest - Police	2,796	-	2,796	-
Total Expenditures	935,704	340,365	1,276,069	2,749,774
Excess of revenues over (under) expenditures	860,700	224,125	1,084,825	-
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Proceeds from revenue bonds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in fund balance	$ 860,700	224,125	$ 1,084,825	$ -
Fund balances - beginning		860,700		
Fund balances - ending		$ 1,084,825		

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