# CITY OF LAKE CITY, GEORGIA

## ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED DECEMBER 31, 2021
## TOGETHER WITH
## INDEPENDENT AUDITOR'S REPORT

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**CITY OF LAKE CITY, GEORGIA**
**ANNUAL FINANCIAL REPORT**
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**


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# INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Lake City, Georgia

**Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Lake City, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Lake City, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Lake City, Georgia, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Confiscated Assets, Redspeed and ARPA Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lake City, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake City, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lake City, Georgia's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Changes in the Pension Liability and Related Ratios information on pages 4-11 and 47-49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake City, Georgia's basic financial statements. The accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combing and individual nonmajor fund financial statements and the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements 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, 2020, 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 2020 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 related directly to the underlying accounting and other records used to prepare the 2020 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 2020 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 our report dated June 27, 2022, on our consideration of the City of Lake City, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lake City, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lake City, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
June 27, 2022

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, 2021. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

**Financial Highlights**

- The assets and deferred outflows of the City of Lake City exceeded its liabilities and deferred inflows at December 31, 2021 by $13,836,482. Of this amount unrestricted net position of $4,743,812 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by $1,311,434. Of this amount an increase of $1,265,310 was associated with governmental activities and an increase of $46,124 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 $6,934,036 an increase of $1,430,189 in comparison with the prior year. Of this amount $4,060,691 is unassigned and available for spending; $2,049,076 is restricted for police activities, specified grant purposes, school safety activities and capital outlay; $786,186 is assigned for the 2022 budget; and $38,083 is non-spendable and in the form of prepaid expenses.
- At the end of the current year, unassigned fund balance for the general fund was $4,062,685 or 123.1 percent of total General Fund expenditures.
- The City of Lake City had no total long-term obligations as of December 31, 2021 and has a net pension asset of $273,420.at year end compared with a net pension obligation of $950,618 at December 31, 2020.
- 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 six major governmental funds. The City's major governmental funds are the General Fund, the Seized Assets, Redspeed School Safety and ARPA Special Revenue Funds and two Special Purpose Local Option Sales Tax Funds (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 14.

The City of Lake City adopts an annual budget for its General Fund and its special revenue funds and a project-length budget for its SPLOST Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the FY 21 budget. The budgetary comparison statements begin on page 18.

**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 26.

**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 50.

**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, 2021, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $13,836,482. The City's net position reflects its net investment in capital assets $7,043,594 (50.9 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $13,836,482, $2,049,076 (14.8 percent) is restricted for capital projects and other specified activities and $4,743,812 (34.3 percent) is unrestricted.

City of Lake City's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | $ 7,563,578 | $ 6,790,861 | $ 72,324 | $ 26,200 | $ 7,635,902 | $ 6,817,061 |
| Capital assets | 7,043,594 | 7,202,789 | - | - | 7,043,594 | 7,202,789 |
| Deferred pension outflows | 157,637 | 498,350 | - | - | 157,637 | 498,350 |
| Total assets | 14,764,809 | 14,492,000 | 72,324 | 26,200 | 14,837,133 | 14,518,200 |
| Current liabilities | 177,065 | 927,752 | - | - | 177,065 | 927,752 |
| Long-term liabilities | - | 950,618 | - | - | - | 950,618 |
| Deferred pension inflows | 823,586 | 114,782 | - | - | 823,586 | 114,782 |
| Total liabilities | 1,000,651 | 1,993,152 | - | - | 1,000,651 | 1,993,152 |
| Net Position: | | | | | | |
| Net investment in capital assets | 7,043,594 | 7,202,789 | - | - | 7,043,594 | 7,202,789 |
| Restricted | 2,049,076 | 1,087,660 | - | - | 2,049,076 | 1,087,660 |
| Unrestricted | 4,671,488 | 4,208,399 | 72,324 | 26,200 | 4,743,812 | 4,234,599 |
| Total Net Position | $ 13,764,158 | $ 12,498,848 | $ 72,324 | $ 26,200 | $ 13,836,482 | $ 12,525,048 |

A portion of the net position (14.8 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($4,743,812) 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.

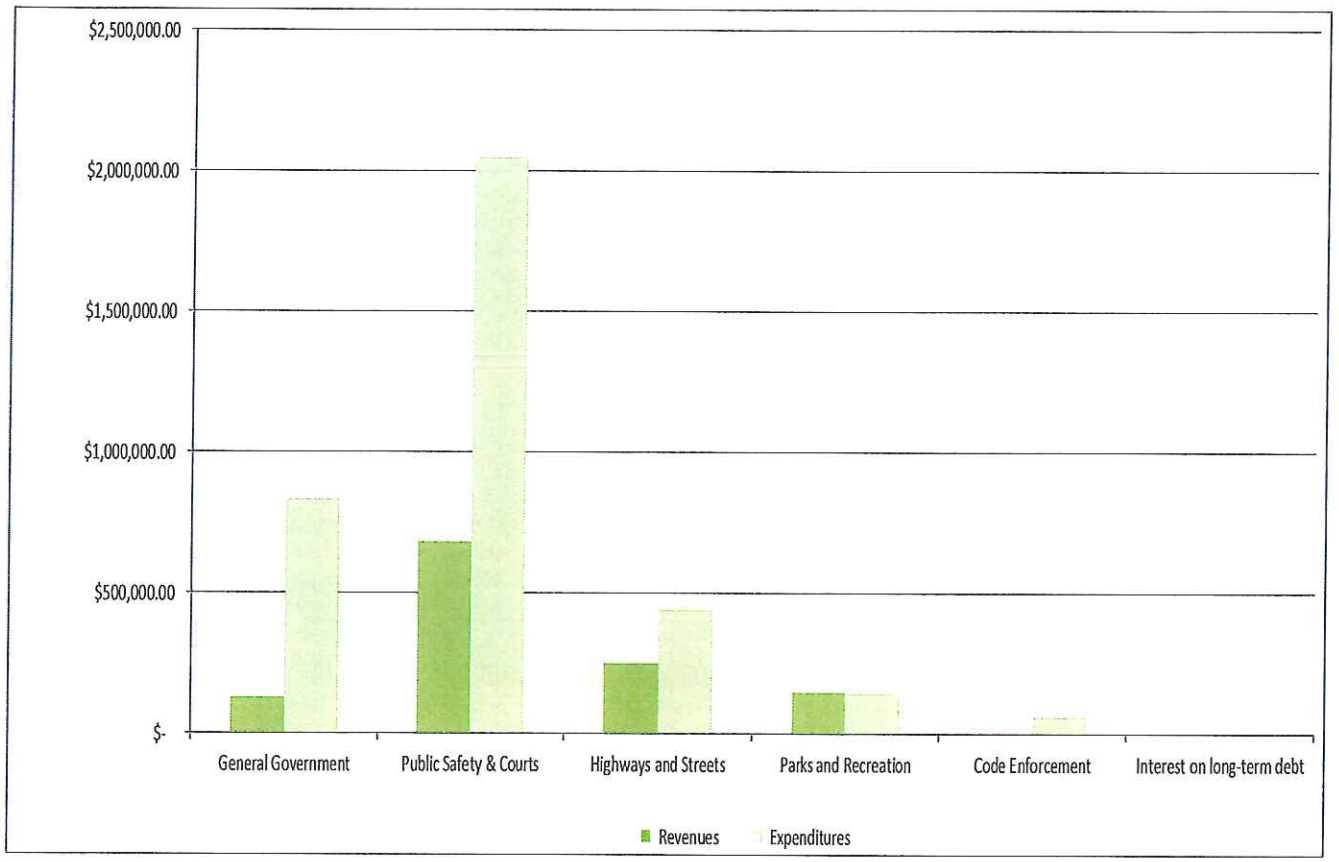
**Governmental activities.** Governmental activities increased the City's net position by $1,265,310. Key elements of this increase are as follows:

**City of Lake City's Change in Net Position**
**For The Years Ended December 31, 2021 and 2020**

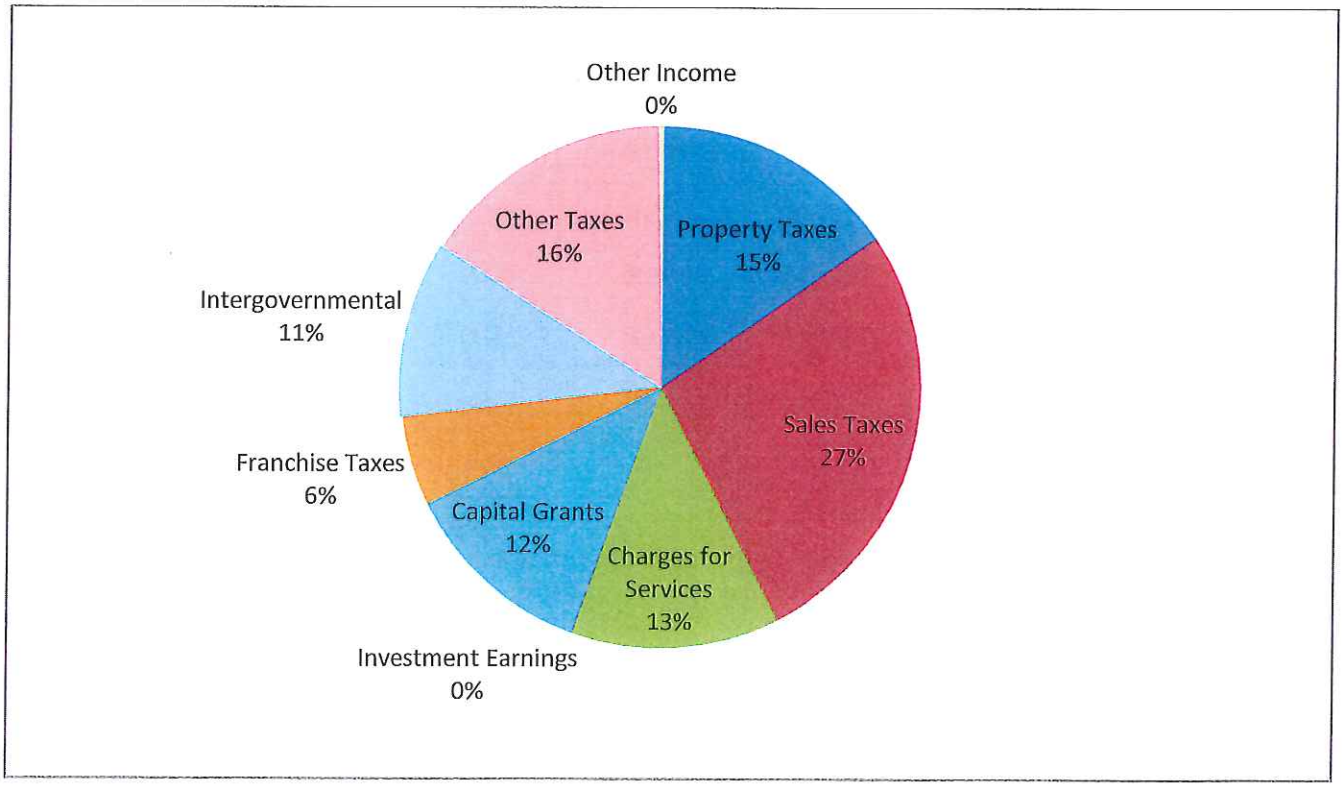
| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program Revenues - | | | | | | |
| Charges for services | $ 623,469 | $ 495,055 | $ 141,977 | $ 146,224 | $ 765,446 | $ 641,279 |
| Operating grants and contributions | - | 248,088 | - | - | - | 248,088 |
| Capital grants and contributions | 585,655 | 733,273 | - | - | 585,655 | 733,273 |
| General Revenues- | | | | | | |
| Property taxes | 739,958 | 719,026 | - | - | 739,958 | 719,026 |
| Sales taxes | 1,314,260 | 1,187,728 | - | - | 1,314,260 | 1,187,728 |
| Other taxes | 1,020,533 | 1,048,426 | - | - | 1,020,533 | 1,048,426 |
| Intergovernmental | 528,225 | - | - | - | 528,225 | - |
| Interest | 1,682 | 10,812 | - | - | 1,682 | 10,812 |
| Other | 17,169 | 19,101 | - | - | 17,169 | 19,101 |
| | 4,830,951 | 4,461,509 | 141,977 | 146,224 | 4,972,928 | 4,607,733 |
| Expenses: | | | | | | |
| General government | 833,800 | 884,753 | - | - | 833,800 | 884,753 |
| Public safety and courts | 2,048,345 | 1,979,032 | - | - | 2,048,345 | 1,979,032 |
| Highways and strees | 438,171 | 1,047,696 | - | - | 438,171 | 1,047,696 |
| Parks and recreation | 143,676 | 116,380 | - | - | 143,676 | 116,380 |
| Code enforcement | 61,755 | 59,439 | - | - | 61,755 | 59,439 |
| Interest on long-term debt | - | - | - | - | - | - |
| Solid waste | - | - | 135,747 | 126,384 | 135,747 | 126,384 |
| | 3,525,747 | 4,087,300 | 135,747 | 126,384 | 3,661,494 | 4,213,684 |
| Increase (decrease) in Net Position before transfers | 1,305,204 | 374,209 | 6,230 | 19,840 | 1,311,434 | 394,049 |
| Transfers | (39,894) | 3,997 | 39,894 | (3,997) | - | - |
| Increase (decrease) in Net Position | 1,265,310 | 378,206 | 46,124 | 15,843 | 1,311,434 | 394,049 |
| Net Position - beginning of year | 12,498,848 | 12,120,642 | 26,200 | 10,357 | 12,525,048 | 12,130,999 |
| Net Position - end of year | $ 13,764,158 | $ 12,498,848 | $ 72,324 | $ 26,200 | $ 13,836,482 | $ 12,525,048 |

Revenues increased by $369,442 due to the City receiving an ARPA grant of $528,225 and an increase in fines and forfeitures of approximately $138,000. The ARPA grant was received pursuant to the American Rescue Plan Act and is to be used for specified purposes under the grant agreement. Fines increased significantly as a result of the City implementing a Redspeed School Safety Camera Program which monitors school zones during school days and provide for the issuance of tickets for violators. The City received approximately $73,000 from these activities for the year. Expenses decreased $561,000 for the year which is mainly due to the large street improvement project for Forest Parkway during fiscal year 2020.

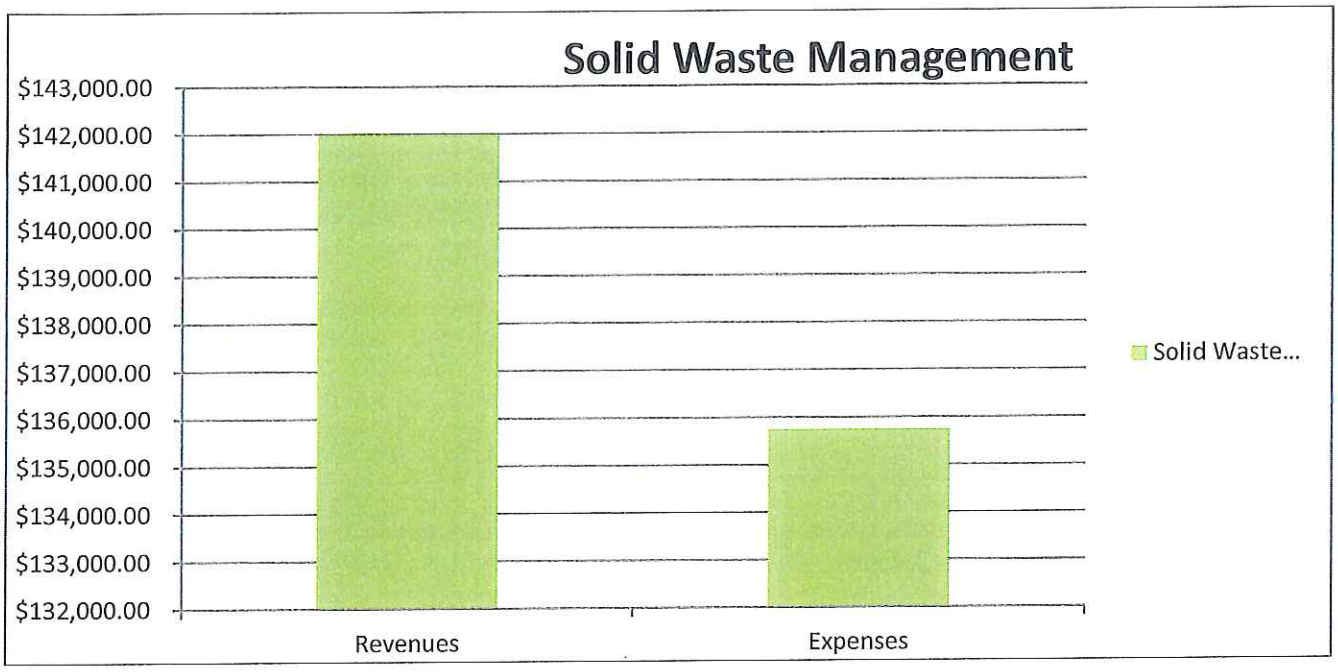
## Expenses and Program Revenues-Governmental Activities




## Revenue by Source-Governmental Activities



**Business-Type Activities** increased the City's net position by $46,124. The Solid Waste Management Fund had operating income of $6,230 and transfers in of $39,894 from the General Fund to help finance operations. 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, 2021 the City's governmental funds reported combined ending fund balances of $6,934,036. Of this amount, $4,060,691 (58.6 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 $2,049,076 is restricted for Capital Outlay and other specified activities, $786,186 is assigned for the 2022 budget, and $38,083 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 $4,062,685 while the total fund balance totaled $4,983,724. 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 123.1 percent of the total general fund expenditures, while total fund balance represents 151.0 percent of that same amount.

During the current fiscal year, the fund balance of the City's general fund increased by $486,370 which can be attributed to the $1,314,260 in local option sales taxes and the receipt of a community development block grant of $200,000 which was used during 2020 for playground improvements.

**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. During 2021, the City purchased a drug terminator from the seized fund account.

**The Redspeed School Safety Fund** was created during 2021 to account for fines collected under the State Redspeed laws. The City collected $73,000 from such fines during 2021. The monies collected under this law can only be used for School Safety purposes.

**The ARPA Fund** was created during 2021 to account for the City's portion of grant funds received under the American Rescue Plan Act. The monies can only be used for specified purposes allowed under the grant agreement. The City received $528,225 under the grant agreement during 2021 and has not spent any of the grant award as of December 31, 2021.

**The SPLOST Funds** are 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 2015 series and the newly approved 2021 SPLOST series are currently being accounted for in these funds. As of December 31, 2021, the fund balance in the 2015 fund amounted to $924,147 and in the 2021 fund the fund balance amounted to $426,517. All monies in these funds are restricted for capital projects approved under the SPLOST referendums.

**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 $3,752,980. The 2021 budget allowed the City to absorb approximately 15% increase to the City's employee medical insurance premiums. In addition, the City purchased a Kubota skid steer with a mower attachment to ensure the City could maintain its right of ways and trail maintenance in the parks. During the Covid Pandemic of 2021, the City was able to maintain all of the administrative fulltime staff and city hall remained open to serve the community. The Police Department was hit hard with the Line of Duty deaths due to COVID of two of our longtime supervisors. In addition, several other police positions were unfilled due to resignations or retirements and the department has struggled to recruit qualified replacements.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets at December 31, 2021 amounts to $7,043,594 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. In 2021, three new police vehicles were purchased and outfitted costing $103,300. In addition, $68,000 was spent towards public works equipment and $52,500 was expended for land preparation in connection with a new city park in front of City Hall.

Additional information on the City's capital assets can be found in note 9 on page 38 of this report.

**Long-term obligations.** At the end of the current fiscal year, the City had no outstanding long-term obligations.

The City had no debt transactions during 2021 since the City paid off the certificates of participation in 2019. However, the City's net pension liability decreased from $950,618 at the end of 2020 to a net pension asset of $273,420 at the end of 2021.

**Status of the City of Lake City's Economy**

The world wide COVID Pandemic continued throughout 2021. The City saw numerous employees affected by the COVID 19 pandemic and we lost two Police Officers during that time. In addition, the city had several employee vacancies and those vacancies were responsible for the noted salary savings throughout the year. The city began Phase 1 of the renovation and creation of a park/walking trail in front of city hall. This included the removal of trees and brush to open up the area in preparation of further development. This is an approved SPLOST Project and should be completed in late 2022 or early 2023. The city saw new construction begin in 2021 of a Circle K fuel station located at 1810 Forest Parkway. The station will have a tractor trailer fuel island and truck parking available. The close proximity to the Fort Gillem logistics center makes good use of this property. It is due to open in late summer 2022. In addition, Auto Zone located at 1292 Forest Parkway a longtime business in Lake City began the expansion of their current site to become a regional distribution center. Another new business that opened in 2021 was a newly constructed free standing Dollar Tree store located at 5613 Jonesboro Road. This project converted a residential property into a commercial property which will aid in developing the Jonesboro Road corridor.

The City continues to work with the Clayton County Economic Development Authority to develop the property located at 5745 Jonesboro Road. The Development Authority has approved a project that was presented to and approved by the Clayton County Commission. Roman United is the Developer and the proposed project as proposed would include an amphitheater, mixed use development to include condominiums, ground floor retail space and a business incubator. This would be a transformational project not only for Lake City but the entire Clayton County Community. The ground breaking is scheduled to take place in late summer of 2022.

The construction of a new fire station was not completed in 2021. The site for the fire station to be built has been purchased by Clayton County. The county fired the Architectural Firm for this project which has caused a delay in the construction. Completion of this project was moved into the late fall of 2022 or summer of 2023. This is an approved project of the Clayton County Board of Commission in accordance with an Intergovernmental Agreement with the City of Lake City.

The City completed updates to the community center in 2021. This included installation of a speaker system, drop down screen and a suspended projector which can be utilized for presentations and classes. In addition, a new gutter system was installed to ensure proper run off of rain water. The city was approved for a $150,000.00 Community Development Block Grant to improve the trail system in the Oswalt Nature Preserve. A Request for Proposal was posted and several businesses responded with a bid for the project. A vendor was selected and the contract was awarded to M-Con LLC. The project will include improving the trails by placing new crush throughout the park, replacing all existing piping with new larger piping to allow for better run-off of water and other improvements. This project will begin in the Spring of 2022 with a completion date of 60-90 days after the beginning of the project. Any additional funding requirements will be funded through the use of SPLOST Funds.

Lake City had an election for two council seats in November of 2021. One of the council seats was being vacated by the retirement of Councilmember JB Sowell who had served on the council for twenty-seven years. He was replaced by newly elected Councilmember David Brown. The other council seat was maintained by incumbent Lorraine Hoover. The term of office will begin in January of 2022 and each will serve a four-year term.

**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

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**CITY OF LAKE CITY, GEORGIA**
**STATEMENT OF NET POSITION**
**DECEMBER 31, 2021**

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 2,188,540 | $ - | $ 2,188,540 |
| Investments | 2,165,527 | - | 2,165,527 |
| Receivables, net | | | |
| Taxes | 949,357 | - | 949,357 |
| Accounts | 17,781 | 72,324 | 90,105 |
| Fines | 68,756 | - | 68,756 |
| Due from other governments | 107,548 | - | 107,548 |
| Prepaid expenses | 38,083 | - | 38,083 |
| Restricted assets - | | | |
| Cash | 1,754,566 | - | 1,754,566 |
| Pension asset | 273,420 | - | 273,420 |
| Capital assets - | | | |
| Non-depreciable capital assets | 1,098,228 | - | 1,098,228 |
| Other capital assets, net of depreciation | 5,945,366 | - | 5,945,366 |
| Total Assets | 14,607,172 | 72,324 | 14,679,496 |
| **Deferred Outflows** | | | |
| Deferred pension outlflows | 157,637 | - | 157,637 |
| **Total Assets and Deferred Outflows** | 14,764,809 | 72,324 | 14,837,133 |
| **LIABILITIES** | | | |
| Accounts payable - | | | |
| Trade | 57,683 | - | 57,683 |
| Accrued expenses - | | | |
| Salaries | 35,149 | - | 35,149 |
| Other | 2,743 | - | 2,743 |
| Unearned items | 77,006 | - | 77,006 |
| Bond deposits | 4,484 | - | 4,484 |
| Long-term liabilities - | | | |
| Net pension liability | - | - | - |
| Total Liabilities | 177,065 | - | 177,065 |
| **Deferred pension inflows** | | | |
| Deferred pension inflows | 823,586 | - | 823,586 |
| Total Liabilities and Deferred Inflows | 1,000,651 | - | 1,000,651 |
| **NET POSITION** | | | |
| Net investment in capital assets | 7,043,594 | - | 7,043,594 |
| Restricted for: | | | |
| Capital outlay | 1,447,434 | - | 1,447,434 |
| Specified grant projects | 528,225 | - | 528,225 |
| School safety activities | 73,417 | - | 73,417 |
| Law enforcement activities | - | - | - |
| Unrestricted | 4,671,488 | 72,324 | 4,743,812 |
| Total Net Position | $ 13,764,158 | $ 72,324 | $ 13,836,482 |

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, 2021**

| Functions/Programs | EXPENSES | PROGRAM REVENUES: CHARGES FOR SERVICES | PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS | PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| General Government | $ 833,800 | $ 43,642 | $ - | $ 83,665 |
| Public Safety and Courts | 2,048,345 | 579,827 | - | 104,581 |
| Highways and Streets | 438,171 | - | - | 250,995 |
| Park Areas | 143,676 | - | - | 146,414 |
| Code Enforcement | 61,755 | - | - | - |
| Interest on long-term debt | - | - | - | - |
| Total Governmental Activities | 3,525,747 | 623,469 | - | 585,655 |
| **Business-Type Activities:** | | | | |
| Solid Waste Management | 135,747 | 141,977 | - | - |
| **Total Primary Government** | $ 3,661,494 | $ 765,446 | $ - | $ 585,655 |

| | |
|---|---|
| **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 |
| $ (706,493) | $ - | $ (706,493) |
| (1,363,937) | - | (1,363,937) |
| (187,176) | - | (187,176) |
| 2,738 | - | 2,738 |
| (61,755) | - | (61,755) |
| - | - | - |
| (2,316,623) | - | (2,316,623) |
| - | 6,230 | 6,230 |
| (2,316,623) | 6,230 | (2,310,393) |
| 739,958 | - | 739,958 |
| 63,391 | - | 63,391 |
| 1,314,260 | - | 1,314,260 |
| 83,203 | - | 83,203 |
| 267,507 | - | 267,507 |
| 388,610 | - | 388,610 |
| 215,398 | - | 215,398 |
| 2,424 | - | 2,424 |
| 528,225 | - | 528,225 |
| 1,682 | - | 1,682 |
| 17,169 | - | 17,169 |
| 3,621,827 | - | 3,621,827 |
| (39,894) | 39,894 | - |
| 3,581,933 | 39,894 | 3,621,827 |
| 1,265,310 | 46,124 | 1,311,434 |
| 12,498,848 | 26,200 | 12,525,048 |
| $ 13,764,158 | $ 72,324 | $ 13,836,482 |

**CITY OF LAKE CITY, GEORGIA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2021**

| | GENERAL | SEIZED ASSETS | REDSPEED SCHOOL SAFETY |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 2,188,540 | $ - | $ - |
| Investments | 2,165,527 | - | - |
| Receivables - | | | |
| Taxes, net | 949,357 | - | - |
| Accounts receivable | 6,000 | - | 11,781 |
| Fines, net | 68,756 | - | - |
| Due from other funds | 1,605 | - | 1,171 |
| Due from other governments | - | - | - |
| Prepaid expenses | 38,083 | - | - |
| Restricted assets - | | | |
| Cash | - | 101 | 60,465 |
| Total Assets | $ 5,417,868 | $ 101 | $ 73,417 |
| **Liabilities:** | | | |
| Accounts payable - | | | |
| Trade | $ 57,193 | $ 490 | $ - |
| Due to other funds | 78,512 | 1,605 | - |
| Accrued expenses - | | | |
| Salaries | 35,149 | - | - |
| Other | 2,743 | - | - |
| Bond deposits | 4,484 | - | - |
| Unearned revenues | 77,006 | - | - |
| Total Liabilities | 255,087 | 2,095 | - |
| **Deferred Inflows of Resources** | | | |
| Unavailable revenues | 179,057 | - | - |
| **Fund Balances:** | | | |
| Nonspendable | 38,083 | - | - |
| Restricted - | | | |
| Capital outlay | 96,770 | - | - |
| Specified grant projects | - | - | - |
| School safety activities | - | - | 73,417 |
| Law enforcement activities | - | - | - |
| Assigned for appropriation for next year's budget | 786,186 | - | - |
| Unassigned | 4,062,685 | (1,994) | - |
| Total Fund Balances | 4,983,724 | (1,994) | 73,417 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | $ 5,417,868 | $ 101 | $ 73,417 |

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

| ARPA | 2015 SPLOST | 2021 SPLOST | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| $ - | $ - | $ - | $ 2,188,540 |
| - | - | - | 2,165,527 |
| - | - | - | 949,357 |
| - | - | - | 17,781 |
| - | - | - | 68,756 |
| - | 77,341 | - | 80,117 |
| - | - | 107,548 | 107,548 |
| - | - | - | 38,083 |
| 528,225 | 846,806 | 318,969 | 1,754,566 |
| $ 528,225 | $ 924,147 | $ 426,517 | $ 7,370,275 |
| $ - | $ - | $ - | $ 57,683 |
| - | - | - | 80,117 |
| - | - | - | 35,149 |
| - | - | - | 2,743 |
| - | - | - | 4,484 |
| - | - | - | 77,006 |
| - | - | - | 257,182 |
| - | - | - | 179,057 |
| - | - | - | 38,083 |
| - | 924,147 | 426,517 | 1,447,434 |
| 528,225 | - | - | 528,225 |
| - | - | - | 73,417 |
| - | - | - | - |
| - | - | - | 786,186 |
| - | - | - | 4,060,691 |
| 528,225 | 924,147 | 426,517 | 6,934,036 |
| $ 528,225 | $ 924,147 | $ 426,517 | $ 7,370,275 |

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**CITY OF LAKE CITY, GEORGIA**
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**
**TO THE STATEMENT OF NET POSITION**
**DECEMBER 31, 2021**

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Total fund balances -- total governmental funds | $ | 6,934,036 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 7,043,594 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 179,057 |
| Deferred inflows and outflows related to the net pension liability is not a current asset or liability: | | |
| Deferred outflows | | 157,637 |
| Deferred inflows | | (823,586) |
| 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 / asset | | 273,420 |
| Net position of governmental activities. | $ | 13,764,158 |

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, 2021**

| | GENERAL | SEIZED ASSETS | REDSPEED SCHOOL SAFETY |
|---|---|---|---|
| **REVENUES:** | | | |
| Taxes | $ 3,063,759 | $ - | $ - |
| Business licenses and permits | 38,110 | - | - |
| Intergovernmental | 200,000 | - | - |
| Charges for services | 12,512 | - | - |
| Fines and forfeitures | 487,688 | 4,070 | 73,483 |
| Investment income | 1,682 | - | - |
| Miscellaneous | 5,575 | - | - |
| Total Revenues | 3,809,326 | 4,070 | 73,483 |
| **EXPENDITURES:** | | | |
| Current - | | | |
| General Government | 909,942 | - | - |
| Municipal Court | 443,428 | - | - |
| Public Safety | 1,433,178 | 1,859 | 66 |
| Highways and Streets | 401,702 | - | - |
| Park Areas | 34,088 | - | - |
| Code Enforcement | 57,980 | - | - |
| Capital Outlay - | | | |
| General Government | - | - | - |
| Municipal Court | 3,107 | - | - |
| Police | 17,158 | 4,240 | - |
| Highways and Streets | - | - | - |
| Code Enforcement | - | - | - |
| Park Areas | - | - | - |
| Debt Service - | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Total Expenditures | 3,300,583 | 6,099 | 66 |
| Excess (deficiency) of revenues over expenditures | 508,743 | (2,029) | 73,417 |
| **OTHER FINANCING SOURCES (USES):** | | | |
| Transfers | (39,894) | - | - |
| Proceeds from debt issue | - | - | - |
| Disposition of capital assets | 17,521 | - | - |
| Total Other Financing Sources (Uses) | (22,373) | - | - |
| Net change in fund balances | 486,370 | (2,029) | 73,417 |
| Fund balances - beginning | 4,497,354 | 35 | - |
| Fund balances - ending | $ 4,983,724 | $ (1,994) | $ 73,417 |

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

| ARPA | 2015 SPLOST | 2021 SPLOST | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| $ - | $ - | $ - | $ 3,063,759 |
| - | - | - | 38,110 |
| 528,225 | - | 585,655 | 1,313,880 |
| - | - | - | 12,512 |
| - | - | - | 565,241 |
| - | - | - | 1,682 |
| - | - | - | 5,575 |
| 528,225 | - | 585,655 | 5,000,759 |
| | | | |
| - | - | - | 909,942 |
| - | - | - | 443,428 |
| - | - | - | 1,435,103 |
| - | - | - | 401,702 |
| - | - | - | 34,088 |
| - | - | - | 57,980 |
| | | | - |
| - | 7,658 | 416 | 8,074 |
| - | - | - | 3,107 |
| - | - | 103,295 | 124,693 |
| - | 74,653 | 2,860 | 77,513 |
| - | - | - | - |
| - | - | 52,567 | 52,567 |
| | | | - |
| - | - | - | - |
| - | - | - | - |
| - | 82,311 | 159,138 | 3,548,197 |
| 528,225 | (82,311) | 426,517 | 1,452,562 |
| - | - | - | (39,894) |
| - | - | - | - |
| - | - | - | 17,521 |
| - | - | - | (22,373) |
| 528,225 | (82,311) | 426,517 | 1,430,189 |
| - | 1,006,458 | - | 5,503,847 |
| $ 528,225 | $ 924,147 | $ 426,517 | $ 6,934,036 |

**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, 2021**

| | | |
|---|---|---|
| Net change in fund balances -- total governmental funds | $ | 1,430,189 |
| 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 | | 246,423 |
| Depreciation expense | | (398,922) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property tax | | 10,993 |
| Fines | | 8,802 |
| Grants | | (200,000) |
| 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 | | - |
| Proceeds from debt issues | | - |
| Net effect of transactions involving capital assets ( sales, dispositions) | | (6,696) |
| 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 | | - |
| Change in net pension liability and related deferred items | | 174,521 |
| Change in net position of governmental activities. | $ | 1,265,310 |

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, 2021**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **REVENUES:** | | | | |
| Taxes - | | | | |
| Property | $ 557,200 | $ 557,200 | $ 729,561 | $ 172,361 |
| Motor vehicle | 38,500 | 38,500 | 63,391 | 24,891 |
| Real estate transfer | 3,000 | 3,000 | 2,424 | (576) |
| Franchise | 236,500 | 236,500 | 267,506 | 31,006 |
| Local option sales | 1,050,000 | 1,162,000 | 1,314,260 | 152,260 |
| Alcohol beverage | 60,500 | 60,500 | 83,203 | 22,703 |
| Business occupation | 307,500 | 307,500 | 388,015 | 80,515 |
| Insurance premium | 200,000 | 200,000 | 215,399 | 15,399 |
| Licenses and permits | 16,650 | 16,650 | 38,110 | 21,460 |
| Charges for services | 44,450 | 44,450 | 12,512 | (31,938) |
| Intergovernmental | 32,700 | 32,700 | 200,000 | 167,300 |
| Fines and forfeitures | 435,000 | 435,000 | 487,688 | 52,688 |
| Investment earnings | 9,000 | 9,000 | 1,682 | (7,318) |
| Miscellaneous | 1,100 | 1,100 | 5,575 | 4,475 |
| Total Revenues | 2,992,100 | 3,104,100 | 3,809,326 | 705,226 |
| **EXPENDITURES:** | | | | |
| Current - | | | | |
| General government - | | | | |
| Mayor and council | 87,600 | 87,600 | 68,098 | 19,502 |
| City administrator | 132,765 | 132,765 | 132,151 | 614 |
| General administration | 442,550 | 554,550 | 460,417 | 94,133 |
| Information technology | 80,000 | 80,000 | 79,383 | 617 |
| Human resource | 70,225 | 70,225 | 65,423 | 4,802 |
| Building and grounds | 112,600 | 112,600 | 104,470 | 8,130 |
| Municipal court | 579,200 | 579,200 | 443,428 | 135,772 |
| Public safety - | | | | |
| Police services | 1,533,450 | 1,533,450 | 1,433,178 | 100,272 |
| Highways and streets | 521,350 | 521,350 | 401,702 | 119,648 |
| Community Center | 56,140 | 56,140 | 26,819 | 29,321 |
| Park areas | 17,900 | 17,900 | 7,269 | 10,631 |
| Code enforcement | 62,500 | 62,500 | 57,980 | 4,520 |
| Capital Outlay | 56,700 | 56,700 | 20,265 | 36,435 |
| Debt Service | - | - | - | - |
| Total expenditures | 3,752,980 | 3,864,980 | 3,300,583 | 564,397 |
| Excess of revenues over (under) expenditures | (760,880) | (760,880) | 508,743 | 1,269,623 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers | - | - | (39,894) | (39,894) |
| Disposition of capital assets | 12,000 | 12,000 | 17,521 | 5,521 |
| Total other financing sources (uses) | 12,000 | 12,000 | (22,373) | (34,373) |
| Net change in fund balances | (748,880) | (748,880) | 486,370 | 1,235,250 |
| Fund balances - beginning | 4,497,354 | 4,497,354 | 4,497,354 | - |
| Fund balances - ending | $ 3,748,474 | $ 3,748,474 | $ 4,983,724 | $ 1,235,250 |

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, 2021**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **REVENUES:** | | | | |
| Confiscations | $ - | $ 6,100 | $ 4,070 | $ (2,030) |
| Interest income | - | - | - | - |
| Total Revenues | - | 6,100 | 4,070 | (2,030) |
| **EXPENDITURES:** | | | | |
| Police - | | | | |
| Current | - | 1,600 | 1,859 | (259) |
| Capital | - | 4,500 | 4,240 | 260 |
| Total expenditures | - | 6,100 | 6,099 | 1 |
| Excess of revenues over (under) expenditures | - | - | (2,029) | (2,029) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers | - | - | - | - |
| Net change in fund balances | - | - | (2,029) | (2,029) |
| Fund balances - beginning | - | 35 | 35 | - |
| Fund balances - ending | $ - | $ 35 | $ (1,994) | $ (2,029) |

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

**CITY OF LAKE CITY, GEORGIA**
**REDSPEED SCHOOL SAFETY FUND**
**STATEMENT OF REVENUES, EXPENDITURES, AND**
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **REVENUES:** | | | | |
| Fines and forfeitures | $ - | $ 74,000 | $ 73,483 | $ (517) |
| Interest income | - | - | - | - |
| Total Revenues | - | 74,000 | 73,483 | (517) |
| **EXPENDITURES:** | | | | |
| Current - | | | | |
| Police services | - | 100 | 66 | 34 |
| Total expenditures | - | 100 | 66 | 34 |
| Excess of revenues over (under) expenditures | - | 73,900 | 73,417 | (483) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers | - | - | - | - |
| Net change in fund balances | - | 73,900 | 73,417 | (483) |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | $ - | $ 73,900 | $ 73,417 | $ (483) |

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

**CITY OF LAKE CITY, GEORGIA**
**ARPA FUND**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **REVENUES:** | | | | |
| Intergovernmental | $ - | $ 529,000 | $ 528,225 | $ (775) |
| Interest income | - | - | - | - |
| Total Revenues | - | 529,000 | 528,225 | (775) |
| **EXPENDITURES:** | | | | |
| Current - | | | | |
| Police services | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess of revenues over (under) expenditures | - | 529,000 | 528,225 | (775) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers | - | - | - | - |
| Net change in fund balances | - | 529,000 | 528,225 | (775) |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | $ - | $ 529,000 | $ 528,225 | $ (775) |

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, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Receivables- | | |
| Accounts (net) | $ 72,324 | $ 26,200 |
| Total current assets | 72,324 | 26,200 |
| **Total assets** | 72,324 | 26,200 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | - | - |
| Accrued salaries and wages | - | - |
| Total current liabilities | - | - |
| **Total liabilties** | - | - |
| **Net Position** | | |
| Unrestricted | 72,324 | 26,200 |
| Total Net Position | $ 72,324 | $ 26,200 |

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, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for services | $ 141,977 | $ 141,780 |
| Miscellaneous | - | 4,444 |
| Total operating revenues | 141,977 | 146,224 |
| **OPERATING EXPENSES** | | |
| Purchased/contracted services | 135,747 | 126,384 |
| Bad debt | - | - |
| Total operating expenses | 135,747 | 126,384 |
| Operating income (loss) before capital contributions and transfers | 6,230 | 19,840 |
| Transfers | 39,894 | (3,997) |
| Change in net assets | 46,124 | 15,843 |
| NET POSITION - BEGINNING | 26,200 | 10,357 |
| **NET POSITION - ENDING** | $ 72,324 | $ 26,200 |

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, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 95,853 | $ 130,381 |
| Cash paid to suppliers for goods | (135,747) | (126,384) |
| Cash paid to employees | - | - |
| Net cash provided from operating activities | (39,894) | 3,997 |
| **Cash flows from investing activities:** | | |
| Interest received | - | - |
| (Purchase) / redemption of investments | - | - |
| Net cash from investing activities | - | - |
| **Cash flows from non-capital financing activities:** | | |
| Transfers | 39,894 | (3,997) |
| Net cash flows from non-capital financing activities | 39,894 | (3,997) |
| **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, 2021 AND 2020**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

| | 2021 | 2020 |
|---|---|---|
| **Operating income (loss)** | $ 6,230 | $ 19,840 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | - | - |
| Bad debt expense | - | - |
| (Increase) decrease in receivables | (46,124) | (15,843) |
| Increase (decrease) in payables | - | - |
| Total adjustments | (46,124) | (15,843) |
| **Net cash from operating activities** | $ (39,894) | $ 3,997 |

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, Redspeed School Safety and ARPA Funds are special revenue funds used to account for transactions involving confiscated assets, redspeed fines and grant awards received pursuant to the American Rescue Plan Act (ARPA).

**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 Funds are 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 referendums.

**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.

## 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, 2021

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, 2021 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 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, 2021 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 $2,049,076 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, 2021, 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, 2021, fund balances are composed of the following:

| | Non-Spendable Prepaids | Restricted Capital Outlays | Restricted Other Activities | Assigned 2022 Budget | Unassigned | Total |
|---|---|---|---|---|---|---|
| General Fund | $ 38,083 | $ 96,770 | $ - | $ 786,186 | $ 4,062,685 | $ 4,983,724 |
| Seized Assets Fund | - | - | - | - | (1,994) | (1,994) |
| Redspeed Fund | - | - | 73,417 | - | - | 73,417 |
| ARPA Fund | - | - | 528,225 | - | - | 528,225 |
| 2015 SPLOST Fund | - | 924,147 | - | - | - | 924,147 |
| 2021 SPLOST Fund | - | 426,517 | - | - | - | 426,517 |
| Total | $ 38,083 | $ 1,447,434 | $ 601,642 | $ 786,186 | $ 4,060,691 | $ 6,934,036 |

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 will not be able to be recovered or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2021, all of the City's bank balances were covered by either federal depository insurance, by collateral held by the City's agent in the City's name, or by collateral held by a third-party custodian bank as part of the Georgia Office of the State Treasurer's Pooled Funds program.

### 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, 2021 were as follows:

| Investments | Maturities | Fair Value |
|---|---|---|
| Georgia Fund 1 | 46 days average | $ 2,165,527 |
| | | $ 2,165,527 |

As of December 31, 2021, 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.

(See Independent Auditor's Report)

## 3. PROPERTY TAX

Property taxes become the obligation of the property owner as of January 1. Taxes were levied on September 9, 2021 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 2021 amount to $1,314,260. Property tax revenues amounted to $739,958 at the government-wide level for the year ended December 31, 2021. Property taxes receivable as of December 31, 2021 was $566,336, 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 | Redspeed | Solid Waste | Total |
|---|---|---|---|---|
| Taxes | $ 1,029,357 | $ - | $ - | $ - |
| Accounts | 6,000 | 11,781 | 102,324 | 114,105 |
| Fines | 172,756 | - | - | - |
| Gross Receivables | 1,208,113 | 11,781 | 102,324 | 114,105 |
| Less: Allowance for Uncollectibles | (184,000) | - | (30,000) | (30,000) |
| Total | $ 1,024,113 | $ 11,781 | $ 72,324 | $ 84,105 |

## 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 $4,484, shown as a liability, represent money that has been paid in advance for court cases which have not been heard as of December 31, 2021.

## 7. INTER-FUND TRANSACTIONS

The following is a summary of interfund receivable and payable balances as of December 31, 2021:

| | Payable From | | | |
|---|---|---|---|---|
| Payable To | General Fund | Seized Assets | Splost | Total |
| General Fund | $ - | $ 1,605 | $ - | $ 1,605 |
| Redspeed Fund | 1,171 | - | - | 1,171 |
| 2015 SPLOST Fund | 77,341 | - | - | 77,341 |
| Total | $ 78,512 | $ 1,605 | $ - | $ 80,117 |

As of December 31, 2021, the Confiscated Asset Fund owed the General Fund $1,605, for payment of items that were eligible to be paid out of the Confiscated Asset Fund and will eventually be repaid to the General Fund. The General Fund owes the 2015 SPLOST Fund $77,341 for LMIG Funds deposited into the General Fund but were used for a 2015 SPLOST Fund project. The General Fund also owes the Redspeed Fund $1,171 for items paid out of the Redspeed Fund that is to be reimbursed by the General Fund.

The following is a summary of interfund transfers for the year ended December 31, 2021:

| | Transfer From | | |
|---|---|---|---|
| Transfer To | General | Solid Waste Management | Total |
| General Fund | $ - | $ - | $ - |
| Solid Waste Mgmt | 39,894 | - | 39,894 |
| Total | $ 39,894 | $ - | $ 39,894 |

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.

## 9. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2021 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 | - | 55,427 | - | 55,427 |
| Total capital assets, not being depre | 1,042,801 | 55,427 | - | 1,098,228 |
| Capital assets being depreciated: | | | | |
| Buildings | 4,070,279 | - | - | 4,070,279 |
| Improvements other than buildings | 3,727,566 | 6,807 | - | 3,734,373 |
| Other machinery and equipment | 1,140,094 | 80,893 | - | 1,220,987 |
| Office equipment | 363,056 | - | - | 363,056 |
| Vehicles | 858,266 | 103,296 | (26,785) | 934,777 |
| Total capital assets being depreciate | 10,159,261 | 190,996 | (26,785) | 10,323,472 |
| Less accumulated depreciation for: | | | | |
| Buildings | 1,549,672 | 101,757 | - | 1,651,429 |
| Improvements other than buildings | 839,269 | 99,387 | - | 938,656 |
| Other machinery and equipment | 797,713 | 75,628 | - | 873,341 |
| Office equipment | 315,048 | 11,734 | - | 326,782 |
| Vehicles | 497,571 | 110,416 | (20,089) | 587,898 |
| Total accumulated depreciation | 3,999,273 | 398,922 | (20,089) | 4,378,106 |
| Total capital assets being depreciate | 6,159,988 | (207,926) | (6,696) | 5,945,366 |
| Governmental capital assets, net | $ 7,202,789 | $ (152,499) | $ (6,696) | $ 7,043,594 |

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

| | |
|---|---|
| General government | $ 99,537 |
| Public safety | 149,552 |
| Highways and streets | 36,469 |
| Park areas | 109,588 |
| Code enforcement | 3,776 |
| Total depreciation expense | $ 398,922 |

(See Independent Auditor's Report)

## 10. LONG-TERM DEBT

**Changes in Long-Term Debt**

The following is a summary of changes in 2021:

**For the fiscal year 2021, the City had no long term debt transactions.**

## 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 to $10,000 |

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, 2021, the date of the most recent actuarial valuation, there were 44 participants consisting of the following:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 11 |
| Terminated vested participants not yet receiving benefits | 3 |
| Active employees - vested | 22 |
| Active employees - nonvested | 8 |
| Total | 44 |

### 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 2021, the actuarially determined contribution rate was $110,755 or 7.33% of covered payroll. LCRP members are required to contribute 5% of their gross salary to the plan. For fiscal year ended December 31, 2021 member contributions amounted to $76,805.

For fiscal year ended December 31, 2021, the City's recommended and actual contribution was $110,755 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 expense in the Government-Wide Statement of Activity was $(62,591).

## 13. EMPLOYEE BENEFIT PLANS – Continued:

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

At December 31, 2021, the City reported a liability/(asset) of $(273,420) for its net pension asset. The net pension asset was measured as of March 31, 2021 and was determined by an actuarial valuation as of July 1, 2021. The changes in the Net Pension Liability for the year ended March 31, 2021 (the measurement date) were as follow:

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Balances at beginning of year | $ 3,420,925 | $ 2,470,307 | $ 950,618 |
| Changes for the year- | | | |
| Service cost | 114,881 | - | 114,881 |
| Interest | 257,055 | - | 257,055 |
| Differences between expected and actual experience | (295,592) | - | (295,592) |
| Contributions - Employer | - | 109,201 | (109,201) |
| Contributions - Employee | - | 77,802 | (77,802) |
| Transfers from defined contribution plan | - | - | - |
| Net investment income | - | 1,127,924 | (1,127,924) |
| Benefit payments, including refunds of employee contributions | (100,626) | (100,626) | - |
| Administrative expense | - | (14,545) | 14,545 |
| Other | - | - | - |
| Net Changes | (24,282) | 1,199,756 | (1,224,038) |
| Balance at end | $ 3,396,643 | $ 3,670,063 | $ (273,420) |

For the year ended December 31, 2021 the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | |
|---|---|
| Service cost | $ 114,881 |
| Interest on The Pension Liability (TPL) | 257,055 |
| Administrative expenses | 14,545 |
| Employee Contributions | (77,802) |
| Expected return on assets | (184,834) |
| Expensed portion of current year period assumption change | - |
| Expensed portion of current year period differences between expected and actual experience in TPL | (59,120) |
| Current year recognition of deferred inflows and outflows established in prior years | 61,302 |
| Expensed portion of current year period differences between projected and actual investment earnings | (188,618) |
| Total expense | $ (62,591) |

(See Independent Auditor's Report)

**13. EMPLOYEE BENEFIT PLANS – Continued:**

$83,066 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, 2021. 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 |
|---|---|---|
| 2022 | $ 37,103 | $ (205,945) |
| 2023 | 35,161 | (186,131) |
| 2024 | 2,307 | (183,774) |
| 2025 | - | (247,736) |
| 2026 | - | - |
| 2026 and Thereafter | - | - |
| | $ 74,571 | $ (823,586) |

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2021 are as follow:

| | Outflows | Inflows |
|---|---|---|
| Contributions subsequent to the measurement date | $ 83,066 | $ - |
| Demographic | 58,931 | 278,644 |
| Investment | - | 506,299 |
| Assumption change | 15,640 | 38,643 |
| Total | $ 157,637 | $ 823,586 |

(See Independent Auditor's Report)

## 13. EMPLOYEE BENEFIT PLANS – Continued:

### Actuarial Assumptions

The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Actuarial Assumptions:**

| | |
|---|---|
| Net Investment Rate of Return | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | N/A |
| Mortality Rates - | |
| Healthy | Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25 |
| Disabled | Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25 |
| Plan Termination Basis | 1994 Group Annuity Reserving Unisex Table |

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study conducted in September 2020.

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, 2020 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% | 7.05% |
| Domestic fixed income | 20.00% | 1.15% |
| Real estate | 10.00% | 4.50% |
| Global fixed income | 5.00% | 1.25% |
| Cash | 0.00% | |
| Total | 100.00% | |

## 13. EMPLOYEE BENEFIT PLANS – Continued:

### Discount Rate

The discount rate used to measure the total pension liability was 7.375 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 7.375 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 6.375% | Current Rate 7.375% | 1% Increase 8.375% |
|---|---|---|---|
| Net Pension Liability | $ 131,683 | $ (273,420) | $ (608,030) |

### 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, 2021 the City's Confiscated Asset Fund had a deficit fund balance of $1,994. Management expects to obtain future revenues to correct the deficit fund balance issue.

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 114,881 | $ 117,555 | $ 110,346 | $ 132,874 | $ 111,470 | $ 112,323 | $ 2,093,546 | | | |
| Interest | 257,055 | 245,726 | 217,995 | 193,982 | 183,093 | 161,906 | - | | | |
| Differerences between expected and actual experience | (295,592) | 11,535 | 125,168 | (19,221) | (125,176) | 13,593 | - | (Historical information prior | | |
| Changes in assumptions | - | - | - | 46,919 | - | - | - | to implementation of | | |
| Other | - | (64,406) | - | - | - | 275 | - | GASB 67/68 is not required) | | |
| Benefit payments | (100,626) | (96,566) | (85,369) | (37,216) | (20,555) | (8,872) | - | | | |
| Net changes in total pension liability | (24,282) | 213,844 | 368,140 | 317,338 | 148,832 | 279,225 | 2,093,546 | | | |
| Total pension liability - beginning | 3,420,925 | 3,207,081 | 2,838,941 | 2,521,603 | 2,372,771 | 2,093,546 | - | | | |
| Total pension liability - ending | $ 3,396,643 | $ 3,420,925 | $ 3,207,081 | $ 2,838,941 | $ 2,521,603 | $ 2,372,771 | $ 2,093,546 | | | |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Contributions - employer | $ 109,201 | $ 101,696 | $ 83,519 | $ 79,714 | $ 90,022 | $ 67,686 | $ 594,079 | | | |
| Contributions - employees | 77,802 | 76,237 | 70,609 | 71,153 | 71,238 | 73,328 | 33,478 | | | |
| Transfers from define contribution plan | - | - | - | - | - | - | 929,549 | | | |
| Net investment income | 1,127,924 | (187,398) | 91,717 | 264,154 | 226,702 | 7,136 | 37,824 | | | |
| Benefit payments | (100,626) | (96,566) | (85,369) | (37,216) | (20,555) | (8,872) | - | | | |
| Administrative expense | (14,545) | (14,457) | (13,589) | (14,430) | (13,506) | (4,856) | (2,720) | (Historical information prior | | |
| Other | - | - | - | - | - | - | - | to implementation of | | |
| Net change in fiduciary net position | 1,199,756 | (120,488) | 146,887 | 363,375 | 353,901 | 134,422 | 1,592,210 | GASB 67/68 is not required) | | |
| Plan fiduciary net position - beginning | 2,470,307 | 2,590,795 | 2,443,908 | 2,080,533 | 1,726,632 | 1,592,210 | - | | | |
| Plan dicuciary net position - ending | $ 3,670,063 | $ 2,470,307 | $ 2,590,795 | $ 2,443,908 | $ 2,080,533 | $ 1,726,632 | $ 1,592,210 | | | |
| **Net Pension Liability** | | | | | | | | | | |
| Net pension liability | $ (273,420) | $ 950,618 | $ 616,286 | $ 395,033 | $ 441,070 | $ 646,139 | $ 501,336 | | | |
| Plan's fiduciary net position as a percentage of the total pension liability | 108.05% | 72.21% | 80.78% | 86.09% | 82.51% | 72.77% | 76.05% | | | |
| Covered-employee payroll | $ 1,457,363 | $ 1,493,603 | $ 1,434,823 | $ 1,383,596 | $ 1,431,010 | $ 1,513,483 | 1,416,077 | (Historical information prior | | |
| Net pension liability as a percentage of covered payroll | -18.76% | 63.65% | 42.95% | 28.55% | 30.82% | 42.69% | 35.40% | to implementation of GASB 67/68 is not required) | | |

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

| | Fiscal Year End | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Actuarially determined contributions | $ 110,755 | $ 107,116 | $ 86,591 | $ 83,099 | $ 77,737 | $ 76,184 | 66,052 | | | |
| Contributions in relation to the actuarially determined contribution | (110,755) | (107,116) | (83,591) | (83,099) | (77,737) | (76,184) | (66,052) | | | |
| Contribution deficiency (excess) | - | - | 3,000 | - | - | - | | (Historical information prior to implementation of | | |
| Covered-employee payroll | $ 1,457,363 | $ 1,493,603 | $ 1,434,823 | $ 1,383,596 | $ 1,431,010 | $ 1,513,483 | 1,416,077 | GASB 67/68 is not required) | | |
| Contributions as a percentage of covered-employee payroll | 7.60% | 7.17% | 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, 2021

### 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 | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | N/A |
| Mortality Rates - | |
| Healthy | Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25 |
| Disabled | Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25 |
| Plan Termination Basis | 1994 Group Annuity Reserving Unisex Table |

Amounts reported for the fiscal year ending in 2021 and later reflect the following assumption changes based on an actuarial study conducted in September 2020:

- The investment return assumption was decreased from 7.50% to 7.375%.
- The inflation assumption was decreased from 2.75% to 2.25%

(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, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 2,188,540 | $ 3,539,539 |
| Investments | 2,165,527 | 949,426 |
| Accounts receivable: | | |
| Taxes, net of allowance of $80,000 in 2021 and 2020 | 949,357 | 604,985 |
| Fines and forfeitures, net of allowance of $104,000 in 2021 and $106,000 in 2020 | 68,756 | 78,237 |
| Intergovernmental | - | 200,000 |
| Other | 6,000 | - |
| Due from other funds | 1,605 | 373,489 |
| Prepaid expenses | 38,083 | 34,164 |
| Total Assets | $ 5,417,868 | $ 5,779,840 |
| **LIABILITIES:** | | |
| Accounts payable - Trade | $ 57,193 | $ 770,322 |
| Accrued salaries | 35,149 | 91,828 |
| Other accrued items | 2,743 | - |
| Due to other funds | 78,512 | - |
| Bond deposits | 4,484 | 15,865 |
| Unearned revenues | 77,006 | 45,209 |
| Total Liabilities | 255,087 | 923,224 |
| **DEFERRED INFLOWS OF REVENUES** | | |
| Unavailable revenues | 179,057 | 359,262 |
| **FUND EQUITY:** | | |
| Fund balance- | | |
| Nonspendable | 38,083 | 34,164 |
| Restricted for capital outlay | 96,770 | 81,167 |
| Assigned for appropriation for next years budget | 786,186 | 748,880 |
| Unassigned | 4,062,685 | 3,633,143 |
| Total Fund Equity | 4,983,724 | 4,497,354 |
| Total Liabilities, deferred inflows of revenues and Fund Equity | $ 5,417,868 | $ 5,779,840 |

**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, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| REVENUES: | | |
| Taxes | $ 3,063,759 | $ 2,914,715 |
| Business licenses and permits | 38,110 | 40,403 |
| Intergovernmental | 200,000 | 148,090 |
| Charges for services | 12,512 | 19,708 |
| Fines and forfeitures | 487,688 | 454,439 |
| Investment income | 1,682 | 10,812 |
| Miscellaneous | 5,575 | 11,202 |
| Total Revenues | 3,809,326 | 3,599,369 |
| EXPENDITURES: | | |
| Current - | | |
| General Government | 909,942 | 718,543 |
| Municipal Court | 443,428 | 405,310 |
| Public Safety | 1,433,178 | 1,416,767 |
| Highways and Streets | 401,702 | 378,803 |
| Park Areas | 34,088 | 16,460 |
| Code Enforcement | 57,980 | 56,293 |
| Debt Service | - | - |
| Capital Outlay - | | |
| General Government | - | 2,634 |
| Municipal Court | 3,107 | - |
| Police Services | 17,158 | 66,594 |
| Code Enforcement | - | 26,429 |
| Park Areas | - | 208,111 |
| Total Expenditures | 3,300,583 | 3,295,944 |
| Excess of Revenues Over (Under) Expenditures | 508,743 | 303,425 |
| Other Financing Sources (Uses): | | |
| Transfers | (39,894) | 3,997 |
| Proceeds from debt issue | - | - |
| Disposition of capital assets | 17,521 | 12,409 |
| Total Other Financing Sources (Uses) | (22,373) | 16,406 |
| Change in Fund Balance | 486,370 | 319,831 |
| Fund Balance - Beginning of Year | 4,497,354 | 4,177,523 |
| Fund Balance - End of year | $ 4,983,724 | $ 4,497,354 |

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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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Final Budget | Actual | Variance | Actual |
| Taxes: | | | | |
| Property taxes | $ 557,200 | $ 729,561 | $ 172,361 | $ 680,773 |
| Motor vehicle | 38,500 | 63,391 | 24,891 | 52,768 |
| Real estate transfer | 3,000 | 2,424 | (576) | 4,559 |
| Franchise - | | | | |
| Atlanta Gas Light | 17,000 | 29,765 | 12,765 | 26,772 |
| Georgia Power | 200,000 | 216,521 | 16,521 | 203,708 |
| AT&T | 5,500 | 1,293 | (4,207) | 48,544 |
| Cable TV | 14,000 | 19,927 | 5,927 | 15,313 |
| Other | - | - | - | - |
| Local option sales | 1,162,000 | 1,314,260 | 152,260 | 1,187,728 |
| Beer and wine | 60,000 | 83,203 | 23,203 | 90,870 |
| Consumption | 500 | - | (500) | 181 |
| Business occupation | 307,500 | 388,015 | 80,515 | 394,127 |
| Insurance premium | 200,000 | 215,399 | 15,399 | 209,372 |
| Licenses and Permits - | | | | |
| Business licenses | 5,000 | 13,100 | 8,100 | 12,600 |
| Building permits | 10,500 | 23,580 | 13,080 | 25,618 |
| Other permits | 1,150 | 1,430 | 280 | 2,185 |
| Grants: | | | | |
| CARES | - | - | - | 148,090 |
| CDBG | 32,700 | 200,000 | 167,300 | - |
| Services: | | | | |
| Other | 44,450 | 12,512 | (31,938) | 19,708 |
| Fines and Forfeitures | 435,000 | 487,688 | 52,688 | 454,439 |
| Investment income | 9,000 | 1,682 | (7,318) | 10,812 |
| Miscellaneous | 1,100 | 5,575 | 4,475 | 11,202 |
| Total Revenues | $ 3,104,100 | $ 3,809,326 | $ 705,226 | $ 3,599,369 |

**CITY OF LAKE CITY, GEORGIA**
**GENERAL FUND**
**SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)**
**FOR THE YEAR ENDED DECEMBER 31, 2021**
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020**

| | 2021 | | | |
|---|---|---|---|---|
| | Final Budget | Actual | Variance | 2020 Actual |
| **General Government:** | | | | |
| Governing Body - | | | | |
| Personal services | $ 55,200 | $ 54,931 | $ 269 | $ 54,829 |
| Purchased/contracted services | 31,000 | 12,586 | 18,414 | 3,994 |
| Supplies | 1,400 | 581 | 819 | - |
| City Administrator - | | | | |
| Personal services | 118,325 | 123,686 | (5,361) | 115,844 |
| Purchased/contracted services | 7,910 | 5,362 | 2,548 | 670 |
| Supplies | 4,530 | 3,103 | 1,427 | 1,454 |
| Contingency | 2,000 | - | 2,000 | - |
| General Administration - | | | | |
| Personal services | 159,900 | 115,158 | 44,742 | 108,883 |
| Purchased/contracted services | 354,200 | 326,976 | 27,224 | 198,790 |
| Supplies | 25,050 | 12,093 | 12,957 | 14,244 |
| Other | 7,900 | 6,190 | 1,710 | 8,425 |
| Contingency | 7,500 | - | 7,500 | - |
| Human Resources & MIS - | | | | |
| Information Technology | 80,000 | 79,383 | 617 | 67,323 |
| Human Resources | 70,225 | 65,423 | 4,802 | 59,686 |
| Buildings and Grounds - | | | | |
| Purchased/contracted services | 65,800 | 77,475 | (11,675) | 57,833 |
| Supplies | 39,300 | 26,995 | 12,305 | 26,568 |
| Contingency | 7,500 | - | 7,500 | - |
| Total General Government | 1,037,740 | 909,942 | 127,798 | 718,543 |
| **Municipal Court -** | | | | |
| Personal services | 205,500 | 182,774 | 22,726 | 183,122 |
| Purchased/contracted services | 119,050 | 111,638 | 7,412 | 92,242 |
| Supplies | 2,300 | 1,105 | 1,195 | 456 |
| Other costs | 247,350 | 147,911 | 99,439 | 129,490 |
| Contingency | 5,000 | - | 5,000 | - |
| Total Municipal court | 579,200 | 443,428 | 135,772 | 405,310 |
| **Public Safety:** | | | | |
| Police Services - | | | | |
| Police Administration - | | | | |
| Personal services | 195,900 | 208,148 | (12,248) | 182,930 |
| Purchases/contracted services | 6,750 | 3,174 | 3,576 | 2,893 |
| Supplies | - | - | - | - |
| Other | 3,600 | 2,140 | 1,460 | 1,928 |
| Contingency | - | - | - | - |
| Crime Control - | | | | |
| Personal services | 189,600 | 160,342 | 29,258 | 187,511 |
| Purchased/contracted services | - | - | - | - |
| Supplies | 2,000 | 1,119 | 881 | 1,417 |
| Traffic Control - | | | | |
| Personal services | 959,000 | 910,124 | 48,876 | 915,108 |
| Purchased/contracted services | 57,950 | 50,107 | 7,843 | 50,283 |
| Supplies | 87,500 | 77,102 | 10,398 | 59,265 |
| Other | 31,150 | 20,922 | 10,228 | 15,432 |
| Total Police Services | 1,533,450 | 1,433,178 | 100,272 | 1,416,767 |

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Final Budget | Actual | Variance | Actual |
| Fire Services - | | | | |
| Purchased/contracted services | $ - | $ - | $ - | $ - |
| Total Public Safety | 1,533,450 | 1,433,178 | 100,272 | 1,416,767 |
| **Highways and Streets:** | | | | |
| Personal services | 354,900 | 319,474 | 35,426 | 299,953 |
| Purchased/contracted services | 96,500 | 21,146 | 75,354 | 24,403 |
| Supplies | 64,950 | 61,082 | 3,868 | 54,447 |
| Other | 5,000 | - | 5,000 | - |
| Total Highways and Streets | 521,350 | 401,702 | 119,648 | 378,803 |
| **Parks and Culture:** | | | | |
| Community Center | 56,140 | 26,819 | 29,321 | 10,339 |
| Park Areas | 17,900 | 7,269 | 10,631 | 6,121 |
| Total Parks | 74,040 | 34,088 | 39,952 | 16,460 |
| **Code Enforcement:** | | | | |
| Personal services | 57,000 | 56,676 | 324 | 55,031 |
| Purchased/contracted services | 2,500 | 1,304 | 1,196 | 1,211 |
| Supplies | 3,000 | - | 3,000 | 51 |
| Total Code Enforcement | 62,500 | 57,980 | 4,520 | 56,293 |
| **Debt Service:** | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Debt Service | - | - | - | - |
| **Capital Outlay:** | | | | |
| General Administration | 7,200 | - | 7,200 | 2,634 |
| Buildings and Grounds | - | - | - | - |
| Court | 4,000 | 3,107 | 893 | - |
| Police Services | 23,000 | 17,158 | 5,842 | 66,594 |
| Highways and Streets | 3,000 | - | 3,000 | - |
| Park Areas | 19,500 | - | 19,500 | 208,111 |
| Code Enforcement | - | - | - | 26,429 |
| Total Capital Outlay | 56,700 | 20,265 | 36,435 | 303,768 |
| **Total Expenditures** | $ 3,864,980 | $ 3,300,583 | $ 564,397 | $ 3,295,944 |

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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.

**The Redspeed School Safety Fund** was created during 2021 to account for fines collected under the State Redspeed laws. The City collected $73,000 from such fines during 2021. The monies collected under this law can only be used for School Safety purposes.

**The ARPA Fund** was created during 2021 to account for the City's portion of grant funds received under the American Rescue Plan Act. The monies can only be used for specified purposes allowed under the grant agreement.

**CITY OF LAKE CITY, GEORGIA**
**SEIZED ASSETS FUND**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2021 AND 2020**

| **Assets** | 2021 | 2020 |
|---|---|---|
| Cash - restricted | $ 101 | $ 1,690 |
| Due from other funds | - | - |
| **Total assets** | $ 101 | $ 1,690 |
| **Liabilities and Fund Balance** | | |
| **Liabilities** | | |
| Accounts Payable | $ 490 | $ - |
| Due to other funds | 1,605 | 1,655 |
| **Total Liabilities** | 2,095 | 1,655 |
| **Fund Balance** | | |
| Restricted for law enforcement activities | (1,994) | 35 |
| **Total liabilities and fund balance** | $ 101 | $ 1,690 |

**CITY OF LAKE CITY, GEORGIA**
**SEIZED ASSETS FUND**
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| Revenues | | |
| Fines and forfeitures | $ 4,070 | $ - |
| Interest income | - | - |
| Total Revenues | 4,070 | - |
| Expenditures | | |
| Current - | | |
| Public safety- | | |
| Purchased/contracted services | 1,859 | - |
| Capital - | | |
| Public Safety | 4,240 | 315 |
| Total Expenditures | 6,099 | 315 |
| Excess (deficiency) of revenues over (under) expenditures. | (2,029) | (315) |
| Fund balance- | | |
| Beginning of year | 35 | 350 |
| End of year | $ (1,994) | $ 35 |

**CITY OF LAKE CITY, GEORGIA**
**REDSPEED SCHOOL SAFETY FUND**
**BALANCE SHEET**
**DECEMBER 31, 2021**

| **Assets** | 2021 |
|---|---|
| Cash - restricted | $ 60,465 |
| Accounts receivable | 11,781 |
| Due from other funds | 1,171 |
| **Total assets** | $ 73,417 |
| **Liabilities and Fund Balance** | |
| **Liabilities** | |
| Accounts Payable | $ - |
| Due to other funds | - |
| **Total Liabilities** | - |
| **Fund Balance** | |
| Restricted for law enforcement activities | 73,417 |
| **Total liabilities and fund balance** | $ 73,417 |

**CITY OF LAKE CITY, GEORGIA**
**REDSPEED SCHOOL SAFETY FUND**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| | 2021 |
|---|---|
| Revenues | |
| Fines and forfeitures | $ 73,483 |
| Interest income | - |
| Total Revenues | 73,483 |
| Expenditures | |
| Current - | |
| Public safety- | |
| Purchased/contracted services | 66 |
| Capital - | |
| Public Safety | - |
| Total Expenditures | 66 |
| Excess (deficiency) of revenues over (under) expenditures. | 73,417 |
| Fund balance- | |
| Beginning of year | - |
| End of year | $ 73,417 |

**CITY OF LAKE CITY, GEORGIA**
**ARPA FUND**
**BALANCE SHEET**
**DECEMBER 31, 2021**

| **Assets** | 2021 |
|---|---|
| Cash - restricted | $ 528,225 |
| Due from other funds | - |
| **Total assets** | $ 528,225 |
| **Liabilities and Fund Balance** | |
| **Liabilities** | |
| Accounts Payable | $ - |
| Due to other funds | - |
| **Total Liabilities** | - |
| **Fund Balance** | |
| Restricted for law enforcement activities | 528,225 |
| **Total liabilities and fund balance** | $ 528,225 |

**CITY OF LAKE CITY, GEORGIA**
**ARPA FUND**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| | 2021 |
|---|---|
| Revenues | |
| Intergovernmental | $ 528,225 |
| Interest income | - |
| Total Revenues | 528,225 |
| Expenditures | |
| Current - | |
| Public safety- | |
| Purchased/contracted services | - |
| Capital - | |
| Public Safety | - |
| Total Expenditures | - |
| Excess (deficiency) of revenues over (under) expenditures. | 528,225 |
| Fund balance- | |
| Beginning of year | - |
| End of year | $ 528,225 |

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## 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**
**2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2021 AND 2020**

| **Assets** | 2021 | 2020 |
|---|---|---|
| Cash | $ - | $ - |
| Due from Clayton County | - | 93,055 |
| Restricted assets - | | |
| Cash | 846,806 | 1,289,765 |
| Due from other funds | 77,341 | - |
| Total assets | $ 924,147 | $ 1,382,820 |
| **Liabilities and Fund Balance** | | |
| Liabilities | | |
| Accounts payable | $ - | $ 4,528 |
| Due to other funds | - | 371,834 |
| Total Liabilities | - | 376,362 |
| Fund Balance | | |
| Restricted for capital outlay | 924,147 | 1,006,458 |
| Total liabilities and fund balance | $ 924,147 | $ 1,382,820 |

**CITY OF LAKE CITY, GEORGIA**
**2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND**
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| Revenues: | | |
| Intergovernmental | $ - | $ 633,272 |
| Interest earned | - | - |
| Total Revenues | - | 633,272 |
| Expenditures: | | |
| Capital - | | |
| General Administration | 7,658 | 327 |
| Public Safety | - | 74,570 |
| Public Works | 67,846 | 635,816 |
| Parks | 6,807 | 926 |
| Debt Service - | | |
| Principal | - | - |
| Interest | - | - |
| Total Expenditures | 82,311 | 711,639 |
| Excess (deficiency) of revenues over (under) expenditures. | (82,311) | (78,367) |
| 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 | (82,311) | (78,367) |
| Fund balance- | | |
| Beginning of year | 1,006,458 | 1,084,825 |
| End of year | $ 924,147 | $ 1,006,458 |

**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, 2021**

| | Prior Years | Current Year | Total to Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - SPLOST | $ 2,894,168 | $ - | $ 2,894,168 | $ 2,749,774 |
| Intergovernmental - LMIG | 99,998 | - | 99,998 | - |
| Interest | - | - | - | - |
| Total Revenues | 2,994,166 | - | 2,994,166 | 2,749,774 |
| **EXPENDITURES:** | | | | |
| Capital outlay - | | | | |
| General administrative | 256,405 | 7,658 | 264,063 | 500,000 |
| Public safety | 746,395 | - | 746,395 | 725,000 |
| Highways & streets - | | | | |
| Equipment | 100,302 | 67,846 | 168,148 | 265,000 |
| Sidewalks and streets | 697,229 | - | 697,229 | 1,084,774 |
| Parks | 179,372 | 6,807 | 186,179 | 175,000 |
| Debt service - | | | | |
| Debt issue costs | - | - | - | - |
| Principal - Police | 5,209 | - | 5,209 | - |
| Interest - Police | 2,796 | - | 2,796 | - |
| Total Expenditures | 1,987,708 | 82,311 | 2,070,019 | 2,749,774 |
| Excess of revenues over (under) expenditures | 1,006,458 | (82,311) | 924,147 | - |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers | - | - | - | - |
| Proceeds from revenue bonds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in fund balance | $ 1,006,458 | (82,311) | $ 924,147 | $ - |
| Fund balances - beginning | | 1,006,458 | | |
| Fund balances - ending | | $ 924,147 | | |

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

**CITY OF LAKE CITY, GEORGIA**
**2021 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND**
**BALANCE SHEET**
**DECEMBER 31, 2021**

| **Assets** | 2021 |
|---|---|
| Cash | $ - |
| Due from Clayton County | 107,548 |
| Restricted assets - | |
| Cash | 318,969 |
| Investments | - |
| Interest receivable | - |
| Total assets | $ 426,517 |
| **Liabilities and Fund Balance** | |
| Liabilities | |
| Accounts payable | $ - |
| Accrued payroll | - |
| Accrued expenditures | - |
| Due to other funds | - |
| Total Liabilities | - |
| Fund Balance | |
| Restricted for capital outlay | 426,517 |
| Total liabilities and fund balance | $ 426,517 |

**CITY OF LAKE CITY, GEORGIA**
**2021 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND**
**STATEMENT OF REVENUES, EXPENDITURES, AND**
**CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| | 2021 |
|---|---|
| Revenues: | |
| Intergovernmental | $ 585,655 |
| Interest earned | - |
| Total Revenues | 585,655 |
| Expenditures: | |
| Capital - | |
| General Administration | 416 |
| Public Safety | 103,295 |
| Public Works - Equipment | - |
| Streets & Sidewalks | 2,860 |
| Quality of Life | 52,567 |
| Total Expenditures | 159,138 |
| Excess (deficiency) of revenues over (under) expenditures. | 426,517 |
| 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 | 426,517 |
| Fund balance- | |
| Beginning of year | - |
| End of year | $ 426,517 |

**CITY OF LAKE CITY, GEORGIA**
**2021 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, 2021**

| | Prior Years | Current Year | Total to Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - SPLOST | $ - | $ 585,655 | $ 585,655 | $ 2,800,000 |
| Intergovernmental - LMIG | - | - | - | - |
| Interest | - | - | - | - |
| Total Revenues | - | 585,655 | 585,655 | 2,800,000 |
| **EXPENDITURES:** | | | | |
| Capital outlay - | | | | |
| General administrative | - | 416 | 416 | 400,000 |
| Public safety | - | 103,295 | 103,295 | 500,000 |
| Highways & streets - | | | | |
| Equipment | - | - | - | 500,000 |
| Sidewalks and streets | - | 2,860 | 2,860 | 700,000 |
| Parks - Quality of life | - | 52,567 | 52,567 | 700,000 |
| Debt service - | | | | |
| Debt issue costs | - | - | - | - |
| Principal - Police | - | - | - | - |
| Interest - Police | - | - | - | - |
| Total Expenditures | - | 159,138 | 159,138 | 2,800,000 |
| Excess of revenues over (under) expenditures | - | 426,517 | 426,517 | - |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers | - | - | - | - |
| Proceeds from revenue bonds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in fund balance | $ - | $ 426,517 | $ 426,517 | $ - |
| Fund balances - beginning | | - | | |
| Fund balances - ending | | $ 426,517 | | |

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