CITY OF LAKE CITY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.
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CITY OF LAKE CITY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Fund Balance in Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Seized Assets Fund	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Redspeed Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - ARPA Fund	21
Statement of Net Position - Solid Waste Management Fund	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Solid Waste Management Fund	23
Statement of Cash Flows - Solid Waste Management	24
Notes to the Financial Statements	26
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios	47
Schedule of Contributions	48
Notes to Required Supplementary Pension Information	49
Individual Fund Statements:	
General Fund -	
Comparative Balance Sheet	50
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	51
Schedule of Revenues - Budget and Actual	52
Schedule of Expenditures - Budget and Actual	53
Seized Assets Fund -	
Comparative Balance Sheet	55
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	56

CITY OF LAKE CITY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	PAGE
Individual Fund Statements - Continued:	
Redspeed School Safety Fund -	
Balance Sheet	57
Statement of Revenues, Expenditures, and Changes in Fund Balance	58
ARPA Fund	
Balance Sheet	59
Statement of Revenues, Expenditures, and Changes in Fund Balance	60
2015 Special Local Option Sales Tax Fund (SPLOST)	
Balance Sheet	61
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	62
Schedule of Revenues, Expenditures and Changes in Fund Balances - Project Length Budget and Actual	63
2021 Special Local Option Sales Tax Fund (SPLOST)	
Balance Sheet	64
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	65
Schedule of Revenues, Expenditures and Changes in Fund Balances - Project Length Budget and Actual	66

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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, 2022, 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, 2022, 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, 2021, 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 2021 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 2021 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 2021 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 December 18, 2023, 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
December 18, 2023

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, 2022. 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, 2022 by $15,231,391. Of this amount unrestricted net position of $6,083,228 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by $1,923,134. Of this amount an increase of $1,969,934 was associated with governmental activities and a decrease of $46,800 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 $7,332,156 an increase of $926,346 in comparison with the prior year. Of this amount $5,120,900 is unassigned and available for spending; $1,386,320 is restricted for school safety activities and capital outlay; $786,186 is assigned for the 2023 budget; and $38,750 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 $5,122,967 or 150.4 percent of total General Fund expenditures.
- The City of Lake City had no total long-term obligations as of December 31, 2022 and has a net pension asset of $689,888.at year end compared with a net pension obligation of $273,420 at December 31, 2021.
- 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 22 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, 2022, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $15,231,391. The City's net position reflects its net investment in capital assets of $7,761,843 (51.0 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $15,231,391, $1,386,320 (9.1 percent) is restricted for capital projects and other specified activities and $6,083,228 (39.9 percent) is unrestricted.

City of Lake City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 9,460,907	$ 7,563,578	$ 25,524	$ 72,324	$ 9,486,431	$ 7,635,902
Capital assets	7,761,843	7,043,594	-	-	7,761,843	7,043,594
Deferred pension outflows	98,025	157,637	-	-	98,025	157,637
Total assets	17,320,775	14,764,809	25,524	72,324	17,346,299	14,837,133
Current liabilities	1,227,118	705,320	-	-	1,227,118	705,320
Long-term liabilities	-	-	-	-	-	-
Deferred pension inflows	887,790	823,586	-	-	887,790	823,586
Total liabilities	2,114,908	1,528,906	-	-	2,114,908	1,528,906
Net Position:						
Net investment in capital assets	7,761,843	7,043,594	-	-	7,761,843	7,043,594
Restricted	1,386,320	1,520,851	-	-	1,386,320	1,520,851
Unrestricted	6,057,704	4,671,488	25,524	72,324	6,083,228	4,743,812
Total Net Position, Adjusted	$ 15,205,867	$ 13,235,933	$ 25,524	$ 72,324	$ 15,231,391	$ 13,308,257

A portion of the net position (9.1 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($6,083,228) 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.

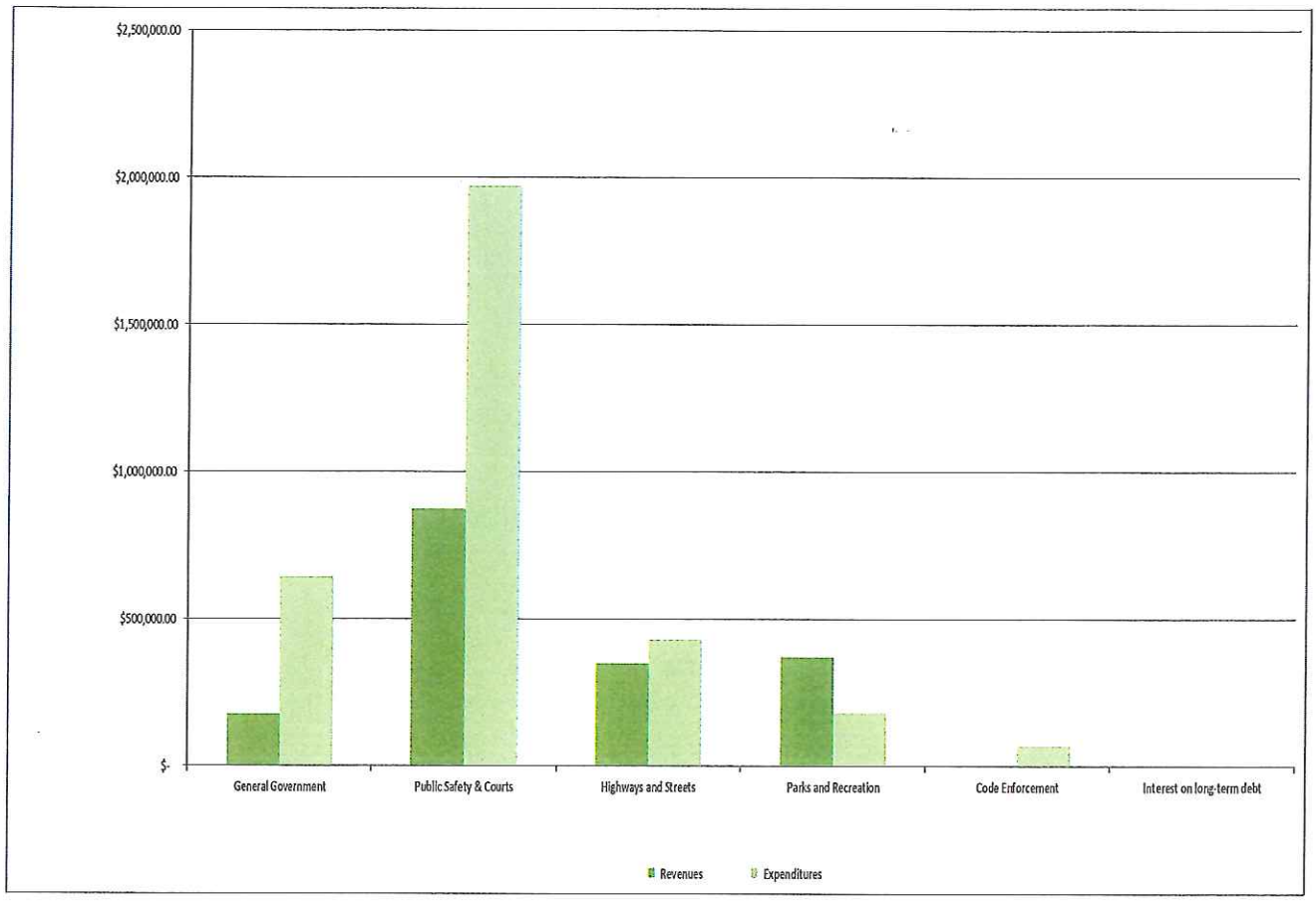
Governmental activities. Governmental activities increased the City's net position by $1,969,934. Key elements of this increase are as follows:

City of Lake City's Change in Net Position
For The Years Ended December 31, 2022 and 2021

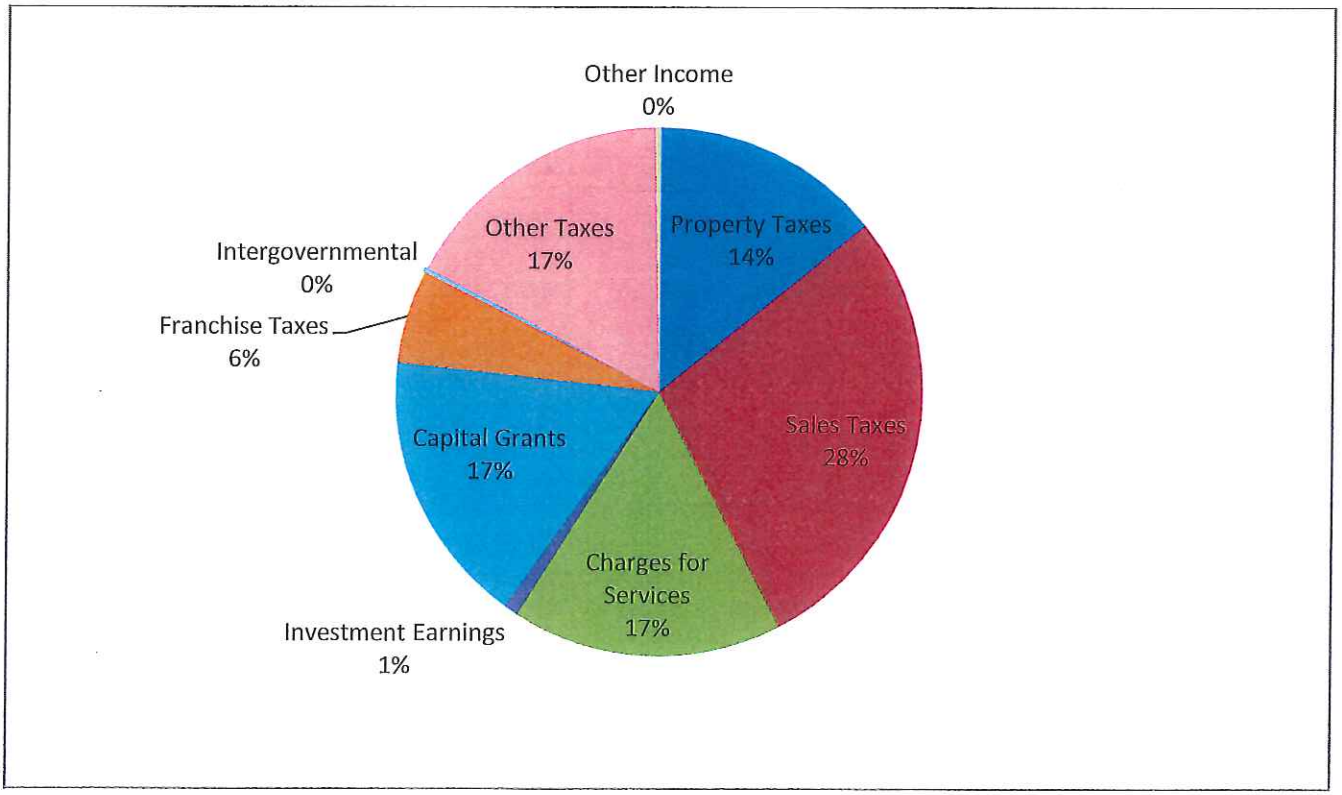
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues -						
Charges for services	$ 876,369	$ 623,469	$ 140,230	$ 141,977	$ 1,016,599	$ 765,446
Operating grants and contributions	15,071	-	-	-	15,071	-
Capital grants and contributions	882,143	585,655	-	-	882,143	585,655
General Revenues-						
Property taxes	743,052	739,958	-	-	743,052	739,958
Sales taxes	1,480,375	1,314,260	-	-	1,480,375	1,314,260
Other taxes	1,186,761	1,020,533	-	-	1,186,761	1,020,533
Intergovernmental	-	-	-	-	-	-
Interest	45,882	1,682	-	-	45,882	1,682
Other	13,347	17,169	-	-	13,347	17,169
	5,243,000	4,302,726	140,230	141,977	5,383,230	4,444,703
Expenses:						
General government	642,273	833,800	-	-	642,273	833,800
Public safety and courts	1,970,858	2,048,345	-	-	1,970,858	2,048,345
Highways and strees	431,525	438,171	-	-	431,525	438,171
Parks and recreation	181,146	143,676	-	-	181,146	143,676
Code enforcement	72,412	61,755	-	-	72,412	61,755
Interest on long-term debt	-	-	-	-	-	-
Solid waste	-	-	161,882	135,747	161,882	135,747
	3,298,214	3,525,747	161,882	135,747	3,460,096	3,661,494
Increase (decrease) in Net Position before transfers	1,944,786	776,979	(21,652)	6,230	1,923,134	783,209
Transfers	25,148	(39,894)	(25,148)	39,894	-	-
Increase (decrease) in Net Position	1,969,934	737,085	(46,800)	46,124	1,923,134	783,209
Net Position - beginning of year, adjusted	13,235,933	12,498,848	72,324	26,200	13,308,257	12,525,048
Net Position - end of year	$ 15,205,867	$ 13,235,933	$ 25,524	$ 72,324	$ 15,231,391	$ 13,308,257

Revenues increased by $940,274 due to an increase in fines and other police services of approximately $161,600. Fines increased significantly as a result of additional enforcement activities and the City implementing a Redspeed School Safety Camera Program which monitors school zones during school days and provides for the issuance of tickets for violators. The City received approximately $103,000 from these activities for the year. Other revenue increases include capital grants of $296,500 due to a CDBG grant that was used to improve a city park and transportation grants of $64,000 for the improvement of a city street. Expenses decreased $227,533 for the year which is mainly due to a decrease in legal fees, pension expense and police personnel expenses.

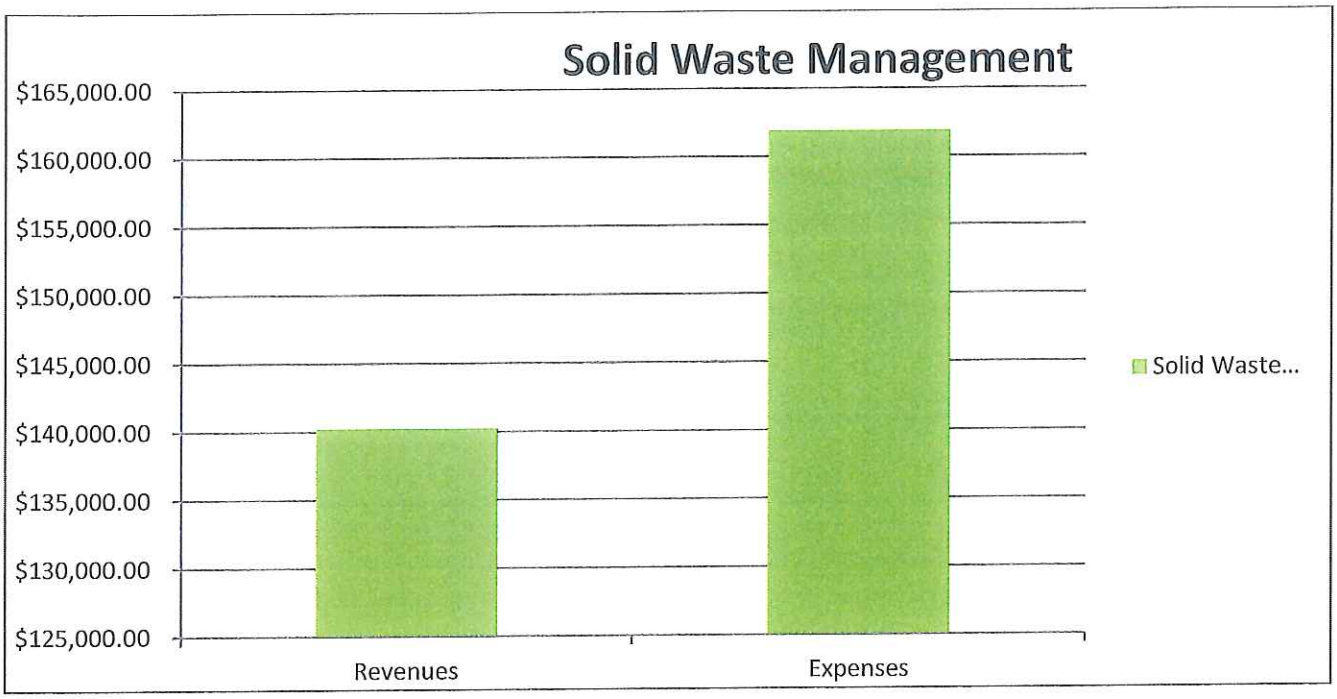
Expenses and Program Revenues-Governmental Activities



Revenue by Source-Governmental Activities



Business-Type Activities decreased the City's net position by $46,800. The Solid Waste Management Fund had an operating loss of $21,652 and transfers out of $25,148 to the General Fund. 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 up to 2021. In 2022, the sanitation contractor has increased fees above that charged by the City. The Mayor and City Council will determine a course of action to address this issue.



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, 2022 the City's governmental funds reported combined ending fund balances of $7,332,156. Of this amount, $5,120,900 (69.8 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because $1,386,320 is restricted for Capital Outlay and other specified activities, $786,186 is assigned for the 2023 budget, and $38,750 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 $5,122,967 while the total fund balance totaled $6,047,357. 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 150.4 percent of the total general fund expenditures, while total fund balance represents 177.5 percent of that same amount.

During the current fiscal year, the fund balance of the City's general fund increased by $1,063,633 which can be attributed to the $1,480,375 in local option sales taxes and the receipt of a community development block grant of $150,000 which was used during 2022 for park 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 2022, no significant activity occurred in this fund.

The Redspeed School Safety Fund was created during 2021 to account for fines collected under the State Redspeed laws. The City collected $103,000 from such fines during 2022. 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 2022 as the second and last installment under the grant and has not spent any of the grant award as of December 31, 2022.

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 2022 SPLOST series are currently being accounted for in these funds. As of December 31, 2022, the fund balance in the 2015 fund amounted to $472,321 and in the 2022 fund the fund balance amounted to $740,067. 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 $4,140,086 while the final amended budget amounted to $4,153,886. The 2022 budget allowed the City to absorb approximately 15%increase to the City's employee medical insurance premiums. During the Covid Pandemic of 2022, the city maintained all the administrative fulltime staff and city hall remained open to serve the community. The city purchased three police vehicles totaling $105,000.00 and one F-150 pickup truck for the training officer at a cost of $24,015. In addition, the License Plate Readers were upgraded at a cost of $41,925. Unfortunately, the police department continued to have issues with filling police positions as they had several openings throughout FY 2022 resulting in substantial salary savings.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2022 amounts to $7,761,843 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. In 2022, four new police vehicles were purchased and outfitted costing $162,200. In addition, $37,180 was spent towards public works equipment and $524,000 was expended for improvements to the Oswalt Nature Trail.

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 2022 since the City paid off the certificates of participation in 2019. However, the City's net pension liability decreased from $273,420 at the end of 2021 to a net pension asset of $689,888 at the end of 2022.

Status of the City of Lake City's Economy

The world wide COVID Pandemic continued throughout 2022. The city had several employee vacancies within the police department 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 the city also received a Community Development Block Grant to have the architectural drawings and plans made for this transformational park. This project has an expected completion date of late 2024. The city saw new construction begin in 2022 of a 158,000 sq.ft. warehouse built on Forest Parkway. This facility is near Ft. Gillem. In addition, M&M container company opened their newly constructed site adjacent to Ft. Gillem.

The City continues to work with the Clayton County Economic Development Authority to develop the property located at 5711 Jonesboro Road. The Development Authority had 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 project failed to be implemented. The City of Lake City continues to work with the Clayton County Economic Development Authority as well as the Clayton County Commission to identify and recruit a new vendor for this site.

The construction of a new fire station was not completed in 2022. 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. Because of the termination of the architectural firm the county has had to rebid this project which has continued to delay the construction and opening of the fire station. Completion of this project was moved into the late fall of 2024 or summer of 2025. 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 upgrades to the Oswalt Nature Preserve in 2022. This project saw the replacement of the drainage pipes throughout the park as well as new crush for the trail improvements. In addition, the council approved the paving of approximately one mile of the trail system which improved access for residents that may have a physical disability or residents with small children. This project was funded by SPLOST dollars and a Community Development Block Grant. The total cost of this Phase I project was $491,138.00. Phase II of this renovation will begin in late 2023 and be completed in 2024. In addition, repairs to the roof on the Municipal Building began. This has been an ongoing issue with leaks during inclement weather. The city completed construction on a sidewalk project on Reynolds Road. This sidewalk connected a neighborhood under construction with already established Lake City neighborhoods.

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, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 3,089,591	$ -	$ 3,089,591
Investments	2,453,580	-	2,453,580
Receivables, net			
Taxes	659,316	-	659,316
Accounts	16,292	25,524	41,816
Fines	100,826	-	100,826
Due from other governments	126,868	-	126,868
Prepaid expenses	38,750	-	38,750
Restricted assets -			
Cash	2,285,796	-	2,285,796
Pension asset	689,888	-	689,888
Capital assets -			
Non-depreciable capital assets	1,042,801	-	1,042,801
Other capital assets, net of depreciation	6,719,042	-	6,719,042
Total Assets	17,222,750	25,524	17,248,274
Deferred Outflows			
Deferred pension outlflows	98,025	-	98,025
Total Assets and Deferred Outflows	17,320,775	25,524	17,346,299
LIABILITIES			
Accounts payable -			
Trade	85,656	-	85,656
Accrued expenses -			
Salaries	29,252	-	29,252
Other	4,312	-	4,312
Unearned items	1,104,558	-	1,104,558
Bond deposits	3,340	-	3,340
Long-term liabilities -			
Net pension liability	-	-	-
Total Liabilities	1,227,118	-	1,227,118
Deferred pension inflows			
Deferred pension inflows	887,790	-	887,790
Total Liabilities and Deferred Inflows	2,114,908	-	2,114,908
NET POSITION			
Net investment in capital assets	7,761,843	-	7,761,843
Restricted for:			
Capital outlay	1,311,842	-	1,311,842
School safety activities	74,478	-	74,478
Unrestricted	6,057,704	25,524	6,083,228
Total Net Position	$ 15,205,867	$ 25,524	$ 15,231,391

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, 2022

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	$ 642,273	$ 81,321	$ -	$ 95,355
Public Safety and Courts	1,970,858	741,423	15,071	119,194
Highways and Streets	431,525	-	-	350,722
Park Areas	181,146	53,625	-	316,872
Code Enforcement	72,412	-	-	-
Interest on long-term debt	-	-	-	-
Total Governmental Activities	3,298,214	876,369	15,071	882,143
Business-Type Activities:				
Solid Waste Management	161,882	140,230	-	-
Total Primary Government	$ 3,460,096	$ 1,016,599	$ 15,071	$ 882,143

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, adjusted

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
$ (465,597)	$ -	$ (465,597)
(1,095,170)	-	(1,095,170)
(80,803)	-	(80,803)
189,351	-	189,351
(72,412)	-	(72,412)
-	-	-
(1,524,631)	-	(1,524,631)
-	(21,652)	(21,652)
(1,524,631)	(21,652)	(1,546,283)
743,052	-	743,052
90,515	-	90,515
1,480,375	-	1,480,375
77,557	-	77,557
298,800	-	298,800
449,067	-	449,067
251,646	-	251,646
19,176	-	19,176
-	-	-
45,882	-	45,882
13,347	-	13,347
3,469,417	-	3,469,417
25,148	(25,148)	-
3,494,565	(25,148)	3,469,417
1,969,934	(46,800)	1,923,134
13,235,933	72,324	13,308,257
$ 15,205,867	$ 25,524	$ 15,231,391

CITY OF LAKE CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	GENERAL	SEIZED ASSETS	REDSPEED SCHOOL SAFETY
ASSETS			
Cash and cash equivalents	$ 3,089,591	$ -	$ -
Investments	2,453,580	-	-
Receivables -			
Taxes, net	659,316	-	-
Accounts receivable	-	-	16,292
Fines, net	100,826	-	-
Due from other funds	88,513	-	1,297
Due from other governments	-	-	-
Prepaid expenses	38,750	-	-
Restricted assets -			
Cash	-	28	56,889
Total Assets	$ 6,430,576	$ 28	$ 74,478
Liabilities:			
Accounts payable -			
Trade	$ 85,166	$ 490	$ -
Due to other funds	1,297	1,605	-
Accrued expenses -			
Salaries	29,252	-	-
Other	4,312	-	-
Bond deposits	3,340	-	-
Unearned revenues	48,107	-	-
Total Liabilities	171,474	2,095	-
Deferred Inflows of Resources			
Unavailable revenues	211,745	-	-
Fund Balances:			
Nonspendable	38,750	-	-
Restricted -			
Capital outlay	99,454	-	-
School safety activities	-	-	74,478
Law enforcement activities	-	-	-
Assigned for appropriation for next year's budget	786,186	-	-
Unassigned	5,122,967	(2,067)	-
Total Fund Balances	6,047,357	(2,067)	74,478
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 6,430,576	$ 28	$ 74,478

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

ARPA	2015 SPLOST	2021 SPLOST	TOTAL GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ 3,089,591
-	-	-	2,453,580
-	-	-	659,316
-	-	-	16,292
-	-	-	100,826
-	-	-	89,810
-	-	126,868	126,868
-	-	-	38,750
1,056,451	559,229	613,199	2,285,796
$ 1,056,451	$ 559,229	$ 740,067	$ 8,860,829
$ -	$ -	$ -	$ 85,656
-	86,908	-	89,810
-	-	-	29,252
-	-	-	4,312
-	-	-	3,340
1,056,451	-	-	1,104,558
1,056,451	86,908	-	1,316,928
-	-	-	211,745
-	-	-	38,750
-	472,321	740,067	1,311,842
-	-	-	74,478
-	-	-	-
-	-	-	786,186
-	-	-	5,120,900
-	472,321	740,067	7,332,156
$ 1,056,451	$ 559,229	$ 740,067	$ 8,860,829

CITY OF LAKE CITY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Amounts reported for governmental activities in the statement of net assets are different because:		
Total fund balances -- total governmental funds	$	7,332,156
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		7,761,843
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		211,745
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:		
Deferred outflows		98,025
Deferred inflows		(887,790)
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		689,888
Net position of governmental activities.	$	15,205,867

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

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CITY OF LAKE CITY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	GENERAL	SEIZED ASSETS	REDSPEED SCHOOL SAFETY
REVENUES:			
Taxes	$ 3,386,578	$ -	$ -
Business licenses and permits	76,996	-	-
Intergovernmental	229,727	-	-
Charges for services	67,682	-	-
Fines and forfeitures	625,091	-	103,766
Investment income	45,882	-	-
Miscellaneous	152	-	-
Total Revenues	4,432,108	-	103,766
EXPENDITURES:			
Current -			
General Government	837,594	-	-
Municipal Court	465,767	-	-
Public Safety	1,320,494	73	3,466
Highways and Streets	449,987	-	-
Park Areas	240,805	-	-
Code Enforcement	68,638	-	-
Capital Outlay -			
General Government	5,023	-	-
Municipal Court	-	-	-
Police	18,970	-	99,239
Highways and Streets	-	-	-
Code Enforcement	-	-	-
Park Areas	-	-	-
Debt Service -			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	3,407,278	73	102,705
Excess (deficiency) of revenues over expenditures	1,024,830	(73)	1,061
OTHER FINANCING SOURCES (USES):			
Transfers	25,148	-	-
Proceeds from debt issue	-	-	-
Disposition of capital assets	13,655	-	-
Total Other Financing Sources (Uses)	38,803	-	-
Net change in fund balances	1,063,633	(73)	1,061
Fund balances - beginning, adjusted	4,983,724	(1,994)	73,417
Fund balances - ending	$ 6,047,357	$ (2,067)	$ 74,478

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

ARPA	2015 SPLOST	2021 SPLOST	TOTAL GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ 3,386,578
-	-	-	76,996
-	-	667,489	897,216
-	-	-	67,682
-	-	-	728,857
-	-	-	45,882
-	-	-	152
-	-	667,489	5,203,363
-	-	-	837,594
-	-	-	465,767
-	-	-	1,324,033
-	-	-	449,987
-	-	-	240,805
-	-	-	68,638
			-
-	2,164	242	7,429
-	-	-	-
-	-	305,697	423,906
-	97,594	37,180	134,774
-	-	-	-
-	352,068	10,820	362,888
			-
-	-	-	-
-	-	-	-
-	451,826	353,939	4,315,821
-	(451,826)	313,550	887,542
-	-	-	25,148
-	-	-	-
-	-	-	13,655
-	-	-	38,803
-	(451,826)	313,550	926,345
-	924,147	426,517	6,405,811
$ -	$ 472,321	$ 740,067	$ 7,332,156

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, 2022

Net change in fund balances -- total governmental funds	$	926,345
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		1,148,712
Depreciation expense		(424,976)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		25,318
Fines		7,369
Grants		-
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)		(5,487)
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		292,653
Change in net position of governmental activities.	$	1,969,934

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, 2022

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Taxes -				
Property	$ 608,700	$ 608,700	$ 717,733	$ 109,033
Motor vehicle	47,000	47,000	92,225	45,225
Real estate transfer	3,000	3,000	19,176	16,176
Franchise	251,500	243,800	298,799	54,999
Local option sales	1,220,000	1,220,000	1,480,375	260,375
Alcohol beverage	60,500	60,500	77,557	17,057
Business occupation	325,000	325,000	449,067	124,067
Insurance premium	205,000	205,000	251,646	46,646
Licenses and permits	22,650	22,650	76,996	54,346
Charges for services	40,450	40,450	67,682	27,232
Intergovernmental	150,000	150,000	229,727	79,727
Fines and forfeitures	405,000	405,000	625,091	220,091
Investment earnings	2,000	2,000	45,882	43,882
Miscellaneous	600	600	152	(448)
Total Revenues	3,341,400	3,333,700	4,432,108	1,098,408
EXPENDITURES:				
Current -				
General government -				
Mayor and council	86,700	86,700	60,348	26,352
City administrator	136,265	136,265	126,208	10,057
General administration	472,750	472,750	388,331	84,419
Elections	25,000	25,000	-	25,000
Information technology	90,000	96,700	96,540	160
Human resource	74,125	74,125	70,165	3,960
Building and grounds	113,600	113,600	96,002	17,598
Municipal court	592,400	592,400	465,767	126,633
Public safety -				
Police services	1,612,050	1,612,050	1,320,494	291,556
Highways and streets	571,950	571,950	449,987	121,963
Community Center	87,146	87,146	59,319	27,827
Park areas	174,900	182,000	181,486	514
Code enforcement	67,500	67,500	68,638	(1,138)
Capital Outlay	35,700	35,700	23,993	11,707
Debt Service	-	-	-	-
Total expenditures	4,140,086	4,153,886	3,407,278	746,608
Excess of revenues over (under) expenditures	(798,686)	(820,186)	1,024,830	1,845,016
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	25,148	25,148
Disposition of capital assets	12,500	12,500	13,655	1,155
Total other financing sources (uses)	12,500	12,500	38,803	26,303
Net change in fund balances	(786,186)	(807,686)	1,063,633	1,871,319
Fund balances - beginning	4,983,724	4,983,724	4,983,724	-
Fund balances - ending	$ 4,197,538	$ 4,176,038	$ 6,047,357	$ 1,871,319

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, 2022

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Confiscations	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES:				
Police -				
Current	100	100	73	27
Capital	-	-	-	-
Total expenditures	100	100	73	27
Excess of revenues over (under) expenditures	(100)	(100)	(73)	27
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Net change in fund balances	(100)	(100)	(73)	27
Fund balances - beginning	(1,994)	(1,994)	(1,994)	-
Fund balances - ending	$ (2,094)	$ (2,094)	$ (2,067)	$ 27

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, 2022

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Fines and forfeitures	$ -	$ 103,000	$ 103,766	$ 766
Interest income	-	-	-	-
Total Revenues	-	103,000	103,766	766
EXPENDITURES:				
Current -				
Police services	-	3,750	3,466	284
Capital				
Police services	-	99,250	99,239	11
Total expenditures	-	103,000	102,705	295
Excess of revenues over (under) expenditures	-	-	1,061	1,061
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Net change in fund balances	-	-	1,061	1,061
Fund balances - beginning	-	73,417	73,417	-
Fund balances - ending	$ -	$ 73,417	$ 74,478	$ 1,061

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, 2022

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

Note -

No activity was anticipated for the year.

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

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CITY OF LAKE CITY, GEORGIA
STATEMENT OF NET POSITION
SOLID WASTE MANAGEMENT FUND
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets		
Receivables-		
Accounts (net)	$ 25,524	$ 72,324
Total current assets	25,524	72,324
Total assets	25,524	72,324
LIABILITIES		
Current liabilities		
Accounts payable	-	-
Accrued salaries and wages	-	-
Total current liabilities	-	-
Total liabilties	-	-
Net Position		
Unrestricted	25,524	72,324
Total Net Position	$ 25,524	$ 72,324

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, 2022 AND 2021

	2022	2021
OPERATING REVENUES		
Charges for services	$ 140,230	$ 141,977
Miscellaneous	-	-
Total operating revenues	140,230	141,977
OPERATING EXPENSES		
Purchased/contracted services	161,882	135,747
Bad debt	-	-
Total operating expenses	161,882	135,747
Operating income (loss) before capital contributions and transfers	(21,652)	6,230
Transfers	(25,148)	39,894
Change in net assets	(46,800)	46,124
NET POSITION - BEGINNING	72,324	26,200
NET POSITION - ENDING	$ 25,524	$ 72,324

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, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Cash received from customers and users	$ 187,030	$ 95,853
Cash paid to suppliers for goods	(161,882)	(135,747)
Cash paid to employees	-	-
Net cash provided from operating activities	25,148	(39,894)
Cash flows from investing activities:		
Interest received	-	-
(Purchase) / redemption of investments	-	-
Net cash from investing activities	-	-
Cash flows from non-capital financing activities:		
Transfers	(25,148)	39,894
Net cash flows from non-capital financing activities	(25,148)	39,894
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, 2022 AND 2021

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2022	2021
Operating income (loss)	$ (21,652)	$ 6,230
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	-	-
Bad debt expense	-	-
(Increase) decrease in receivables	46,800	(46,124)
Increase (decrease) in payables	-	-
Total adjustments	46,800	(46,124)
Net cash from operating activities	$ 25,148	$ (39,894)

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, 2022

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, 2022 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, 2022 which is deferred pension outflows recognized in the Statement of Net Position.

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

T. Net Position

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

The City's government-wide statement of net position reports $1,386,320 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, 2022, 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, 2022, fund balances are composed of the following:

	Non-Spendable Prepaids	Restricted Capital Outlays	Restricted Other Activities	Assigned 2022 Budget	Unassigned	Total
General Fund	$ 38,750	$ 99,454	$ -	$ 786,186	$ 5,122,967	$ 6,047,357
Seized Assets Fund	-	-	-	-	(2,067)	(2,067)
Redspeed Fund	-	-	74,478	-	-	74,478
ARPA Fund	-	-	-	-	-	-
2015 SPLOST Fund	-	472,321	-	-	-	472,321
2021 SPLOST Fund	-	740,067	-	-	-	740,067
Total	$ 38,750	$ 1,311,842	$ 74,478	$ 786,186	$ 5,120,900	$ 7,332,156

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.

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

X. Leasing Activities:

During 2022, the City implemented a new accounting standard GASB Statement No. 87 "Leases." The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As of December 31, 2022, the City has no significant lease agreements that are required to be reported under the new standard either as a lessee or a lessor.

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, 2022, 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, 2022 were as follows:

Investments	Maturities	Fair Value
Georgia Fund 1	23 days average	$ 2,453,580
		$ 2,453,580

As of December 31, 2022, the City's investment in the Georgia Fund 1 was rated AAAf by Standard and Poor's.

"Georgia Fund 1" created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. The fund is managed by the Georgia Office of the State Treasury (OST). OST is guided by the policies of the State Depository Board and OCGA 55-17-2 and 50-17-63.

3. PROPERTY TAX

Property taxes become the obligation of the property owner as of January 1. Taxes were levied on September 12, 2022 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 2022 amount to $1,480,375. Property tax revenues amounted to $743,052 at the government-wide level for the year ended December 31, 2022. Property taxes receivable as of December 31, 2022 was $214,724, 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	$ 739,316	$ -	$ -	$ 739,316
Accounts	-	16,292	55,524	71,816
Fines	252,826	-	-	252,826
Gross Receivables	992,142	16,292	55,524	1,063,958
Less: Allowance for Uncollectibles	(232,000)	-	(30,000)	(30,000)
Total	$ 760,142	$ 16,292	$ 25,524	$ 1,033,958

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 $3,340, shown as a liability, represent money that has been paid in advance for court cases which have not been heard as of December 31, 2022.

7. INTER-FUND TRANSACTIONS

The following is a summary of interfund receivable and payable balances as of December 31, 2022:

	Payable From			
Payable To	General Fund	Seized Assets	2015 SPLOST	Total
General Fund	$ -	$ 1,605	$ 86,908	$ 88,513
Redspeed Fund	1,297	-	-	1,297
2015 SPLOST Fund	-	-	-	-
Total	$ 1,297	$ 1,605	$ 86,908	$ 89,810

As of December 31, 2022, 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 2015 SPLOST Fund owes the General Fund $86,908 for an over-reimbursement made by the General Fund to the 2015 SPLOST Fund. The General Fund also owes the Redspeed Fund $1,297 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, 2022:

	Transfer From		
Transfer To	General	Solid Waste Management	Total
General Fund	$ -	$ 25,148	$ 25,148
Solid Waste Mgmt	-	-	-
Total	$ -	$ 25,148	$ 25,148

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, 2022 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	1,098,228	-	(55,427)	1,042,801
Capital assets being depreciated:				
Buildings	4,070,279	-	-	4,070,279
Improvements other than buildings	3,734,373	741,723	-	4,476,096
Other machinery and equipment	1,220,987	177,840	(390,951)	1,007,876
Office equipment	363,056	12,527	(12,679)	362,904
Vehicles	934,777	272,049	(51,141)	1,155,685
Total capital assets being depreciate	10,323,472	1,204,139	(454,771)	11,072,840
Less accumulated depreciation for:				
Buildings	1,651,429	101,757	-	1,753,186
Improvements other than buildings	938,656	102,490	-	1,041,146
Other machinery and equipment	873,341	120,815	(386,139)	608,017
Office equipment	326,782	9,273	(12,004)	324,051
Vehicles	587,898	90,641	(51,141)	627,398
Total accumulated depreciation	4,378,106	424,976	(449,284)	4,353,798
Total capital assets being depreciate	5,945,366	779,163	(5,487)	6,719,042
Governmental capital assets, net	$ 7,043,594	$ 779,163	$ (60,914)	$ 7,761,843

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

General government	$ 96,317
Public safety	166,371
Highways and streets	46,194
Park areas	112,318
Code enforcement	3,776
Total depreciation expense	$ 424,976

(See Independent Auditor's Report)

10. LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of changes in 2022:

For the fiscal year 2022, 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. PRIOR PERIOD ADJUSTMENT

During fiscal year ended December 31, 2021, the City recognized monies received under the American Rescue Plan Act as revenue when the money was received and reported the remaining monies as restricted net position / fund balance. After further analysis of the grant agreement, it was determined that the grant should be recognized as revenue when the funds are expended i.e. when they are earned. Unspent or unappropriated funds as of December 31, 2024 must be returned to the granting agency. The City has made the following prior period adjustment to properly record the remaining ARPA grant funds as of December 31, 2021 as unearned revenues:

	Governmental Activities	Governmental Funds
Net Position / Fund Balance -		
Beginning of the year	$ 13,764,158	6,934,036
Adjustment to record remaining ARPA funds as unearned revenue since the revenue under this grant is earned when the funds are expended	(528,225)	(528,225)
Beginning of the year, adjusted	$ 13,235,933	$ 6,405,811

13. 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)	$ 4,884,499
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.

14. 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.

14. EMPLOYEE BENEFIT PLANS – Continued:

At July 1, 2022, the date of the most recent actuarial valuation, there were 45 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	11
Terminated vested participants not yet receiving benefits	8
Active employees - vested	19
Active employees - nonvested	7
Total	45

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 2022, the actuarially determined contribution rate was $80,742 or 5.48% of expected payroll. LCRP members are required to contribute 5% of their gross salary to the plan. For fiscal year ended December 31, 2022 member contributions amounted to $72,238.

For fiscal year ended December 31, 2022, the City's recommended and actual contribution was $80,742 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 $(211,909).

14. EMPLOYEE BENEFIT PLANS – Continued:

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

At December 31, 2022, the City reported a liability/(asset) of $(689,888) for its net pension asset. The net pension asset was measured as of March 31, 2022 and was determined by an actuarial valuation as of July 1, 2022. The changes in the Net Pension Liability for the year ended March 31, 2022 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at beginning of year	$ 3,396,643	$ 3,670,063	$ (273,420)
Changes for the year-			
Service cost	126,416	-	126,416
Interest	255,317	-	255,317
Differences between expected and actual experience	(411,741)	-	(411,741)
Contributions - Employer	-	103,252	(103,252)
Contributions - Employee	-	73,339	(73,339)
Transfers from defined contribution plan	-	-	-
Net investment income	-	223,837	(223,837)
Benefit payments, including refunds of employee contributions	(122,276)	(122,276)	-
Administrative expense	-	(13,968)	13,968
Other	-	-	-
Net Changes	(152,284)	264,184	(416,468)
Balance at end	$ 3,244,359	$ 3,934,247	$ (689,888)

For the year ended December 31, 2022 the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	$ 126,416
Interest on The Pension Liability (TPL)	255,317
Administrative expenses	13,968
Employee Contributions	(73,339)
Expected return on assets	(272,155)
Expensed portion of current year period assumption change	-
Expensed portion of current year period differences between expected and actual experience in TPL	(102,936)
Current year recognition of deferred inflows and outflows established in prior years	(168,842)
Expensed portion of current year period differences between projected and actual investment earnings	9,662
Total expense	$ (211,909)

(See Independent Auditor's Report)

14. EMPLOYEE BENEFIT PLANS – Continued:

$60,557 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, 2022. 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
2023	$ 35,161	$ (279,402)
2024	2,307	(277,045)
2025	-	(341,007)
2026	-	9,664
2027	-	-
2028 and Thereafter	-	-
	$ 37,468	$ (887,790)

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2022 are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	$ 60,557	$ -
Demographic	29,648	507,245
Investment	-	354,783
Assumption change	7,820	25,762
Total	$ 98,025	$ 887,790

(See Independent Auditor's Report)

14. EMPLOYEE BENEFIT PLANS – Continued:

Actuarial Assumptions

The total pension liability in the July 1, 2022 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, 2022 valuation were based on the results of an actuarial experience study conducted in September 2021.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.00%	6.55%
International equity	20.00%	7.30%
Domestic fixed income	20.00%	0.40%
Real estate	10.00%	3.65%
Global fixed income	5.00%	5.00%
Cash	0.00%	
Total	100.00%	

(See Independent Auditor's Report)

14. 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	$ (303,950)	$ (689,888)	$ (1,004,565)

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.

15. 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, 2022 the City's Confiscated Asset Fund had a deficit fund balance of $2,067. 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)

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

	Fiscal Year End								
	2022	2021	2020	2019	2018	2017	2016	2015	2014*
Total Pension Liability									
Service cost	$ 126,416	$ 114,881	$ 117,555	$ 110,346	$ 132,874	$ 111,470	$ 112,323	$ 2,093,546	
Interest	255,317	257,055	245,726	217,995	193,982	183,093	161,906	-	
Differerences between expected and actual experience	(411,741)	(295,592)	11,535	125,168	(19,221)	(125,176)	13,593	-	
Changes in assumptions	-	-	-	-	46,919	-	-	-	
Other	-	-	(64,406)	-	-	-	275	-	
Benefit payments	(122,276)	(100,626)	(96,566)	(85,369)	(37,216)	(20,555)	(8,872)	-	
Net changes in total pension liability	(152,284)	(24,282)	213,844	368,140	317,338	148,832	279,225	2,093,546	
Total pension liability - beginning	3,396,643	3,420,925	3,207,081	2,838,941	2,521,603	2,372,771	2,093,546	-	
Total pension liability - ending	$ 3,244,359	$ 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	$ 103,252	$ 109,201	$ 101,696	$ 83,519	$ 79,714	$ 90,022	$ 67,686	$ 594,079	
Contributions - employees	73,339	77,802	76,237	70,609	71,153	71,238	73,328	33,478	
Transfers from define contribution plan	-	-	-	-	-	-	-	929,549	
Net investment income	223,837	1,127,924	(187,398)	91,717	264,154	226,702	7,136	37,824	
Benefit payments	(122,276)	(100,626)	(96,566)	(85,369)	(37,216)	(20,555)	(8,872)	-	
Administrative expense	(13,968)	(14,545)	(14,457)	(13,589)	(14,430)	(13,506)	(4,856)	(2,720)	
Other	-	-	-	-	-	-	-	-	
Net change in fiduciary net position	264,184	1,199,756	(120,488)	146,887	363,375	353,901	134,422	1,592,210	
Plan fiduciary net position - beginning	3,670,063	2,470,307	2,590,795	2,443,908	2,080,533	1,726,632	1,592,210	-	
Plan dicuciary net position - ending	$ 3,934,247	$ 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	$ (689,888)	$ (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	121.26%	108.05%	72.21%	80.78%	86.09%	82.51%	72.77%	76.05%	
Covered-employee payroll	$ 1,350,097	$ 1,457,363	$ 1,493,603	$ 1,434,823	$ 1,383,596	$ 1,431,010	$ 1,513,483	1,416,077	
Net pension liability as a percentage of covered payroll	-51.10%	-18.76%	63.65%	42.95%	28.55%	30.82%	42.69%	35.40%	

Historical information prior to implementation of GASB 67/68 is not required.

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

	Fiscal Year End								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014***
Actuarially determined contributions	$ 80,742	$ 110,755	$ 107,116	$ 86,591	$ 83,099	$ 77,737	$ 76,184	66,052	
Contributions in relation to the actuarially determined contribution	(80,742)	(110,755)	(107,116)	(83,591)	(83,099)	(77,737)	(76,184)	(66,052)	
Contribution deficiency (excess)	-	-	-	3,000	-	-	-		
Covered-employee payroll	$ 1,350,097	$ 1,457,363	$ 1,493,603	$ 1,434,823	$ 1,383,596	$ 1,431,010	$ 1,513,483	1,416,077	
Contributions as a percentage of covered-employee payroll	5.98%	7.60%	7.17%	6.03%	6.01%	5.43%	5.03%	4.66%	

* Historical information prior to implementation of GASB 67/68 is not required.

CITY OF LAKE CITY, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022 AND 2021

	2022	2021
ASSETS		
Cash	$ 3,089,591	$ 2,188,540
Investments	2,453,580	2,165,527
Accounts receivable:		
Taxes, net of allowance of $80,000 in 2022 and 2021	659,316	949,357
Fines and forfeitures, net of allowance of $152,000 in 2022 and $104,000 in 2021	100,826	68,756
Intergovernmental	-	-
Other	-	6,000
Due from other funds	88,513	1,605
Prepaid expenses	38,750	38,083
Total Assets	$ 6,430,576	$ 5,417,868
LIABILITIES:		
Accounts payable - Trade	$ 85,166	$ 57,193
Accrued salaries	29,252	35,149
Other accrued items	4,312	2,743
Due to other funds	1,297	78,512
Bond deposits	3,340	4,484
Unearned revenues	48,107	77,006
Total Liabilities	171,474	255,087
DEFERRED INFLOWS OF REVENUES		
Unavailable revenues	211,745	179,057
FUND EQUITY:		
Fund balance-		
Nonspendable	38,750	38,083
Restricted for capital outlay	99,454	96,770
Assigned for appropriation for next years budget	786,186	786,186
Unassigned	5,122,967	4,062,685
Total Fund Equity	6,047,357	4,983,724
Total Liabilities, deferred inflows of revenues and Fund Equity	$ 6,430,576	$ 5,417,868

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, 2022 AND 2021

	2022	2021
REVENUES:		
Taxes	$ 3,386,578	$ 3,063,759
Business licenses and permits	76,996	38,110
Intergovernmental	229,727	200,000
Charges for services	67,682	12,512
Fines and forfeitures	625,091	487,688
Investment income	45,882	1,682
Miscellaneous	152	5,575
Total Revenues	4,432,108	3,809,326
EXPENDITURES:		
Current -		
General Government	837,594	909,942
Municipal Court	465,767	443,428
Public Safety	1,320,494	1,433,178
Highways and Streets	449,987	401,702
Park Areas	240,805	34,088
Code Enforcement	68,638	57,980
Debt Service	-	-
Capital Outlay -		
General Government	5,023	-
Municipal Court	-	3,107
Police Services	18,970	17,158
Code Enforcement	-	-
Park Areas	-	-
Total Expenditures	3,407,278	3,300,583
Excess of Revenues Over (Under) Expenditures	1,024,830	508,743
Other Financing Sources (Uses):		
Transfers	25,148	(39,894)
Proceeds from debt issue	-	-
Disposition of capital assets	13,655	17,521
Total Other Financing Sources (Uses)	38,803	(22,373)
Change in Fund Balance	1,063,633	486,370
Fund Balance - Beginning of Year	4,983,724	4,497,354
Fund Balance - End of year	$ 6,047,357	$ 4,983,724

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022			2021
	Final Budget	Actual	Variance	Actual
Taxes:				
Property taxes	$ 608,700	$ 717,733	$ 109,033	$ 729,561
Motor vehicle	47,000	92,225	45,225	63,391
Real estate transfer	3,000	19,176	16,176	2,424
Franchise -				
Atlanta Gas Light	17,000	31,686	14,686	29,765
Georgia Power	200,000	247,753	47,753	216,521
AT&T	12,800	1,014	(11,786)	1,293
Cable TV	14,000	18,346	4,346	19,927
Other	-	-	-	-
Local option sales	1,220,000	1,480,375	260,375	1,314,260
Beer and wine	60,000	77,388	17,388	83,203
Consumption	500	169	(331)	-
Business occupation	325,000	449,067	124,067	388,015
Insurance premium	205,000	251,646	46,646	215,399
Licenses and Permits -				
Business licenses	11,000	15,600	4,600	13,100
Building permits	10,500	60,556	50,056	23,580
Other permits	1,150	840	(310)	1,430
Grants:				
1st Responders	-	15,071	15,071	-
CDBG	150,000	150,000	-	200,000
LMIG	-	64,656	64,656	-
Services:				
Other	40,450	67,682	27,232	12,512
Fines and Forfeitures	405,000	625,091	220,091	487,688
Investment income	2,000	45,882	43,882	1,682
Miscellaneous	600	152	(448)	5,575
Total Revenues	$ 3,333,700	$ 4,432,108	$ 1,098,408	$ 3,809,326

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022			2021
	Final Budget	Actual	Variance	Actual
General Government:				
Governing Body -				
Personal services	$ 54,300	$ 53,895	$ 405	$ 54,931
Purchased/contracted services	31,000	4,823	26,177	12,586
Supplies	1,400	1,630	(230)	581
City Administrator -				
Personal services	121,825	121,513	312	123,686
Purchased/contracted services	7,910	970	6,940	5,362
Supplies	4,530	3,725	805	3,103
Contingency	2,000	-	2,000	-
General Administration -				
Personal services	116,800	115,249	1,551	115,158
Purchased/contracted services	315,500	251,172	64,328	326,976
Supplies	25,050	15,221	9,829	12,093
Other	7,900	6,689	1,211	6,190
Contingency	7,500	-	7,500	-
Elections -				
Constract services	25,000	-	25,000	-
Human Resources & MIS -				
Information Technology	96,700	96,540	160	79,383
Human Resources	74,125	70,165	3,960	65,423
Buildings and Grounds -				
Purchased/contracted services	66,800	67,283	(483)	77,475
Supplies	39,300	28,719	10,581	26,995
Contingency	7,500	-	7,500	-
Total General Government	1,005,140	837,594	167,546	909,942
Municipal Court -				
Personal services	202,700	172,685	30,015	182,774
Purchased/contracted services	130,550	91,135	39,415	111,638
Supplies	6,300	2,060	4,240	1,105
Other costs	247,850	199,887	47,963	147,911
Contingency	5,000	-	5,000	-
Total Municipal court	592,400	465,767	126,633	443,428
Public Safety:				
Police Services -				
Police Administration -				
Personal services	201,900	205,181	(3,281)	208,148
Purchases/contracted services	6,750	4,277	2,473	3,174
Supplies	-	500	(500)	-
Other	3,600	2,375	1,225	2,140
Crime Control -				
Personal services	186,700	150,426	36,274	160,342
Supplies	2,000	1,975	25	1,119
Traffic Control -				
Personal services	1,032,500	794,662	237,838	910,124
Purchased/contracted services	57,950	53,999	3,951	50,107
Supplies	89,500	97,822	(8,322)	77,102
Other	31,150	9,277	21,873	20,922
Total Police Services	1,612,050	1,320,494	291,556	1,433,178

CITY OF LAKE CITY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022			2021
	Final Budget	Actual	Variance	Actual
Fire Services -				
Purchased/contracted services	$ -	$ -	$ -	$ -
Total Public Safety	1,612,050	1,320,494	291,556	1,433,178
Highways and Streets:				
Personal services	327,500	293,302	34,198	319,474
Purchased/contracted services	174,500	91,568	82,932	21,146
Supplies	64,950	64,023	927	61,082
Other	5,000	1,094	3,906	-
Total Highways and Streets	571,950	449,987	121,963	401,702
Parks and Culture:				
Community Center	87,146	59,319	27,827	26,819
Park Areas	182,000	181,486	514	7,269
Total Parks	269,146	240,805	28,341	34,088
Code Enforcement:				
Personal services	62,000	68,638	(6,638)	56,676
Purchased/contracted services	2,500	-	2,500	1,304
Supplies	3,000	-	3,000	-
Total Code Enforcement	67,500	68,638	(1,138)	57,980
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	-	-	-	-
Capital Outlay:				
General Administration	7,200	5,023	2,177	-
Buildings and Grounds	-	-	-	-
Court	-	-	-	3,107
Police Services	23,000	18,970	4,030	17,158
Highways and Streets	5,500	-	5,500	-
Park Areas	-	-	-	-
Code Enforcement	-	-	-	-
Total Capital Outlay	35,700	23,993	11,707	20,265
Total Expenditures	$ 4,153,886	$ 3,407,278	$ 746,608	$ 3,300,583

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 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, 2022 AND 2021

Assets	2022	2021
Cash - restricted	$ 28	$ 101
Due from other funds	-	-
Total assets	$ 28	$ 101
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ 490	$ 490
Due to other funds	1,605	1,605
Total Liabilities	2,095	2,095
Fund Balance		
Restricted for law enforcement activities	(2,067)	(1,994)
Total liabilities and fund balance	$ 28	$ 101

CITY OF LAKE CITY, GEORGIA
SEIZED ASSETS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Fines and forfeitures	$ -	$ 4,070
Interest income	-	-
Total Revenues	-	4,070
Expenditures		
Current -		
Public safety-		
Purchased/contracted services	73	1,859
Capital -		
Public Safety	-	4,240
Total Expenditures	73	6,099
Excess (deficiency) of revenues over (under) expenditures.	(73)	(2,029)
Fund balance-		
Beginning of year	(1,994)	35
End of year	$ (2,067)	$ (1,994)

CITY OF LAKE CITY, GEORGIA
REDSPEED SCHOOL SAFETY FUND
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

Assets	2022	2021
Cash - restricted	$ 56,889	$ 60,465
Accounts receivable	16,292	11,781
Due from other funds	1,297	1,171
Total assets	$ 74,478	$ 73,417
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ -	$ -
Due to other funds	-	-
Total Liabilities	-	-
Fund Balance		
Restricted for law enforcement activities	74,478	73,417
Total liabilities and fund balance	$ 74,478	$ 73,417

CITY OF LAKE CITY, GEORGIA
REDSPEED SCHOOL SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Fines and forfeitures	$ 103,766	$ 73,483
Interest income	-	-
Total Revenues	103,766	73,483
Expenditures		
Current -		
Public safety-		
Purchased/contracted services	3,466	66
Capital -		
Public Safety	99,239	-
Total Expenditures	102,705	66
Excess (deficiency) of revenues over (under) expenditures.	1,061	73,417
Fund balance-		
Beginning of year	73,417	-
End of year	$ 74,478	$ 73,417

CITY OF LAKE CITY, GEORGIA
ARPA FUND
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

Assets	2022	2021
Cash - restricted	$ 1,056,451	$ 528,225
Due from other funds	-	-
Total assets	$ 1,056,451	$ 528,225
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ -	$ -
Unearned revenue	1,056,451	528,225
Total Liabilities	1,056,451	528,225
Fund Balance		
Restricted for law enforcement activities	-	-
Total liabilities and fund balance	$ 1,056,451	$ 528,225

CITY OF LAKE CITY, GEORGIA
ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Intergovernmental	$ -	$ -
Interest income	-	-
Total Revenues	-	-
Expenditures		
Current -		
Public safety-		
Purchased/contracted services	-	-
Capital -		
Public Safety	-	-
Total Expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures.	-	-
Fund balance-		
Beginning of year, adjusted	-	-
End of year	$ -	$ -

Note -

No ARPA monies have been spent as of December 31, 2022.

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CAPITAL PROJECTS FUND

SPLOST FUND – These funds are 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 referendums.

CITY OF LAKE CITY, GEORGIA
2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2022 AND 2021

Assets	2022	2021
Cash	$ -	$ -
Due from Clayton County	-	-
Restricted assets -		
Cash	559,229	846,806
Due from other funds	-	77,341
Total assets	$ 559,229	$ 924,147
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$ -	$ -
Due to other funds	86,908	-
Total Liabilities	86,908	-
Fund Balance		
Restricted for capital outlay	472,321	924,147
Total liabilities and fund balance	$ 559,229	$ 924,147

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, 2022 AND 2021

	2022	2021
Revenues:		
Intergovernmental	$ -	$ -
Interest earned	-	-
Total Revenues	-	-
Expenditures:		
Capital -		
General Administration	2,164	7,658
Public Safety	-	-
Public Works	97,594	67,846
Parks	352,068	6,807
Debt Service -		
Principal	-	-
Interest	-	-
Total Expenditures	451,826	82,311
Excess (deficiency) of revenues over (under) expenditures.	(451,826)	(82,311)
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	(451,826)	(82,311)
Fund balance-		
Beginning of year	924,147	1,006,458
End of year	$ 472,321	$ 924,147

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, 2022

	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	264,063	2,164	266,227	500,000
Public safety	746,395	-	746,395	725,000
Highways & streets -				
Equipment	168,148	-	168,148	265,000
Sidewalks and streets	697,229	97,594	794,823	1,084,774
Parks	186,179	352,068	538,247	175,000
Debt service -				
Debt issue costs	-	-	-	-
Principal - Police	5,209	-	5,209	-
Interest - Police	2,796	-	2,796	-
Total Expenditures	2,070,019	451,826	2,521,845	2,749,774
Excess of revenues over (under) expenditures	924,147	(451,826)	472,321	-
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Proceeds from revenue bonds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in fund balance	$ 924,147	(451,826)	$ 472,321	$ -
Fund balances - beginning		924,147		
Fund balances - ending		$ 472,321		

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

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CITY OF LAKE CITY, GEORGIA
2021 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

Assets	2022	2021
Cash	$ -	$ -
Due from Clayton County	126,868	107,548
Restricted assets -		
Cash	613,199	318,969
Investments	-	-
Interest receivable	-	-
Total assets	$ 740,067	$ 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	740,067	426,517
Total liabilities and fund balance	$ 740,067	$ 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 YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues:		
Intergovernmental	$ 667,489	$ 585,655
Interest earned	-	-
Total Revenues	667,489	585,655
Expenditures:		
Capital -		
General Administration	242	416
Public Safety	305,697	103,295
Public Works - Equipment	37,180	-
Streets & Sidewalks	-	2,860
Quality of Life	10,820	52,567
Total Expenditures	353,939	159,138
Excess (deficiency) of revenues over (under) expenditures.	313,550	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	313,550	426,517
Fund balance-		
Beginning of year	426,517	-
End of year	$ 740,067	$ 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, 2022

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES:				
Intergovernmental - SPLOST	$ 585,655	$ 667,489	$ 1,253,144	$ 2,800,000
Intergovernmental - LMIG	-	-	-	-
Interest	-	-	-	-
Total Revenues	585,655	667,489	1,253,144	2,800,000
EXPENDITURES:				
Capital outlay -				
General administrative	416	242	658	400,000
Public safety	103,295	305,697	408,992	500,000
Highways & streets -				
Equipment	-	37,180	37,180	500,000
Sidewalks and streets	2,860	-	2,860	700,000
Parks - Quality of life	52,567	10,820	63,387	700,000
Debt service -				
Debt issue costs	-	-	-	-
Principal - Police	-	-	-	-
Interest - Police	-	-	-	-
Total Expenditures	159,138	353,939	513,077	2,800,000
Excess of revenues over (under) expenditures	426,517	313,550	740,067	-
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Proceeds from revenue bonds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in fund balance	$ 426,517	$ 313,550	$ 740,067	$ -
Fund balances - beginning		426,517		
Fund balances - ending		$ 740,067		

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

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