FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION



CITY OF LAKELAND, GEORGIA

For the Year Ended December 31, 2020

CITY OF LAKELAND, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020

TABLE OF CONTENTS

	Page No
INDEPENDENT AUDITORS' REPORT	1 – 3
MANAGEMENT DISCUSSION AND ANALYSIS	4 - 12
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities and Changes in Net Position	14
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Position Of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance Of Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Fund Financial Statements:	
Statement of Net Position	19 - 20
Statement of Revenue, Expenses and Changes in Net Position	21
Statement of Cash Flow	22 - 23
Notes to the Financial Statements	24 - 45
REQUIRED SUPPLEMENTAL INFORMATION	
Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Major Funds: General Fund	46
Notes to Required Supplementary Information	47
Required Supplementary Information – Pension Plan	48 - 49
Notes to Required Supplementary Information – Pension Plan	50

TABLE OF CONTENTS

Page No

COMBINING AND INDIVIDUAL FUND SCHEDULES

Major Funds:

2017 SPLOST Fund
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 51

Non-major Funds:

Combining Balance Sheet – Capital Projects Funds 52

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds 53

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Capital Project Funds:

Transportation Special Purpose Local Option Sales Tax Fund 55

2020 CDBG Grant Fund 56

COMPLIANCE SECTION

Schedule of Projects Constructed with Special Sales Tax Proceeds 56

Source and Application of Funds Schedule – CDBG 57

Project Cost Schedule – CDBG 58

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 59 - 60

Schedule of Findings and Questioned Costs 61

Henderson & Godbee, LLP
Certified Public Accountants and Business Consultants
Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Lakeland
Lakeland, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakeland, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Lakeland, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lakeland, Georgia, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 12), budgetary comparison information (on pages 46 through 47) and the schedules of historical pension and related notes (on pages 48 through 50) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakeland, Georgia's financial statements. The accompanying 2017 SPLOST Fund Schedule of Budget and Actual and combining and individual non-major fund financial statements and schedules, the source and application of funds and the project cost schedule for the CDBG grant are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of projects constructed with special sales tax proceeds is presented for purposes of additional analysis as required by the State of Georgia and is also not a required part of the basic financial statements.

The 2017 SPLOST Fund Schedule of Budget and Actual and combining and individual non-major fund financial statements and schedules, the schedules of projects constructed with special sales tax proceeds, the source and application of funds and the project cost schedule for the CDBG grant are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the City of Lakeland, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lakeland, Georgia's internal control over financial reporting and compliance.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

June 30, 2021

CITY OF LAKELAND, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended December 31, 2020

As Management of the City of Lakeland, Georgia, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the year ending December 31, 2020. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

Financial Highlights

Key financial highlights for 2020 are as follows:

The City's governmental activities assets exceeded its liabilities at December 31, 2020 by $4,732,914 (net position). Of this amount $1,255,636 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, unrestricted fund balance for the General Fund increased by $179,481 resulting in a fund balance of $1,656,417.

Net position for business-type activities increased $457,078 from $6,267,027 to $6,724,105.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the City as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

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

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on the individual parts of the City government, reporting the City's operations in more detail that of the government-wide statements.

Government-Wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

Statement of Net Position and the Statement of Activities

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the City's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

In the statement of net position and the statement of activities, the City is divided into two kinds of activities:

Governmental Activities—Most of the City's programs and services are reported here, including general government, public safety and public works. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Business-Type Activities—These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The City's water and sewer and sanitation operations are reported here.

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 objects. 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 can be divided into two categories: governmental funds and proprietary funds. Fund financial statements provide detailed information about the City's major funds. Based on the restriction on the use of moneys, the City has established many funds that account for the multitude of services provided to residents. The City's major governmental fund is the General Fund.

Fund Financial Statements

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-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 governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds— Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City uses an enterprise fund to account for the Water and Sewer Fund and the Sanitation Fund.

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

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

City of Lakeland's Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
Assets							
Current and other assets	$ 1,769,314	$ 2,014,717	$ 2,061,757	$ 2,096,633	$ 3,831,071	$ 4,111,350	7.32%
Capital assets, net	3,156,931	3,297,964	6,047,791	6,191,147	9,204,722	9,489,111	3.09%
Total Assets	**4,926,245**	**5,312,681**	**8,109,548**	**8,287,780**	**13,035,793**	**13,600,461**	**4.33%**
Deferred outflow of resources	-	35,500	-	-	-	35,500	0.00%
Liabilities							
Current and other liabilities	66,404	111,560	362,820	378,708	429,224	490,268	14.22%
Long-term liabilities	294,460	503,707	1,479,701	1,184,967	1,774,161	1,688,674	-4.82%
Total Liabilities	**360,864**	**615,267**	**1,842,521**	**1,563,675**	**2,203,385**	**2,178,942**	**-1.11%**
Net Position							
Net investment in capital assets	3,156,931	3,297,964	4,283,356	4,711,446	7,440,287	8,009,410	7.65%
Restricted	141,853	179,314	-	-	141,853	179,314	26.41%
Unrestricted	1,266,597	1,255,636	1,983,671	2,012,659	3,250,268	3,268,295	0.55%
Total Net Position	**$ 4,565,381**	**$ 4,732,914**	**$ 6,267,027**	**$ 6,724,105**	**$ 10,832,408**	**$ 11,457,019**	**5.77%**

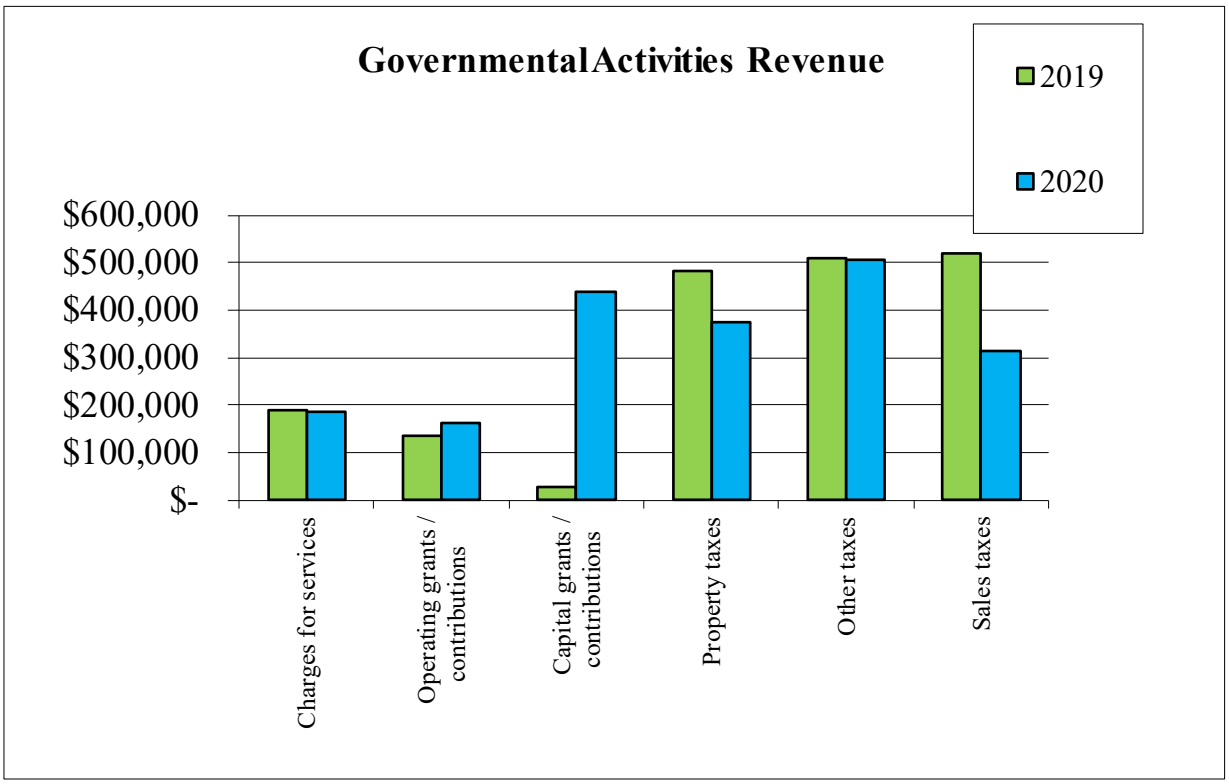
As noted earlier, the City's net position, when reviewed over time, may serve as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by $11,457,019 ($4,732,914 in governmental activities and $6,724,105 in business-type activities) as of December 31, 2020. A portion of the City's net position (70%) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of unrestricted assets, which is $3,268,295, may be used to meet the City's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending December 31, 2020.

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
Revenues							
Program Revenues							
Charges for services	$ 190,850	$ 187,034	$ 918,326	$ 926,035	$ 1,109,176	$ 1,113,069	0.35%
Operating grants and contributions	134,499	162,568	22,500	-	156,999	162,568	3.55%
Capital grants and contributions	26,346	437,691	22,596	155,180	48,942	592,871	1111.37%
Total Program Revenues	351,695	787,293	963,422	1,081,215	1,315,117	1,868,508	42.08%
General Revenues							
Property taxes	471,651	373,986	-	-	471,651	373,986	-20.71%
Interest and penalties	11,917	1,421	-	-	11,917	1,421	-88.08%
Alcoholic beverage taxes	74,231	74,002	-	-	74,231	74,002	-0.31%
Franchise taxes	174,744	158,333	-	-	174,744	158,333	-9.39%
Insurance premium taxes	256,117	270,971	-	-	256,117	270,971	5.80%
Sales taxes	517,692	314,042	-	-	517,692	314,042	-39.34%
Intangible taxes	2,879	1,640	-	-	2,879	1,640	-43.04%
Real estate transfer taxes	971	671	-	-	971	671	-30.90%
Other income	5,344	32,548	-	-	5,344	32,548	509.06%
Interest	582	-	8,461	7,877	9,043	7,877	-12.89%
Total General Revenues	1,516,128	1,227,614	8,461	7,877	1,524,589	1,235,491	-18.96%
Total Revenues	**1,867,823**	**2,014,907**	**971,883**	**1,089,092**	**2,839,706**	**3,103,999**	**9.31%**
Program Expenses							
General Government	725,095	515,481	-	-	725,095	515,481	-28.91%
Public safety	657,937	672,608	-	-	657,937	672,608	2.23%
Public works	486,354	659,285	-	-	486,354	659,285	35.56%
Water and sewer	-	-	599,577	458,417	599,577	458,417	-23.54%
Sanitation	-	-	172,298	173,597	172,298	173,597	0.75%
Total Expenses	1,869,386	1,847,374	771,875	632,014	2,641,261	2,479,388	-6.13%
Revenue Over (Under) Expense	**(1,563)**	**167,533**	**200,008**	**457,078**	**198,445**	**624,611**	**214.75%**
Net Position, Beginning	4,566,944	4,565,381	6,067,019	6,267,027	10,633,963	10,832,408	1.87%
Net Position, Ending	**$4,565,381**	**$ 4,732,914**	**$6,267,027**	**$6,724,105**	**$10,832,408**	**$11,457,019**	**5.77%**

Governmental Activities

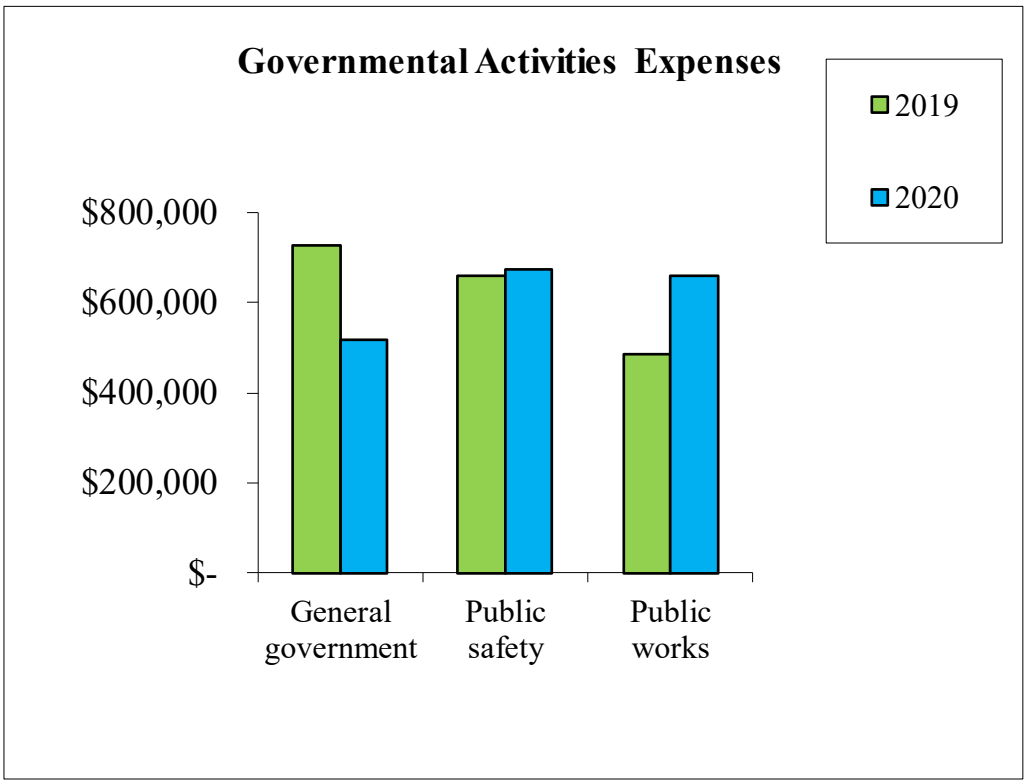


A portion of the City's program revenue is from charges for services which accounted for $187,034 or 24% of total program revenues.

Operating grants, contributions and interest accounted for $162,568 or 21% of total program revenues and capital grants, contributions and interest accounted for $437,691 or 56% of total program revenues.

Property tax revenues are the major contributor to general revenues and account for $373,986 or 30% of total general revenues. Another major component was sales taxes, which accounted for $314,042 or 26% of total general revenues.

Governmental Activities – Continued



The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of City of Lakeland's Governmental Activities

Function	Total Cost of Services 2019	Total Cost of Services 2020	Percentage Change 2019-2020	Net Cost of Services 2019	Net Cost of Services 2020	Percentage Change 2019-2020
General Government	$ 725,095	$ 515,481	-28.91%	$ 254,639	$ 434,638	70.69%
Public safety	657,937	672,608	2.23%	543,721	404,490	-25.61%
Public works	486,354	659,285	35.56%	149,044	220,953	48.25%
Total	**$ 1,869,386**	**$1,847,374**	**-1.18%**	**$ 947,404**	**$1,060,081**	**11.89%**

Business-Type Activities

The net position of business-type activities increased by $457,078 for the year ending December 31, 2020. The major source of revenue was from charges for services, which amounted to $926,035.

Financial Analysis of City Funds

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

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

As of December 31, 2020, the City's governmental funds reported an ending fund balance of $1,835,731, an increase of $216,942. The amount of unassigned fund balance is $1,359,983, which is available for spending at the City's discretion but is currently held for adequate fund balance reserves for daily operations.

Enterprise Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water and Sewer Fund oversees the operations of providing water and sewer services to the City businesses and residence.

The Sanitation Fund accounts for the operations of the City sanitation services to the businesses and residence of the City.

Budgetary Highlights

By State statute, the City Council adopts the annual operating budget for the fiscal year on or before the first day of the fiscal year.

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of December 31, 2020, was $9,489,111 (net of accumulated depreciation and related debt). This investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery, equipment, vehicles and infrastructure.

Major capital asset events during 2020 included road improvements and equipment.

Note 5 (Capital Assets) provides additional information about capital asset activity during 2020.

Debt

At December 31, 2020, the City had total revenue obligation bonded debt outstanding of $170,000 and a GEFA note payable balance of $1,309,702.

Notes 7 and 8 provide further information regarding liabilities.

Economic Factors

The City as of December 31, 2020 had approximately eight months of unassigned General Fund reserve based on the average monthly expenditures in the fund balance.

Charges for services in the business-type activities increased by $7,709.

The City is completing a major renovation of aging water lines throughout the City.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lakeland, Georgia, City Clerk, 122 South Valdosta Road, Lakeland, Georgia 31635.

CITY OF LAKELAND, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 974,170	$ 1,238,848	$ 2,213,018
Receivables (net of allowance for doubtful accounts)			
Taxes	369,133	-	369,133
Accounts	143,759	73,356	217,115
Sales tax	67,995	-	67,995
Due from other governments	92,039	-	92,039
Internal balances	350,046	(350,046)	-
Prepaid items	17,575	-	17,575
Restricted cash	-	1,134,475	1,134,475
Nondepreciable capital assets	414,858	383,584	798,442
Depreciable capital assets, net	2,883,106	5,807,563	8,690,669
TOTAL ASSETS	5,312,681	8,287,780	13,600,461
DEFERRED OUTFLOW OF RESOURCES			
Pension	35,500	-	35,500
TOTAL DEFERRED OUTFLOW OF RESOURCES	35,500	-	35,500
LIABILITIES			
Accounts payable	111,560	33,800	145,360
Payable from restricted assets:			
Customer deposits	-	49,029	49,029
Current portion of bonds payable	-	170,000	170,000
Current portion of notes payable	-	124,734	124,734
Accrued interest on bonds payable	-	1,145	1,145
Long-term liabilities:			
Due in more than one year			
Notes payable	-	1,184,967	1,184,967
Net pension obligation	503,707	-	503,707
TOTAL LIABILITIES	615,267	1,563,675	2,178,942
NET POSITION			
Net investment in capital assets	3,297,964	4,711,446	8,009,410
Restricted for capital projects	179,314	-	179,314
Unrestricted	1,255,636	2,012,659	3,268,295
TOTAL NET POSITION	$ 4,732,914	$ 6,724,105	$ 11,457,019

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

CITY OF LAKELAND, GEORGIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2020

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
General Government	$ 515,481	$ 70,950	$ 9,893	$ -	$ (434,638)	$ -	$ (434,638)
Public Safety	672,608	116,084	152,034	-	(404,490)	-	(404,490)
Public Works	659,285	-	641	437,691	(220,953)	-	(220,953)
Total Governmental Activities	1,847,374	187,034	162,568	437,691	(1,060,081)	-	(1,060,081)
Business-Type Activities							
Water and Sewer	458,417	695,768	-	155,180	-	392,531	392,531
Sanitation	173,597	230,267	-	-	-	56,670	56,670
Total Business-Type Activitie	632,014	926,035	-	155,180	-	449,201	449,201
Total	$ 2,479,388	$ 1,113,069	$ 162,568	$ 592,871	$ (1,060,081)	$ 449,201	$ (610,880)
GENERAL REVENUES:							
Property Taxes Levied for:							
General Operating					373,986	-	373,986
Interest and Penalties					1,421	-	1,421
Alcoholic Beverage Taxes					74,002	-	74,002
Franchise Taxes					158,333	-	158,333
Insurance Premium Taxes					270,971	-	270,971
Sales Taxes					314,042	-	314,042
Intangible Taxes					1,640	-	1,640
Real Estate Transfer Taxes					671	-	671
Other income					32,548	-	32,548
Interest					-	7,877	7,877
TOTAL GENERAL REVENUES					1,227,614	7,877	1,235,491
CHANGES IN NET POSITION					167,533	457,078	624,611
NET POSITION, BEGINNING OF YEAR					4,565,381	6,267,027	10,832,408
NET POSITION, END OF YEAR					$ 4,732,914	$ 6,724,105	$ 11,457,019

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

CITY OF LAKELAND, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2020

	General	Capital Projects Funds: 2017 SPLOST Fund	Capital Projects Funds: Other Government Funds	Total
ASSETS				
Cash and cash equivalents	$ 723,496	$ 167,625	$ 83,049	$ 974,170
Receivables (net of allowance for doubtful accounts):				
Taxes	124,459	-	-	124,459
Accounts	388,433	36,471	97,061	521,965
Sales tax	26,502	-	-	26,502
Prepaid items	17,575	-	-	17,575
Due from other funds	545,526	-	-	545,526
TOTAL ASSETS	1,825,991	204,096	180,110	2,210,197
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES:				
Accounts payable	19,522	-	92,039	111,561
Due to other funds	82,627	112,745	108	195,480
TOTAL LIABILITIES	102,149	112,745	92,147	307,041
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	67,425	-	-	67,425
TOTAL DEFERRED INFLOWS OF RESOURCES	67,425	-	-	67,425
			-	
FUND BALANCES				
Nonspendable	17,575	-	-	17,575
Restricted for capital projects	-	91,351	87,963	179,314
Assigned for:		-		
Property tax roll back	278,859	-	-	278,859
Unassigned reported in:		-		
General Fund	1,359,983	-	-	1,359,983
TOTAL FUND BALANCES	1,656,417	91,351	87,963	1,835,731
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 1,825,991	$ 204,096	$ 180,110	$2,210,197

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

CITY OF LAKELAND, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2020

Total Governmental Funds Balances	$	1,835,731
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,297,965
Deferred outflows/(inflows) of governmental activities are not current financial resources and therefore are not reported in government funds.		
Deferred outflows-pension		35,500
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.:		
Net pension obligation		(503,707)
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred tax revenue		67,425
Net Position of Governmental Activities	$	4,732,914

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

CITY OF LAKELAND, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2020

	General	Capital Projects Fund: 2017 SPLOST Fund	Other Government Funds	Total
REVENUES				
Taxes	$ 1,211,761	$ -	$ -	$ 1,211,761
Licenses and permits	18,063	-	-	18,063
Intergovernmental revenues	158,928	210,161	227,530	596,619
Charges for srevices	20,535	-	-	20,535
Fines and forfeitures	116,084	-	-	116,084
Investment income	9,893	641	-	10,534
Miscellaneous	38,341	-	-	38,341
TOTAL REVENUES	$ 1,573,605	$ 210,802	$ 227,530	$ 2,011,937
EXPENDITURES				
Current				
General Government	289,529	-	-	289,529
Public safety	705,667	-	-	705,667
Public works	398,928	84,983	79,008	562,919
Capital outlay	-	117,208	119,672	236,880
TOTAL EXPENDITURES	1,394,124	202,191	198,680	1,794,995
EXCESS OF REVENUES OVER EXPENDITURES	179,481	8,611	28,850	216,942
FUND BALANCES AT BEGINNING OF YEAR	1,476,936	82,740	59,113	1,618,789
FUND BALANCES AT END OF YEAR	$ 1,656,417	$ 91,351	$ 87,963	$ 1,835,731

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

CITY OF LAKELAND, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds		$ 216,942
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Net Pension Obligation		
Change in pension liability increases net expenses of pention functions on the governmentwide statements.		(173,748)
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay - depreciable capital assets	119,915	
Capital outlay - construction in process	153,456	
Depreciation	(132,337)	
		141,034
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property taxes		(16,695)
Changes in Net Position of Governmental Activities		$ 167,533

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2020

	Business-Type Activities Enterprise Fund		
	Water and Sewer Fund	Sanitation Fund	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 1,017,464	$ 221,384	$ 1,238,848
Accounts receivable net of allowance	45,206	28,150	73,356
Interfund receivable	-	82,627	82,627
Restricted Cash			
Customer deposits account	148,125	-	148,125
Debt service funds	175,000	-	175,000
Renewal and extension	577,573	-	577,573
Revenue bond sinking accounts	233,777	-	233,777
TOTAL CURRENT ASSETS	2,197,145	332,161	2,529,306
NONCURRENT ASSETS			
Capital Assets			
Land	152,968	-	152,968
Construction in progress	230,616	-	230,616
Depreciable capital assets, net	5,788,930	18,633	5,807,563
TOTAL NONCURRENT ASSETS	6,172,514	18,633	6,191,147
TOTAL ASSETS	$ 8,369,659	$ 350,794	$ 8,720,453

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION - CONTINUED
December 31, 2020

	Business-Type Activities Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts payable	$ 24,584	$ 9,216	$ 33,800
Interfund payable	432,673	-	432,673
Payable from restricted cash:			
Deposits	49,029	-	49,029
Current portion of notes payable	124,734	-	124,734
Current portion of bonds payable	170,000	-	170,000
Accrued interest on bonds payable	1,145	-	1,145
TOTAL CURRENT LIABILITIES	802,165	9,216	811,381
LONG-TERM LIABILITIES			
Bonds payable, net of current portion	-	-	-
Notes payable, net of current portion	1,184,967	-	1,184,967
TOTAL LONG-TERM LIABILITIES	1,184,967	-	1,184,967
TOTAL LIABILITIES	1,987,132	9,216	1,996,348
NET POSITION			
Net investment in capital assets	4,692,813	18,633	4,711,446
Unrestricted	1,689,714	322,945	2,012,659
TOTAL NET POSITION	$ 6,382,527	$ 341,578	$ 6,724,105

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
OPERATING REVENUES			
Charges for services	$ 695,768	$ 230,267	$ 926,035
TOTAL OPERATING REVENUE	695,768	230,267	926,035
OPERATING EXPENSES			
Salaries and wages	85,980	28,691	114,671
Employee benefits	24,180	11,408	35,588
Supplies and other expenses	163,477	124,313	287,790
Depreciation	175,757	9,185	184,942
TOTAL OPERATING EXPENSES	449,394	173,597	622,991
OPERATING INCOME	246,374	56,670	303,044
NONOPERATING REVENUES (EXPENSES)			
Interest income	7,142	735	7,877
Interest expense	(9,023)	-	(9,023)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,881)	735	(1,146)
Capital contribution	155,180	-	155,180
CHANGE IN NET POSITION	399,673	57,405	457,078
NET POSITION, BEGINNING OF YEAR	5,982,854	284,173	6,267,027
NET POSITION, END OF YEAR	$ 6,382,527	$ 341,578	$ 6,724,105

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows From Operating Activities			
Cash received from customers	$ 662,020	$ 222,356	$ 884,376
Cash received from interfund transactions	282,458	(4,316)	278,142
Cash payments for personal services	(110,160)	(40,099)	(150,259)
Cash payments for materials and supplies	(163,239)	(123,552)	(286,791)
NET CASH PROVIDED BY OPERATING ACTIVITIES	671,079	54,389	725,468
Cash Flows From Capital and Related Financing Activities			
Cash payments for acquisition of capital assets	(123,817)	-	(123,817)
Cash payments for interest and principal	(294,835)	-	(294,835)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(418,652)	-	(418,652)
Cash Flows From Investing Activities			
Cash received from interest	7,142	735	7,877
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,142	735	7,877
NET INCREASE IN CASH	259,569	55,124	314,693
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,892,370	166,260	2,058,630
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,151,939	$ 221,384	$ 2,373,323
Noncash Activities			
Capital contribution	$ 155,180	$ -	$ 155,180

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS - CONTINUED
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Operating (loss) income	$ 246,374	$ 56,670	$ 303,044
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Depreciation	175,757	9,185	184,942
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(39,714)	(7,911)	(47,625)
(Increase) decrease in interfund receivable	-	(4,316)	(4,316)
Increase (decrease) in accounts payable	238	761	999
Increase (decrease) in interfund payable	282,458	-	282,458
Increase (decrease) in customer deposits	5,966	-	5,966
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 671,079	$ 54,389	$ 725,468

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

Note 1 – Reporting Entity

The City of Lakeland, Georgia, operates under a Mayor-Council form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, water and sewage service, animal control, parks and recreation and general administrative services.

The accounting policies of the City of Lakeland conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

The Entity. These financial statements present the City of Lakeland, Georgia (the primary government). The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is a fiscal dependency by the organization of the City

Based on the criteria of GASB 2100, the City of Lakeland has no component units.

Joint Ventures. The City, in conjunction with cities and counties in the (10) City South Georgia area are members of the Southern Georgia Regional Commission. Membership in a Regional Commission is automatic for each municipality and City in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission. Each City and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The City paid annual dues in the amount of $6,508 to the Regional Commission for the year ended December 31, 2020. The Regional Commission Board membership includes the Chief elected official of each City and the Chief elected official of each municipality.

The City Board members and municipal Board members from the same City elect one member of the Board who is a resident (but not an elected or appointed official or employee of the City of municipality) to serve as the non-public Board member from a City.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines a Regional Commission as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a Regional Commission beyond its resources. (O.C.G.A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:
Southern Georgia Regional Commission
327 West Savannah Avenue
Valdosta, GA 31601

Jointly Governed

Lakeland – Lanier City Parks and Recreation Board

The City and the Board of Commissioners for Lanier City participate in the Board whose purpose is the development of area parks. Two members of the Board are appointed by the City, and two are appointed by the County. The City and County each contribute funding to the Board. The City has no financial interest in, or significant influence over the Board.

Lakeland – Lanier City Development Authority

The City and the Board of Commissioners for Lanier City participate in the Lakeland-Lanier City Development Authority whose purpose is to attract industry to the area. Three members of the Board are appointed by the City, and four are appointed by the County. The City has no financial interest in, or significant influence over the Board.

Related Organization. The related organization is excluded from the financial entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the organization. The related organization is described as follows:

Related Organization	Brief Description of Activities and Relationship to the City
Lakeland Housing Authority (LHA)	Administer Federal funding and/or other financing for improvement of housing conditions in the City. The five citizens who serve as the Governing Board are appointed by the Mayor and approved by the City Council. The City has no significant influence over the management, budget, or policies of LHA. The Authority reports independently.

Note 2 – Summary of Significant Accounting Policies

The financial statements of City of Lakeland have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the City's accounting policies.

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. 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 that 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 or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

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 purpose 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 accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Capital Projects 2017 Special Purpose Sales Tax Fund. The Capital Projects Special Purpose Sales Tax Funds accounts for the special purpose local option sales tax that is received by the City through and intergovernmental agreements with the County. The revenue is restricted to the stated projects of the referendums that approved collection of the tax.

The following are the non-major governmental funds for the City:

Capital Projects Transportation Special Purpose Sales Tax Fund. The Capital Projects Transportation Special Purpose Sales Tax Funds, (TSPLOST), accounts for the special purpose local option sales tax that is received by the City through and intergovernmental agreements with the County. The revenue is restricted to the stated projects of the referendums that approved collection of the tax.

Capital Projects 2019 CDBG Fund. The Capital Projects 2019 Fund accounts for the 2020 grant funding used to repair and replace aging water and sewer infrastructure.

Proprietary Funds

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users of goods or services. The following are the City's major enterprise funds:

Water and Sewer Fund. Accounts for the operations of the water and sewer services.

Sanitation Fund. Accounts for the operations of the sanitation services.

Note 2 - Summary of Significant Accounting Policies - Continued

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a 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 flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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 the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using 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 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 total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its enterprise activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and enterprise fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Note 2 - Summary of Significant Accounting Policies – Continued

D. Basis of Accounting - Continued

Revenues—Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. Prepaid expenditures in governmental funds are recognized during the benefiting period.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Note 2 - Summary of Significant Accounting Policies - Continued

D. Basis of Accounting – Continued

Prepaid Items

Prepaid balances are for payments made by the City in the current year for services to be provided in the subsequent fiscal year.

E. Budgetary Process

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

(1) The Mayor and City Council develop a proposed operating budget for the fiscal year commencing the following January 1, for the general fund, special revenue funds and proprietary funds. The operating budget includes proposed expenditures and the means of financing them. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
(2) After public hearings are conducted, the budget is modified if necessary and then adopted.
(3) The Mayor and Council compare budgeted revenue and expenditures to actual operating results on a monthly basis.
(4) There are no unused appropriations at the end of the year.
(5) The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
(6) Budget line items, with the exception of personnel expenses, can be amended with approval of the City Clerk provided the total departmental budget does not change. All other budget changes have to be approved by the City Council.

F. Encumbrances

The City does not use the encumbrance system of accounting.

G. Cash and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to know amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.
The City's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

Note 2 - Summary of Significant Accounting Policies - Continued

G. Cash and Investments - Continues

The City is authorized to invest in funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located in the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and Federal Bank of Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

H. Inventory

Materials purchased are shown as expenditures when acquired due to lack of materiality.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain resources set aside for the payment of bond debt and customer deposits for the water and sewer fund are classified as restricted assets on the balance sheet because their use is limited.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of $5,000. The City's infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. All infrastructure acquired prior to the implementation of GASB 34 has been capitalized and reported.

Note 2 - Summary of Significant Accounting Policies – Continued

J. Capital Assets – Continued

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Building Improvements	40-100 years
Improvements Other Than Buildings	40 years
Office equipment	5-07 years
Machinery and Equipment	5-20 years
Vehicles	6-20 years
Water and Sewerage System	5-40 years
Infrastructure	5-50 years

K. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

L. Compensated Absences

Accumulated unpaid vacation, sick pay and other employee benefits are not expended until paid in all funds. At December 31, 2020, unrecorded liabilities for those items were not significant.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

Note 2 - Summary of Significant Accounting Policies - Continued

N. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance 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 adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund Balances

The City has implemented GASB No. 54, Fund Balance Report and Governmental Fund Type Definitions. Under GASB Statement No. 54, fund balances are required to be reported in the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors, grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City's highest level of decision-making authority, the City Council.

Assigned fund balance – Amounts that are constrained by the City's intent to be used for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the City Council, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balances – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Flow Assumptions

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

Note 2 - Summary of Significant Accounting Policies – Continued

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for water and sewer and sanitation services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

Q. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursement or transfer. Loans are reported as 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 or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

R. Estimates

The preparation of the 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.

Note 3 – Cash and Investments

At December 31, 2020 the City's deposits with financial institutions were secured by FDIC insurance in the amount of $250,000 and the balance was secured by pledged collateral by the financial institution in the government's name.

Note 4 – Property Taxes

The property taxes for the City of Lakeland are assessed and the digest completed by the Lanier County Tax Commissioner's Office. Motor vehicle and mobile home property taxes are collected by the Lanier County Tax Commissioner and remitted to the City.

The property tax calendar is as follows:

January 1	- Assessment date
June 1	- Tax assessors send returns to Tax Commissioner
September 10	- Millage rate is set by the City Council
September 11	- City tax digest is submitted to the State Revenue Commissioner
October 1	- Bills are mailed by Tax Commissioner
December 20	- Due date for property taxes
December 21	- Execution date for unpaid taxes

Note 4 – Property Taxes – Continued

For the year ended December 31, 2020, the City of Lakeland had $124,459 in property taxes receivable. All of these taxes are expected to be collected and no reserve for loss has been established.

Note 5 – Capital Assets

A summary of changes in capital assets for the year ended December 31, 2020, is as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 330,227	$ -	$ -	$ 330,227
Construction in progress	-	153,456	68,824	84,632
Total Nondepreciable Capital Assets	330,227	153,456	68,824	414,859
Depreciable Capital Assets:				
Buildings and improvements	1,251,248	-	-	1,251,248
Autos and trucks	662,459	56,515	73,823	645,151
Machinery and equipment	490,230	63,400	63,918	489,712
Infrastructure	7,943,284	68,824	-	8,012,108
Total Depreciable Capital Assets	10,347,221	188,739	137,741	10,398,219
Less Accumulated Depreciation for:				
Buildings and improvements	306,415	29,453	-	335,868
Autos and trucks	592,965	29,851	73,823	548,993
Machinery and equipment	362,867	36,203	63,918	335,152
Infrastructure	6,258,270	36,830	-	6,295,100
Total Accumulated Depreciation	7,520,517	132,337	137,741	7,515,113
Total Depreciable Capital Assets, Net	2,826,704	56,402	-	2,883,106
Governmental Activities Capital Assets, Net	$ 3,156,931	$ 209,858	$ 68,824	$ 3,297,965

Governmental Activities:	
General government	$ 32,538
Public safety	23,457
Public works	76,342
Total Depreciation Expense-Governmental Activitie	$ 132,337

Note 5 – Capital Assets – Continued

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	$ 152,968	$ -	$ -	$ 152,968
Construction in progress	22,596	208,020	-	230,616
Total Nondepreciable Capital Assets	175,564	208,020	-	383,584
Depreciable Capital Assets:				
Water and sewerage system	8,889,275	-	-	8,889,275
Machinery and equipment	198,356	33,228	-	231,584
Autos and trucks	181,567	87,050	-	268,617
Total Depreciable Capital Assets:	9,269,198	120,278	-	9,389,476
Less Accumulated Depreciation for:				
Water and sewerage system	3,169,415	147,073	-	3,316,488
Machinery and equipment	98,704	20,380	-	119,084
Autos and trucks	128,852	17,489	-	146,341
Total Accumulated Depreciation	3,396,971	184,942	-	3,581,913
Total Depreciable Capital Assets, Net	5,872,227	(64,664)	-	5,807,563
Business Type Activities Capital Assets, Net	$ 6,047,791	$ 143,356	$ -	$ 6,191,147

Note 6 – Interfund Balances and Contributions

Individual fund interfund receivable and payable at December 31, 2020 are as follows:

	Interfund Receivables	Interfund Payables
General Fund		
CDBG Fund	$ 8	$ -
SPLOST 2017 Fund	112,745	-
T SPLOST Fund	100	-
Water and Sewer Fund	432,673	-
Sanitation Fund	-	82,627
	$ 545,526	$ 82,627
SPLOST 2017 Fund		
General Fund	$ -	$ 112,745
T SPLOST Fund		
General Fund	$ -	$ 100
CDBG Fund		
General Fund	$ -	$ 8
Water and Sewer Fund		
General Fund	$ -	$ 432,673
Sanitation Fund		
General Fund	$ 82,627	$ -
	$ 628,153	$ 628,153

Interfund receivables and payables are for operating expenses paid from one fund and due back to the other fund. All expenses are paid through the operating bank account in the General Fund and then reimbursed.

Note 7 – Long-Term Debt

Revenue Bonds and Note Payable:

Terms of the bonds payable at December 31, 2020 are as follows:

Revenue Bonds, Series 2008. These revenue bonds refunded the Revenue Bonds, Series 1997 and were originally issued for $1,750,000 dated October 16, 2008. Interest rates are 6.00% for 2009, 6.05% for 2010 to 2016 and 6.10% for 2019 to 2021. The bonds of this issue are secured by a first lien on the water and sewer revenues. Monthly payments are made to a bond sinking fund to assure funding of biannual interest expense and annual premium payments. A debt service reserve has also been established in the amount of $175,000 and will remain on account until the final payment in 2021.

Note Payable – GEFA. A construction loan was obtained from GEFA for water and sewer construction for $2,494,670. Through December 31, 2020 the City has drawn all the funds from the GEFA Loan. The loan is for twenty years, with no interest and a monthly payment of $10,394.50.

The following is a summary of the City's future annual debt service requirements on long-term obligations:

	Business-Type Activities			
	Revenue Bonds		Note Payable GEFA	
	Principle	Interest	Principle	Interest
2021	$ 170,000	$ 10,100	$ 124,734	$ -
2022	-	-	124,734	-
2023	-	-	124,734	-
2024	-	-	124,734	-
2025	-	-	124,734	
2026-2030	-	-	623,665	-
2031	-	-	62,366	-
	$ 170,000	$ 10,100	$ 1,309,701	$ -

The following is a summary of debt transactions of the City for the year ended December 31, 2020:

	Balance at January 1, 2020	Additions	Reductions	Balance at December 31, 2020	Amount Due In One Year
Business-Type Activities					
Note Payable GEFA	$ 1,434,435	$ -	$ 124,734	$ 1,309,701	$ 124,734
Revenue Bonds	330,000	-	160,000	170,000	170,000
Total Business-Type Activities	$ 1,764,435	$ -	$ 284,734	$ 1,479,701	$ 294,734

Note 8 – Contingent Liabilities

The City participates in federal and state assisted grant programs subject to program compliance audits by the grantors or their representatives. It is the City's opinion that no material unrecorded liabilities will arise from audits previously performed or to be performed. Regardless, receipt of these federal and state grant revenues is not assured in the future.

The City is not contingently liable for the obligations of any other governmental agencies or authorities, as guarantor or otherwise.

Note 9– Pension Plan

Plan Description

The City's defined benefit pension plan, the City of Lakeland Retirement Plan (the Plan), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472. This is an agent multiple employer plan.

Employees Covered Under the Plan

Effective September 1, 2019, the Plan was adopted and provided immediate mandatory participation to all full time employees. At December 31, 2020, the following employees were covered by the benefit terms:

Active plan members	27
Total number of plan participants	27

Funding Policy

Employees are required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Note 9– Pension Plan - Continued

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

At December 31, 2020, the City reported a liability of $503,707 as its net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's long-term contributions to the pension plan actuarially determined at July 1, 2020

The following is a schedule that reconciles the differences between the beginning and ending net pension liability based on a March 31, 2020 measurement date:

	Total Pension Liability (a)	Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at March 31,2019	$ -	$ -	$ -
Changes for the year:			
Service cost	-	-	-
Interest	-	-	-
Liability experience (gain)/loss	-	-	-
Assumption Change	-	-	-
Employer contributions	-	31,448	(31,448)
Employee contributions	-	7,955	(7,955)
Net investment income	-	(4,044)	4,044
Benefit payment	-	-	-
Administrative expense	-	(6,720)	6,720
Other changes	532,346	-	532,346
Net Changes	532,346	28,639	503,707
Balance at March 31, 2020	$ 532,346	$ 28,639	$ 503,707

A copy of additional financial information from the Plan financial reports can be obtained from the Segal Company, 2727 Paces Ferry Road, Building 1, Suite 1400, Atlanta, GA 30339-4053.

Note 9– Pension Plan - Continued

For the year ended December 31, 2020, the City recognized pension expense of $244,450. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Net Deferred Outflows	Net Deferred Inflows
Net difference between projected and actual earnings on pension plan investments	$ 4,200	$ -
Differences between expected and actual experience	-	-
Assumption changes	-	-
Contributions made after the measurement date	31,300	-
Total	$ 35,500	$ -

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below.

The City had contributions subsequent to the measurement date in the amount of $35,500 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year ended December 31,	
2021	$ 1,050
2022	$ 1,050
2023	$ 1,050
2024	$ 1,050
2025	$ -

Note 9– Pension Plan - Continued

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	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:	
Inflation	2.25%
Net investment rate of return	7.375%
Projected salary increases:	

Years of Service	Annual Rate (%)
0-1	8.50
2	5.50
3	5.25
4	5.00
5	4.75
6	4.50
7	4.25
8	4.00
9	3.75
10-11	3.50
12-14	3.25
15 or more	3.00

Note the above rates include inflation of 2.25%

Cost of living adjustments	N/A
Retirement age:	
Normal	Employees: 65+5 Officials: 65
Early	55+10
Mortality:	
Healthy	Sex-district Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-district Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The methods and assumptions used in the July 1, 2020 valuation were approved by the Board in December 2019 based on the results on an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019.

Note 9– Pension Plan - Continued

The 7.38% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of March 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Cash	0%	
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.38%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund's fiduciary net position was projected to be available to make all projected future payments. In theory, the discount rate, may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease 6.375%	Current Rate 7.375%	1% Increase 8.375%
Sinsitivity of the Net Pension Liability to Changes in the Discount Rate	$ 568,493	$ 503,707	$ 449,626

Note 10 – Risk Management

The Government is exposed to various risks of losses related to injuries to employees. The Government has joined together with other municipalities in the state as part of the Georgia Municipal Association Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's 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 description issued, all incidents which could result in the funds being required to pay any claim of loss. The Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussion and all levels of litigation arising out of any claim made against the Government 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 government contract and in accordance with the worker's compensation law 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. The funds provide $1,000,000 in coverage for general liability claims and public official and law enforcement claim with a $2,000 deductible for wrongful events for public officials and $1,000 deductible for law enforcement. The funds provide $300,000 in automobile liability coverage with a $250 deductible for physical damage. The funds provide $340,300 in coverage for property with a $2,500 deductible.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

The Government is exposed to various risks of losses related to torts, thefts of, damages to, and destruction of assets; errors and omissions; and natural disasters. The City covers this risk through insurance obtained from Trident Insurance Company. Coverage for general liability, public officials and law enforcement is limited to $1,000,000 on all liabilities with the exception of Fire damage which is limited to $100,000. Commercial automobile liability is limited to $300,000. Commercial property limit is $368,300 for buildings and $393,300 for equipment breakdown.

Note 11 – Expenditures in Excess of Appropriations

	Expenditures Actual	Appropriations	Difference
General Fund			
Police Department	$ 618,943	$ 608,000	$ 10,943
	$ 618,943	$ 608,000	$ 10,943

Note 12 –Impact of the Covid-19 Pandemic

In March 2020 the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The City has taken several measures to monitor and mitigate the effects of the COVID-19 virus, such as safety and health measures for its people (such as social distancing and working from home). The City will continue to follow the various government policies and advice and, in parallel, the City will do its utmost to continue its operations in the best and safest way possible without jeopardizing the health of its people

Note 13 – Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through June 30, 2020 (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF LAKELAND, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending December 31, 2020

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUE				
Taxes	$ 1,250,961	$ 1,250,961	$ 1,211,761	$ (39,200)
Licenses and permits	19,000	19,000	18,063	(937)
Intergovernmental	47,000	47,000	158,928	111,928
Charges for services	12,250	12,250	20,535	
Fines and forfeitures	120,000	120,000	116,084	(3,916)
Investment Income	4,500	4,500	9,893	5,393
Miscellaneous	49,000	49,000	38,341	(10,659)
TOTAL REVENUE	1,502,711	1,502,711	1,573,605	62,609
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
City Council	39,800	39,800	26,824	(12,976)
General Administration	347,260	347,260	262,705	(84,555)
Total General Government	387,060	387,060	289,529	(97,531)
PUBLIC SAFETY				
Police Department	608,000	608,000	618,943	10,943
Animal Control	47,060	47,060	41,144	(5,916)
Fire Department	47,535	47,535	45,580	(1,955)
Total Public Safety	702,595	702,595	705,667	3,072
PUBLIC WORKS				
Road Department	413,056	413,056	398,928	(14,128)
Total Public Works	413,056	413,056	398,928	(14,128)
TOTAL EXPENDITURES	1,502,711	1,502,711	1,394,124	(108,587)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	179,481	171,196
FUND BALANCE, BEGINNING OF YEAR	-	-	1,476,936	1,476,936
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,656,417	$ 1,648,132

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

CITY OF LAKELAND, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2020

Note 1 – Budgetary Basis of Accounting

While reporting of financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund is presented on the Budgetary Basis to provide meaningful comparison of actual results with the budget. There were no differences between the Budgetary Basis and GAAP for this fiscal year.

CITY OF LAKELAND, GEORGIA
REQUIRED SUPPLEMENTARY INFORMAITON – PENSION PLAN
December 31, 2020

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

		2020
Total Pension Liability as of Beginning of Year	$	-
Service cost		-
Interest		-
Differences between expected and actual experience		-
Changes of assumptions		-
Changes of benefit terms		532,346
Total Pension Liability as of End of Year	$	532,346
Fiduciary Net Position as of Beginning of Year	$	-
Employer contributions		31,448
Employee contributions		7,955
Net investment income		(4,044)
Benefit payments		-
Employee contribution refunds		-
Administrative expense		(6,720)
Other		-
Fiduciary Net Position as of End of Year	$	28,639
Net pension liability as of beginning of year	$	-
Net pension liability as of end of year	$	503,707
Fiduciary Net Position as a percentage of Total Pension Liability		5.38%
Covered payroll for plan year	$	600,460
Net pension liability as a percentage of covered payroll		83.89%

This information will be presented for 10 years as it is available.

CITY OF LAKELAND, GEORGIA
REQUIRED SUPPLEMENTARY INFORMAITON – PENSION PLAN
December 31, 2020

SCHEDULE OF PENSION CONTRIBUTIONS

		2020
Actuarially determined contribution, July 1,	$	68,674
Contribution in relation to the actuarially determined contribution, July 1,		67,912
Contribution deficiency (excess)	$	762
Covered payroll	$	600,460
Contributions as a percentage of covered payroll		11.31%

This information will be presented for 10 years as it is available.

Changes to Benefits

The plan became effective September 1, 2019

Changes to Assumptions

There were not changes n assumptions in the last two fiscal years.

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	July 1, 2020
Actuarial Cost Method	Projected Unit Credit
Amorization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	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 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.35%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement:	

Age	NRA before 60	NRA between 60 & 64	NRA after 64
Under 55	3%/10%	3%	0%
55-59	3%/10%	3%	5%
60	20%	3%/10%	7%
61	25%	10%	7%
62	35%	10%	20%
63	40%	10%	10%
64	45%	10%	10%
65	50%	35%	35%
66-71	25%	25%	25%
72 & over	100%	100%	100%

Mortality:	
Healthy retirees and beneficiaries	Sex-district Pri-2012 head-count weighted Healthy Retiree Mortaligy Table with rates multiplied by 1.25
Disabled participants	Sex-district Pri-2012 head-count weighted Healthy Retiree Mortaligy Table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-district Pri-2012 head-count weighted Employee Mortality Tabl
Pan Termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

MAJOR CAPITAL PROJECT FUND SCHEDULES

CITY OF LAKELAND, GEORGIA
CAPITAL PROJECTS 2017 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending December 31, 2020

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 177,400	$ 177,400	$ 210,161	$ 32,761
Investment income	540	540	641	101
TOTAL REVENUES	177,940	177,940	210,802	32,862
EXPENDITURES				
Current				
Public works	177,940	177,940	84,983	(92,957)
Capital outlay	-	-	117,208	117,208
TOTAL EXPENDITURES	177,940	177,940	202,191	24,251
EXCESS OF REVENUES OVER EXPENDITURES	-	-	8,611	8,611
FUND BALANCE AT BEGINNING OF YEAR	-	-	82,740	82,740
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 91,351	$ 91,351

See independent auditor's report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF LAKELAND, GEORGIA
COMBINING NONMAJOR FUNDS
BALANCE SHEET
December 31, 2020

	Capital Projects		Total Nonmajor Governmental Funds
	TSPLOST Fund	2019 CDBG Fund	
ASSETS			
Cash	$ 83,041	$ 8	$ 83,049
Accounts Receivable	5,022	92,039	97,061
TOTAL ASSETS	88,063	92,047	180,110
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	-	92,039	92,039
Due to other funds	100	8	108
TOTAL LIABILITIES	100	92,047	92,147
FUND BALANCES			
Restricted for capital projects	87,963	-	87,963
TOTAL FUND BALANCE	87,963	-	87,963
TOTAL LIABILITIES AND FUND BALANCE	$ 88,063	$ 92,047	$ 180,110

See independent auditor's report.

CITY OF LAKELAND, GEORGIA
COMBINING NONMAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
December 31, 2020

	Capital Projects		Total Nonmajor
	T SPLOST Fund	2019 CDBG Fund	Governmental Funds
REVENUES			
Intergovernmental	$ 49,850	$ 177,680	$ 227,530
TOTAL REVENUES	49,850	177,680	227,530
EXPENDITURES			
Current:			
Public works	21,000	58,008	79,008
Capital outlay	-	119,672	119,672
TOTAL EXPENDITURES	21,000	177,680	198,680
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	28,850	-	28,850
FUND BALANCE, BEGINNING OF YEAR	59,113	-	59,113
FUND BALANCE, END OF YEAR	$ 87,963	$ -	$ 87,963

See independent auditor's report.

CITY OF LAKELAND, GEORGIA
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending December 31, 2020

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 43,000	$ 43,000	$ 49,850	$ 6,850
TOTAL REVENUES	43,000	43,000	49,850	6,850
EXPENDITURES				
Current				
Public works	43,000	43,000	21,000	(22,000)
TOTAL EXPENDITURES	43,000	43,000	21,000	(22,000)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	28,850	28,850
FUND BALANCE AT BEGINNING OF YEAR	-	-	59,113	59,113
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 87,963	$ 87,963

See independent auditor's report.

CITY OF LAKELAND, GEORGIA
CAPITAL PROJECTS 2019 CDBG GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending December 31, 2020

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ -	$ -	$ 177,680	$ 177,680
TOTAL REVENUES	-	-	177,680	177,680
EXPENDITURES				
Current:				
Public works	-	-	58,008	58,008
Capital outlay	-	-	119,672	119,672
TOTAL EXPENDITURES	-	-	177,680	177,680
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	$ -	$ -	$ -	$ -

COMPLIANCE SECTION

CITY OF LAKE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended December 31, 2020

2017 SPLOST	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, streets and bridge purposes	$4,173,750	$1,500,000	$ 330,266	$ 202,191	$ 532,457	35.50%
Totals	$4,173,750	$1,500,000	$ 330,266	$ 202,191	$ 532,457	

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

City of Lakeland, Georgia

17p-x-086-2-6074

For the Period Ending: December 31, 2020
Cumulative

I. Total Fiscal Year 2019 CDBG Funds Awarded to Recipient:	$	750,000
II. Total Amount of Drawdown by Recipient from DCA:	$	111,987
III. Less: CDBG Funds Expended by Recipient:	$	113,862
IV. Amount of Fiscal Year 2019 CDBG Funds held by Recipient:	$	(1,875)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: City of Lakeland Georgia

Grant #: 17p-x-086-2-6074

For the Period Ending: December 31, 2020

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDGB Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Engineering - Water/Sewer	T-03J-00	$ 65,000	$ 51,648	$ -	$ 51,648	$ -
Sewer Facilities	P-03J-02	$ 640,000	$ 35,964	$ -	$ 35,964	$ -
Administration	A-21A-00	$ 45,000	$ 26,250	$ -	$ 26,250	$ -
TOTAL		$ 750,000	$ 113,862	$ -	$ 113,862	$ -

Henderson & Godbee, LLP
Certified Public Accountants and Business Consultants
Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Council
City of Lakeland, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in G*overnment Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakeland, Georgia as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon, dated June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lakeland, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lakeland, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lakeland, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lakeland, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing* Standards in considering the entity's internal control and compliance Accordingly, this communication is not suitable for any other purpose.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

June 30, 2021

CITY OF LAKELAND, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COST
Year Ended December 31, 2020

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unmodified
Internal control over financial reporting		
Material weakness identified?	_____Yes	___X__No
Significant deficiencies identified not considered to be a material weakness?	_____Yes	___X__No
Noncompliance material to financial statements noted?	_____Yes	___X__No

Section II - Financial Findings

Current Year Findings

There were no findings in the current year.

Prior Year Findings

There were no findings in the prior year.