FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION



CITY OF LAKELAND, GEORGIA

For the Year Ended December 31, 2024

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 - 46
REQUIRED SUPPLEMENTAL INFORMATION	
Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Major Funds:	
General Fund	47
ARPA Fund	48
Notes to Required Supplementary Information	49
Required Supplementary Information – Pension Plan	50 - 51
Notes to Required Supplementary Information – Pension Plan	52

TABLE OF CONTENTS

	Page No
COMBINING AND INDIVIDUAL FUND SCHEDULES	
Non-major Funds:	
Combining Balance Sheet – All Nonmajor Governmental Funds	53
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	54
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget And Actual – Nonmajor Governmental Funds:	
Hotel Motel Tax Fund	55
COMPLIANCE SECTION	
Schedule of Projects Constructed with Special Sales Tax Proceeds	56
2022 CDBG Grant Schedules	57
Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	58 – 59
Independent Auditors' Report on Compliance for the Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	60 – 62
Schedule of Expenditures of Federal Awards	63
Notes to the Schedule of Expenditures of Federal Awards	64
Schedule of Findings and Questioned Costs	65

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
City of Lakeland, Georgia
Lakeland, Georgia

Opinions

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 City of Lakeland, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise of City of Lakeland, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lakeland, Georgia, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

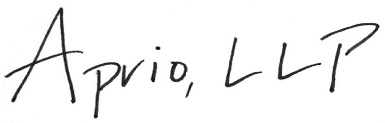
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), budgetary comparison information (on pages 47 through 49), and the schedules of historical pension information and the related notes (on pages 50 through 52) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Lakeland, Georgia's basic financial statements. The accompanying combining nonmajor fund financial statements and schedules 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 and the Community Development Block Grant schedules are presented for purposes of additional analysis as required by the State of Georgia, and are also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and also not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic 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 October 15, 2025, on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Lakeland, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Lakeland, Georgia's internal control over financial reporting and compliance.



Valdosta, GA
October 15, 2025

CITY OF LAKELAND, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended December 31, 2024

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, 2024. 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 2024 are as follows:

The City's governmental activities assets exceeded its liabilities on December 31, 2024, by $6,492,885 (net position). Of this amount $2,037,330 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the fund balance for the General Fund increased by $175,953 resulting in a fund balance of $2,349,867.

Net position for business-type activities increased $912,791 from $7,546,566 to $8,459,357.

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 money, 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
	2023	2024	2023	2024	2023	2024	2023-2024
Assets							
Current and other assets	$ 4,031,734	$ 4,421,031	$ 1,884,386	$ 1,601,846	$ 5,916,120	$ 6,022,877	1.80%
Capital assets, net	3,402,554	3,606,738	6,690,577	7,872,803	10,093,131	11,479,541	13.74%
Total Assets	**7,434,288**	**8,027,769**	**8,574,963**	**9,474,649**	**16,009,251**	**17,502,418**	**9.33%**
Deferred outflow of resources	62,193	53,996	-	-	62,193	53,996	0.00%
Liabilities							
Current and other liabilities	1,198,172	1,117,611	217,630	329,259	1,415,802	1,446,870	2.19%
Long-term liabilities	429,436	355,989	810,767	686,033	1,240,203	1,042,022	-15.98%
Total Liabilities	**1,627,608**	**1,473,600**	**1,028,397**	**1,015,292**	**2,656,005**	**2,488,892**	**-6.29%**
Deferred inflow of resources	108,272	115,280	-	-	108,272	115,280	0.00%
Net Position							
Net investment in capital assets	3,402,554	3,606,738	5,755,076	7,062,036	9,157,630	10,668,774	16.50%
Restricted	564,523	848,817	-	-	564,523	848,817	50.36%
Unrestricted	1,793,524	2,037,330	1,791,490	1,397,321	3,585,014	3,434,651	-4.19%
Total Net Position	**$ 5,760,601**	**$ 6,492,885**	**$ 7,546,566**	**$ 8,459,357**	**$ 13,307,167**	**$ 14,952,242**	**12.36%**

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 $15,001,256 ($6,492,885) in governmental activities and $8,508,371 in business-type activities) as of December 31, 2024. A portion of the City's net position (71%) 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.

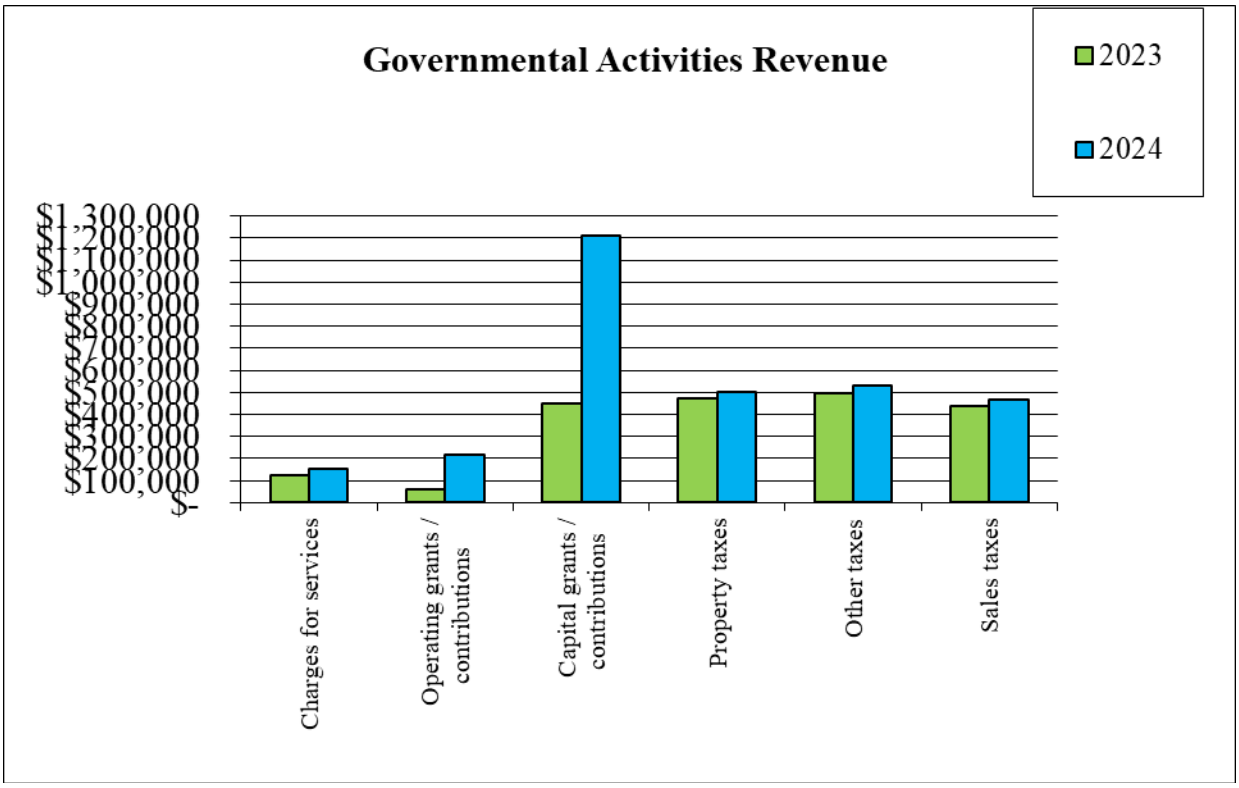
The balance of unrestricted assets, which is $3,434,651, may be used to meet the City's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending December 31, 2024.

City of Lakeland's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	2023-2024
Revenues							
Program Revenues							
Charges for services	$ 122,644	$ 150,618	$ 991,415	$1,088,615	$ 1,114,059	$ 1,239,233	11.24%
Operating grants and contributions	59,972	216,832	-	-	59,972	216,832	261.56%
Capital grants and contributions	452,016	1,212,880	-	1,003,931	452,016	2,216,811	390.43%
Total Program Revenues	634,632	1,580,330	991,415	2,092,546	1,626,047	3,672,876	125.88%
General Revenues							
Property taxes	469,161	504,240	-	-	469,161	504,240	7.48%
Interest and penalties	1,184	113	-	-	1,184	113	-90.46%
Alcoholic beverage taxes	67,584	60,004	-	-	67,584	60,004	-11.22%
Franchise taxes	171,107	185,245	-	-	171,107	185,245	8.26%
Insurance premium taxes	255,373	274,965	-	-	255,373	274,965	7.67%
Sales taxes	437,746	465,384	-	-	437,746	465,384	6.31%
Intangible taxes	2,717	5,472	-	-	2,717	5,472	101.40%
Real estate transfer taxes	1,256	2,334	-	-	1,256	2,334	85.83%
Hotel Motel taxes	31	-	-	-	31	-	0.00%
Surplus sales	35,000	18,272	-	-	35,000	18,272	0.00%
Other income	103,669	426,076	-	-	103,669	426,076	311.00%
Interest	-	-	8,658	4,800	8,658	4,800	-44.56%
Total General Revenues	1,544,828	1,942,105	8,658	4,800	1,553,486	1,946,905	25.32%
Total Revenues	**2,179,460**	**3,522,435**	**1,000,073**	**2,097,346**	**3,179,533**	**5,619,781**	**76.75%**
Program Expenses							
General Government	354,939	486,969	-	-	354,939	486,969	37.20%
Public safety	683,599	794,963	-	-	683,599	794,963	16.29%
Public works	721,322	1,508,219	-	-	721,322	1,508,219	109.09%
Housing and development	16	-	-	-	16	-	0.00%
Water and sewer	-	-	701,355	810,703	701,355	810,703	15.59%
Sanitation	-	-	312,942	373,852	312,942	373,852	19.46%
Total Expenses	1,759,876	2,790,151	1,014,297	1,184,555	2,774,173	3,974,706	43.28%
Revenue Over (Under) Expense	**419,584**	**732,284**	**(14,224)**	**912,791**	**405,360**	**1,645,075**	**305.83%**
Transfers	-	-	-	-	-	-	0.00%
Increase (Decrease) in Net Position	**419,584**	**732,284**	**(14,224)**	**912,791**	**405,360**	**1,645,075**	
Net Position, Beginning	5,341,017	5,760,601	7,560,790	7,546,566	12,901,807	13,307,167	3.14%
Net Position, Ending	**$5,760,601**	**$ 6,492,885**	**$ 7,546,566**	**$8,459,357**	**$13,307,167**	**$14,952,242**	**12.36%**

Governmental Activities

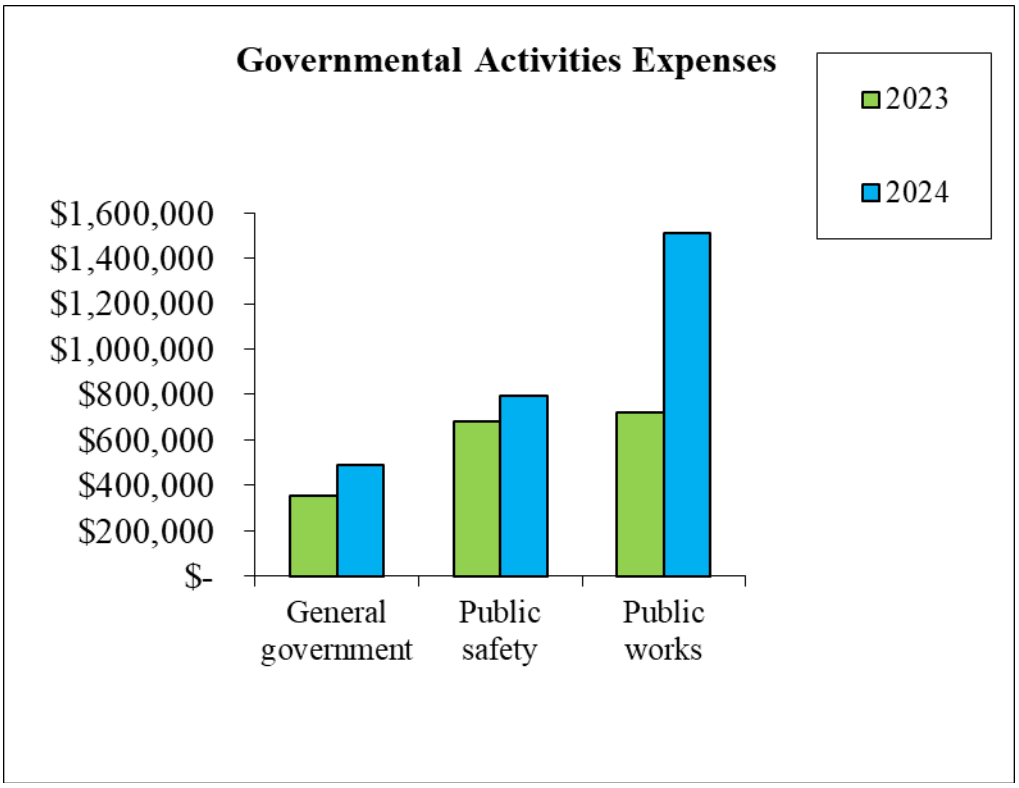


A portion of the City's program revenue is from charges for services which accounted for $150,618 or 10% of total program revenues.

Operating grants, contributions and interest accounted for $216,832 or 14% of total program revenues and capital grants, contributions and interest accounted for $1,212,880 or 77% of total program revenues.

Property tax revenues are the major contributor to general revenues and account for $504,353 or 34% of total general revenues. Another major component was sales taxes, which accounted for $465,384 or 31% of total general revenues.

Governmental Activities – Continued



The following table provides the total cost of services and the net cost of services for 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 2023	Total Cost of Services 2024	Percentage Change 2023-2024	Net Cost of Services 2023	Net Cost of Services 2024	Percentage Change 2023-2024
General government	$ 354,939	$ 486,969	37.20%	$ (236,248)	$ (291,082)	23.21%
Public safety	683,599	794,963	16.29%	(619,674)	(712,049)	14.91%
Public works	721,322	1,508,219	109.09%	(269,306)	(206,690)	-23.25%
Housing & development	16	-	-100.00%	(16)	-	-100.00%
Total	**$ 1,759,876**	**$2,790,151**	**58.54%**	**$ (1,125,244)**	**$(1,209,821)**	**7.52%**

Business-Type Activities

The net position of business-type activities increased by $912,791 for the year ending December 31, 2024. The major source of revenue was from charges for services, which amounted to $1,088,615.

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, 2024, the City's governmental funds reported an ending fund balance of $3,198,684, an increase of $460,247. The amount of unassigned fund balance is $1,855,147, 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, 2024, was $10,668,774 (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 2024 included road improvements and equipment.

Note 6 (Capital Assets) provides additional information about capital asset activity during 2024.

Debt

On December 31, 2024, the City had a GEFA note payable balance of $810.767.

Notes 7 and 8 provide further information regarding liabilities.

Economic Factors

The City as of December 31, 2024, had approximately 14 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 $146,214.

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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,549,744	737,840	$ 3,287,584
Receivables (net of allowance for doubtful accounts)			
Taxes	464,657	-	464,657
Accounts	222,004	96,654	318,658
Sales tax	106,841	-	106,841
Internal balances	1,048,449	(1,048,449)	-
Prepaid items	29,336	-	29,336
Restricted cash	-	1,815,801	1,815,801
Nondepreciable capital assets	402,258	1,273,575	1,675,833
Depreciable capital assets, net	3,204,480	6,599,228	9,803,708
TOTAL ASSETS	8,027,769	9,474,649	17,502,418
DEFERRED OUTFLOW OF RESOURCES			
Pension	53,996	-	53,996
TOTAL DEFERRED OUTFLOW OF RESOURCES	53,996	-	53,996
LIABILITIES			
Accounts payable	61,792	131,908	193,700
Unearned revenue	1,055,819	-	1,055,819
Payable from restricted assets:			
Customer deposits	-	72,617	72,617
Current portion of notes payable	-	124,734	124,734
Long-term liabilities:			
Due in more than one year			
Notes payable	-	686,033	686,033
Net pension obligation	355,989	-	355,989
TOTAL LIABILITIES	1,473,600	1,015,292	2,488,892
DEFERRED INFLOW OF RESOURCES			
Pension	115,280	-	115,280
TOTAL DEFERRED INFLOW OF RESOURCES	115,280	-	115,280
NET POSITION			
Net investment in capital assets	3,606,738	7,062,036	10,668,774
Restricted for capital projects	848,802	-	848,802
Restricted for development	15	-	15
Unrestricted	2,037,330	1,397,321	3,434,651
TOTAL NET POSITION	$ 6,492,885	$ 8,459,357	$ 14,952,242

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, 2024

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	$ 486,969	$ 67,704	$ 128,183	$ -	$ (291,082)	$ -	$ (291,082)
Public Safety	794,963	82,914	-	-	(712,049)	-	(712,049)
Public Works	1,508,219	-	88,649	1,212,880	(206,690)	-	(206,690)
Housing and Development	-	-	-	-	-	-	-
Total Governmental Activities	2,790,151	150,618	216,832	1,212,880	(1,209,821)	-	(1,209,821)
Business-Type Activities							
Water and Sewer	810,703	696,670	-	1,003,931	-	889,898	889,898
Sanitation	373,852	391,945	-	-	-	18,093	18,093
Total Business-Type Activitie	1,184,555	1,088,615	-	1,003,931	-	907,991	907,991
Total	$ 3,974,706	$ 1,239,233	$ 216,832	$ 2,216,811	$ (1,209,821)	$ 907,991	$ (301,830)
		GENERAL REVENUES:					
		Property Taxes Levied for:					
		General Operating			504,240	-	504,240
		Interest and Penalties			113	-	113
		Alcoholic Beverage Taxes			60,004	-	60,004
		Franchise Taxes			185,245	-	185,245
		Insurance Premium Taxes			274,965	-	274,965
		Sales Taxes			465,384	-	465,384
		Intangible Taxes			5,472	-	5,472
		Real Estate Transfer Taxes			2,334	-	2,334
		Surplus Sales			18,272	-	18,272
		Other Income			426,076	-	426,076
		Interest			-	4,800	4,800
		TOTAL GENERAL REVENUES			1,942,105	4,800	1,946,905
		CHANGES IN NET POSITION			732,284	912,791	1,645,075
		NET POSITION, BEGINNING OF YEAR			5,760,601	7,546,566	13,307,167
		NET POSITION, END OF YEAR			$ 6,492,885	$ 8,459,357	$ 14,952,242

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

CITY OF LAKELAND, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2024

	General	Special Revenue Fund ARPA Fund	Capital Projects Funds 2022 CDBG Fund	Other Government Funds	Total
ASSETS					
Cash and cash equivalents	$ 405,996	$ 1,225,618	$ -	$ 918,131	$2,549,745
Receivables (net of allowance for doubtful accounts):					
Taxes	464,657	-	-	-	464,657
Accounts	184,300	-	37,704	-	222,004
Sales tax	47,012	-	-	59,829	106,841
Prepaid items	29,336	-	-	-	29,336
Due from other funds	1,348,542	-	-	14.70	1,348,557
TOTAL ASSETS	2,479,843	1,225,618	37,704	977,975	4,721,140
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES:					
Accounts payable	17,421	6,667	37,704	-	61,792
Due to other funds	15	170,935	-	129,158	300,108
Unearned revenue	7,804	1,048,016	-	-	1,055,820
TOTAL LIABILITIES	25,240	1,225,618	37,704	129,158	1,417,720
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	104,736	-	-	-	104,736
TOTAL DEFERRED INFLOWS OF RESOURCES	104,736	-	-	-	104,736
FUND BALANCES					
Nonspendable	29,336	-	-	-	29,336
Restricted for capital projects	-	-	-	848,802	848,802
Restricted for development	-	-	-	15	15
Assigned for:					
Property tax roll back	465,384	-	-	-	465,384
Unassigned reported in:					
General Fund	1,855,147	-	-	-	1,855,147
TOTAL FUND BALANCES	2,349,867	-	-	848,817	3,198,684
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 2,479,843	$ 1,225,618	$ 37,704	$ 977,975	$4,721,140

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, 2024

Total Governmental Funds Balances	$	3,198,684
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.		3,606,738
Deferred outflows/(inflows) of governmental activities are not current financial resources and therefore are not reported in government funds.		
Deferred outflows-pension		53,996
Deferred inflows-pension		(115,280)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.:		
Net pension obligation		(355,989)
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred tax revenue		104,736
Net Position of Governmental Activities	$	6,492,885

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, 2024

	General	Special Revenue ARPA Fund	Capital Projects Funds 2022 CDBG Fund	Other Government Funds	Total
REVENUES					
Taxes	$ 1,488,147	$ -	$ -	$ 270,948	$ 1,759,095
Licenses and permits	21,291	-	-	-	21,291
Intergovernmental revenues	88,649	121,427	820,640	120,314	1,151,030
Charges for services	40,521	-	-	-	40,521
Fines and forfeitures	82,914	-	-	-	82,914
Investment income	6,756	-	-	978	7,734
Miscellaneous	431,967	-	-	-	431,967
TOTAL REVENUES	$ 2,160,245	$ 121,427	$ 820,640	$ 392,240	$ 3,494,552
EXPENDITURES					
Current					
General Government	473,519	-	-	-	473,519
Public safety	794,995	-	-	-	794,995
Public works	423,218	121,427	820,640	107,946	1,473,231
Housing and development	-	-	-	-	-
Capital outlay	292,560	-	-	-	292,560
TOTAL EXPENDITURES	1,984,292	121,427	820,640	107,946	3,034,305
EXCESS OF REVENUES OVER EXPENDITURES	175,953	-	-	284,294	460,247
FUND BALANCES AT BEGINNING OF YEAR	2,173,914	-	-	564,523	2,738,437
FUND BALANCES AT END OF YEAR	$ 2,349,867	$ -	$ -	$ 848,817	$ 3,198,684

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, 2024

Net Change in Fund Balances - Total Governmental Funds		$	460,247
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 pension functions on the governmentwide statements.			58,242
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	302,186		
Capital outlay - construction in process	72,030		
Depreciation	(170,032)		
			204,184
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:			
Property taxes			9,611
Changes in Net Position of Governmental Activities		$	732,284

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2024

	Business-Type Activities Enterprise Fund		
	Water and Sewer Fund	Sanitation Fund	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 543,053	$ 194,787	$ 737,840
Accounts receivable net of allowance	60,672	35,982	96,654
Interfund receivable	-	120,910	120,910
Restricted Cash			
Customer deposits account	233,609	-	233,609
Debt service funds	175,000	-	175,000
Renewal and extension	1,407,192	-	1,407,192
TOTAL CURRENT ASSETS	2,419,526	351,679	2,771,205
NONCURRENT ASSETS			
Capital Assets			
Land	152,968	-	152,968
Construction in progress	1,120,607	-	1,120,607
Depreciable capital assets, net	6,346,692	252,536	6,599,228
TOTAL NONCURRENT ASSETS	7,620,267	252,536	7,872,803
TOTAL ASSETS	$ 10,039,793	$ 604,215	$ 10,644,008

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

CITY OF LAKELAND, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION - CONTINUED
December 31, 2024

	Business-Type Activities Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts payable	$ 109,138	$ 22,770	$ 131,908
Interfund payable	1,007,485	161,874	1,169,359
Payable from restricted cash:			
Deposits	72,617	-	72,617
Current portion of notes payable	124,734	-	124,734
TOTAL CURRENT LIABILITIES	1,313,974	184,644	1,498,618
LONG-TERM LIABILITIES			
Notes payable, net of current portion	686,033	-	686,033
TOTAL LONG-TERM LIABILITIES	686,033	-	686,033
TOTAL LIABILITIES	2,000,007	184,644	2,184,651
NET POSITION			
Net investment in capital assets	6,809,500	252,536	7,062,036
Unrestricted	1,230,286	167,035	1,397,321
TOTAL NET POSITION	$ 8,039,786	$ 419,571	$ 8,459,357

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, 2024

	Business-Type Activities Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
OPERATING REVENUES			
Charges for services	$ 696,670	$ 391,945	$ 1,088,615
TOTAL OPERATING REVENUE	696,670	391,945	1,088,615
OPERATING EXPENSES			
Salaries and wages	152,877	34,307	187,184
Employee benefits	42,035	20,956	62,991
Supplies and other expenses	384,739	251,547	636,286
Depreciation	231,052	67,042	298,094
TOTAL OPERATING EXPENSES	810,703	373,852	1,184,555
OPERATING INCOME (LOSS)	(114,033)	18,093	(95,940)
NONOPERATING REVENUES (EXPENSES)			
Interest income	4,323	477	4,800
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,323	477	4,800
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	(109,710)	18,570	(91,140)
Capital contribution	1,003,931	-	1,003,931
INCREASE IN NET POSITION	894,221	18,570	912,791
NET POSITION, BEGINNING OF YEAR	7,145,565	401,001	7,546,566
NET POSITION, END OF YEAR	$ 8,039,786	$ 419,571	$ 8,459,357

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, 2024

	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	$ 681,566	$ 390,318	$ 1,071,884
Cash (payments) received from interfund transactions	630,708	(57,348)	573,360
Cash payments for personal services	(194,912)	(55,263)	(250,175)
Cash payments for materials and supplies	(293,044)	(247,307)	(540,351)
NET CASH PROVIDED BY OPERATING ACTIVITIES	824,318	30,400	854,718
Cash Flows From Capital and Related Financing Activities			
Cash payments for acquisition of capital assets	(476,389)	-	(476,389)
Cash payments for interest and principal	(124,734)	-	(124,734)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(601,123)	-	(601,123)
Cash Flows From Investing Activities			
Cash received from interest	4,323	477	4,800
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,323	477	4,800
NET DECREASE IN CASH	227,518	30,877	258,395
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,131,336	163,910	2,295,246
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,358,854	$ 194,787	$ 2,553,641
Noncash Activities			
Capital contribution	$ 1,003,931	$ -	$ 1,003,931

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, 2024

	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	$ (114,033)	$ 18,093	$ (95,940)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Depreciation	231,052	67,042	298,094
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(30,798)	(1,627)	(32,425)
Decrease in prepaid items	-	-	-
(Increase) decrease in interfund receivable	-	(58,853)	(58,853)
Increase (decrease) in accounts payable	91,695	4,240	95,935
Increase in interfund payable	630,708	1,505	632,213
Increase in customer deposits	15,694	-	15,694
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 824,318	$ 30,400	$ 854,718

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 $5,000 to the Regional Commission for the year ended December 31, 2024. 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 City. The City and City 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 County participate in the Lakeland-Lanier County 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. The 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.

ARPA Fund. The ARPA Fund accounts for the Covid relief grant funding used based on legislative guidance.

Capital Projects 2022 CDBG Fund. The Capital Projects 2022 CDBG Fund accounts for the grant funding used to repair and replace aging water and sewer infrastructure.

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), account for the special purpose local option sales tax that is received by the City through an intergovernmental agreement with the County. The revenue is restricted to the stated projects of the referendums that approved collection of the tax.

Capital Projects Public Road Fund. The Capital Projects Public Roads Fund accounts for the Georgia Department of Transportation Road funds designated to submitted projects. The revenue is restricted to the stated purposes of the road projects submitted.

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 an intergovernmental agreement with the City. The revenue is restricted to the stated projects of the referendums that approved collection of the tax.

Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting – Continued

Capital Projects 2022 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 an intergovernmental agreement with the City. 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 CDBG Fund accounts for the grant funding used to repair and replace aging water and sewer infrastructure.

Hotel Motel Tax Fund. The Hotel Motel Tax Fund account for accommodation taxes used for promoting tourism.

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.

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 in 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.

Note 2 - Summary of Significant Accounting Policies – Continued

C. Measurement Focus - Continued

Fund Financial Statements – Continued

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

The basis of accounting determines when transactions are recorded in 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.

Revenues—Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on an 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 an 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Note 2 - Summary of Significant Accounting Policies - Continued

D. Basis of Accounting – Continued

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 an 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.

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.

Note 2 - Summary of Significant Accounting Policies - Continued

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 monthly.
(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, except for 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.

Note 2 - Summary of Significant Accounting Policies - Continued

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.

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.

Note 2 - Summary of Significant Accounting Policies – Continued

J. Capital Assets – Continued

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.

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

Description	Estimated Lives
Buildings and Building Improvements	40-100 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. On December 31, 2024, 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 consists 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. Except for 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 the 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 receivable 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

On December 31, 2024, 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, 2024, the City of Lakeland had $464,657 in property taxes receivable. All these taxes are expected to be collected and no reserve for loss has been established.

Note 5 – Hotel/Motel Lodging Tax

The City of Lakeland levies a 3% hotel motel lodging tax of which is designated for the promotion of tourism. All the tourism funds are provided to the Lakeland-Lanier Chamber of Commerce which amount to $0. All expenditure of these funds was for the promotion of tourism as required by O.C.G.A. 48-13-51. Collections of hotel motel lodging tax amounted to $0.

Note 6 – Capital Assets

A summary of changes in capital assets for the year ended December 31, 2024, is as follows:

	Balance January 1, 2024	Additions	Deletions	Transfers	Balance December 31, 2024
Governmental Activities:					
Nondepreciable Capital Assets:					
Land	$ 330,227	$ -	$ -	$ -	$ 330,227
Construction in progress	69,036	72,030	69,035	-	72,031
Total Nondepreciable Capital Assets	399,263	72,030	69,035	-	402,258
Depreciable Capital Assets:					
Buildings and improvements	1,257,499	-	-	-	1,257,499
Autos and trucks	592,748	61,315	-	-	654,063
Machinery and equipment	500,758	247,600	17,800	-	730,558
Infrastructure	8,325,257	69,034	-	-	8,394,291
Total Depreciable Capital Assets	10,676,262	377,949	17,800	-	11,036,411
Less Accumulated Depreciation for:					
Buildings and improvements	415,150	25,553	-	-	440,703
Autos and trucks	476,166	43,892	-	-	520,058
Machinery and equipment	353,212	48,867	11,072	-	391,007
Infrastructure	6,428,443	51,720	-	-	6,480,163
Total Accumulated Depreciation	7,672,971	170,032	11,072	-	7,831,931
Total Depreciable Capital Assets, Net	3,003,291	207,917	6,728	-	3,204,480
Governmental Activities Capital Assets, Net	$ 3,402,554	$ 279,947	$ 75,763	$ -	$ 3,606,738

Governmental Activities:	
General government	$ 24,862
Public safety	29,090
Public works	116,080
Total Depreciation Expense-Governmental Activities	$ 170,032

Note 6 – Capital Assets – Continued

	Balance January 1, 2024	Additions	Deletions	Transfers	Balance December 31, 2024
Business Type Activities:					
Nondepreciable Capital Assets:					
Land	$ 152,968	$ -	$ -	$ -	$ 152,968
Construction in progress	-	1,436,296	315,689	-	1,120,607
Total Nondepreciable Capital Assets	152,968	1,436,296	315,689	-	1,273,575
Depreciable Capital Assets:					
Water and sewerage system	9,777,099	315,689	-	-	10,092,788
Machinery and equipment	419,649	-	-	-	419,649
Autos and trucks	685,911	44,023	-	-	729,934
Total Depreciable Capital Assets:	10,882,659	359,712	-	-	11,242,371
Less Accumulated Depreciation for:					
Water and sewerage system	3,788,517	165,125	-	-	3,953,642
Machinery and equipment	234,561	44,963	-	-	279,524
Autos and trucks	321,972	88,005	-	-	409,977
Total Accumulated Depreciation	4,345,050	298,093	-	-	4,643,143
Total Depreciable Capital Assets, Net	6,537,609	61,619	-	-	6,599,228
Business Type Activities Capital Assets, Net	$ 6,690,577	$ 1,497,915	$ 315,689	$ -	$ 7,872,803

Note 7 – Interfund Balances and Contributions

Individual fund interfund receivable and payable on December 31, 2024 are as follows:

	Interfund Receivables	Interfund Payables
General Fund		
CDBG Fund	$ 8	$ -
SPLOST 2017 Fund	21,558	-
SPLOST 2022 Fund	90,325	
T SPLOST Fund	14,816	-
Public Roads Fund	2,451	-
ARP Fund	170,935	
Water and Sewer Fund	886,575	-
Sanitation Fund	161,874	-
Hotel Motel Tax Fund	-	15
	$ 1,348,542	$ 15
SPLOST 2017 Fund		
General Fund	$ -	$ 21,558
SPLOST 2022 Fund		
General Fund	$ -	$ 90,325
T SPLOST Fund		
General Fund	$ -	$ 14,816
Public Roads Fund		
General Fund	$ -	$ 2,451
CDBG Fund		
General Fund	$ -	$ 8
ARP Fund		
General Fund	$ -	$ 170,935
Hotel Motel Tax Fund		
General Fund	$ 15	$ -
Water and Sewer Fund		
General Fund	$ -	$ 886,575
Sanitation Fund	-	120,910
	$ -	$ 1,007,485
Sanitation Fund		
General Fund	$ -	$ 161,874
Water and Sewer Fund	120,910	-
	$ 120,910	$ 161,874
	$ 1,469,467	$ 1,469,467

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. Payments posted to the Water and Sewer Fund that should have been posted to the Sanitation Fund.

Note 7 – Long-Term Debt

Note Payable:

Note Payable – GEFA. A construction loan was obtained from GEFA for water and sewer construction for $2,494,670. Through December 31, 2024, 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 Note Payable GEFA	
	Principle	Interest
2025	$ 124,734	-
2026	124,734	-
2027	124,734	-
2028	124,734	-
2029	124,734	-
2030-2031	187,097	-
	$ 810,767	$ -

The following is a summary of debt transactions of the City for the year ended December 31, 2024:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Amount Due In One Year
Business-Type Activities					
Note Payable GEFA	$ 935,501	$ -	$ 124,734	$ 810,767	$ 124,734
Total Business-Type Activities	$ 935,501	$ -	$ 124,734	$ 810,767	$ 124,734

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. On December 31, 2024, the following employees were covered by the benefit terms:

Active plan members	32
Total number of plan participants	32

Covered compensation for active participants	$	613,984

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

On December 31, 2024, the City reported a liability of $355,989 as its net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's long-term contributions to the pension plan actuarially determined on July 1, 2024

The following is a schedule that reconciles the differences between the beginning and ending net pension liability based on a March 31, 2024, measurement date:

	Total Pension Liability (a)	Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at March 31,2023	$ 650,793	$ 221,357	$ 429,436
Changes for the year:			
Service cost	33,975	-	33,975
Interest	49,173	-	49,173
Liability experience (gain)/loss	(35,433)	-	(35,433)
Assumption Change	-	-	-
Employer contributions	-	78,988	(78,988)
Employee contributions	-	11,239	(11,239)
Net investment income	-	40,694	(40,694)
Benefit payment	(36,032)	(36,032)	-
Administrative expense	-	(9,759)	9,759
Other changes	-	-	-
Net Changes	11,683	85,130	(73,447)
Balance at March 31, 2024	$ 662,476	$ 306,487	$ 355,989

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, 2024, the City recognized pension expense of $36,748. 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, 2024, 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	$ 21,970	$ (109,552)
Differences between expected and actual experience	-	(5,728)
Assumption changes	-	-
Contributions made after the measurement date	32,026	-
Total	$ 53,996	$ (115,280)

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 $32,026 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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,		
2025	$ (28,008)	-
2026	$ (24,773)	-
2027	$ (31,429)	-
2028	$ (9,100)	-
2029	$ -	-

Note 9– Pension Plan - Continued

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2024, 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.

Valuation Date	July 1, 2024
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 30 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Retirement:	

Age	NRA before 60	NRA between 60 &	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 Ta
Pan Termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The methods and assumptions used in the July 1, 2024, 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 weighing 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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.91%
International equity	20%	7.21%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
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, 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%
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 436,102	$ 355,989	$ 289,449

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 costs 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 claims 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. The commercial property limit is $368,300 for buildings and $393,300 for equipment breakdown.

Note 11 – Assignment

Georgia code section 48-8-91 requires local governments collecting local option sales tax to calculate a reduction of the local millage rate on the prior year collections of the local option sales tax. The assignment of fund for property tax roll back, accounts for the annual collection of local sales tax fund that will be used in the calculation for the next year's millage rate reduction.

Note 12 – Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through October 15, 2025 (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, 2024

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUE				
Taxes	$ 1,400,848	$ 1,400,848	$ 1,488,147	$ 87,299
Licenses and permits	20,000	20,000	21,291	1,291
Intergovernmental	70,000	70,000	88,649	18,649
Charges for services	15,000	15,000	40,521	25,521
Fines and forfeitures	84,075	84,075	82,914	(1,161)
Investment Income	9,000	9,000	6,756	(2,244)
Miscellaneous	88,000	88,000	431,967	343,967
TOTAL REVENUE	1,686,923	1,686,923	2,160,245	473,322
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
City Council	47,800	47,800	56,839	9,039
General Administration	368,016	368,016	488,710	120,694
Total General Government	415,816	415,816	545,549	129,733
PUBLIC SAFETY				
Police Department	720,650	720,650	710,989	(9,661)
Animal Control	8,700	8,700	7,568	(1,132)
Fire Department	49,450	49,450	76,438	26,988
Total Public Safety	778,800	778,800	794,995	16,195
PUBLIC WORKS				
Road Department	492,307	492,307	643,748	151,441
Total Public Works	492,307	492,307	643,748	151,441
TOTAL EXPENDITURES	1,686,923	1,686,923	1,984,292	297,369
EXCESS OF REVENUES OVER EXPENDITURES	-	-	175,953	175,953
FUND BALANCE, BEGINNING OF YEAR	-	-	2,173,914	2,173,914
FUND BALANCE, END OF YEAR	$ -	$ -	$ 2,349,867	$ 2,349,867

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

CITY OF LAKELAND, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending December 31, 2024

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ -	$ 122,000	$ 121,427	$ (573)
TOTAL REVENUES	-	122,000	121,427	(573)
EXPENDITURES				
Current				
Public works	-	122,000	121,427	(573)
TOTAL EXPENDITURES	-	122,000	121,427	(573)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	$ -	$ -	$ -	$ -

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, 2024

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, 2024

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

	2024	2023	2022	2021	2020
Total Pension Liability as of Beginning of Year	$ 650,793	$ 712,698	$ 630,121	$ 532,346	$ -
Service cost	33,975	38,702	28,591	28,537	-
Interest	49,173	54,680	48,142	41,093	-
Differences between expected and actual experience	(35,433)	(135,340)	17,732	35,513	-
Benefit payments, including refunds of employee contributions	(36,032)	(19,947)	(11,888)	(7,368)	
Changes of assumptions	-	-	-	-	-
Changes of benefit terms	-	-	-	-	532,346
Total Pension Liability as of End of Year	$ 662,476	$ 650,793	$ 712,698	$ 630,121	$ 532,346
Fiduciary Net Position as of Beginning of Year	$ 221,357	$ 167,256	$ 102,200	$ 28,639	$ -
Employer contributions	78,988	80,043	70,134	55,532	31,448
Employee contributions	11,239	14,490	11,919	12,008	7,955
Net investment income	40,694	(9,031)	6,028	20,252	(4,044)
Benefit payments	(36,032)	(19,947)	(11,888)	(7,368)	-
Employee contribution refunds	-	-	-	-	-
Administrative expense	(9,759)	(11,454)	(11,137)	(6,863)	(6,720)
Other	-	-	-	-	-
Fiduciary Net Position as of End of Year	$ 306,487	$ 221,357	$ 167,256	$ 102,200	$ 28,639
Net pension liability as of beginning of year	$ 429,436	$ 545,442	$ 527,921	$ 503,707	$ -
Net pension liability as of end of year	$ 355,989	$ 429,436	$ 545,442	$ 527,921	$ 503,707
Fiduciary Net Position as a percentage of Total Pension Liability	46.26%	34.01%	23.47%	16.22%	5.38%
Covered payroll for plan year	$ 613,984	$ 631,844	$ 725,585	$ 506,597	$ 600,460
Net pension liability as a percentage of covered payroll	57.98%	67.97%	75.17%	104.21%	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, 2024

SCHEDULE OF PENSION CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution, July 1,	$ -	$ 82,842	$ 77,792	$ 68,674	$ 68,674
Contribution in relation to the actuarially determined contribution, July 1,	-	82,842	78,067	69,095	67,912
Contribution deficiency (excess)	$ -	$ -	$ (275)	$ (421)	$ 762
Covered payroll	$ -	$ 631,844	$ 725,585	$ 506,597	$ 600,460
Contributions as a percentage of covered payroll	0.00%	13.11%	10.76%	13.64%	11.31%

2024 information will be determined after fiscal year end and will be included in the 2025 valuation report

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

Changes to Benefits

There were no changes in benefit provisions in the last two fiscal years.

Changes to Assumptions

There were no changes in assumptions in the last two fiscal years.

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	July 1, 2024
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 30 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Retirement:	

Age	NRA before 60	NRA between 60 &	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 Ta
Pan Termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF LAKELAND, GEORGIA
COMBINING NONMAJOR FUNDS
BALANCE SHEET
December 31, 2024

		Capital Projects					Total Nonmajor
	Hotel Motel Tax Fund	TSPLOST Fund	Public Roads Fund	2017 SPLOST Fund	2022 SPLOST Fund	CDBG Fund	Governmental Funds
ASSETS							
Cash	$ -	$ 320,359	$ 102,311	$ 21,558	$ 473,895	$ 8	$ 918,131
Accounts receivable	-	6,690	-	-	53,139	-	59,829
Due from other fund	15	-	-	-	-	-	15
TOTAL ASSETS	15	327,049	102,311	21,558	527,034	8	977,975
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	14,816	2,451	21,558	90,325	8	129,158
TOTAL LIABILITIES	-	14,816	2,451	21,558	90,325	8	129,158
FUND BALANCES							
Restricted for capital projects	-	312,233	99,860	-	436,709	-	848,802
Restricted for development	15	-	-	-	-	-	15
TOTAL FUND BALANCE	15	312,233	99,860	-	436,709	-	848,817
TOTAL LIABILITIES AND FUND BALANCE	$ 15	$ 327,049	$ 102,311	$ 21,558	$ 527,034	$ 8	$ 977,975

See independent auditor's report.

CITY OF LAKELAND, GEORGIA
COMBINING NONMAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
December 31, 2024

	Hotel Motel Tax Fund	Capital Projects					Total Nonmajor Governmental Funds
		T SPLOST Fund	Public Roads Fund	2017 SPLOST Fund	2022 SPLOST Fund	CDBG Fund	
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ 270,948	$ -	$ 270,948
Intergovernmental	-	63,767	56,547	-	-	-	120,314
Investment income	-	-	124	143	711	-	978
TOTAL REVENUES	-	63,767	56,671	143	271,659	-	392,240
EXPENDITURES							
Current:							
Public works	-	-	763	16,858	90,325	-	107,946
Housing and development	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	763	16,858	90,325	-	107,946
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	63,767	55,908	(16,715)	181,334	-	284,294
FUND BALANCE, BEGINNING OF YEAR	15	248,466	43,952	16,715	255,375	-	564,523
FUND BALANCE, END OF YEAR	$ 15	$ 312,233	$ 99,860	$ -	$ 436,709	$ -	$ 848,817

See independent auditor's report.

CITY OF LAKELAND, GEORGIA
HOTEL MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending December 31, 2024

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ -	$ 50	$ -	$ (50)
TOTAL REVENUES	-	50	-	(50)
EXPENDITURES				
Current				
Housing and development	-	50	-	(50)
TOTAL EXPENDITURES	-	50	-	(50)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	15	15
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 15	$ 15

See independent auditor's report.

COMPLIANCE SECTION

CITY OF LAKELAND, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
SCHEDULES OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended December 31, 2024

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	$ 1,118,498	$ 16,858	$ 1,135,356	75.69%
Totals	$4,173,750	$1,500,000	$ 1,118,498	$ 16,858	$ 1,135,356	

2022 SPLOST	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, streets and bridge purposes	$3,638,750	$3,638,750	$ -	$ 90,325	$ 90,325	2.48%
Totals	$3,638,750	$3,638,750	$ -	$ 90,325	$ 90,325	

See independent auditor's report.

CITY OF LAKELAND, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended December 31, 2024

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

City of Lakeland, Georgia

22p-x-086-2-6291

For the Period Ending: December 31, 2024
Cumulative - Cash Basis

I. Total Fiscal Year 2022 CDBG Funds Awarded to Recipient:	$ 1,000,000
II. Total Amount of Drawdown by Recipient from DCA:	$ 872,404
III. Less: CDBG Funds Expended by Recipient:	$ 872,404
IV. Amount of Fiscal Year 2022 CDBG Funds held by Recipient:	$ -

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE - CASH BASIS

Recipient: City of Lakeland Georgia

Grant #: 22p-x-086-2-6291

For the Period Ending: December 31, 2024

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	$ 74,000	$ 74,000	$ -	$ 74,000	$ -
Sewer Facilities	P-03J-02	$ 866,000	$ 745,904	$ -	$ 745,904	$ -
Administration	A-21A-00	$ 60,000	$ 52,500	$ -	$ 52,500	$ -
TOTAL		$ 1,000,000	$ 872,404	$ -	$ 872,404	$ -

See independent auditor's report.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL 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 *Government 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 City of Lakeland, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Lakeland, Georgia's basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control over Financial Reporting

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

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

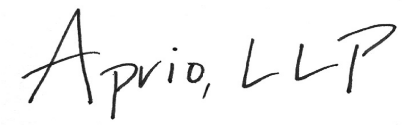
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations, during out audit we did not identify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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lakeland, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.



Valdosta, GA
October 15, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Council
City of Lakeland, Georgia

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Lakeland, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on City of Lakeland, Georgia's major federal program for the year ended December 31, 2024. City of Lakeland, Georgia's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Lakeland, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Lakeland, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of City of Lakeland, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Lakeland, Georgia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Lakeland, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Lakeland, Georgia's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Lakeland, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Lakeland, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Lakeland, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

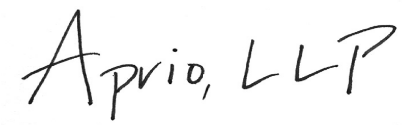
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Valdosta, GA
October 15, 2025

CITY OF LAKELAND, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

	Assistance Listing Number	Pass Through Grantor Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Treasury				
Direct Federal				
COVID-19 -Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	$ 209,312	$ -
United States Department of Homeland Security				
Passed through the Georgia Emergency Management Agency				
Disaster Grants - Public Assistance (Presidently Declared Disaste	97.036	DR-4738 PW003	78,220	-
United States Department of Housing and Urban Development				
Passed through the State of Georgia Department of Community Affairs				
Community Development Block Grant	14.228	22p-x-086-2-6291	820,640	-
Total			$ 1,108,172	$ -

CITY OF LAKELAND, GEORGIA
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
Year Ended December 31, 2024

NOTE 1. BASIS OF PREPARATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Lakeland, Georgia (the "City), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose to use the ten percent de minimis cost rate for the year ending December 31, 2024.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ending December 31, 2024.

CITY OF LAKELAND, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COST
Year Ended December 31, 2024

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

Federal Awards

Internal control over major programs:		
Material weakness identified?	____Yes	__X__No
Significant deficiencies identified not considered to be a material weakness?	____Yes	__X__No
Type of auditors' report issued on compliance for major programs?		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	____Yes	__X__No

Identification of major Programs:	
Name of Federal Program or Cluster	Assistance Listing Number
Department of Housing and Urban Development – Community Development Block Grant	14.228
Dollar threshold used to Distinguish between Type A and Type B programs:	$750,000

Auditee qualified as low-risk auditee? ____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.