CITY OF LUMPKIN, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JULY 31, 2024

CITY OF LUMPKIN, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED JULY 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Lumpkin
Lumpkin, Georgia

Opinions

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lumpkin, Georgia, as of and for the year ended July 31, 2024, and the related notes to financial statements, which comprise the City's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lumpkin, Georgia as of July 31, 2024, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not

absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

- Exercise professional judgement 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lumpkin, Georgia's basic financial statements. The combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated January 26, 2024 on my consideration of the City of Lumpkin, Georgia's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City of Lumpkin, Georgia's internal control over financial reporting and compliance.

Kim Kimmel CPA

Richland, Georgia
January 16, 2025

CITY OF LUMPKIN, GEORGIA
Government-wide Statement of Net Position
July 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	Downtown Development Authority
ASSETS				
Current assets:				
Cash and Cash Equivalents	$ 391,796	$ 13,473	$ 405,269	$ 804
Taxes receivable	87,154	-	87,154	-
Other receivables	-	114,055	114,055	-
Restricted cash	-	32,263	32,263	-
Non-current assets:				
Nondepreciable capital assets	75,225	6,505	81,730	-
Depreciable Capital Assets, Net	779,311	3,765,568	4,544,879	-
Total Assets	1,333,486	3,931,864	5,265,350	804
DEFERRED OUTFLOW OF RESOURCES				
Deferred pension plan charges	71,972	35,449	107,421	-
Total deferred outflow of resources	71,972	35,449	107,421	-
LIABILITIES				
Accounts Payable	7,233	32,434	39,667	-
Deposits payable	-	61,300	61,300	-
Net pension liability	55,696	27,433	83,129	-
Current portion long-term debt	39,109	7,677	46,786	-
Non-current liabilities				
Long term debt	153,772	482,504	636,276	-
Total Liabilities	255,810	611,348	867,158	-
DEFERRED INFLOWS OF RESOURCES				
Pension plan deferrals	53,666	26,432	80,098	-
Total deferred inflow of resources	53,666	26,432	80,098	-
NET POSITION				
Net investment in capital assets	661,655	3,281,892	3,943,547	-
Restricted for:				
Road projects	205,074	-	205,074	-
Capital construction	62,521	-	62,521	-
Unrestricted	166,732	47,641	214,373	804
Total Net Position	$ 1,095,982	$ 3,329,533	$ 4,425,515	$ 804

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Statement of Activities
Year Ended July 31, 2024

Program Activites	Expenses	Program Revenues: Fees, Fines, Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues
Governmental Activities:					
General Government	$ 347,548	$ 13,396	$ -	$ -	$ (334,152)
Public Safety	461,615	92,070	-	41,250	(328,295)
Public Works	154,160	-	-	221,404	67,244
Culture and Recreation	3,691	-	-	-	(3,691)
Debt service interest	11,622	-	-	-	(11,622)
Total Governmental Activities	978,636	105,466	-	262,654	(610,516)
Business-Type Activities					
Water utilities	441,215	451,223	-	-	10,008
Sewerage treatment	234,132	448,805	-	-	214,673
Gas	176,370	272,506	-	-	96,136
Solid Waste	178,119	143,720	-	-	(34,399)
Total Business-Type Activities:	1,029,836	1,316,254	-	-	286,418
					96,136 (34,399) 294,092.00
Total Primary Government	2,008,472	1,421,720	-	262,654	(324,098) 176,370 178,119 1,022,162.00
Component Unit:					809,163
Lupmpkin Downtown Development Authority	-	-	-	-	-

	Governmental Activities	Business-type Activities	Total	Component Unit
General revenues:				
Taxes:				
Advalorem	266,572	-	266,572	-
Sales tax	154,963	-	154,963	-
Insurance premium tax	78,413	-	78,413	-
Franchise tax	56,599	-	56,599	-
Other taxes	17,146	-	17,146	-
Investment Revenue	-	9	9	-
Other	43,006	-	43,006	-
Grant for capital purposes	-	182,501	182,501	
Contributed capital	-	77,753	77,753	-
Transfers	335,692	(335,692)	-	-
	952,391	(75,429)	876,962	-
Changes in net position	341,875	210,989	552,864	-
Net position beginning of year	754,107	3,118,544	3,872,651	804
Net position at end of year	$ 1,095,982	$ 3,329,533	$ 4,425,515	$ 804

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2024

	General	Other Govern-mental Funds	Total Govern-mental Funds
Assets			
Cash and Cash Equivalents	$ 114,362	$ 277,434	$ 391,796
Receivables, net	87,154	-	87,154
Due from other funds	9,839	-	9,839
Total Assets	211,355	277,434	488,789
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	7,233	-	7,233
Note payable	-	-	-
Due to other funds	-	9,839	9,839
Total Liabilities	7,233	9,839	17,072
Deferred Inflows of Resources	60,121	-	60,121
Fund Balances (deficits)			
Restricted for road projects	-	205,074	205,074
Restricted for capital projects	-	62,521	62,521
Unassigned	144,001	-	144,001
Total Fund Balances	144,001	267,595	411,596
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 211,355	$ 277,434	$ 488,789

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
July 31, 2024

Total Governmental Funds Balances (deficits)	$	411,596
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets of $2,051,876 net of accumulated depreciation of ($1,197,340), used in governmental activities are not financial resources and, therefore, are not reported in the funds.		854,536
Long-term liabilities are not due and payable in the current period and, therefor, are not reported in the governmental funds:		
Leases due in more than one year		(192,882)
Pension Plan liability		(55,696)
Certain resources are recorded in the funds as current but are properly deferred in the statement of net assets		
Deferred outflows for pension plan		71,972
Deferred inflows for pension plan		(53,666)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Deferred property taxes		60,122
Due from other funds		9,839
Due to other funds		(9,839)
Net Position of Governmental Activities	$	1,095,982

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended July 31, 2024

	General	Formerly Major Fund SPLOST	Other Govern-mental Funds	Total Govern-mental Funds
Revenues				
Property Taxes	$ 230,074	$ -	$ -	$ 230,074
Sales Taxes	154,963	-	-	154,963
Insurance premium tax	78,413	-	-	78,413
Franchise tax	56,599	-	-	56,599
Other Local Taxes	17,146	-	-	17,146
Intergovernmental	41,250	-	221,404	262,654
Licenses and Permits	13,396	-	-	13,396
Other	56,751	-	-	56,751
Fines and Forfeitures	78,324	-	-	78,324
Interest income	-	-	-	-
Total Revenues	726,916	-	221,404	948,320
Expenditures				
Current				
General government	331,478	-	-	331,478
Public safety	459,882	-	-	459,882
Public works	59,440	-	79,428	138,868
Culture and recreation	442	-	-	442
Capital outlay	-	-	14,765	14,765
Debt service	37,329	-	-	37,329
Total Expenditures	888,571	-	94,193	982,764
Excess (deficiency) of Revenues Over (Under) Expenditures	(161,655)	-	127,211	(34,444)
Other Financing Sources (Uses)				
Proceeds of long term debt	15,400	-	-	15,400
Transfers—In	335,692	-	-	335,692
Transfers—Out	-	-	-	-
Total Other Financing Sources (Uses)	351,092	-	-	351,092
Net Change in Fund Balances	189,437	-	127,211	316,648
Beginning fund balance as previously reported	(45,436)	53,256	93,006	100,826
Change within financial reporting entity (major to non-major)		(53,256)	53,256	-
Correction of an error			(5,878)	(5,878)
Beginning fund balances, as adjusted	(45,436)	-	140,384	94,948
Fund Balances at End of Year	144,001	-	267,595	411,596

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended July 31, 2024

Net Change in Fund Balances—Total Governmental Funds	$	316,648
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the stetement of activities, the cost of those assets is allocated over their estimated useful lives asdepreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
Depreciation		(83,319)
Capital outlay		55,868
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long-term debt consumes the resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Proceeds of long-term debt		(15,400)
Repayment of long-term debt		35,937
Pension accrual		(4,357)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property Taxes deferred		36,498
Change in Net Position of Governmental Activities	$	341,875

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Statement of Net Position
Proprietary Funds
July 31, 2024

	Water & Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 13,473	$ -	$ -	$ 13,473
Accounts receivable	76,776	24,112	13,167	114,055
Due from other funds	-	-	268	268
Restricted cash	32,263	-	-	32,263
Total Current Assets	122,512	24,112	13,435	160,059
Noncurrent Assets:				
Nondepreciable capital assets	6,505	-	-	6,505
Depreciable Capital Assets, Net	3,686,465	79,103	-	3,765,568
Total Non-current Assets	3,692,970	79,103	-	3,772,073
Total Assets	3,815,482	103,215	13,435	3,932,132
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on pension plan	22,558	12,891	-	35,449
LIABILITIES				
Accounts Payable	15,475	3,524	13,435	32,434
Due to other funds	268	-	-	268
Net pension liability	17,457	9,976	-	27,433
Deposits payable	45,097	16,203	-	61,300
Current portion long-term debt	7,677	-	-	7,677
Total Current Liabilities	85,974	29,703	13,435	129,112
Long-Term Liabilities				
Long-term debt	482,504	-	-	482,504
Total long-term liabilities	482,504	-	-	482,504
Total Liabilities	568,478	29,703	13,435	611,616
DEFERRED INFLOW OF RESOURCES				
Nonamortized pension earnings	16,820	9,612	-	26,432
NET POSITION				
Net investment in capital assets	3,202,789	79,103	-	3,281,892
Unrestricted	49,953	(2,312)	-	47,641
Total Net Position	$ 3,252,742	$ 76,791	$ -	$ 3,329,533

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See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended July 31, 2024

	Water & Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
Operating revenues:				
Charges for services	$ 900,028	$ 272,506	$ 143,720	$ 1,316,254
Total operating revenues	900,028	272,506	143,720	1,316,254
Operating expenses:				
Personal services	208,150	63,879	-	272,029
Materials and supplies	75,037	49,275	6,465	130,777
Contractual and other services	231,656	60,403	171,654	463,713
Depreciation	152,830	2,813	-	155,643
Total operating expenses	667,673	176,370	178,119	1,022,162
Income (loss) from operations	232,355	96,136	(34,399)	294,092
Nonoperating revenues (expenses):				
Investment income	10	-	-	10
Interest expense	(7,674)	-	-	(7,674)
Total nonoperating revenues (expenses)	(7,664)	-	-	(7,664)
Income (loss) before contributions and transfers	224,691	96,136	(34,399)	286,428
Contributed capital	77,753	-	-	77,753
GEFA grant	182,501			182,501
Transfers in	55,162	-	29,825	84,987
Transfers out	(330,517)	(90,163)	-	(420,680)
Change in net position	209,590	5,973	(4,574)	210,989
Net position beginning previously reported	3,043,152	70,818	4,574	3,118,544
Net position, ending	$ 3,252,742	$ 76,791	$ -	$ 3,329,533

See accompanying notes to the basic financial statements.

CITY OF LUMPKIN, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended July 31, 2024

	Water & Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
Cash flows from operating activities:				
Cash received from customers	$ 874,659	$ 262,839	$ 142,627	$ 1,280,125
Cash payments to suppliers for goods and services	(308,746)	(108,742)	(172,184)	(589,672)
Cash payments to employees for services	(189,409)	(52,449)	-	(241,858)
Net cash provided (used) by operating activities	376,504	101,648	(29,557)	448,595
Cash flows from noncapital financing activities:				
Transfers in	-	-	29,557	29,557
Transfers out	(265,077)	(265,077)	-	(530,154)
Net cash provided (used) by noncapital financing activities	(265,077)	(265,077)	29,557	(500,597)
Cash flows from capital and related financing activities:				
Capital grant received		-		
Capital assets acquired	(409,859)	-	-	(409,859)
Proceeds of long-term debt	365,001	-	-	365,001
Principal paid on revenue bond maturities	(15,640)	-	-	(15,640)
Interest paid	(7,677)	-	-	(7,677)
Net cash provided (used) by capital and related financing activities	(68,175)	-	-	(68,175)
Cash flows from investing activities				
Interest on investments	10	-	-	10
Net cash provided by investing activities	10			
Net increase (decrease) in cash and cash investments	43,262	-	-	(120,177)
Cash and cash investments, beginning	20,054	-	-	20,054
Cash and cash investments, ending	$ 63,316	$ -	$ -	$ (100,123)
Unrestriced cash	$ 13,473	$ -	$ -	13,473
Restricted cash	32,263	-	-	32,263
Total cash and cash equivalents	$ 45,736	$ -	$ -	$ 45,736
Reconciliation of income (loss) from operations to net cash provided (usedc) by operating activities				
Operating income (loss)	$ 232,355	$ 96,136	$ (34,399)	$ 294,092
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	152,830	2,813	-	155,643
(Increase) decrease in:				
Accounts receivable	(31,069)	(9,817)	(1,093)	(41,979)
Increase (decrease) in:				
Accounts payable	(2,053)	936	5,935	4,818
Accrued pension	8,791	5,743	-	14,534
Deferred outflows	8,934	5,104	-	14,038
Deferred inflows	1,016	583	-	1,599
Customer deposits	5,700	150	-	5,850
Net cash provided (used) by operating activities	$ 376,504	$ 101,648	$ (29,557)	$ 448,595
Noncash Activities				
Capital assets contributed	$ 77,753	$ -	$ -	$ -
Debt forgiven	$ 182,501	$ -	$ -	$ -

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lumpkin, Georgia (the City) have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

Reporting Entity

The City of Lumpkin, Georgia operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, public works, development, culture, recreation, and public utilities. The Mayor and City Council are elected by the citizens of Lumpkin and as such have the decision-making authority over the City.

The City is not included in any other "reporting entity" as defined by the Governmental Accounting Standards Board. As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Based upon these criteria, the City of Lumpkin has one component unit.

Discretely Presented Component Unit:

Lumpkin Downtown Development Authority

Created in 2006 to promote economic development and revitalization in the downtown area of the City through managing commercial property and administering economic development programs. Separate financial statements of the Authority are not issued. The City's discretely presented component unit has a December 31 fiscal year-end. There was no activity in the Authority during the year.

Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorizer activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in fund financial statements.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred without regard to receipt or disbursement of cash. Property taxes are recognized in the period for which levied, provided the City has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year end. Revenues susceptible to accrual are grant revenue, property taxes, and service contract revenue earned. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded when payment is due.

The City reports the following major governmental funds:

General Fund

The General Fund is the principal fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. This fund is primarily used for the activities under direct control of the Mayor and Council. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

The City reports the following major proprietary funds:

Water and Sewer Fund

This fund is used to account for all operations relating to activities conducted in the operation of a municipal water supply and wastewater treatment.

Natural Gas Fund

This fund is used to account for all operations relating to activities conducted in the provision of natural gas to the City's citizens.

Solid Waste Fund

This fund is used to account for all operations relating to activities conducted in the collection and disposal of solid waste within the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water & Sewer Fund are charges to customers for sales and services. Operating expenses for the Water & Sewer Fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When fund balances are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Budgets

The City budgets its operations on an annual basis for the General Fund and the Special Revenue Funds. The proposed budget is prepared each May by a Budget Committee composed of the Mayor and Council. Budget requests from the various City departments are presented to the Committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Lumpkin. The final proposed budget is presented at a City Council meeting for final passage prior to July 31. The final budget is adopted at public meeting. Grants and contracts received by the City during the year are governed by stipulated budgets that are officially adopted at the time the grants are approved. Other than changes made by grantor contracts, there were no amendments to the officially adopted budget for the year.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General and Special Revenue Funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Revenues are budgeted by source and expenditures are budgeted by department and class as follows: General government, Public safety, Public works, Housing and Development, Cultural & Recreation, and Debt service. This constitutes the legal level of control. General Fund expenditures for capital outlay are budgeted with the respective departments rather than being separately reported. Expenditures may not exceed appropriations at this level except for matching funds required by grantors. All budget revisions at this level are subject to final review by the Council. Within these control levels, management may transfer appropriations without Council approval, with the exception of salary amounts.

Cash and Cash Equivalents

Cash and equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date of three months or less.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial

statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of $500 or more and over three years of useful life. Infrastructure assets acquired or constructed after July 1, 2003 will be capitalized. The only prior infrastructure assets capitalized consists of a major drainage project financed by a grant. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40	Years
Vehicles	7	Years
Equipment	10	Years
Water distribution system	50	Years
Sewerage treatment plant	50	Years
Gas distribution system	50	Years
Infrastructure	50	Years

Vacation and Sick Leave

The City allows employees to earn sick leave at the rate of 6 days per year. Vacation pay is earned based upon length of employment. Sick leave is not paid on termination but will be paid only upon illness while in the employ of the City. The amount of unpaid leave time is not significant and has not been recorded in the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents consumption of net position which applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item that qualifies for reporting in this category. It is a deferred charge for pension plan contributions which is reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This section represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has only one type of item that qualifies for reporting in this category under modified accrual basis of accounting. That item is unavailable revenue for property taxes and is reported in the governmental funds balance sheet. The City has one item in this category that is reported in the government-wide statement of net position, and that is unavailable revenue for the difference between anticipated pension plan asset yield and actual experience. This amount is amortized and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

At times the City funds outlays for a particular purpose from both restricted and unrestricted resources. The City assumes that restricted resources are applied first.

Fund Balance Policies

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Restricted fund balance- amounts constrained to specific purposes by their providers (such as grantors, through constitutional provisions or enabling legislation.

Committed fund balance- Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through approval of a motion. Only the City Council can modify or rescind a commitment.

Assigned fund balance- amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance- amounts that are available for any purpose; positive amounts are reported only in the general fund.

Fund Balance Flow Assumption

It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DEPOSITS

State statutes require that all non-insured public deposits in financial institutions be fully insured or collateralized by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by state statutes at July 31, 2024. At July 31, 2024, the carrying amount of the City's deposits in financial institutions was $437,532 and the bank balance was $476,622.

3. RECEIVABLES

The major receivables consist of utility bills and taxes.

Receivables and revenues from utility bills are recorded when the services are provided. Amounts shown as a receivable on the balance sheet represent amounts owed but not paid. An allowance for uncollectable accounts has been recorded. This represents the amount of utility bills receivable for which collection is doubtful.

Revenues from property taxes are recognized as follows:

An ad valorem tax is charged each year on each parcel of taxable property and on each taxable vehicle and mobile home located in the City. The tax is assessed to support the City government. It is based generally on a fixed percentage of the market value multiplied by a millage rate. The market value of the property is determined by the County Board of Assessors and the millage rate is set by the City Council to produce the revenue required to finance the expected expenditures of the City.

After the taxable value of the property has been established and the millage rate determined, the tax is computed on each property, and a tax bill is prepared for the property owner. The total of these computations, called the tax digest, is submitted to the State of Georgia for approval before the tax bills are mailed to the property owners. These tax bills then become the basis for tax collections. A list of uncollected taxes is prepared from the bills remaining unpaid at the end of the year.

The City's ad valorem tax is normally levied each October on the assessed value as of the prior January 1 for all real and business personal property located within the City limits. Taxes are due sixty days after the levy date. For 2020, ad valorem taxes were levied on November 6 and were due January 2.

4. CAPITAL ASSETS

Capital asset activity for the year ended July 31, 2024 was as follows:

Governmental Activities:	Balance Beginning	Additions	Transfers & Disposals	Balance Ending
Capital assets not being depreciated/amortized				
Land	$ 75,225	$ -	$ -	$ 75,225
Capital assets being depreciated				
Buildings	272,373	2,500	-	274,873
Equipment	440,631	53,368	-	493,999
Vehicles	682,825	-	(109,820)	573,005
Infrastructure	504,064	-	-	504,064
Intangible assets-SBITA software	130,710	-	-	130,710
	2,030,603	55,868	(109,820)	1,976,651
Less accumulated depreciation for:				
Buildings	(161,285)	(4,597)	-	(165,882)
Equipment	(406,642)	(17,093)	-	(423,735)
Vehicles	(446,571)	(38,163)	-	(484,734)
Infrastructure	(196,272)	(10,395)	-	(206,667)
Intangible assets-SBITA software	(13,071)	(13,071)	-	(26,142)
	(1,223,841)	(83,319)	-	(1,307,160)
Total capital assets being depreciated, net	806,762	(27,451)	(109,820)	669,491
Governmental-type activities capital assets, net	$ 881,987	$ (27,451)	$ (109,820)	$ 744,716

Business-type Activities:	Balance Beginning	Additions	Transfers & Disposals	Balance Ending
Capital assets not being depreciated/amortized				
Land	$ 6,505	$ -	$ -	$ 6,505
Capital assets being depreciated				
Equipment	107,573	422,623	(5,228)	524,968
Natural gas infrastructure	194,075	-	-	194,075
Water infrastructure	1,910,465	36,989	-	1,947,454
Sewerage infrastructure	3,910,794	28,004	-	3,938,798
	6,122,907	487,616	(5,228)	6,605,295
Less accumulated depreciation for:				
Equipment	(92,402)	(21,396)	5,228	(108,570)
Natural gas infrastructure	(111,968)	(2,659)	-	(114,627)
Water infrastructure	(891,767)	(61,101)	-	(952,868)
Sewerage infrastructure	(1,593,174)	(70,487)	-	(1,663,661)
	(2,689,311)	(155,643)	5,228	(2,839,726)
Total capital assets being depreciated, net	3,433,596	331,973	-	3,765,569
Business-type activities capital assets, net	$ 3,440,101	$ 331,973	$ -	$ 3,772,074

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

Administration	$ 14,634
Public safety	50,144
Public works	15,292
Recreation	3,249
	$ 83,319

5. NOTES PAYABLE

The City borrowed from a bank on a short-term tax anticipation note during the year to provide temporary cash flow needs. The note is due December 31, 2024.

	Balance Beginning	Additions	Reductions	Balance Ending
Bank notes payable	$ 100,000	$ -	$ 100,000	$ -

6. LONG-TERM DEBT

Long term debt activity for the year ended July 31, 2024 is summarized as follows:

	Balance Beginning	Additions	Reductions	Balance Ending	Due In One Year
Governmental Activities					
Long-term financing	$ 109,558	$ -	$ 25,707	$ 83,851	$ 26,798
Long-term financing	-	15,400	1,665	13,735	2,935
Pension plan asset	83,083	-	27,387	55,696	-
	192,641	15,400	54,759	153,282	29,733
Obligation RTU SBITA	103,860	-	8,564	95,296	9,377
	$ 296,501	$ 15,400	$ 63,323	$ 248,578	$ 39,110
Business-Type Activities					
GEFA Note DW2022019-L	$ 3,714	$ 365,001	$ 182,501	$ 186,214	$ -
GEFA Note GF2019004-L	319,607	-	15,640	303,967	16,026
GEFA Note DW2022120	-	-	-	-	-
Total long-term debt	323,321	365,001	198,141	490,181	16,026
Pension plan asset	41,965	-	14,532	27,433	-
Total	$ 365,286	$ 365,001	$ 212,673	$ 517,614	$ 16,026

GEFA Loans

The City borrowed from the Georgia Environmental Facilities Authority to finance major capital projects benefiting the Water and Sewer Fund.

In February 2023, Loan DW2022120 was made in the amount of $90,300. The purpose of the loan was to inventory lead water lines. This loan has not been disbursed as of July 31, 2024.

In September 2019, Loan GF2019004-L was made in the amount of $367,880. The purpose of the loan was to help finance major sewer system renovations. This loan is payable in monthly installments of $1,939 through 2040 with interest at 2.44%. Because of the effects of COVID-19, GEFA deferred payments from July 1, 2024 to January 1, 2024. No interest accrued during that period and no payments were due during that period. Payments became due again on January 4, 2024.

In 2019, Loan DW2022019-L was made in the amount of $365,001. The purpose of the loan was to finance replacement of water meters. During the year, the project was completed and GEFA forgave $182,501 of the principal due. The loan will begin amortizing in FY 2025.

The annual requirements for debt service are as follows:

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 29,733	$ 4,005	$ 16,026	$ 7,624	$ 45,758	$ 11,629
2026	30,977	2,761	16,421	7,238	47,398	9,999
2027	32,274	1,464	16,826	6,843	49,100	8,307
2028	3,271	113	17,241	6,438	20,513	6,551
2029	-	-	17,667	6,023	17,667	6,023
2030-2034	-	-	95,092	23,518	95,092	23,518
2035-2039	-	-	107,417	11,489	107,417	11,489
2040	-	-	17,276	897	17,276	897
	$ 96,254	$ 8,344	303,967	$ 70,070	400,221	$ 78,414
Not yet amortized			186,214		186,214	
			$ 490,181		$ 586,435	

7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS PAYABLE

In May 2024, the City entered into an agreement as lessee for accounting software. The initial term was for five years with expected renewals for an additional five years. An initial lease liability was recorded in the amount of $130,710 during the current year. As of July 31, 2024 the value of the lease liability was $109,860. The City is required to make one payment of $6,000 in 2024, and then annual principal and interest payments of $14,850 thereafter. The software has an estimated useful life equal to the lease term. The weighted average discount rate is 3%.

The right to use (RTU) intangible assets associated with the lessee SBITA:

	Balance Beginning	Additions	Transfers & Disposals	Balance Ending
Governmental Activities				
Capital assets being amortized				
RTU SBITA-Software	$ 130,710	$ -	$ -	$ 130,710
Less accumulated amortization for				
RTU SBITA-Software	$ (13,071)	$ (13,071)	$ -	$ (26,142)

The future principal and interest payments of the Subscription Based IT Agreement as of July 31, 2024 were as follows:

	Principal	Interest
2025	$ 9,377	$ 5,473
2026	10,158	4,692
2027	10,910	3,940
2028	11,633	3,217
2029	12,328	2,522
2030-2032	40,890	3,660
	$ 95,296	$ 23,504

8. RISK MANAGEMENT

The City is exposed to various forms of risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as a part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, and the Georgia Municipal Association Group Self-Insurance Workers Compensation 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 descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the government in investigation, settlement discussions 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 proscribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interests accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

This coverage includes all risk categories except natural disasters, for which the City is self-insured. Because of no recent history of loss from natural disasters, no estimated liability has been recorded.

There was no decrease in coverage during the year. The City is not aware of any outstanding and unpaid claims as of July 31, 2024.

9. EMPLOYEE BENEFITS

The City provided a defined benefit pension plan for all of its full-time employees through the Georgia Municipal Employees Benefit System, an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association (GMA). The Public Retirement Systems Standard Law (OCGA 47-20-10) assigns the authority to establish and amend the plan to the City. GMA issues a publicly available financial report that includes the financial statements and required supplementary information for GMBEBS. That report may be obtained by writing to GMBEBS, 201 Pryor St., SW, Atlanta, Georgia 30303.

Eligibility-To be eligible, employees must have completed on year of full-time employment. Vesting is scheduled over a ten-year period, with full vesting at the end of ten years.

Employee Contributions-The Plan is noncontributory.

Eligibility-To be eligible, employees must have completed on year of full-time employment. Vesting is scheduled over a ten-year period, with full vesting at the end of ten years.

The City froze the plan during the year ended July 31, 2007. No employees hired or rehired after August 1, 2007 may participate. All benefits for covered employees were frozen as of 8-1-07. No further contributions or accruals for current services were made after that date.

Membership in the plan at valuation date is as follows:

Retirees and beneficiaries	12
Vested former participants	5
	17

Contributions: Required contributions are determined by the Town Council based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The plan Is noncontributory, meaning the employees may not make contributions to the Plan.

The City contributed $7,184 for the year ended July 31, 2024.

Net Pension Liability: The Town's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Significant Actuarial Assumptions

Rate of return on investments	7.375%
Projected salary increases	2.250%
Cost of living adjustments	2.250%

The actuarial assumptions used in the valuation were based on a measurement date of September 30, 2021. In addition, mortality rates were based on the sex-distinct Pri-2012 head count weighted Healthy Retiree Mortality Table.

The long-term expected rate of return on Plan investments was determined using a building block method in which the 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 asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.00%	6.40%

International equity	20.00%	6.80%
Real estate	20.00%	0.40%
Global fixed income	10.00%	3.90%
Domestic fixed income	5.00%	0.46%
Cash	0.00%	
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employer will be made at the current contractually required rates, actuarially determined.

Changes in Net Pension Liability: Changes in the Town's net pension liability for the year ended July 31, 2024 were as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances September 30, 2022	$ 735,285	$ 610,238	$ 125,047
Changes for the Year:			
Interest expense	52,066	-	52,066
Experience losses (gains)	(7,107)	-	(7,107)
Contributions--employer	-	12,742	(12,742)
Net investment income	-	81,648	(81,648)
Benefit payments	(58,606)	(58,606)	-
Plan administrative expenses	-	(7,512)	7,512
Other	-	-	-
Net Changes	(13,647)	28,272	(41,919)
Balances September 30, 2023	$ 721,638	$ 638,510	$ 83,128

Sensitivity of the Net Pension Liability to Changes in the discount Rate: The following presents the net pension liability calculated using the discount rate of 7.375%, as well as what the net pension liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current rate.

	Discount Rate	Net Pension Liability
1% Increase	8.375%	$ 30,353
Current Discount Rate	7.375%	$ 83,128
1% Decrease	6.375%	$ 144,403

Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report.

Pension Expense, Deferred Outflows of Financial resources, and Deferred Inflows of Resources: For the year ended June 30, 2024, the Town recognized pension credits of $6,216. At July 30, 2024, the

Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences expected and actual earnings	$ 107,421	$ (80,097)

Amounts recognized as deferred outflows of resources and inflows of resources will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 35,807	$ (33,768)
2026	35,807	(30,885)
2027	35,807	(7,722)
2028	-	(7,722)
	$ 107,421	$ (80,097)

10. COMMITMENTS AND CONTINGENT LIABILITIES

The City signed contracts with an outside contractor to maintain all of the City's water tanks. The agreements are on an annual basis, except for one contract which requires the first five years to be guaranteed. The balance owed for this at July 31, 2024 was $8,586.

The City attorney advises that there are no legal actions that were in progress by or against the City at July 31, 2024.

The City does not contribute to State Unemployment funds. Instead, the City directly reimburses the State for unemployment benefits actually paid during each year. At July 31, 2024 there were no unpaid claims that City management believes to be material.

11. INTERFUND BALANCES AND TRANSFERS

The City utilized a pooled cash account for all funds for most of the year. This results in various interfund transfers to finance temporary cash flow needs. To the extent required transfers were not repaid by year end, a balance due to or from other funds is reported.

Due From	Due To	
SPLOST	General Fund	$ 9,839
Water & Sewer	Solid Waste	268
		$ 10,107

Transfers for the year ended July 31, 2024 were as follows:

Transfers In	Transfers Out	
Water & Sewer	Natural Gas	$ 55,162
General	Natural Gas	35,001
General	Water & Sewer	300,691
Solid Waste	Water & Sewer	29,825
		$ 420,679

11. JOINT VENTURE

Under Georgia law, the City, in conjunction with the other municipalities and county governments in a seven county area, was a member in the River Valley Regional Commission as of July 31, 2024. Under the law, the City is required to pay dues thereto. During the year ended July 30, 2024, the City paid $800 in such dues. Membership in the Commission is required under O.C.G.A. Section 50-8-34. The Commission governing Board includes the chief elected official of each county and one municipality included in the Commission area. Member governments are liable for any debts or obligations incurred by the Commission.

Separate Commission financial statements may be obtained from:

River Valley Regional Commission
PO Box 1908
Columbus, GA 31902

12. SPECIAL PURPOSE LOCAL OPTION TAX

A summary of expenditures of the Special Purpose Local Option Sales Tax follows:

2019 SPLOST	Original Estimated	Current Estimated	Prior Year	Current Year	Total
Fire projects	$ 116,000	$ 50,000	$ 5,387	$ 5,274	$ 10,661
Police projects	120,000	78,320	23,423	9,491	32,914
Public works projects	180,000	100,000	13,760	-	13,760
Water system projects	95,000	200,000	150,131	40,589	190,720
Sewer system projects	72,320	130,000	88,564	37,164	125,728
Parks projects	10,000	35,000	32,566	-	32,566
	$ 593,320	$ 593,320	$ 313,831	$ 92,518	$ 406,349

CITY OF LUMPKIN, GEORGIA
Budgetary Comparison Schedule
General Fund
Year Ended July 31, 2024

	Budgeted Amounts		
	Original	**Final**	**Actual**
Revenues			
Property Taxes	$ 272,950	$ 272,950	$ 230,074
Sales Taxes	150,000	150,000	154,963
Insurance premium tax	93,500	93,500	78,413
Franchise tax	-	-	56,599
Other Local Taxes	21,000	21,000	17,146
Intergovernmental	150,950	150,950	41,250
Licenses and Permits	15,500	15,500	13,396
Other	262,638	262,638	56,751
Fines and Forfeitures	32,000	32,000	78,324
Interest income	-	-	-
Total Revenues	998,538	998,538	726,916
Expenditures			
Current			
General government	478,826	478,826	331,478
Public safety	496,894	496,894	459,882
Public works	63,934	63,934	59,440
Culture and recreation	5,000	5,000	442
Capital outlay	-	-	-
Debt service	40,000	55,000	37,329
Total Expenditures	1,084,654	1,099,654	888,571
Excess (deficiency) of Revenues Over (Under) Expenditures	(86,116)	(101,116)	(161,655)
Other Financing Sources (Uses)			
Proceeds of long term debt	-	-	15,400
Transfers—In	357,849	357,849	335,692
Transfers—Out	-	-	-
Total Other Financing Sources (Uses)	357,849	357,849	351,092
Net Change in Fund Balances	271,733	256,733	189,437
Fund Balances (Deficit) at Beginning	(45,436)	(45,436)	(45,436)
Fund Balances at End of Year	226,297	211,297	144,001

CITY OF LUMPKIN, GEORGIA
Pension Plan
Schedule of Changes in Net pension Liability and Related Ratios
Ten Fiscal Years Ended
(Historical information prior to implementation of GASB 67/68 is not required)

	2024	2023	2022	2021	2020
Total Pension Liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	52,066	50,927	51,083	49,288	48,491
Diff. expected and actual	(7,107)	24,084	6,344	33,866	37,356
Changes in assumptions	-	-	-	-	(5,485)
Benefit payments	(58,606)	(60,510)	(58,581)	(59,059)	(58,123)
Net change	(13,647)	14,501	(1,154)	24,095	22,239
Total liability beginning	735,285	720,784	721,938	697,843	675,604
Total liability ending	$ 721,638	$ 735,285	$ 720,784	$ 721,938	$697,843
Plan Fiduciary Net Position					
Contributions-Employer	$ 12,742	$ 7,184	$ 2,177	$ 9,592	$ 8,971
Net investment income	81,648	(122,728)	164,615	63,055	18,682
Benefit payments	(58,606)	(60,510)	(58,581)	(59,059)	(58,123)
Administrative expense	(7,512)	(7,775)	(8,018)	(7,918)	(7,835)
Net change	28,272	(183,829)	100,193	5,670	(38,305)
Fiduciary net position beginning	610,238	794,067	693,874	688,204	726,509
Fiduciary net position ending	$ 638,510	$ 610,238	$ 794,067	$ 693,874	$688,204
Net pension liability ending	$ 83,128	$ 125,047	$ (73,283)	$ 28,064	$ 9,639
Plan fiduciary net position as a percentage of total pension liability	88.48%	82.99%	110.17%	96.11%	98.62%
Covered employee payroll	-	-	-	-	-
Plan fiduciary net position as a percentage of covered payroll	-	-	-	-	-

	2019	2018	2017	2016	2015
Total Pension Liability	$ -	$ -	$ -	$ -	$ -
Service cost	48,199	52,073	52,162	53,655	54,941
Interest	13,636	(12,743)	(1,865)	(28,470)	(16,966)
Diff. expected and actual	-	(12,119)	-	-	(14,763)
Changes in assumptions	(57,772)	(55,161)	(47,727)	(41,178)	(38,426)
Benefit payments	4,063	(27,950)	2,570	(15,993)	(15,214)
Net change	671,541	699,491	696,921	712,914	728,128
Total liability beginning	$ 675,604	$ 671,541	$ 699,491	$ 696,921	$712,914
Total liability ending					
Plan Fiduciary Net Position	$ 11,725	$ 13,546	$ 16,910	$ 21,726	$ 20,710
Contributions-Employer	68,874	97,019	69,247	8,117	68,445
Net investment income	(57,772)	(55,161)	(47,727)	(41,178)	(38,426)
Benefit payments	(8,542)	(9,640)	(5,466)	(6,334)	(5,212)
Administrative expense	14,285	45,764	32,964	(17,669)	45,517
Net change	712,224	666,460	633,496	651,165	605,648
Fiduciary net position beginning	$ 726,509	$ 712,224	$ 666,460	$ 633,496	$651,165
Fiduciary net position ending	$ (50,905)	$ (40,683)	$ 33,031	$ 63,425	$ 61,749
Net pension liability ending					
Plan fiduciary net position as a percentage of total pension liability	107.53%	106.06%	95.28%	90.90%	91.34%
Covered employee payroll	-	-	-	-	-
Plan fiduciary net position as a percentage of covered payroll	-	-	-	-	-

CITY OF LUMPKIN, GEORGIA
Schedule of Contributions

	2024	2023	2022	2021	2020
Actuarially determined contribution	*	12,878	15,941	12,315	8,707
Contributions in relation to the actuarially determined contribution	*	10,341	7,184	2,177	9,592
Contribution deficiency (excess)	*	2,537	8,757	10,138	(885)
Covered emplyee payroll	*	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	*	N/A	N/A	N/A	N/A

	2019	2018	2017	2016
Actuarially determined contribution	8,429	13,102	14,945	24,226
Contributions in relation to the actuarially determined contribution	8,971	12,817	17,066	24,226
Contribution deficiency (excess)	(542)	285	(2,121)	-
Covered emplyee payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

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

* 2022 information was not determined as of the report date and will be included in the 2023 valuation report

City of Lumpkin, Georgia
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For Year Ended July 31, 2024

Budgetary Accounting

The City budgets its operations on an annual basis for the General Fund. The proposed budget is prepared each year by a Budget Committee composed of the City Council. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of the City. The final proposed budget is presented at a City Council meeting for final passage prior to July 31. The final budget is adopted at public meeting.

The City prepares its budget on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - presents a comparison of budgetary data to actual results of operations for which annual operating budgets are legally adopted. Revenues are budgeted by source and expenditures are budgeted by department and class as follows: General government, Public Safety, Public works, and Culture and Recreation. This constitutes the legal level of control. General Fund expenditures for capital outlay are budgeted with the respective departments rather than being separately reported. Expenditures may not exceed appropriations at this level except for matching funds required by grantors. All budget revisions at this level are subject to final review by the Council. Within these control levels, management may transfer appropriations without Council approval, with the exception of salary amounts.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. There were no outstanding encumbrances at year-end.

Valuation Date

The valuation date used in the Schedule of Contributions is as of January 1, 2023, with an interest adjustment to the fiscal year. Contributions in relation to this actuarily determined contribution rate will be reported for the fiscal year ending July 31, 2023.

Methods and Assumptions to Determine Contribution Rates

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25%
Cost of Living Adjustments	2.25%
Retirement age	65
Mortality	Healthy retirees and beneficiaries: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Disabled participants: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Terminated vested participants and deferred beneficiaries: : Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table Plan termination basis (all lives): 1994 Group Annuity Reserving Unisex Table

The mortality tables (other than the one used for plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

Changes in Assumptions

There were no changes in assumptions or methods since the previous valuation.

CITY OF LUMPKIN, GEORGIA
Combining Balance Sheet
Non-Major Governmental Funds
July 31, 2024

	Capital Projects	Special Revenue		Total Other Governmental
	SPLOST	LMIG	TIA	Funds
ASSETS				
Cash and Cash Equivalents	$ 72,360	$ 70,761	$ 134,313	$ 277,434
Due from other funds	-	-	-	-
Total Assets	72,360	70,761	134,313	277,434
LIABILITIES				
Accounte payable	-	-	-	-
Due to other funds	9,839	-	-	9,839
Total Liabilities	9,839	-	-	9,839
FUND BALANCES				
Restricted for capital projects	62,521	-	-	62,521
Resticted for road projects	-	70,761	134,313	205,074
Unrestricted	-	-	-	-
Total Fund Balances	62,521	70,761	134,313	267,595
Total Liabilities and Fund Balances	$ 72,360	$ 70,761	$ 134,313	$ 277,434

CITY OF LUMPKIN, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended July 31, 2024

	Capital Projects	Special Revenue		Total Other Governmental
	SPLOST	LMIG	TIA	Funds
Revenues				
Intergovernmental	$ 107,661	$ 70,761	$ 42,982	$ 221,404
Investment income	-	-	-	-
Total Revenues	107,661	70,761	42,982	221,404
Expenditures				
Public works	77,753	-	1,675	79,428
Capital outlay	14,765	-	-	14,765
Total Expenditures	92,518	-	1,675	94,193
Excess (deficiency) of Revenues Over (Under) Expenditures	15,143	70,761	41,307	127,211
Other Financing Sources (Uses)				
Transfers—In	-	-	-	-
Transfers—Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	15,143	70,761	41,307	127,211
Fund Balances (Deficit) at Beginning	53,256	-	93,006	146,262
Coorection of an error	(5,878)	-	-	(5,878)
Fund balance beginning as restated	47,378	-	93,006	140,384
Fund Balances at End of Year	$ 62,521	$ 70,761	$ 134,313	$ 267,595

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

Mayor and Council
City of Lumpkin
Lumpkin, Georgia

I have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lumpkin, as of and for the year ended July 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Lumpkin's basic financial statements and have issued my report thereon dated January 26, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 charged with governance.

My consideration of the 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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that I consider to be a material weakness. 2024-1, 2024-2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lumpkin, Georgia's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of material noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Lumpkin, Georgia's Response to Findings

The City of Lumpkin, Georgia's response to the findings identified in my audit is described in the accompanying schedule of Findings and Responses. I did not audit City of Lumpkin, Georgia's responses and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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 purpose.

Kim Kimmel CPA

Richland, Georgia
January 16, 2025

CITY OF LUMPKIN, GEORGIA
Schedule of Findings and Responses
July 31, 2024

Material Weaknesses

2024-1 Segregation of Duties

Condition: During my audit I noted that many transactions are processed from start to end by one individual. This condition existed in prior years as well.

Criteria: All transactions should require two or more individuals to initiate, summarize, post, and reconcile.

Effect: The potential exists for unauthorized transactions to be initiated and not discovered.

Response: The Town agrees with the finding and acknowledges the risk involved, but does not have the resources to provide for proper segregation of duties in all areas, and at all times. Where possible, all cash transactions require two or more employees to be involved in the transaction.

2024-2 Bank Reconciliations

Condition: During my audit I noted that some bank accounts were not properly reconciled to the general ledger.

Criteria: All bank statement must be reconciled promptly to the general ledger each month.

Effect: Bank errors and City errors can go undetected, distorting the City financial information.

Response: The Town agrees with the finding and we intend to verify bank reconciliations are accurately performed each month going forward.