CITY OF PINE LAKE, GEORGIA

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

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SNELLVILLE, GEORGIA 30078

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund of the City of Pine Lake, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Pine Lake, 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, the aggregate discretely presented component unit and each major fund of the City of Pine Lake, Georgia, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the McAllister Environmental Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Pine Lake, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Pine Lake, 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 4-11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pine Lake, Georgia's basic financial statements. The accompanying individual fund budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Pine Lake, Georgia's basic financial statements for the year ended December 31, 2020, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, discretely presented component unit and each major fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pine Lake, Georgia's basic financial statements as a whole. The individual fund financial statements related to the 2020 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated July 14, 2022, on our consideration of the City of Pine Lake, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Pine Lake, 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 Pine Lake, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
July 14, 2022

CITY OF PINE LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pine Lake, we offer readers of the City of Pine Lake's financial statements this narrative overview and analysis of the financial activities of the City of Pine Lake for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets of the City of Pine Lake exceeded its liabilities on December 31, 2021 by $3,510,355. Of this amount unrestricted net position of $747,866 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $214,278. Of this amount an increase of $232,586 was associated with governmental activities and a decrease of $18,308 was associated with business-type activities.

- As of the close of the current fiscal year, the City of Pine Lake's governmental funds reported combined ending fund balances of $1,352,047 an increase of $240,392 in comparison with the prior year's fund balances. Of this amount $493,336 is restricted for capital projects specified in the revenue bond ordinance, SPLOST referendum and intergovernmental agreements; $103,968 is restricted for environmental projects; $140,785 is restricted for specified projects under the ARPA grant; $3,440 is restricted for police activities; $56,890 is assigned for the 202s budget: and $19,594 is nonspendable and in the form of prepaid expenses and the City had an unassigned fund balance of $534,034.

- The City of Pine Lake's total debt obligations consisted of the DDA's 2009 revenue bonds in the amount of $455,260. The City made $62,876 in principal payments during 2021 while no additional borrowings were incurred.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Pine Lake's basic financial statements. The City of Pine Lake's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the city's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (For example, stormwater fees are recognized as income when they are billed but the payments will be received in the future. Expenses are recognized when incurred but may be paid sometime in the future.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Pine Lake include general government, courts, law enforcement, public works and parks and recreation. The business-type activity of the City is Stormwater management.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting for reporting purposes to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Pine Lake can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains seven major governmental funds. The City's major governmental funds are the General Fund, the McAllister Environmental Fund, the ARPA Fund, Revenue Bond Fund, Capital Projects Fund, SPLOST Fund and the Grant Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major fund. The governmental funds financial statements begin on page 14.

The City of Pine Lake adopts an annual budget for its General Fund and the McAllister Environmental and ARPA Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the FY 21 budget. The budgetary comparison statements begin on page 18.

Proprietary funds. The City of Pine Lake maintains one enterprise fund (a component of proprietary funds) to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Stormwater Utility.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Stormwater Utility beginning on page 22.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 26.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund budgetary schedules beginning on page 45.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On December 31, 2021, the City's assets exceeded its liabilities by $3,510,355, largely due to a large investment into capital assets of $2,020,960 or 57.5%. Capital assets are used to provide services to citizens, and they are not available for future spending. Of the total net position of $3,510,355, $741,529 (21.2 percent) is restricted for environmental, police activities, specified grant projects and capital outlay purposes. The City had unrestricted net position of $747,866 or 21.3%.

City of Pine Lake's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 1,907,495	$ 1,230,755	$ 128,680	$ 146,730	$ 2,036,175	$ 1,377,485
Capital assets	1,971,212	2,466,363	49,748	51,499	2,020,960	2,517,862
Total assets	3,878,707	3,697,118	178,428	198,229	4,057,135	3,895,347
Current liabilities	91,328	79,449	192	1,685	91,520	81,134
Long-term liabilities	455,260	518,136	-	-	455,260	518,136
Total liabilities	546,588	597,585	192	1,685	546,780	599,270
Net position:						
Net investment in capital assets	1,971,212	1,948,227	49,748	51,499	2,020,960	1,999,726
Restricted	741,529	551,138	-	-	741,529	551,138
Unrestricted	619,378	600,168	128,488	145,045	747,866	745,213
Total net position	$ 3,332,119	$ 3,099,533	$ 178,236	$ 196,544	$ 3,510,355	$ 3,296,077

A portion of the net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of $747,866 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Pine Lake is able to report positive balances in all three categories of net position.

Governmental activities. Governmental activities increased the City's net position by $232,586 or 7.1%. Key elements of this increase are as follows:

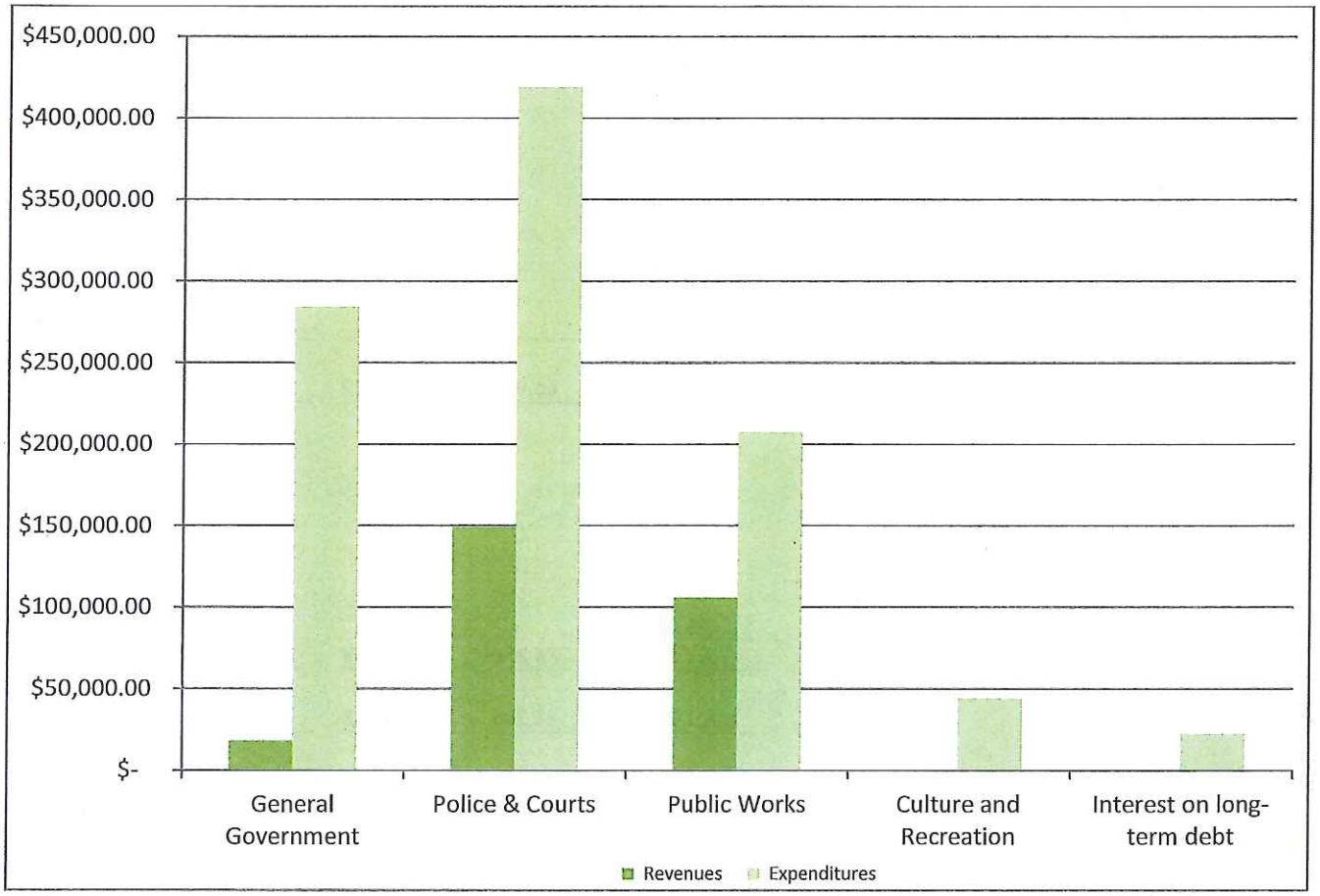
City of Pine Lake's Change in Net Position
For The Years Ended December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues -						
Charges for services	$ 130,744	$ 141,344	$ 65,958	$ 65,958	$ 196,702	$ 207,302
Operating grants and contributions	14,241	95,516	-	-	14,241	95,516
Capital grants and contributions	128,638	118,327	-	-	128,638	118,327
General Revenues-						
Property taxes	610,807	542,016	-	-	610,807	542,016
Franchise taxes	34,334	34,628	-	-	34,334	34,628
Insurance premium taxes	60,464	58,548	-	-	60,464	58,548
Other taxes	56,099	45,091	-	-	56,099	45,091
Intergovernmental	140,785	-	-	-	140,785	-
Interest	1,097	959	-	14	1,097	973
Other	32,963	2,824	-	-	32,963	2,824
	1,210,172	1,039,253	65,958	65,972	1,276,130	1,105,225
Expenses:						
General government	284,296	359,231	-	-	284,296	359,231
Police and courts	419,075	423,672	-	-	419,075	423,672
Public works	207,493	183,587	-	-	207,493	183,587
Culture and recreation	44,031	32,084	-	-	44,031	32,084
Interest on long-term debt	22,691	25,408	-	-	22,691	25,408
Stormwater	-	-	84,266	54,488	84,266	54,488
	977,586	1,023,982	84,266	54,488	1,061,852	1,078,470
Increase (decrease) in net position before transfers	232,586	15,271	(18,308)	11,484	214,278	26,755
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	232,586	15,271	(18,308)	11,484	214,278	26,755
Net position - beginning	3,099,533	3,084,262	196,544	185,060	3,296,077	3,269,322
Net position - ending	$ 3,332,119	$ 3,099,533	$ 178,236	$ 196,544	$ 3,510,355	$ 3,296,077

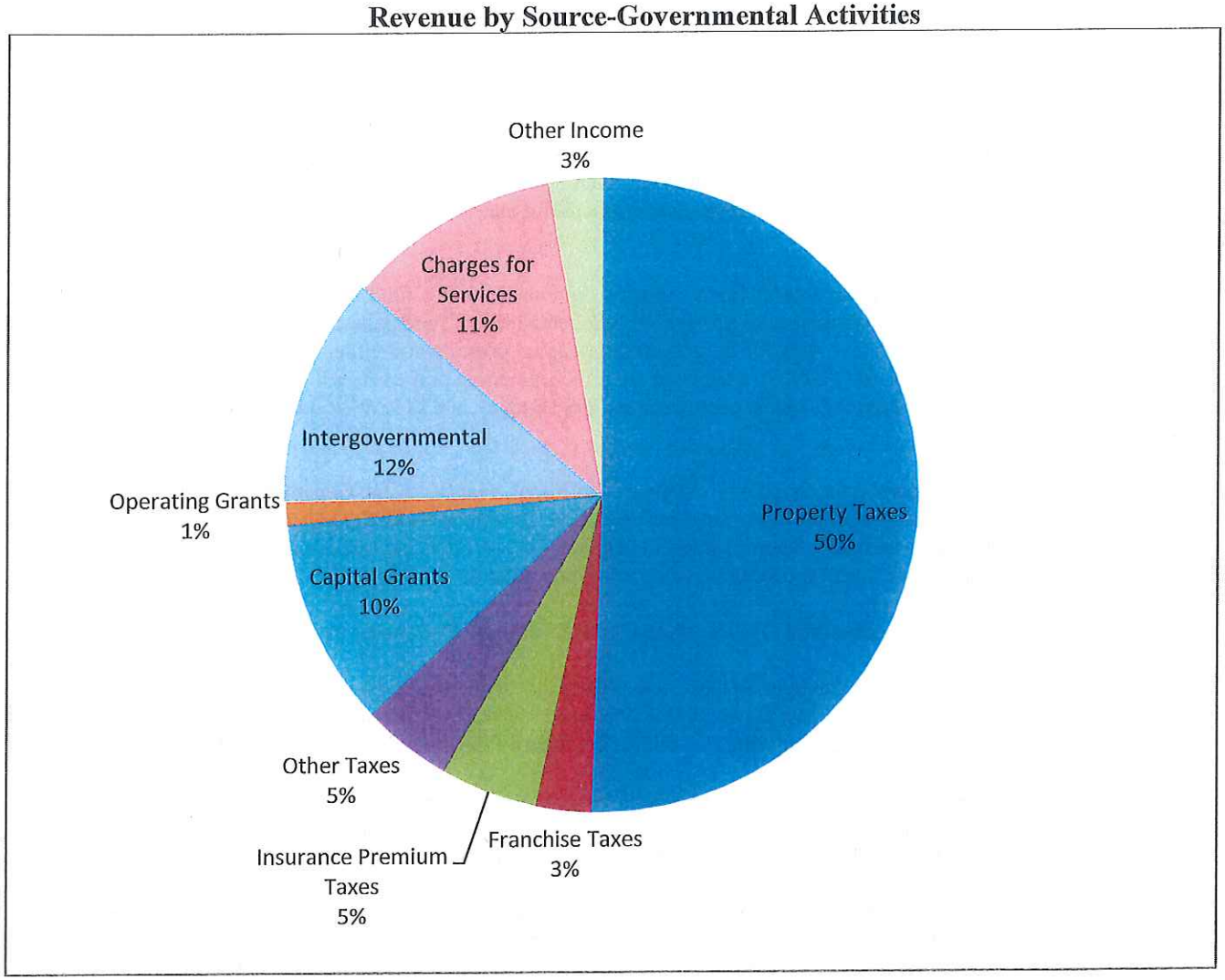
- Total revenues from Governmental Activities increased by $170,919 (or 16.4%) in 2021. The increase is due, primarily, to increased property tax revenue of approximately $68,791 (an increase of over 12.7%), receipt of American Rescue Plan Act revenue of approximately $140,785, and an offsetting decrease in operating grant and contributions in the amount of $81,275 (due to CARES funding of $85,516 received in 2020).

- The total cost of Governmental Activities decreased approximately $46,396 from $1,023,982 for 2020 to $977,586 for 2021. This is due, primarily, to a reduction in General Government expense of $74,935 (20.8%) with an offsetting increase in Public Works of $23,906 (13.0%). There was a General Government adjustment of $109,000 to the capital assets as part of the project to equalize the assets to the depreciation schedule in 2020. No such adjustment was necessary in 2021.

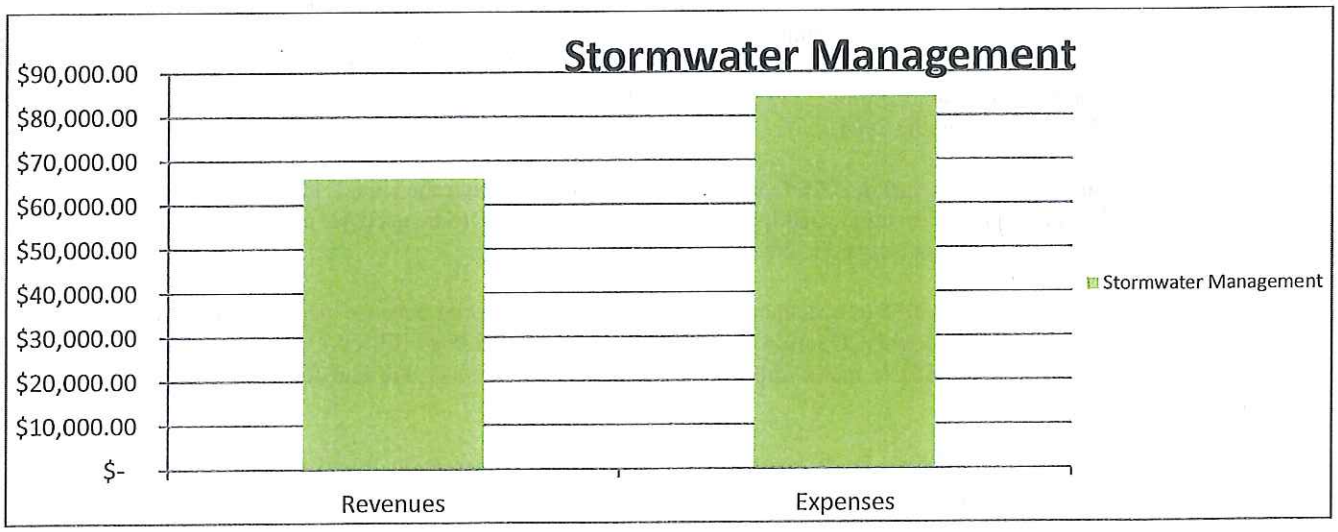
Expenses and Program Revenues-Governmental Activities



Revenue by Source-Governmental Activities



Business-type activities: The stormwater utility received $65,958 from impervious surface fees in 2021. Stormwater revenues are used to help finance stormwater system improvements, state mandated testing and reporting and normal operations of the system. Stormwater reported an operating loss for the year of $18,308 due to repairs to the City's dam and wetlands and lake inlet facilities.



Financial Analysis of the Government's Funds

As noted earlier, the City of Pine Lake used fund accounting for reporting purposes to ensure and demonstrate compliance with finance related legal requirements.

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

On December 31, 2021 the City's governmental funds reported combined ending fund balances of $1,352,047. Of this amount, the City had an unassigned fund balance of $534,034. The remainder of fund balance is restricted to indicate that it is not available for new spending because $493,336 is restricted for capital projects under the bond issue, SPLOST program and intergovernmental agreements; $103,968 is restricted for environmental purposes; $3,440 is restricted for police activities; $140,785 for ARPA projects; $56,890 is assigned to the 2022 budget: and $19,594 is nonspendable and in the form of prepaid expenses.

The General Fund is the City's chief operating fund. At the end of Fiscal Year 2021, the General Fund had an unassigned fund balance of $534,034 while the total fund balance totaled $623,958. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58.0% of the total general fund expenditures, while total fund balance represents 67.7% of that same amount.

At the conclusion of Fiscal year 2021, the fund balance of the City's general fund increased by $50,002.

General Fund revenues increased approximately $41,128 due, primarily, to increased property tax revenue and offsetting decreases in intergovernmental grants. Increase in property tax revenue was due to increase in property valuation. General Fund expenditures increases from 2020 by approximately $43,939, primarily in General Government and Police functions.

The McAllister Environmental Special Revenue Fund is used to account for the bequest of Dr. Ann Dunn McAllister. The bequest received during 2010 of $115,500 is to be used to support work for the growth and preservation of the natural environment as a bird-friendly habitat. This fund had no significant transactions during 2021.

The ARPA Fund – was created during 2021 to account for the City's portion of grant funds received under the American Rescue Plan Act. These monies can only be used for specified purposes allowed under the grant agreement. The City received $140,785 under the grant agreement during 2021 and has not spent any of the grant award as of December 31, 2021.

The Revenue Bond Capital Project Fund was created during 2010 to properly account for the proceeds from the 2009 Downtown Development Authority revenue bonds. The City created this fund during 2010 by transferring the remaining related assets as of December 31, 2009 of $684,784 to the fund. This fund had no significant transactions during 2021.

The Grant Capital Project Fund was created during 2013 to account for the proceeds from federal and state grants and other financial assistance that are to be used for capital improvements. The City received grants from DeKalb County in the amount of $810,000 and from the Georgia Environmental Finance Authority in the amount of $687,500 for improvements to Snapfinger Creek and other related projects during 2012. There is an existing balance of $2,351 in this fund, No significant transactions occurred in this fund during the 2021.

The Capital Projects Fund was created during 2016 to account for the proceeds from the HOST Tax and other sources that are to be used for capital projects. The City purchased land for $5,141 during 2021 to be used for a future park. There is an existing fund balance of $38,592 as of December 31, 2021.

The SPLOST Fund was created during 2018 to account for the proceeds of the special purpose local option sales tax which was approved by the voters of DeKalb County, Georgia. The City received $128,638 of SPLOST collections during 2021. During 2021 the City used SPLOST funds to make improvements to city hall for $47,000 and for paving projects in the amount of $25,000.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

The General Fund expenditures for FY 2021 were $921,969 compared to the final budget amount of $928,969.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets on December 31, 2021, amounts to $2,476,220 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. Capital asset expenditures during 2021 included 1) $47,000 for improvement to city hall; 2) $5,100 for land to be used for a future park and 3) $6,500 for a Kubota tractor. Additional information on the City's capital assets can be found in Note 7 on page 37 of this report.

Long-term debt. At the end of the current fiscal year, the City had $455,260 in outstanding debt consisting of the following:

CITY OF PINE LAKE'S OUTSTANDING DEBT

	Balance
Governmental Activities:	
Revenue Bonds	$ 455,260
Capital Lease Obligation	-
Total Long-Term Debt	$ 455,260

The City's total debt decreased by $62,876 which includes normal debt service payments. Additional information on the City's long-term debt can be found in note 8 on page 38 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Pine Lake is approximately $3,182,000 which is significantly more than the City of Pine Lake's outstanding general obligation debt.

Status of the City of Pine Lake's Economy

- Net assessed property values increased 14.5% for 2021. Although, the millage rate was decreased from 19.909 to 19.324, property, increase valuations resulted in increased property tax revenue.
- DeKalb County residents have approved a Special Purpose Local Option Sales Tax Referendum. Collection of the tax began in 2018. Pine Lake's share of the special purpose local option sales tax is expected to be $653,289 over the six-year collection period.
- The COVID-19 pandemic and its economic effects are ongoing. The City continues to manage expenses relative to COVID-19 mitigation.

The above factors were considered in preparing the City of Pine Lake's budget for Fiscal Year 2022.

Requests for Information

This financial report is designed to provide a general overview of the City of Pine Lake's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (404) 999-4932 or at the following address:

City of Pine Lake
P.O. Box 1325
Pine Lake, GA 30072

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and Cash Equivalents	$ 657,257	$ 102,773	$ 760,030	$ -
Receivables, net				
Taxes	57,367	-	57,367	-
Accounts	1,527	5,318	6,845	-
Intergovernmental	16,928	-	16,928	-
Internal balances	(20,589)	20,589	-	-
Due from Primary Government	-	-	-	458,837
Prepaid Items	19,594	-	19,594	-
Restricted Assets -				
Cash	720,151	-	720,151	-
Non-Depreciable Capital Assets	137,165	-	137,165	-
Depreciable Capital Assets, Net	2,289,307	49,748	2,339,055	-
Total Assets	3,878,707	178,428	4,057,135	458,837

See accompanying notes to the basic financial statements.

Continued

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Liabilities				
Accounts payable	$ 38,962	$ 192	$ 39,154	$ -
Accrued liabilities -				
Salaries and wages	42,565	-	42,565	-
Interest	3,577	-	3,577	3,577
Other	6,074	-	6,074	-
Unearned revenues	150	-	150	-
Long-Term Liabilities -				
Due Within One Year	56,789	-	56,789	56,789
Due In More Than One Year	398,471	-	398,471	398,471
Total Liabilities	546,588	192	546,780	458,837
Net Position				
Net investment in capital assets	1,971,212	49,748	2,020,960	-
Restricted for -				
Environmental projects	103,968	-	103,968	-
Capital outlay	493,336	-	493,336	-
Specified grant projects	140,785	-	140,785	-
Police activities	3,440	-	3,440	-
Unrestricted	619,378	128,488	747,866	-
Total Net Position	$ 3,332,119	$ 178,236	$ 3,510,355	$ -

See accompanying notes to the basic financial statements.

Concluded

CITY OF PINE LAKE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 284,296	$ 6,515	$ -	$ 11,763
Police and Courts	419,075	83,618	4,306	61,336
Public Works	207,493	40,611	9,935	55,539
Culture and Recreation	44,031	-	-	-
Community Development	-	-	-	-
Interest	22,691	-	-	-
Total Governmental Activities	977,586	130,744	14,241	128,638
Business-Type Activities:				
Stormwater Management	84,266	65,958	-	-
Total Business-Type Activities	84,266	65,958	-	-
Total Primary Government	$ 1,061,852	$ 196,702	$ 14,241	$ 128,638
Component Unit:				
Downtown Development Authority	$ 22,691	$ -	$ -	$ -

General Revenues:
Taxes:
Property
Franchise
Intangible
Motor vehicle
Insurance premium
Alcohol beverage
Occupational
Real estate transfer
Other taxes
Intergovernmental
Investment earnings
Other
Total General Revenues
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
$ (266,018)	$ -	$ (266,018)	$ -
(269,815)	-	(269,815)	-
(101,408)	-	(101,408)	-
(44,031)	-	(44,031)	-
-	-	-	-
(22,691)	-	(22,691)	-
(703,963)	-	(703,963)	-
-	(18,308)	(18,308)	-
-	(18,308)	(18,308)	-
(703,963)	(18,308)	(722,271)	-
-	-	-	(22,691)
610,807	-	610,807	-
34,334	-	34,334	-
19,739	-	19,739	-
13,203	-	13,203	-
60,464	-	60,464	-
5,374	-	5,374	-
10,145	-	10,145	-
6,899	-	6,899	-
739	-	739	-
140,785	-	140,785	
1,097	-	1,097	22,691
32,963	-	32,963	-
936,549	-	936,549	22,691
-	-	-	-
936,549	-	936,549	22,691
232,586	(18,308)	214,278	-
3,099,533	196,544	3,296,077	-
$ 3,332,119	$ 178,236	$ 3,510,355	$ -

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

	General Fund	Speccial Revenue McAllister Environmental Fund	Speccial Revenue ARPA Fund	Capital Projects Revenue Bond Fund
ASSETS				
Cash	$ 657,257	$ -	$ -	$ -
Receivables-				
Accounts	1,527	-	-	-
Taxes	57,367	-	-	-
Intergovernmental	4,306	-	-	-
Due from other funds	299	-	-	-
Prepaid items	19,594	-	-	-
Cash - restricted	3,440	93,968	140,785	80,196
Total assets	$ 743,790	$ 93,968	$ 140,785	$ 80,196
LIABILITIES				
Accounts payable	$ 38,018	$ -	$ -	$ -
Accrued salaries and wages	42,565	-	-	-
Accrued other	6,074	-	-	-
Due to other funds	20,589	-	-	-
Unearned Revenue	150	-	-	-
Total liabilities	107,396	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	12,436	-	-	-
FUND BALANCE				
Nonspendable - Prepaid items	19,594	-	-	-
Restricted -				
Environmental projects	10,000	93,968	-	-
Capital projects	-	-	-	80,196
Specified grant projects	-	-	140,785	-
Police activities	3,440	-	-	-
Assigned for next year's budget	56,890	-	-	-
Unassigned	534,034	-	-	-
Total fund balance	623,958	93,968	140,785	80,196
Total liabilities, deferred inflows of resources and fund balance	$ 743,790	$ 93,968	$ 140,785	$ 80,196

See accompanying notes to the basic financial statements.

Capital Projects			
Grant Fund	Capital Projects Fund	SPLOST Fund	Total Governmental Funds
$ -	$ -	$ -	$ 657,257
-	-	-	1,527
-	-	-	57,367
-	-	12,622	16,928
-	-	-	299
-	-	-	19,594
2,351	38,592	360,819	720,151
$ 2,351	$ 38,592	$ 373,441	$ 1,473,123
$ -	$ -	$ 945	$ 38,963
-	-	-	42,565
-	-	-	6,074
-	-	299	20,888
-	-	-	150
-	-	1,244	108,640
-	-	-	12,436
-	-	-	19,594
-	-	-	103,968
2,351	38,592	372,197	493,336
-	-	-	140,785
-	-	-	3,440
-	-	-	56,890
-	-	-	534,034
2,351	38,592	372,197	1,352,047
$ 2,351	$ 38,592	$ 373,441	$ 1,473,123

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

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 1,352,047
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,426,472
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	12,436
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Revenue bond obligation - DDA	(455,260)
Capital lease obligation	-
Accrued interest payable	(3,576)
Net Position of governmental activities.	$ 3,332,119

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

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

	General Fund	Special Revenue		Capital Projects
		McAllister Environmental Fund	ARPA Fund	Revenue Bond Fund
REVENUES				
Taxes	$ 792,635	$ -	$ -	$ -
Licenses and permits	6,515	-	-	-
Intergovernmental	14,241	-	140,785	-
Charges for services	41,351	-	-	-
Fines and forfeitures	83,283	-	-	-
Interest	984	9	-	100
Rental Income	-	-	-	-
Other	4,212	-	-	-
Total revenues	943,221	9	140,785	100
EXPENDITURES				
Current-				
General government	278,419	-	-	-
Municipal court	71,248	-	-	-
Police	332,233	-	-	-
Public works	118,153	-	-	-
Culture and recreation	35,804	-	-	-
Capital Outlay	-	-	-	-
Debt Service -				
Principal	62,877	-	-	-
Interest	23,235	-	-	-
Debt issue cost	-	-	-	-
Total expenditures	921,969	-	-	-
Excess of revenues over (under) expenditures	21,252	9	140,785	100
Other financing sources (uses):				
Proceeds from debt issuance	-	-	-	-
Proceeds from asset disposition	28,750	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses):	28,750	-	-	-
Net change in fund balance	50,002	9	140,785	100
Fund balance - beginning	573,956	93,959	-	80,096
Fund balance - ending	$ 623,958	$ 93,968	$ 140,785	$ 80,196

See accompanying notes to the basic financial statements.

Capital Projects				
Grant Fund	Capital Projects Fund	SPLOST Fund	Total
$ -	$ -	$ -	$ 792,635
-	-	-	6,515
-	-	128,638	283,664
-	-	-	41,351
-	-	-	83,283
-	4	-	1,097
-	-	-	-
-	-	-	4,212
-	4	128,638	1,212,757
-	-	-	278,419
-	-	-	71,248
-	-	-	332,233
695	70	-	118,918
-	-	-	35,804
-	5,141	73,240	78,381
-	-	-	62,877
-	-	-	23,235
-	-	-	-
695	5,211	73,240	1,001,115
(695)	(5,207)	55,398	211,642
-	-	-	-
-	-	-	28,750
-	-	-	-
-	-	-	28,750
(695)	(5,207)	55,398	240,392
3,046	43,799	316,799	1,111,655
$ 2,351	$ 38,592	$ 372,197	$ 1,352,047

CITY OF PINE LAKE, 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, 2021

Net change in fund balances -- total governmental funds	$	240,392
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays		58,852
Depreciation expense		(98,743)
Long term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position.		
Repayments of debt		62,876
Proceeds from debt issue		-
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. This is the net amount of capital assets donated and written off.		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances related to timing differences.		(31,336)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Change in accrued interest payable		545
Change in Net Position of governmental activities.	$	232,586

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

CITY OF PINE LAKE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes	$ 698,090	$ 769,930	$ 792,635	$ 22,705
Licenses and permits	15,600	6,650	6,515	(135)
Intergovernmental grants	-	4,300	14,241	9,941
Charges for services	44,500	41,080	41,351	271
Fines, fees and forfeitures	82,390	64,000	83,283	19,283
Investment income	850	1,000	984	(16)
Miscellaneous	3,000	3,600	4,212	612
Total revenues	844,430	890,560	943,221	52,661
EXPENDITURES				
Current				
General Government	294,956	286,450	278,419	8,031
Municipal Court	113,130	71,408	71,248	160
Police	316,630	332,930	332,233	697
Public Works	146,040	115,350	118,153	(2,803)
Culture and Recreation	13,840	35,790	35,804	(14)
Capital Outlay	-	-	-	-
Debt Service				
Principal	62,532	62,540	62,877	(337)
Interest	23,240	23,580	23,235	345
Total expenditures	970,368	928,048	921,969	6,079
Excess of revenues over (under) expenditures	(125,938)	(37,488)	21,252	58,740
Other financing sources (uses):				
Proceeds from debt issuance	-	-	-	-
Proceeds from asset disposition	1,000	-	28,750	28,750
Transfers	-	-	-	-
Total other financing sources (uses):	1,000	-	28,750	28,750
Net change in fund balance	(124,938)	(37,488)	50,002	87,490
Fund balance - beginning	573,956	573,956	573,956	-
Fund balance - ending	$ 449,018	$ 536,468	$ 623,958	$ 87,490

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

CITY OF PINE LAKE, GEORGIA
McALLISTER ENVIRONMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	*BUDGET ORIGINAL / FINAL	ACTUAL	VARIANCE
REVENUES			
Investment income	$ -	$ 9	$ 9
Intergovernmental	-	-	-
Miscellaneous	-	-	-
Total revenues	-	9	9
EXPENDITURES			
Current			
Public Works	1,500	-	1,500
Capital Outlay	-	-	-
Total expenditures	1,500	-	1,500
Excess of revenues over (under) expenditures	(1,500)	9	1,509
Other financing sources (uses):			
Proceeds from deletion of capital assets	-	-	-
Transfers	-	-	-
Total other financing sources (uses):	-	-	-
Net change in fund balance	(1,500)	9	1,509
Fund balance - beginning	93,959	93,959	-
Fund balance - ending	$ 92,459	$ 93,968	$ 1,509

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

CITY OF PINE LAKE, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	*BUDGET ORIGINAL / FINAL	ACTUAL	VARIANCE
REVENUES			
Investment income	$ -	$ -	$ -
Intergovernmental	-	140,785	140,785
Total revenues	-	140,785	140,785
EXPENDITURES			
Current			
Public Works	-	-	-
Capital Outlay	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	140,785	140,785
Other financing sources (uses):			
Proceeds from debt issuance	-	-	-
Transfers	-	-	-
Total other financing sources (uses):	-	-	-
Net change in fund balance	-	140,785	140,785
Fund balance - beginning	-	-	-
Fund balance - ending	$ -	$ 140,785	$ 140,785

*No activity was anticipated by management for 2021.

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

CITY OF PINE LAKE, GEORGIA
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021 AND 2020

	STORMWATER FUND	
	2021	**2020**
ASSETS		
Current assets		
Cash	$ 102,773	$ 100,643
Accounts receivable	5,318	9,163
Due from other funds	20,589	36,924
Total current assets	128,680	146,730
Noncurrent assets		
Capital assets -		
Non-depreciable	-	-
Depreciable	49,748	51,499
Total capital assets	49,748	51,499
Total assets	178,428	198,229
LIABILITIES		
Current liabilities		
Accounts payable	192	1,685
Due to other funds	-	-
Total current liabilities	192	1,685
Long-term liabilities	-	-
Total liabilities	192	1,685
NET POSITION		
Investment in capital assets	49,748	51,499
Unrestricted	128,488	145,045
Total Net Assets	$ 178,236	$ 196,544

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

CITY OF PINE LAKE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021 AND 2020

	STORMWATER FUND	
	2021	2020
OPERATING REVENUES		
Charges for services	$ 65,958	$ 65,958
Total operating revenues	65,958	65,958
OPERATING EXPENSES		
Salaries and benefits	25,472	24,865
Contract services	57,043	28,602
Depreciation	1,751	1,021
Total operating expenses	84,266	54,488
Operating income (loss)	(18,308)	11,470
NON-OPERATING INCOME (EXPENSE)		
Interest income	-	14
Change in net position	(18,308)	11,484
NET POSITION - BEGINNING	196,544	185,060
NET POSITION - ENDING	$ 178,236	$ 196,544

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

CITY OF PINE LAKE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
DECEMBER 31, 2021 AND 2020

	STORMWATER FUND	
	2021	**2020**
Cash flows from operating activities:		
Cash received from customers and users	$ 69,803	$ 61,789
Cash paid to suppliers for goods and services	(67,533)	(35,431)
Cash paid to employees	(16,475)	(16,351)
Net cash provided from operating activities	(14,205)	10,007
Cash flows from investing activities:		
Interest	-	14
Net cash from investing activities	-	14
Cash flows from non-capital financing activities:		
(Increase) decrease in due to/from other funds	16,335	(53,748)
FEMA grant	-	-
Net cash flows from non-capital financing activities	16,335	(53,748)
Cash flows from capital financing activities:		
Purchase of capital assets	-	(41,811)
Net cash flows from capital financing activities	-	(41,811)
Net cash flows	2,130	(85,538)
Cash and cash equivalents - beginning	100,643	186,181
Cash and cash equivalents - ending	$ 102,773	$ 100,643

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

CITY OF PINE LAKE, GEORGIA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	STORMWATER FUND	
	2021	2020
Operating income (loss)	$ (18,308)	$ 11,470
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,751	1,021
(Increase) decrease in receivables	3,845	(4,169)
Increase (decrease) in accounts payable	(1,493)	1,685
Total adjustments	4,103	(1,463)
Net cash from operating activities	$ (14,205)	$ 10,007

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City of Pine Lake, Georgia (the City) was established in 1937 and is located in DeKalb County. The City provides a variety of services to approximately 706 residents. These services are provided in whole by the City. These services include public safety, culture and recreation, sanitation, public improvements, planning and zoning, stormwater management and general administrative services.

Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on organization's for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. Using the above criteria, the City has included in the City's financial report the City of Pine Lake Downtown Development Authority because of the significance of its operational and financial relationship with the City.

Discretely Presented Component Unit –

The component unit column in the Government – Wide Financial Statements includes the financial data of City of Pine Lake, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Pine Lake, Georgia Downtown Development Authority was organized to develop and promote commerce, industry and general welfare within the City. The City appoints the Authority's board members and reviews the annual budget. Funding of the Authority is provided by the City's General Fund. Separate financial statements for the Authority are not issued.

(See Independent Auditor's Report)

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

C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property taxes, franchise taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

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

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column.

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

McAllister Environmental Special Revenue Fund – This fund was created in 2010 to account for the proceeds from the bequest of Dr. Ann Dunn McAllister. Proceeds are to be used to support the work being done toward the growth and preservation of the natural environment as a bird-friendly habitat.

American Rescue Plan Act (ARPA) Special Revenue Fund – This fund is used to account for the monies received and the related expenditures under the American Rescue Plan Act. Recipients may use award funds to cover eligible costs incurred during the period that begins March 3, 2021 and ends December 31, 2024.

Revenue Bond Capital Projects Fund – This fund was created during 2010 to account for the proceeds from a 2009 bond issue. The proceeds are to be used for various items specified in the bond agreement.

Grant Capital Projects Fund – This fund was created during 2011 to account for the proceeds from federal and state grants and other financial assistance to be used for capital improvements.

Capital Projects Fund – This fund was created during 2015 to account for the proceeds from the HOST tax and other sources that are to be used for capital projects.

SPLOST Capital Projects Fund – The SPLOST Fund is used by the City to account for acquisition and construction of major capital facilities and equipment that were approved by the voters of DeKalb County, Georgia through the special purpose local option sales tax referendum.

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

Stormwater Management Enterprise Fund - The Stormwater Management Enterprise Fund is used to account for the revenues generated from the charges for stormwater management provided to the citizens of the City.

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

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

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

F. Basis of Accounting, continued

Those revenues susceptible to accrual are taxes, state and federal grants, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties, fines and forfeitures and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as unavailable revenues.

G. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City did not have any investments as of December 31, 2021. For reporting purposes, all investments, if any, are recorded at fair value.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2021:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and, c) items associated with a fund other than the fund to which the income is assigned.

The City's policy is to hold investments until maturity.

H. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventories of the enterprise fund, if any, consist of various repair parts and supplies.

I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2021 are recorded as prepaid items and are expensed during the period benefited.

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

J. Restricted Assets

Certain proceeds from the City's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond construction fund" account is used to segregate bond proceeds that are to be used for the purposes specified in the bond agreement. The "debt service reserve fund" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

K. 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 utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and structures	20-50 years
Furniture and equipment	5-10 years
Infrastructure	10-50 years

The City only reports infrastructure assets purchased subsequent to December 31, 2004.

L. Bond Premiums, Discounts and Issuance Cost

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For government-wide statements and proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are at the gross amount payable. Issuance costs are reported as an expense in the year incurred.

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

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

N. Revenues

Substantially all governmental fund revenues are accrued. When applicable, property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

O. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

P. Compensated Absences

The City accrues accumulated unpaid vacation and sick leave benefits, which will be paid to employees upon separation from service, when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

R. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

(See Independent Auditor's Report).

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

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The government has no items that qualify for reporting in this category as of December 31, 2021.

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

T. Fund Equity – Governmental Funds

As of December 31, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
Committed – amounts that can be used only for specific purposes determined by a formal action of City of Pine Lake's Council. Pine Lake's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.
Unassigned – all other spendable amounts.

As of December 31, 2021, fund balances are composed of the following:

	General Fund	McAllister Environmental Fund	ARPA Fund	Revenue Bond Fund	Grant Fund	Capital Projects Fund	SPLOST Fund
Nonspendable:							
Prepaids	$ 19,594	$ -	$ -	$ -	$ -	$ -	$ -
Restricted:							
Environmental projects	10,000	93,968	-	-	-	-	-
Capital projects	-	-	-	80,196	2,351	38,592	372,197
Specified grant purposes	-	-	140,785				
Police activities	3,440	-	-	-	-	-	-
Assigned - next year's budget	56,890	-	-	-	-	-	-
Unassigned	534,034	-	-	-	-	-	-
Total Fund Balances	$ 623,958	$ 93,968	$ 140,785	$ 80,196	$ 2,351	$ 38,592	$372,197

(See Independent Auditor's Report).

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

T. Fund Equity – Governmental Funds, Continued

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

U. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, constructions, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's government-wide statement of net position reports $741,529 in restricted net position, of which $553,925 is restricted by enabling legislation.

V. 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.

W. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all of the City's funds. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of an ordinance. Any revisions that alter the total expenditures of any department must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Governmental fund type budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Council must approve all line item transfers. Budgets, as reported in the financial statements, are as amended in December 2021. All annual appropriations lapse at year end.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2021, all of the City's deposits were covered by either federal depository insurance, by collateral held by the City's agent in the City's name, or by collateral held by a third-party custodian bank as part of the Georgia Office of the State Treasurer's Pooled Funds program.

Investments

Investments - Statutes authorize the City to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, and certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations.

The City had no investments as of December 31, 2021.

(See Independent Auditor's Report).

3. PROPERTY TAX

Property taxes were levied on June 29, 2021 and are due 60 days after the receipt of the tax notice. Property taxes attach as an enforceable lien on the property as of January 1. The City has obtained the service of DeKalb County to bill and collect the City's property taxes. The County remits monies collected to the City on a semi-monthly basis. Property taxes receivable at December 31, 2021 amounted to $27,724.

4. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables as of and for the year ended December 31, 2021 were as follow:

	Revenues	Receivables
DeKalb County -		
Special Purpose Local Option Sales Taxes	$ 128,638	$ 12,622
State of Georgia - Dept. of Transportation -		
LMIG	9,935	$ -
ARPA Grant	140,785	-
State of Georgia - First Responders Grant	4,306	4,306
	$ 283,664	$ 16,928

5. RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, were as follow:

	General	SPLOST	Stormwater
Taxes	$ 57,367	$ -	$ -
Accounts	2,557		5,318
Intergovernmental	4,306	12,622	-
Gross Receivables	64,230	12,622	5,318
Less: Allowance for Uncollectibles	(1,030)	-	-
Net Total Receivables	$ 63,200	$ 12,622	$ 5,318

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2021 were as follows:

	Payable From			
Payable To	General Fund	SPLOST Fund	Stormwater Fund	Total
Stormwater	$ 20,589	$ -		$ 20,589
General Fund	-	299	-	$ 299
Totals	$ 20,589	$ 299	$ -	$ 20,888

The City's General Fund's operating bank account receives all deposits from the general fund and the stormwater operations. All monies collected for the stormwater fund and all expenditures paid for the stormwater fund are made through the general fund's operating bank account. The cumulative net amount over the years (receipts over expenditures) is due to/from the stormwater fund. The SPLOST Fund owes the General Fund $299 due to start-up expenditures of the SPLOST Fund paid by the General Fund.

There were no operating transfers between funds for the year ended December 31, 2021.

7. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases and Other Adjustments	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 132,024	$ 5,141	$ -	$ 137,165
Construction in progress	-	-	-	-
Total	132,024	5,141	-	137,165
Capital assets being depreciated:				
Buildings and structures	639,897	29,245	-	669,142
Infrastructure	2,520,976	-	-	2,520,976
Furniture and equipment	216,779	24,466	-	241,245
Total capital assets being depreciated	3,377,652	53,711	-	3,431,363
Less accumulated depreciation for:				
Buildings and structures	193,197	15,071	-	208,268
Infrastructure	667,190	62,225	-	729,415
Furniture and equipment	182,926	21,447	-	204,373
Total accumulated depreciation	1,043,313	98,743	-	1,142,056
Total capital assets being depreciated, net	2,334,339	(45,032)	-	2,289,307
Governmental capital assets, net	$ 2,466,363	$ (39,891)	$ -	$ 2,426,472

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

General Government	$ 5,877
Police and Courts	15,594
Parks and Recreation	8,228
Public Works	69,044
Total depreciation expense	$ 98,743

During 2020, the City changed it capitalization threshold from $500 to $5,000. The change in the capitalization policy along with management performing a detail inventory and adjusting the books to such remaining amounts resulted in a net write-off of $109,677.

7. PROPERTY, PLANT AND EQUIPMENT, Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Capital assets being depreciated:				
Infrastructure	52,520	-	-	52,520
Total capital assets being depreciated	52,520	-	-	52,520
Less accumulated depreciation for:				
Infrastructure	1,021	1,751	-	2,772
Total accumulated depreciation	1,021	1,751	-	2,772
Total capital assets being depreciated, net	51,499	(1,751)	-	49,748
Governmental capital assets, net	$ 51,499	$ (1,751)	$ -	$ 49,748

Depreciation expense is charged to the Stormwater Fund.

8. LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Intergovernmental Agreement -					
DDA Bonds Payable	$ 509,608	$ -	$ (54,348)	$455,260	$ 56,789
Capital Leases	8,528	-	(8,528)	-	-
Total Governmental Activity					
Long-Term Debt	$ 518,136	$ -	$ (62,876)	$455,260	$ 56,789

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities.

8. LONG-TERM DEBT - (Continued)

Governmental Activities Long-Term Obligations -

The Governmental activities long-term obligations as of December 31, 2021 consist of the following:

Direct Borrowings / Placements -

An intergovernmental agreement to provide funding for the debt servicing of revenue bonds issued by the Pine Lake Downtown Development Authority in the amount of $1,023,307, the proceeds are to be used by the City to make various environmental, recreational and street improvements, interest is charged at 4.49%, due in equal annual installments of $77,230, matures October 2028.	$455,260

Annual repayment requirements to amortize all long-term obligations as they mature are as follows:

Year Ending 12/31	REVENUE BONDS Principal	Interest	Total
2022	$ 56,789	$ 20,441	$ 77,230
2023	59,339	17,891	77,230
2024	62,003	15,227	77,230
2025	64,787	12,443	77,230
2026	67,696	9,534	77,230
2027	70,735	6,495	77,230
2028	73,911	3,319	77,230
	$ 455,260	$ 85,350	$ 540,610

9. UNAVAILABLE REVENUES

Unavailable revenues as of December 31, 2021, reported in the Governmental Fund's balance sheet, consisted of the following revenue items which had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

Property taxes	$ 11,412
Sanitation fees	1,024
Total deferred revenues - Governmental Funds	$ 12,436

10. DOWNTOWN DEVELOPMENT AUTHORITY BOND ISSUE

In October 2009 the Pine Lake Downtown Development Authority issued revenue bonds in the amount of $1,023,307. The proceeds are to be used by the City to make various capital improvements. The City and the Downtown Development Authority did enter into an intergovernmental agreement whereby the City has guaranteed funding for the debt service of the bond issue. As a result, the Downtown Development Authority has recorded a liability for the bonds payable and accrued interest payable and an amount due from the City in the amount of $458,837 as of December 31, 2021. The City has also recorded a liability in the governmental – wide financial statements for the amount due under the intergovernmental agreement. Annual debt service requirements to maturity for the revenue bonds are as follows:

Year Ending 12/31	REVENUE BONDS	
	Principal	Interest
2022	$ 56,789	$ 20,441
2023	59,339	17,891
2024	62,003	15,227
2025	64,787	12,443
2026	67,696	9,534
2027	70,735	6,495
2028	73,911	3,319
	$ 455,260	$ 85,350

(See Independent Auditor's Report)

11. JOINT VENTURES

Atlanta Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Board's membership includes the chief elected official of each county and one representative from each member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

12. RISK MANAGEMENT

The City of Pine Lake is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of Georgia Interlocal Risk Management Agency. This membership allows the City to share liability, crime, motor vehicle and property damage risks.

Coverages are as follows:

Coverage Description – Property:	
Buildings and contents – (Blanket)	$1,754,083
Automobile physical damage	Per Application on file with GIRMA
Coverage Description – Casualty:	
Comprehensive general liability	$ 600,000
Automobile liability	$ 750,000
Errors and omissions (Public Officials)	$ 600,000
Employee benefits liability	$ 600,000
Coverage Description – Crime:	
Blanket bond – employees required to be bonded	$500,000
Blanket bond – all other employees	$500,000
Depositors forgery	$500,000
Money and securities – loss inside and outside premises	$500,000
Deductible:	
All coverages are subject to a per occurrence deductible of	$1,000 to $10,000

12. Risk Management (continued)

Chapter 85 Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated non-profit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

During the year ended December 31, 2021, the City paid no claims. The City has not compiled a record of the claims paid up to the $10,000 deductible for the prior years. The City is not aware of any claims which the City is liable for (up to the $10,000) which were outstanding and unpaid at December 31, 2021. No provisions have been made in the financial statements for the year ended December 31, 2021 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Pine Lake became a member of the Georgia Municipal Associated Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer (City of Pine Lake) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and / or employer's liability.

As part of these risk pools, the City 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, 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 City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

13. CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

There were no lawsuits or complaints as of December 31, 2021 that management believes will have a material effect on the financial condition of the City.

14. EMPLOYEE BENEFIT PENSION PLANS

Deferred Compensation Plan -

The City offers its employees a deferred compensation plan. The plan allows for employee contributions under the guidelines established by the Internal Revenue Service code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to the employee until termination, retirement, death or unforeseeable emergency. The plan is sponsored by the Georgia Municipal Association and is administered by MetLife.

Defined Contribution Plan

As authorized by City Council, the City provides pension benefits for certain management positions that require 40 hour work weeks through a defined contribution plan under Internal Revenue Service Code 401a, City of Pine Lake Pension Plan. Under the terms of the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is sponsored by the Georgia Municipal Association and is administered by MetLife. A complete report of the pension plan can be obtained from the City Clerk's office.

The City contribution rate is determined by the City Council. Currently the City's contribution is 5% of compensation for covered employees. The contribution requirements of the City and other plan provisions are established and may be amended by the City Council.

During the year, the City contributed $12,515, equal to 5% of eligible salaries. Eligible salaries for the year amounted to 250,300. Gross salaries for the year amounted to $360,250. Contributions immediately vest with plan participants.

15. RESTRICTED ASSETS

Pursuant to the Downtown Development Authority Revenue Bonds, the City was required to create various funds and accounts. Balances in these bond restricted funds and other various restricted funds and accounts as of December 31, 2021 are as follows:

Revenue Bond Restricted Assets -	
Debt service reserve fund	$ 80,196
Grant Fund	2,351
McAllister Environmental fund	93,968
Capital Projects Fund	38,592
ARPA Fund	140,785
SPLOST Fund	360,819
Confiscated Assets	3,440
	$720,151

(See Independent Auditor's Report)

16. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures of certain information concerning individual funds including-

A. Deficit fund balances or net position balances of individual funds – As of December 31, 2021, none of the City's funds had a deficit fund balance.

B. Excess expenditures over appropriations in individual funds as follows:

None of the City's funds had departmental expenditures which materially exceeded (if over 5 percent and greater than $5,000) its department's approved appropriation.

CITY OF PINE LAKE, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - PROJECT LENGTH
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Intergovernmental -				
GEFA	$ 687,500	$ -	$ 687,500	$ 687,500
DeKalb County	720,000	-	720,000	715,000
Interest	1,244		1,244	-
Total Revenues	1,408,744	-	1,408,744	1,402,500
EXPENDITURES				
Capital Outlay -				
Snapfinger Creek improvements	1,331,080	695	1,331,775	1,375,000
Debt Service -				
Principal	680,196	-	680,196	687,500
Debt issue cost	27,836	-	27,836	27,500
Total Expenditures	2,039,112	695	2,039,807	2,090,000
Excess Revenues Over (Under) Expenditures	(630,368)	(695)	(631,063)	(687,500)
Other Financing Sources (Uses)				
Proceeds from debt issuance	680,196	-	680,196	687,500
Transfers	(46,782)	-	(46,782)	-
Total Other Financing Sources (Uses)	633,414	-	633,414	687,500
Net Change in Fund Balance	$ 3,046	(695)	$ 2,351	$ -
Fund Balance - Beginning of Year		3,046		
Fund Balance - End of Year		$ 2,351		

CITY OF PINE LAKE, GEORGIA
REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	*BUDGET ORIGINAL / FINAL	ACTUAL	VARIANCE
REVENUES			
Investment income	$ -	$ 100	$ 100
Intergovernmental	-	-	-
Total revenues	-	100	100
EXPENDITURES			
Current			
Public Works	-	-	-
Capital Outlay	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	100	100
Other financing sources (uses):			
Proceeds from debt issuance	-	-	-
Transfers	-	-	-
Total other financing sources (uses):	-	-	-
Net change in fund balance	-	100	100
Fund balance - beginning	80,096	80,096	-
Fund balance - ending	$ 80,096	$ 80,196	$ 100

*No activity was anticipated by management for 2021.

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

CITY OF PINE LAKE, GEORGIA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET FINAL	ACTUAL	VARIANCE
REVENUES			
Investment income	$ -	$ 4	$ 4
Miscellaneous	28,720	-	(28,720)
Total revenues	28,720	4	(28,716)
EXPENDITURES			
Current			
Public Works	-	70	(70)
Capital Outlay	11,670	5,141	6,529
Total expenditures	11,670	5,211	6,459
Excess of revenues over (under) expenditures	17,050	(5,207)	(22,257)
Other financing sources (uses):			
Proceeds from debt issuance	-	-	-
Transfers	-	-	-
Total other financing sources (uses):	-	-	-
Net change in fund balance	17,050	(5,207)	(22,257)
Fund balance - beginning	43,799	43,799	-
Fund balance - ending	$ 60,849	$ 38,592	$ (22,257)

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

CITY OF PINE LAKE, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - PROJECT LENGTH
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Intergovernmental -				
SPLOST	$ 296,639	$ 128,638	$ 425,277	$ 653,189
Other	22,056	-	22,056	-
Interest	1	-	1	-
Total Revenues	318,696	128,638	447,334	653,189
EXPENDITURES				
Administrative	149	-	149	-
Capital Outlay -				
Renovation / expansion public safety and courts	-	-	-	300,000
Police dash cameras	-	-	-	20,000
Renovation / repairs of City Hall	-	48,036	48,036	70,000
Restroom for public works building	-	-	-	5,000
Rebuild of Oak Road from Forrest Street to Spring Street	-	-	-	150,000
Road / street repair & improvements	1,748	25,204	26,952	168,500
Police vehicle	-	-	-	45,000
Public works enhanced gate repairs	-	-	-	7,000
Total Expenditures	1,897	73,240	75,137	765,500
Excess Revenues Over (Under) Expenditures	316,799	55,398	372,197	(112,311)
Other Financing Sources (Uses)				
Proceeds from debt issuance	-	-	-	-
Transfers	-	-	-	112,311
Total Other Financing Sources (Uses)	-	-	-	112,311
Net Change in Fund Balance	316,799	55,398	$ 372,197	-
Fund Balance - Beginning of Year		316,799		
Fund Balance - End of Year		$ 372,197		

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