

CITY OF LAGRANGE, GEORGIA

Annual Comprehensive Financial Report

Fiscal Year ended June 30, 2022



Prepared by the City Finance Department

**CITY OF LAGRANGE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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INTRODUCTORY SECTION



LAGRANGE
G E O R G I A

June 9, 2023

TO: Citizens of the City of LaGrange, Georgia
Honorable Mayor and Members of the City Council
City of LaGrange, Georgia

The annual comprehensive financial report (ACFR) of the City of LaGrange, Georgia (the "City"), for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This is the twentieth year the City of LaGrange is subject to the requirements of the Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The GASB pronouncement requires management discussion and analysis of the statements, government-wide financial statements, budgetary comparison schedules, added infrastructure reporting requirements and changes to the statement of cash flows, to name a few. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of LaGrange, incorporated in 1828, operates under the Council-Manager form of government. The City is organized under seven (7) departments: Community Development, Communications, Finance/Human Resources, Information and Technology, Public Safety, Public Services and Public Utilities. These departments operate under the direct supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services to an estimated 31,000 citizens. Included among these services are traditional city functions, such as police and fire protection, sanitation services (garbage and trash collection, landfill, and recycling center), street construction and maintenance, landscaping, cemeteries, building inspection, zoning enforcement and economic development, as well as electric, gas, water and sewer utilities and telecommunications services.

The Downtown Development Authority (Sweetland Amphitheatre) is included as a blended component unit of the City.

The Downtown LaGrange Development Authority (DLDA), Visit LaGrange, and the LaGrange Development Authority (LDA) are legally separate entities for which the City is financially accountable and/or management believes that excluding their operations would be misleading to users of the financial statements, and therefore are included as component units. Each Authority is presented as a discretely presented component unit under GASB-14 (as amended by GASB-61) for various reasons such as the City appoints a majority of the component unit's governing body, or the City believes the component unit should be included due to its close relation with the financial integration of the City.

ECONOMIC CONDITION AND OUTLOOK

The City of LaGrange is located in the west central part of Georgia, approximately 70 miles southwest of the City of Atlanta with Interstate 85 and Interstate 185 adjacent on the east side of the City and West Point Lake adjacent on the west side. Hartsfield Atlanta International Airport is 45 minutes away via I-85 and Columbus is less than an hour away via I-185 south. CSX provides full-service rail facilities with east/west and north/south lines. Truck lines include interstate and intrastate carriers and local terminals. United Parcel Service, Federal Express, and several other national and local firms provide delivery services.

LaGrange is home to over 40 industries in three industrial parks. The 1,600 acre LaGrange Industrial Park and Jim Hamilton Industrial Park, 640 acre park, are home to a dozen Fortune 500 companies. Callaway South Industrial Park, is currently developing, and is home to Sewon America and Badcock Distribution Center.

COVID-19

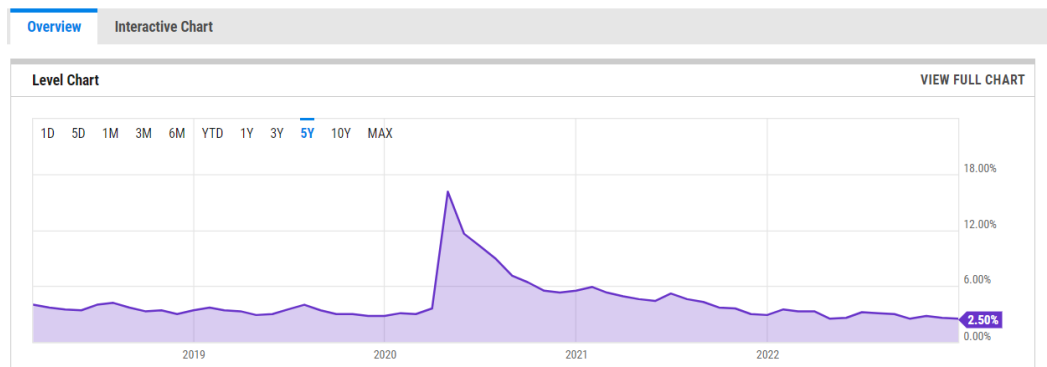
The pandemic has continued to cause challenges for the City of LaGrange. COVID-19 has impacted world-wide supply chains. It is becoming more and more difficult to acquire materials, chemicals, and other various supplies. These shortages are driving costs up and affecting the bottom line. In fiscal year 2022, the City received approximately \$5.8 million dollars of ARPA funds to assist with COVID impacts. The funds were allocated for revenue loss, Moss & Wood Park, and the Griggs Center.

Unemployment Rate

As is the case nationally, the unemployment rate is a measure of how well our local economy is doing. In 2009, the unemployment rate in LaGrange ranged from 2.8% in November to a peak of 16.2% in June. A gradual decline was seen from 2010 to 2019, with the rate ultimately hovering around 3.3%. COVID-19 had a tremendous impact on

LaGrange, GA Unemployment Rate

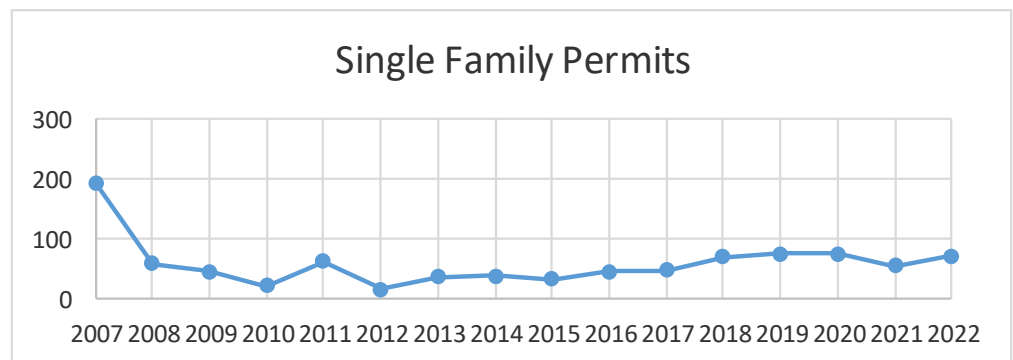
2.50% for Dec 2022



business and industry in 2020 and 2021. The unemployment rate soared to a peak of **17.1% in April of 2020** as many of our largest employers were forced to suspend operations during the lockdown. Fortunately, the rate slowly receded back to 3.2% at the end of fiscal year 2022.

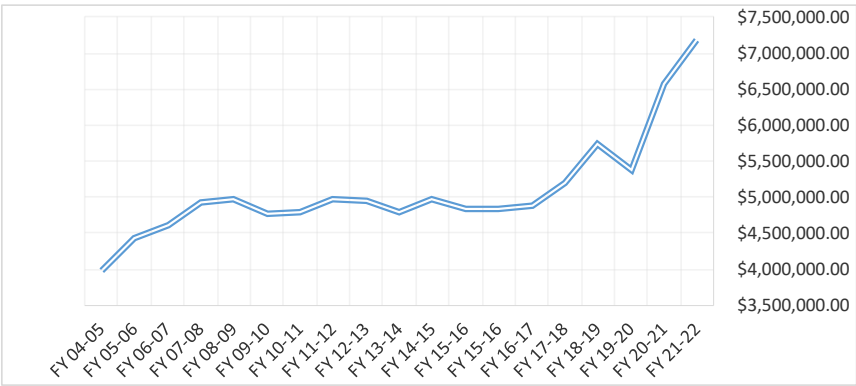
Real Estate

Real estate plays an integral role in our local economy. Residential real estate not only provides housing for families, but it's often their greatest source of wealth and savings. Data shows that LaGrange's single family housing market continues to recover from the 2008 market crash. The total number of single family building permits issued to date in 2022 is 72, on pace to hit the 100 mark by year end. Since 2019, we had 662 new multi-family units constructed. We anticipate another 897 units coming on line in the fiscal year 2023 and 2024. (Hamilton Road, Vernon Road, S. Davis Road).



Local Option Sales Tax

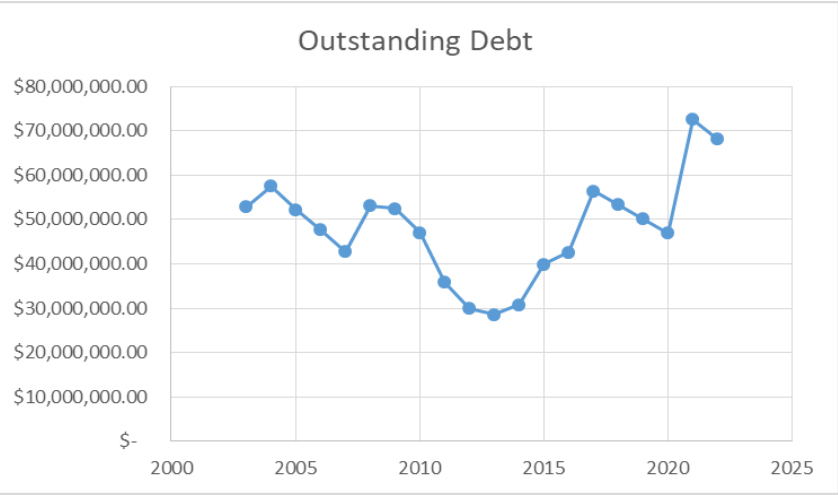
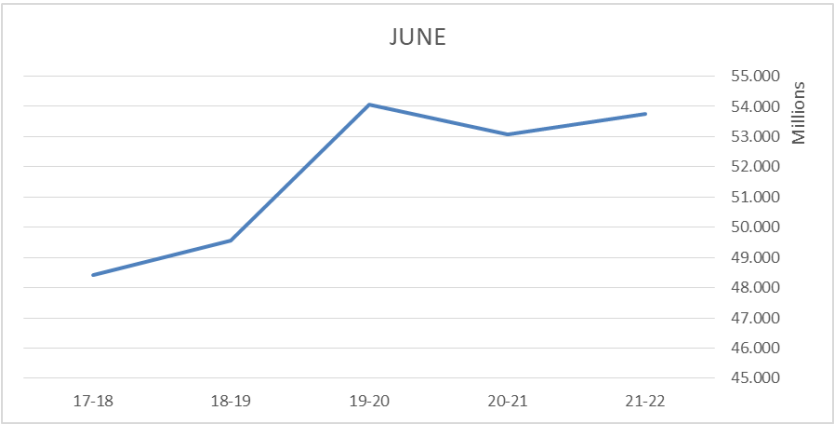
The City of LaGrange remains economically healthy. Local Option Sales Taxes over the past several years have seen a positive trend upward, with the exception of FY 20. A 9.7% increase in sales tax receipts from FY 21 to FY 22 is shown on the graph.



FINANCIAL INFORMATION

Cash Position

The City’s operational and financial performance remains strong. The City’s average cash/investment balance for fiscal year 2022 was **\$53 million**. MEAG trust funds increased the cash balances for a ten-year period ending in fiscal year 2018. Deliberate decisions were made not to spend these funds and to manage the City with sustainable revenues and expenses on an annual basis. A cash reserve is one of the most important things that a long-standing, successful governmental entity should have. The reserve is in place should the City face difficult times, cover unforeseen emergencies or unexpected costs, or address a downturn in the economy. The reserve was also set aside for the purpose of electric rate stabilization should it become necessary with the costs associated with the new Vogtle Nuclear units coming online.



Debt

Steps have been taken over the years to control expenses and to position the City for financial soundness in the coming years. In fiscal years 2011 and 2012, as reflected in the chart, the City paid off significant amounts of Water and Sewer and Sanitation debt. Several revenue bonds were refinanced in fiscal years 2012 and 2014 to take advantage of lower interest rates. These steps allowed the City to use cash to avoid interest costs which were significantly higher than what we were receiving in interest on our bank deposits.

Due to infrastructure needs in 2015 and 2016, the City secured financing through low interest loans from the Georgia Environmental Finance Authority (GEFA). Infrastructure improvements were made to the Long Cane wastewater treatment facility to replace effluent vertical turbine pumps and pump gas engines. The project completed construction in early 2016 and payments on the \$8,637,735 loan began March 1, 2016. The City has also made additional investments in the sewer system with another GEFA loan to replace an existing pump station and install roughly 16,000 linear feet of 14” force main. This was a \$5.6 million dollar project completed in October of 2015 with principal and interest payments commencing on November 1, 2015.

Another strategic infrastructure investment was made to construct a new cell in the City's subtitle D landfill. Funds were secured through a loan GEFA in the amount of \$3 million. Loan payments commenced on November 1, 2015.

With the recruitment of Great Wolf Lodge to the community, the City financed the construction of a \$17 million conference center. A bond was issued in December of 2016 that will be paid back with the incremental hotel/motel tax from the project. The bond was issued by the LaGrange Development Authority. The conference center will be leased to Great Wolf Resort for 50 years and Great Wolf will operate the facility. Since the facility opened in May of 2018, the City's portion of hotel/motel tax receipts have totaled over \$5 million (City retains 56.25% of returns to pay principal and interest payments on bond).

In fiscal year 2021, the City of LaGrange elected to issue a series of bonds in the amount of approximately \$26.8 million dollars to finance several water and sewer capital projects to address aging infrastructure and regulatory compliance measures. Improvements will include upgrades and repairs to the Walter Williams Water Filtration Plant, Wastewater Treatment Plant Improvements, and replacements to several lift stations and addressing the relocation of water/sewer lines for the widening of Hamilton Road. Funding in the amount of \$1.6 million was also secured through a GMA lease agreement to rehabilitate 206 Ridley Avenue to house Sweetland and Visit LaGrange offices. No new debt was issued during fiscal year 2022.

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Major Initiatives and Accomplishments

During fiscal year 2022, the City of LaGrange began or completed many significant projects and objectives in connection with the City's overall goals. The following is a list of major accomplishments by the City's various departments, in no particular order.

- Completed Streetscape Project at the corner of Bull and Broome Streets
- Completed Linear Park project on Whitesville Road
- Completed renovation work at 206 Ridley to house Visit LaGrange Operations
- Fountain Lighting Project Completed on Downtown Square
- Completed Thread Segment #8 (Southbend to Kex)
- Completed Thread Segment #9 (Hunnicut to Kex)
- Transitioned all Avaya PBX (phone customers) to Metaswitch
- Completed construction of Granger storm pipe replacement
- Continued progress in conversion to remote read of electric, water and gas meters

Budgeting Controls

In addition, the City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of LaGrange. Activities of the General Fund and special revenue funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following schedule presents a summary of the total governmental funds' revenues for the fiscal year ended June 30, 2022 and the amount and percentage of increases and decreases in relation to the prior fiscal year's revenue. Total revenues showed an increase in revenue from 2021 to 2022 of roughly 30%. Revenues increased due to stronger local option sales tax and ARPA funding. General government expenses showed an increase in expenses at 20% due to capital outlay projects to include park projects and ARPA funding for the Griggs Center and Moss and Wood Park.

Revenues	Amount	% of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Taxes, licenses and permits	\$ 18,195,987	48%	\$ 2,002,075	12%
Intergovernmental	14,819,893	40%	6,205,319	72%
Charges for services	2,098,299	6%	88,113	4%
Fines and forfeitures	785,384	2%	106,116	16%
Investment income	599,021	2%	89,936	18%
Miscellaneous	772,635	2%	94,879	14%
TOTAL	\$ 37,271,219	100%	\$ 8,586,438	30%

Expenditures	Amount	% of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
General government and telecommunications	\$ 5,866,708	12%	\$1,738,988	42%
Public safety	21,391,748	43%	522,790	3%
Public works	3,894,994	8%	579,422	17%
Culture and recreation	2,509,790	5%	506,470	25%
Community development	3,605,010	7%	(85,855)	(2)%
Debt service	2,274,056	5%	183,621	9%
Capital outlay	9,857,793	20%	4,928,245	100%
TOTAL	\$ 49,400,099	100%	\$ 8,373,681	20%

OTHER INFORMATION

Independent Audit

Georgia Law requires cities to be audited annually by independent certified public accountants. The City chooses to have an annual audit and this year the Council selected the firm of Mauldin and Jenkins, LLC to perform the audit. The auditor's report on financial statements is included in the financial section of this report.

Awards

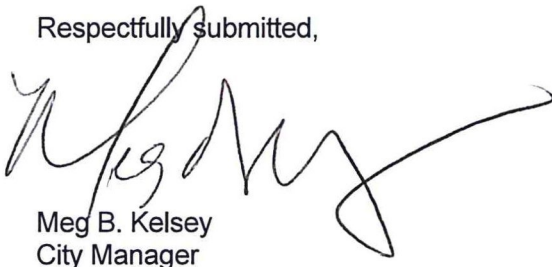
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty fifth (35th) year that the City has received this award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The timely preparation of this report was possible because of the hard work and dedication of the Finance Department, the cooperation of all City employees in following City policy in purchasing and accounting for revenues and expenditures and the invaluable assistance of Mauldin and Jenkins, LLC, the City's auditors. All these individuals and organizations have our sincere appreciation for their contributions in the preparation of this report. We also wish to acknowledge the leadership and support of the Mayor and Council of the City of LaGrange.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Meg B. Kelsey', is written over the typed name and title.

Meg B. Kelsey
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of LaGrange
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

City of LaGrange, Georgia
LIST OF PRINCIPAL OFFICIALS

June 30, 2022

ELECTED OFFICIALS

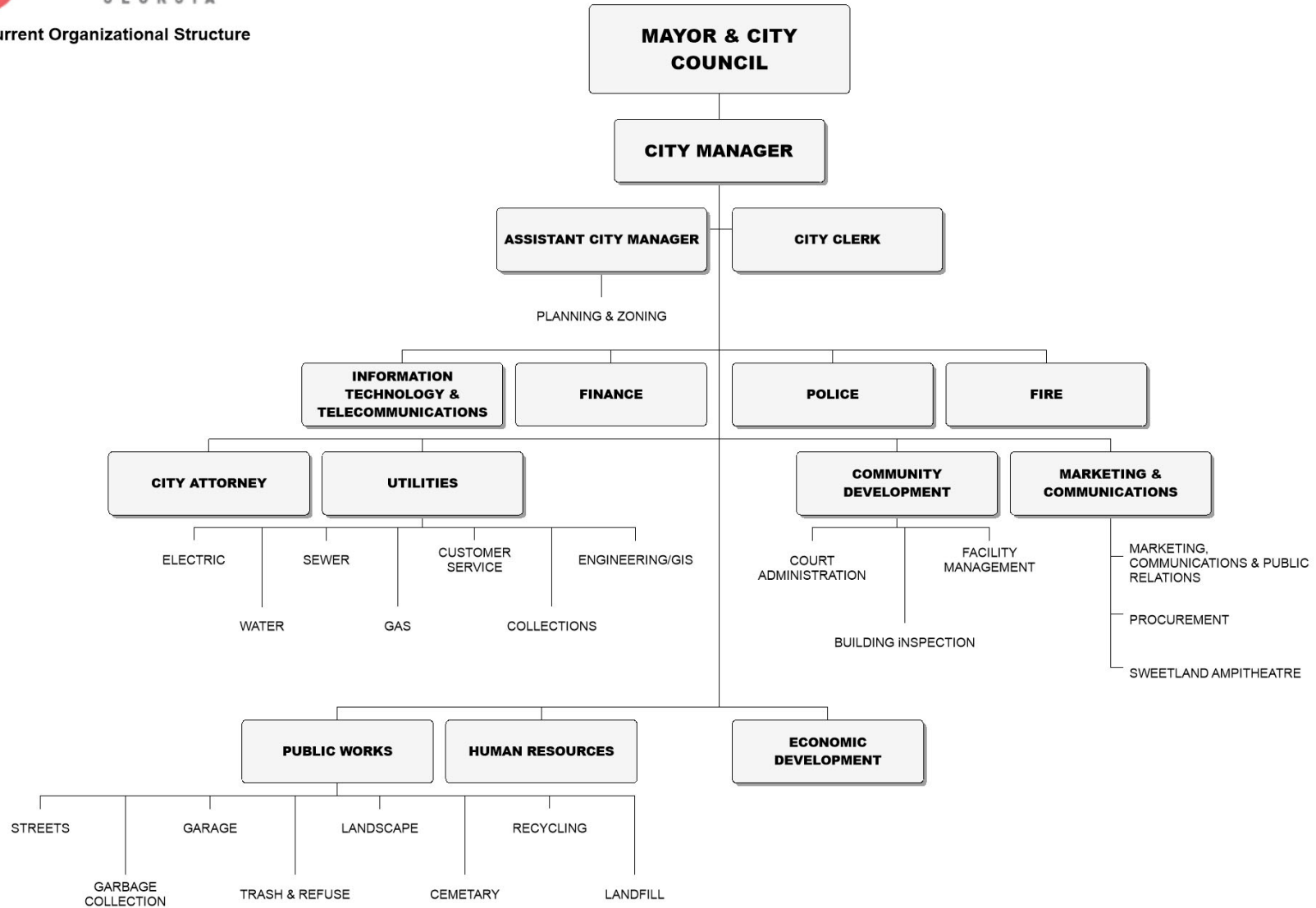
Jim Thornton	Mayor
Willie Edmondson	Council Member
Tom Gore	Council Member
Jim Arrington	Council Member
Nathan Gaskin	Council Member
Mark Mitchell	Council Member

OTHER OFFICIALS

Meg Kelsey	City Manager
Bill Bulloch	Assistant City Manager
Jeff Todd	City Attorney
Alton West	Director of Community Development
Patrick Bowie	Director of Public Utilities
Louis M. Dekmar	Chief of Police
John Brant	Fire Chief
Alan Slaughenhaupt	Director of Information And Technology
Katie Van Schoor	Marketing and Communications Manager



Current Organizational Structure



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Council
City of LaGrange, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of LaGrange, Georgia** (the "City") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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 units, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the LaGrange Development Authority, which represents 56 percent, 29 percent, and 47 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the LaGrange Development Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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. The financial statements of the LaGrange Development Authority were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter – Change in Accounting Principle

As described in Note 5 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of July 1, 2021. This standard significantly changed the accounting for the City's leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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'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'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, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of City Contributions, and the Schedule of Changes in the City's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios, as listed in the table of contents, 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

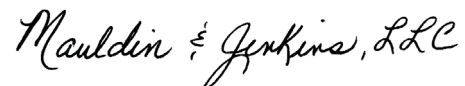
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2023 on our consideration of the City'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'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 the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
June 9, 2023

Management's Discussion and Analysis

As management of the City of LaGrange (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–vi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2022 by \$180,416,689.
- The City's total net position increased by \$8,229,754.
- As of the close of 2022, the City's governmental funds reported combined ending fund balances of \$4,997,579 an increase of \$1,388,248 from the prior fiscal year beginning fund balances.
- At the end of 2022, the fund balance for the General Fund was \$6,384,991 or approximately 19% percent of General Fund expenditures.
- Decrease in government-wide net pension liability of \$6,921,896.
- Decrease in government-wide total OPEB liability of \$471,987.
- Net investment in capital assets for governmental and business-type activities amounted to \$174,936,671 (net of accumulated depreciation and related debt). An increase of approximately 3% from fiscal year 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items 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 City'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 (e.g., uncollected revenues and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes, fines and forfeitures, charges for services and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, judicial, public safety, public works, community development, culture and recreation and interest and fiscal charges. The business-type activities of the City include water and sewerage, sanitation, telecommunications, electric, and natural gas services as well as the Downtown Development Authority (DDA and/or Sweetland Amphitheater) a community development venture that will generate revenue through ticket sales for hosting a variety of events in the City. See Note 1A for additional discussion of the DDA as a blended component unit.

The government-wide financial statements include not only the City of LaGrange itself (known as the primary government), but also three legally separate component units: the Downtown LaGrange Development Authority (DLDA), Visit LaGrange, and the LaGrange Development Authority (LDA) for which the City of LaGrange is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government.

Fund financial statements

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

Governmental funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities 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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and government activities.

The City maintains three individual governmental fund types in addition to its General Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the SPLOST V Fund and the Capital Projects Fund, which are the City's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this fund. Budgetary comparison statements have been provided for the special revenue funds in the supplementary financial information elsewhere in this report. Since the capital project funds budgets are adopted on a project basis, supplementary budgetary comparison schedules have not been provided.

Proprietary funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility operations, Water and Sewerage Fund, Sanitation operations, and the DDA (Sweetland Amphitheater). Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Group Insurance, and Property and Casualty activities. These two services primarily benefit the City's general governmental operations and have been allocated to the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the following funds: Utility, Water and Sewerage, Sanitation, and DDA. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Basic 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.

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$180,416,689 at the close of fiscal year 2022.

A substantial portion of the City's net position of approximately 97% reflects its net investment in capital assets (e.g., land, construction in progress, buildings, infrastructure, machinery, vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the statement of net position as of June 30, 2022 and June 30, 2021, are as follows:

City of LaGrange's Summary of Net Position (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets:								
Current and other assets	\$ 14,977	\$ 8,955	\$ 87,810	\$ 88,442	\$ 102,787	\$ 97,397	33.82%	32.87%
Capital assets	85,479	79,182	115,678	119,738	201,157	198,920	66.18%	67.13%
Total assets	100,456	88,137	203,488	208,180	303,944	296,317	100.00%	100.00%
Deferred outflows of resources	5,243	5,592	2,745	2,930	7,988	8,522	100.00%	100.00%
Liabilities:								
Current liabilities	4,012	3,657	10,449	8,743	14,461	12,400	12.18%	9.64%
Long-term liabilities	41,786	48,017	62,517	68,261	104,303	116,278	87.82%	90.36%
Total liabilities	45,798	51,674	72,966	77,004	118,764	128,678	100.00%	100.00%
Deferred inflows of resources	10,105	3,214	2,647	760	12,752	3,974	100.00%	100.00%
Net position:								
Net investment in capital assets	78,714	72,832	96,223	96,653	174,937	169,485	96.96%	98.43%
Restricted	2,131	1,710	-	-	2,131	1,710	1.18%	0.99%
Unrestricted	(31,049)	(35,701)	34,397	36,693	3,348	992	1.86%	0.58%
Total net position	\$ 49,796	\$ 38,841	\$ 130,620	\$ 133,346	\$ 180,416	\$ 172,187	100.00%	100.00%

A portion of the City's net position of approximately 1% represents resources that are subject to external restrictions on how they may be used. At the end of 2022, the City reports positive balances in net position or fund balances, both for the government as a whole, as well as for its business-type activities. The following funds reported a deficit fund balance or net position at June 30, 2022:

- SPLOST V Fund
- Nonmajor governmental funds: Tax Allocation Fund – Marriott
- Internal service fund: Group Insurance Fund

Governmental activities

Governmental activities increased the City's net position by \$10,955,822. An approximate 31% increase in revenue occurred primarily due to ARPA funding, but other significant increases related in sales tax, hotel/motel tax and ad valorem title tax, while expenses for governmental activities were flat at 0.5%. Below is a breakdown of revenues and expenses by governmental and business type activities for 2022 and 2021.

City of LaGrange's Changes in Net Position

Summary of Changes in Net Position

(in thousands of dollars)

	Governmental Activities		Business Activities		Total		Percentage of Total (Rounded)	
	2022	2021	2022	2021	2022	2021	2022	2021
<i>Revenues:</i>								
Program:								
Charges for services	\$ 3,168	\$ 2,900	\$ 96,052	\$ 84,880	\$ 99,220	\$ 87,780	75.28%	77.28%
Operating grants	7,653	2,072	-	-	7,653	2,072	5.81%	1.82%
Capital grants and contributions	7,167	6,543	-	-	7,167	6,543	5.44%	5.76%
General:								
Sales and use taxes	7,307	6,659	-	-	7,307	6,659	5.54%	5.86%
Insurance taxes	2,436	2,356	-	-	2,436	2,356	1.85%	2.07%
Other taxes	8,168	6,968	-	-	8,168	6,968	6.20%	6.13%
Investment earnings (loss)	599	509	(1,748)	25	(1,149)	534	-0.87%	0.48%
Miscellaneous	995	678	-	-	995	678	0.75%	0.60%
<i>Total revenues</i>	<i>37,493</i>	<i>28,685</i>	<i>94,304</i>	<i>84,905</i>	<i>131,797</i>	<i>113,590</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Program Expenses:</i>								
General government	5,434	4,031	-	-	5,434	4,031	4.40%	3.48%
Judicial	4	39	-	-	4	39	0.00%	0.03%
Public safety	20,159	23,011	-	-	20,159	23,011	16.31%	19.89%
Public works	4,552	3,924	-	-	4,552	3,924	3.68%	3.39%
Culture and recreation	2,476	2,112	-	-	2,476	2,112	2.00%	1.83%
Community development	6,250	6,171	-	-	6,250	6,171	5.06%	5.33%
Interest and fiscal charges	957	1,062	-	-	957	1,062	0.77%	0.92%
Utilities	-	-	64,591	58,189	64,591	58,189	52.27%	50.30%
Water and sewerage	-	-	14,284	13,042	14,284	13,042	11.56%	11.27%
Sanitation	-	-	3,280	3,713	3,280	3,713	2.65%	3.21%
Sweetland Amphitheater	-	-	1,582	383	1,582	383	1.30%	0.35%
<i>Total expenses</i>	<i>39,832</i>	<i>40,350</i>	<i>83,737</i>	<i>75,327</i>	<i>123,569</i>	<i>115,677</i>	<i>100%</i>	<i>100%</i>
Excess (deficiency)	(2,339)	(11,665)	10,567	9,578	8,228	(2,087)		
Gain on sale of assets	-	-	1	54	1	54		
Transfers	13,294	15,832	(13,294)	(15,832)	-	-		
<i>Change in net position</i>	<i>10,955</i>	<i>4,167</i>	<i>(2,726)</i>	<i>(6,200)</i>	<i>8,229</i>	<i>(2,033)</i>		
<i>Beginning net position</i>	<i>38,841</i>	<i>34,674</i>	<i>133,346</i>	<i>139,546</i>	<i>172,187</i>	<i>174,220</i>		
<i>Ending net position</i>	<i>\$ 49,796</i>	<i>\$ 38,841</i>	<i>\$ 130,620</i>	<i>\$ 133,346</i>	<i>\$ 180,416</i>	<i>\$ 172,187</i>		

Business-type activities

Business-type activities reduced the City's net position by \$2,726,068. Total business-type revenues increased by \$9,399,353 or approximately 11% due to increases in utility commodity prices, while expenses increased by \$8,411,184, or approximately 11% largely due to capital outlay projects in electric and gas systems and cost of goods sold increases.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

The General Fund is the chief operating fund of the City. At the end of 2022, unassigned fund balance of the General Fund was \$4,694,610 while total fund balance reached \$6,384,991. 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 approximately 14% of the total General Fund expenditures, while total fund balance represents approximately 19% of that same amount. Transfers in from other funds to supplement the General Fund were \$7,621,693 from nonmajor governmental funds and \$13,050,000 from proprietary funds for a total of \$20,671,693, representing approximately 61% of total fund expenditures. The City of LaGrange does not levy a property tax and uses the enterprise funds to help fund general governmental services.

The fund balance of the General Fund increased at the end of June 2022. An increase of \$2,470,787 in fund balance occurred over the course of fiscal year 2022. An increase in revenue and other financing sources of approximately 9% and increases in expenditures and other financing uses of approximately 7%, plus higher contribution from enterprise funds, contributed to the increase in fund balance for 2022. Sales tax collections also increased in fiscal year 2022 as economic conditions improved early in the fiscal year. Continued growth in public safety and public service departments lead to small increase in expenditures as well as the City experiencing general inflation towards the end of the fiscal year.

The fund balance of the SPLOST V Fund decreased at the end of June 2022. A decrease of \$1,212,530 in fund balance occurred over the course of fiscal year 2022 resulting in a deficit fund balance of \$1,131,519. The decrease in fund balance is attributable to an increase in capital outlay projects to include park projects, streetscape improvements, and trail expansions. Fund balance will recover in subsequent years as collections exceed project expenditures.

The fund balance of the Capital Projects Fund decreased at the end of June 2022. A decrease of \$184,764 in fund balance occurred over the course of fiscal year 2022. The decrease in fund balance is attributable to transfers out to the Utility Fund to supplement enterprise related projects.

Other nonmajor governmental funds have a total deficit fund balance of \$437,907. The City experienced a net increase of \$314,755 in the nonmajor governmental during the current fiscal year. The majority of this increase is attributable to the Cemetery Care Fund, which ended the fiscal year with a total increase in fund balance of \$172,339 and a positive fund balance of \$1,232,029. The deficit fund balance, all of which is attributable to the Tax Allocation District – Marriott will be recovered in subsequent years with future taxable revenues collected within the district.

Proprietary funds

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

Unrestricted net position of the Utility Fund at the end of 2022 amounted to \$29,118,389. The Water and Sewerage Fund reported unrestricted net position of \$11,989,330, the Sanitation Fund reported a deficit unrestricted balance of (\$6,509,224), and the DDA reported a deficit unrestricted balance of (\$201,297). The total change in net position for each fund was \$1,952,656, (\$3,593,417), (\$941,680), and (\$143,627), respectively. The decrease in net position is in large part attributable to the transfers out of proprietary funds to supplement other activity. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for revenues. However, small budget amendments were made to general government, public safety, public works, culture and recreation, community development and telecommunication appropriations. During the fiscal year, however, revenues were more than budgetary estimates and expenditures exceeded budgetary estimates in part due to increases in sales tax and increases in expenditures throughout most funds due to inflation. Contributors to increases in revenues centered around an increase in sales tax, alcohol taxes, ad valorem taxes, other taxes, licenses and permits, intergovernmental, interest income and charges for services. Total positive variance of revenues was approximately 15%. Expenditures for 2022 were over budget by approximately 1%. Major contributors to the expenditures in excess of appropriations were general government services, public safety, and culture, public works, community development and recreation.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$201,158,163. Net investment in capital assets for governmental and business-type activities amounts to \$173,813,439 (net of accumulated depreciation and related debt). The primary investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

City of LaGrange's Capital Assets

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets:						
Land	\$ 13,633	\$ 13,607	\$ 3,487	\$ 3,581	\$ 17,120	\$ 17,188
Construction in Progress	7,600	2,242	1,870	540	9,470	2,782
Total non-depreciable assets	21,233	15,849	5,357	4,121	26,590	19,970
Depreciable assets:						
Buildings	29,244	27,497	30,980	30,980	60,224	58,477
Infrastructure and land improvements	64,648	63,020	21,597	202,296	86,245	265,316
Machinery and equipment	15,662	14,795	1,766	20,638	17,428	35,433
Vehicles	6,014	5,684	202,731	1,683	208,745	7,367
Total depreciable assets	115,568	110,996	257,074	255,597	372,642	366,593
Less accumulated depreciation:	51,322	47,664	146,753	139,980	198,075	187,644
Net book value-depreciated assets	64,246	63,332	110,321	115,617	174,567	178,949
Percentage depreciated	44.41%	42.94%	57.09%	54.77%	53.15%	51.19%
Total Capital Assets	\$ 85,479	\$ 79,181	\$ 115,678	\$ 119,738	\$ 201,157	\$ 198,919

At June 30, 2022, the depreciable capital assets for governmental activities were approximately 44% depreciated. Note that business-type activities are approximately 57% depreciated. More detailed information can be found in the Notes to the Financial Statements, Note 6.

Long-term debt

At the end of fiscal year 2022, the City had total bonded debt outstanding of \$30,258,812, including bond premiums. Of this amount, none is backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., proprietary fund revenue bonds).

The City maintains a general obligation credit rating of Aa3 from Moody's and A+/Negative from Standard & Poor's.

State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed value of taxable property located within the municipality. The current debt limitation for the City is \$144,605,389 which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

City of LaGrange's Long-Term Debt as of June 30, 2022, and 2021 *(in thousands of dollars)*

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Certificates of Participation	\$ 3,888	\$ 3,888	\$ -	\$ -	\$ 3,888	\$ 3,888
Financed purchases payable	1,095	1,351	-	-	1,095	1,351
Notes payable	1,408	1,635	12,385	13,249	13,793	14,884
Intergovernmental agreement payable	17,648	18,462	1,455	1,780	19,103	20,242
Net pension liability	6,454	11,056	3,471	5,791	9,925	16,847
Total OPEB liability	10,606	10,916	5,557	5,719	16,163	16,635
Revenue bonds payable	-	-	28,055	29,805	28,055	29,805
Plus: premium	-	-	2,204	2,390	2,204	2,390
Landfill closure and postclosure	-	-	8,989	9,131	8,989	9,131
Compensated absences	687	709	401	396	1,088	1,105
Total	\$ 41,786	\$ 48,017	\$ 62,517	\$ 68,261	\$ 104,303	\$ 116,278

More detailed information can be found in the Notes to the Financial Statements, Note 8.

Economic Factors and Next Year's Budgets

All these factors were considered in preparing the City's budget for the 2023 fiscal year.

- **Sustainability of Existing Services.** The City has adhered to a philosophy of budgetary evaluation that reviews the needs of the citizens to a standard that realizes services and associated costs should not be appropriated if they are not justified by long-term goals. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data necessary for informed decision-making.
- **Infrastructure Improvements.** The fiscal year 2023 capital budget will focus on projects that are already in progress and/or are essential due to safety of required by mandate.
- **Economy Impact.** The City's revenues and expenditures were appropriated with a conservative approach to reflect the economic conditions that are expected to continue through 2023.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Meg B. Kelsey
City Manager
200 Ridley Avenue
LaGrange, Georgia 30240

CITY OF LAGRANGE, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 3,247,363	\$ 19,252,725	\$ 22,500,088	\$ 3,314,598
Investments	4,981,051	52,239,821	57,220,872	2,502,153
Taxes receivable, net of allowances	172,916	-	172,916	-
Accounts receivable, net of allowances	82,300	11,330,781	11,413,081	251,548
Intergovernmental receivables	1,767,419	-	1,767,419	918,503
Due from component unit	6,128	-	6,128	-
Lease receivable, current	444,138	-	444,138	240,668
Lease receivable, noncurrent	4,101,247	-	4,101,247	1,402,644
Notes receivable	-	-	-	523,644
Other receivables	98,871	-	98,871	-
Internal balances	(1,581,425)	1,581,425	-	-
Inventory	242,152	3,351,014	3,593,166	1,614
Prepaid items	-	54,136	54,136	1,636
Restricted cash and cash equivalents	984,789	-	984,789	400,038
Land held for development	-	-	-	6,101,780
Fair value of hedging derivative	429,762	-	429,762	-
Capital assets:				
Non-depreciable	21,233,394	5,357,302	26,590,696	1,621,710
Depreciable, net of accumulated depreciation	64,246,407	110,321,060	174,567,467	29,528,737
Total assets	100,456,512	203,488,264	303,944,776	46,809,278
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	3,622,039	1,896,424	5,518,463	-
OPEB related items	1,620,571	849,059	2,469,630	-
Total deferred outflows of resources	5,242,610	2,745,483	7,988,093	-
LIABILITIES				
Accounts payable	1,335,352	4,462,050	5,797,402	135,439
Retainage payable	374,768	4,248	379,016	-
Due to primary government	-	-	-	6,128
Due to component unit	-	731,011	731,011	-
Unearned revenue	31,182	1,320,513	1,351,695	126,003
Accrued liabilities	2,060,595	235,321	2,295,916	218,555
Accrued interest payable	209,649	427,230	636,879	-
Customer deposits payable	-	3,268,772	3,268,772	-
Compensated absences due within one fiscal year	515,406	209,094	724,500	-
Compensated absences due in more than one fiscal year	171,803	191,505	363,308	-
Landfill closure and postclosure liability due within one fiscal year	-	193,197	193,197	-
Landfill closure and postclosure liability due in more than one fiscal year	-	8,795,893	8,795,893	-
Financed purchases due within one fiscal year	262,814	-	262,814	-
Financed purchases due in more than one fiscal year	832,608	-	832,608	-
Notes payable due within one fiscal year	78,000	878,161	956,161	147,710
Notes payable due in more than one fiscal year	1,330,000	11,507,317	12,837,317	2,298,598
Intergovernmental agreement payable due within one fiscal year	852,500	340,000	1,192,500	-
Intergovernmental agreement payable due in more than one fiscal year	16,795,000	1,115,000	17,910,000	-
Bonds payable due within one fiscal year	-	1,875,000	1,875,000	1,130,102
Bonds payable due in more than one fiscal year	-	28,383,812	28,383,812	18,437,877
Certificates of participation due in more than one fiscal year	3,888,000	-	3,888,000	-
Net pension liability due in more than one fiscal year	6,454,174	3,470,829	9,925,003	-
Total OPEB liability due in more than one fiscal year	10,605,844	5,556,673	16,162,517	-
Total liabilities	45,797,695	72,965,626	118,763,321	22,500,412
DEFERRED INFLOWS OF RESOURCES				
Lease related deferred inflows	4,476,924	-	4,476,924	1,621,300
Pension related items	4,091,715	2,068,091	6,159,806	-
OPEB related items	1,106,595	579,772	1,686,367	-
Accumulated increase in fair value of hedging derivative	429,762	-	429,762	-
Total deferred inflows of resources	10,104,996	2,647,863	12,752,859	1,621,300
NET POSITION				
Net investment in capital assets	78,713,611	96,223,060	174,936,671	13,406,159
Restricted for debt service	504,437	-	504,437	-
Restricted for planning and development	395,651	-	395,651	-
Restricted for corpus of permanent fund	2,500	-	2,500	-
Restricted for cemetery operating capital	1,229,529	-	1,229,529	400,038
Unrestricted	(31,049,297)	34,397,198	3,347,901	8,881,369
Total net position	\$ 49,796,431	\$ 130,620,258	\$ 180,416,689	\$ 22,687,566

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net (Expenses) Revenues and Changes in Net Position								
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,434,086	\$ 1,729,520	\$ 2,971,458	\$ -	\$ (733,108)	\$ -	\$ (733,108)	\$ -
Judicial	4,231	-	-	-	(4,231)	-	(4,231)	-
Public safety	20,159,162	1,176,755	266,558	-	(18,715,849)	-	(18,715,849)	-
Public works	4,552,261	-	4,414,587	7,167,456	7,029,782	-	7,029,782	-
Culture and recreation	2,476,012	-	-	-	(2,476,012)	-	(2,476,012)	-
Community development	6,250,382	261,336	-	-	(5,989,046)	-	(5,989,046)	-
Interest and fiscal charges	956,391	-	-	-	(956,391)	-	(956,391)	-
Total governmental activities	39,832,525	3,167,611	7,652,603	7,167,456	(21,844,855)	-	(21,844,855)	-
Business-type activities:								
Utilities	64,591,221	73,452,499	-	-	-	8,861,278	8,861,278	-
Water and sewer	14,284,191	18,173,806	-	-	-	3,889,615	3,889,615	-
Sanitation	3,280,098	2,988,028	-	-	-	(292,070)	(292,070)	-
Sweetland Amphitheater	1,582,441	1,437,568	-	-	-	(144,873)	(144,873)	-
Total business-type activities	83,737,951	96,051,901	-	-	-	12,313,950	12,313,950	-
Total primary government	\$ 123,570,476	\$ 99,219,512	\$ 7,652,603	\$ 7,167,456	\$ (21,844,855)	\$ 12,313,950	\$ (9,530,905)	\$ -
Component units:	\$ 5,311,398	\$ 850,188	\$ 1,878,192	\$ -	\$ -	\$ -	\$ -	\$ (2,583,018)
General revenues:								
Franchise taxes					\$ 1,098,906	\$ -	\$ 1,098,906	\$ -
Insurance premium taxes					2,435,562	-	2,435,562	-
Sales and use taxes					7,307,383	-	7,307,383	-
Motor vehicle taxes					899,659	-	899,659	-
Beer, wine, and liquor taxes					749,243	-	749,243	-
Hotel/Motel taxes					4,573,422	-	4,573,422	2,005,767
Other taxes					847,884	-	847,884	-
Unrestricted investment earnings (loss)					598,855	(1,747,661)	(1,148,806)	76,957
Gain on disposal of capital assets					-	1,246	1,246	-
Miscellaneous					996,160	-	996,160	1,150,524
Transfers					13,293,603	(13,293,603)	-	-
Total general revenues and transfers					32,800,677	(15,040,018)	17,760,659	3,233,248
Change in net position					10,955,822	(2,726,068)	8,229,754	650,230
Net position, beginning of fiscal year, as restated					38,840,609	133,346,326	172,186,935	22,037,336
Net position, end of fiscal year					\$ 49,796,431	\$ 130,620,258	\$ 180,416,689	\$ 22,687,566

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

CITY OF LAGRANGE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

ASSETS	General Fund	SPLOST V Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 846,410	\$ 533,958	\$ 143,915	\$ 420,132	\$ 1,944,415
Restricted cash and cash equivalents	984,789	-	-	-	984,789
Investments	3,121,596	-	-	1,238,800	4,360,396
Taxes receivable	172,916	-	-	-	172,916
Other receivables	98,871	-	-	-	98,871
Intergovernmental receivables	707,080	555,581	-	504,758	1,767,419
Due from component unit	6,128	-	-	-	6,128
Lease receivable	-	-	4,545,385	-	4,545,385
Due from other funds	982,926	-	-	-	982,926
Inventory	242,152	-	-	-	242,152
Advances to other funds	734,143	-	-	-	734,143
Total assets	<u>\$ 7,897,011</u>	<u>\$ 1,089,539</u>	<u>\$ 4,689,300</u>	<u>\$ 2,163,690</u>	<u>\$ 15,839,540</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 355,856	\$ 488,859	\$ 30,362	\$ 220,832	\$ 1,095,909
Retainage payable	80,569	294,199	-	-	374,768
Accrued liabilities	1,075,595	-	-	-	1,075,595
Unearned revenue	-	-	-	31,182	31,182
Due to other funds	-	300,000	-	283,926	583,926
Advances from other funds	-	1,138,000	-	2,065,657	3,203,657
Total liabilities	<u>1,512,020</u>	<u>2,221,058</u>	<u>30,362</u>	<u>2,601,597</u>	<u>6,365,037</u>
DEFERRED INFLOWS OF RESOURCES					
Lease related deferred inflows	-	-	4,476,924	-	4,476,924
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>4,476,924</u>	<u>-</u>	<u>4,476,924</u>
FUND BALANCES					
Fund balances:					
Nonspendable for:					
Inventory	242,152	-	-	-	242,152
Lease receivable, net	-	-	68,461	-	68,461
Corpus of permanent fund	-	-	-	2,500	2,500
Advances to other funds	734,143	-	-	-	734,143
Restricted for:					
Debt service	714,086	-	-	-	714,086
Planning and development	-	-	-	395,651	395,651
Cemetery operating capital	-	-	-	1,229,529	1,229,529
Assigned for:					
Capital projects	-	-	113,553	-	113,553
Unassigned	4,694,610	(1,131,519)	-	(2,065,587)	1,497,504
Total fund balances (deficits)	<u>6,384,991</u>	<u>(1,131,519)</u>	<u>182,014</u>	<u>(437,907)</u>	<u>4,997,579</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,897,011</u>	<u>\$ 1,089,539</u>	<u>\$ 4,689,300</u>	<u>\$ 2,163,690</u>	<u>\$ 15,839,540</u>

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

CITY OF LAGRANGE, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances	\$	4,997,579
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost	\$ 136,876,202		
Less accumulated depreciation	(51,590,515)		85,285,687

Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

1,464,663

Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.

Compensated absences (i.e. paid time off)	(687,209)		
Accrued interest	(209,649)		
Certificates of participation	(3,888,000)		
Intergovernmental agreement payable	(17,647,500)		
Notes payable	(1,408,000)		
Financed purchases payable	(1,095,422)		(24,935,780)

The deferred outflows of resources, deferred inflows of resources, and the net pension liability and total OPEB liability related to the City's pension and OPEB plan are not expected to be liquidated with available financial resources and, therefore, are not reported in the governmental funds.

Net pension liability	(6,454,174)		
Pension related deferred outflows of resources	3,622,039		
Pension related deferred inflows of resources	(4,091,715)		
Total OPEB liability	(10,605,844)		
OPEB related deferred outflows of resources	1,620,571		
OPEB related deferred inflows of resources	(1,106,595)		(17,015,718)

Net position - governmental activities	\$	49,796,431
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The accompanying notes are an integral part of these financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	SPLOST V Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 13,338,637	\$ -	\$ -	\$ 4,573,422	\$ 17,912,059
Licenses and permits	283,928	-	-	-	283,928
Intergovernmental	2,641,135	5,793,323	-	6,385,435	14,819,893
Fines and forfeitures	785,384	-	-	-	785,384
Charges for services	1,232,320	-	865,979	-	2,098,299
Interest income	220,190	166	172,549	206,116	599,021
Miscellaneous	204,293	300,000	233,623	34,719	772,635
Total revenues	18,705,887	6,093,489	1,272,151	11,199,692	37,271,219
Expenditures					
Current:					
General government	3,945,978	-	-	1,400,000	5,345,978
Public safety	21,391,748	-	-	-	21,391,748
Public works	3,894,994	-	-	-	3,894,994
Culture and recreation	2,509,790	-	-	-	2,509,790
Community development	1,265,904	-	-	2,339,106	3,605,010
Telecommunications	520,730	-	-	-	520,730
Capital outlay	-	7,306,019	781,279	1,770,495	9,857,793
Debt service:					
Principal retirements	-	-	912,780	385,000	1,297,780
Interest and fiscal charges	206,836	-	169,459	599,981	976,276
Total expenditures	33,735,980	7,306,019	1,863,518	6,494,582	49,400,099
Excess (deficiency) of revenues over (under) expenditures	(15,030,093)	(1,212,530)	(591,367)	4,705,110	(12,128,880)
Other financing sources (uses):					
Proceeds from disposal of assets	60,525	-	163,000	-	223,525
Transfers in	20,671,693	-	433,000	3,231,338	24,336,031
Transfers out	(3,231,338)	-	(189,397)	(7,621,693)	(11,042,428)
Total other financing sources (uses)	17,500,880	-	406,603	(4,390,355)	13,517,128
Net change in fund balances	2,470,787	(1,212,530)	(184,764)	314,755	1,388,248
Fund balances (deficits), beginning of fiscal year	3,914,204	81,011	366,778	(752,662)	3,609,331
Fund balances (deficits), end of fiscal year	\$ 6,384,991	\$ (1,131,519)	\$ 182,014	\$ (437,907)	\$ 4,997,579

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

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 1,388,248
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 10,220,204	
Depreciation expense	<u>(3,926,066)</u>	6,294,138
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position		
		(190,050)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of this difference in the treatment of long-term debt and related items is as follows:		
Principal payment on note payable	227,000	
Principal payment on intergovernmental agreement payable	815,000	
Principal payment on financed purchases	<u>255,780</u>	1,297,780
Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.		
		1,306,590
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		19,885
Change in deferred inflows and outflows - pension related items and net pension liability		918,825
Change in deferred inflows and outflows - OPEB related items and total OPEB liability		(101,702)
Change in compensated absences		<u>22,108</u>
Change in net position - governmental activities		<u>\$ 10,955,822</u>

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Sales taxes	\$ 5,950,000	\$ 5,950,000	\$ 7,307,383	\$ 1,357,383
Franchise taxes	1,041,000	1,041,000	1,098,906	57,906
Insurance premium taxes	2,350,000	2,350,000	2,435,562	85,562
Beer, liquor, and wine taxes	760,000	760,000	749,243	(10,757)
Ad valorem taxes	650,000	650,000	899,659	249,659
Other taxes	843,000	843,000	847,884	4,884
Licenses and permits	102,000	102,000	283,928	181,928
Intergovernmental	2,378,973	2,378,973	2,641,135	262,162
Fines and forfeitures	871,100	871,100	785,384	(85,716)
Interest income	300	300	220,190	219,890
Garage charges	850,000	850,000	764,210	(85,790)
Charges for services	253,100	253,100	468,110	215,010
Miscellaneous	186,040	186,040	204,293	18,253
Total revenues	16,235,513	16,235,513	18,705,887	2,470,374
Expenditures				
Current:				
General government:				
City clerk	124,700	124,700	169,375	(44,675)
City manager	1,998,409	2,024,409	2,147,499	(123,090)
General administration	84,000	84,000	223,153	(139,153)
Finance	503,433	513,433	522,116	(8,683)
Garage	876,374	898,374	883,835	14,539
Total general government	3,586,916	3,644,916	3,945,978	(301,062)
Public safety:				
Court administration	445,728	455,728	467,622	(11,894)
Probation	-	-	28,683	(28,683)
Police	11,812,298	12,042,298	12,753,712	(711,414)
Community Service	89,620	89,620	88,751	869
Traffic control	1,007,924	1,011,924	1,035,331	(23,407)
Fire services	6,352,161	6,484,161	6,336,498	147,663
Animal control	483,335	491,335	681,151	(189,816)
Total public safety	20,191,066	20,575,066	21,391,748	(816,682)
Public works:				
Engineering	165,382	167,382	195,646	(28,264)
Streets	2,357,060	2,403,060	2,223,125	179,935
Solid waste	788,193	806,193	1,201,503	(395,310)
Recycling	248,239	254,239	274,720	(20,481)
Total public works	3,558,874	3,630,874	3,894,994	(264,120)
Culture and recreation:				
Landscaping and cemetery maintenance	2,064,074	2,110,074	2,445,450	(335,376)
Amphitheater operations	-	-	64,340	(64,340)
Total culture and recreation	2,064,074	2,110,074	2,509,790	(399,716)
Community development				
Community development	448,888	456,888	502,483	(45,595)
DAL Marketing	282,706	286,706	297,046	(10,340)
Other community support	416,160	416,160	466,375	(50,215)
Total community development	1,147,754	1,159,754	1,265,904	(106,150)
Telecommunications:				
Administration	306,874	308,874	299,334	9,540
LGTV	286,928	292,928	221,396	71,532
Total telecommunications	593,802	601,802	520,730	81,072
Debt service				
Principal	385,000	385,000	-	385,000
Interest and fiscal charges	1,221,851	1,221,851	206,836	1,015,015
Total debt service	1,606,851	1,606,851	206,836	1,400,015
Total expenditures	32,749,337	33,329,337	33,735,980	(406,643)
Deficiency of revenues under expenditures	(16,513,824)	(17,093,824)	(15,030,093)	2,063,731
Other financing sources (uses)				
Proceeds from disposal of capital assets	1,000	1,000	60,525	59,525
Transfers in	15,080,000	15,080,000	20,671,693	5,591,693
Transfers out	-	-	(3,231,338)	(3,231,338)
Total other financing sources (uses)	15,081,000	15,081,000	17,500,880	2,419,880
Net change in fund balances	(1,432,824)	(2,012,824)	2,470,787	4,483,611
Fund balance, beginning of fiscal year	3,914,204	3,914,204	3,914,204	-
Fund balance, end of fiscal year	\$ 2,481,380	\$ 1,901,380	\$ 6,384,991	\$ 4,483,611

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

ASSETS	Enterprise Funds			Nonmajor	Total	Internal
	Utility Fund	Water and Sewerage Fund	Sanitation Fund	Downtown Development Authority		Service Funds Governmental Activities
CURRENT ASSETS						
Cash and cash equivalents	\$ 10,232,350	\$ 6,726,941	\$ 1,955,708	\$ 337,726	\$ 19,252,725	\$ 1,302,948
Investments	21,667,768	30,572,053	-	-	52,239,821	620,655
Accounts receivable, net of allowances	9,155,642	2,062,316	107,823	5,000	11,330,781	82,300
Due from other funds	-	170,000	-	-	170,000	100,000
Prepaid items	54,056	-	-	80	54,136	-
Inventory	1,657,009	1,694,005	-	-	3,351,014	-
Advances to other funds	2,065,657	-	1,138,000	-	3,203,657	389,089
Total current assets	44,832,482	41,225,315	3,201,531	342,806	89,602,134	2,494,992
CAPITAL ASSETS						
Non-depreciable	1,807,437	2,062,132	1,437,733	50,000	5,357,302	34,457
Depreciable, net of accumulated depreciation	29,413,922	61,284,446	15,499,702	4,122,990	110,321,060	159,657
Total capital assets	31,221,359	63,346,578	16,937,435	4,172,990	115,678,362	194,114
Total noncurrent assets	31,221,359	63,346,578	16,937,435	4,172,990	115,678,362	194,114
Total assets	76,053,841	104,571,893	20,138,966	4,515,796	205,280,496	2,689,106
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	1,048,091	709,855	138,478	-	1,896,424	-
OPEB related items	469,229	317,842	61,988	-	849,059	-
Total deferred outflows of resources	1,517,320	1,027,697	200,466	-	2,745,483	-
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	4,132,957	270,683	9,195	49,215	4,462,050	239,443
Retainage payable	-	4,248	-	-	4,248	-
Due to other funds	-	399,000	-	270,000	669,000	-
Due to component unit	731,011	-	-	-	731,011	-
Claims reserve	-	-	-	-	-	985,000
Accrued liabilities	129,288	87,272	18,017	744	235,321	-
Accrued interest payable	28,180	399,050	-	-	427,230	-
Customer deposits	2,603,668	663,635	1,469	-	3,268,772	-
Unearned Revenue	720,513	600,000	-	-	1,320,513	-
Compensated absences payable	163,416	35,298	10,380	-	209,094	-
Accrued landfill closure and postclosure care costs	-	-	193,197	-	193,197	-
Intergovernmental agreement	340,000	-	-	-	340,000	-
Notes payable	-	681,468	196,693	-	878,161	-
Revenue bonds payable	1,000,000	875,000	-	-	1,875,000	-
Total current liabilities	9,849,033	4,015,654	428,951	319,959	14,613,597	1,224,443
NONCURRENT LIABILITIES						
Compensated absences payable	54,472	105,892	31,141	-	191,505	-
Advances from other funds	760,468	138,620	-	224,144	1,123,232	-
Accrued landfill closure and postclosure care costs	-	-	8,795,893	-	8,795,893	-
Intergovernmental agreement	1,115,000	-	-	-	1,115,000	-
Revenue bonds payable	1,035,000	27,348,812	-	-	28,383,812	-
Notes payable	-	9,402,518	2,104,799	-	11,507,317	-
Net pension liability	1,925,814	1,297,279	247,736	-	3,470,829	-
Net OPEB liability	3,070,878	2,080,116	405,679	-	5,556,673	-
Total noncurrent liabilities	7,961,632	40,373,237	11,585,248	224,144	60,144,261	-
Total liabilities	17,810,665	44,388,891	12,014,199	544,103	74,757,858	1,224,443
DEFERRED INFLOWS OF RESOURCES						
Pension related items	1,135,339	776,566	156,186	-	2,068,091	-
OPEB related items	320,409	217,035	42,328	-	579,772	-
Total deferred outflows of resources	1,455,748	993,601	198,514	-	2,647,863	-
NET POSITION						
Net investment in capital assets	29,186,359	48,227,768	14,635,943	4,172,990	96,223,060	194,114
Unrestricted	29,118,389	11,989,330	(6,509,224)	(201,297)	34,397,198	1,270,549
Total net position	\$ 58,304,748	\$ 60,217,098	\$ 8,126,719	\$ 3,971,693	\$ 130,620,258	\$ 1,464,663

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

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Nonmajor		Internal
	Utility	Water and	Sanitation	Downtown		Service Funds
	Fund	Sewerage	Fund	Development	Total	Governmental
		Fund		Authority		Activities
OPERATING REVENUES						
Water and sewerage system	\$ -	\$ 17,891,248	\$ -	\$ -	\$ 17,891,248	\$ -
Gas system	18,536,463	-	-	-	18,536,463	-
Electric system	51,267,365	-	-	-	51,267,365	-
Sanitation	-	-	2,970,459	-	2,970,459	-
Premiums	-	-	-	-	-	8,876,453
Telecommunications	3,053,701	-	-	-	3,053,701	-
Sponsorships	-	-	-	447,717	447,717	-
Other sales	594,970	282,558	17,569	972,236	1,867,333	-
Miscellaneous income	-	-	-	17,615	17,615	575,290
Total operating revenues	73,452,499	18,173,806	2,988,028	1,437,568	96,051,901	9,451,743
OPERATING EXPENSES						
Water and sewerage system	-	9,446,309	-	-	9,446,309	-
Gas system	13,902,009	-	-	-	13,902,009	-
Electric system	41,380,315	-	-	-	41,380,315	-
Sanitation	-	-	2,183,498	-	2,183,498	-
Telecommunications	1,710,969	-	-	-	1,710,969	-
Administrative services	4,303,929	-	-	-	4,303,929	183,562
Depreciation	2,364,262	3,453,048	1,024,579	165,334	7,007,223	2,706
Risk management	-	-	-	-	-	8,002,422
Community development	-	-	-	1,416,736	1,416,736	-
Total operating expenses	63,661,484	12,899,357	3,208,077	1,582,070	81,350,988	8,188,690
Operating income (loss)	9,791,015	5,274,449	(220,049)	(144,502)	14,700,913	1,263,053
NON-OPERATING REVENUES (EXPENSES)						
Investment income (loss)	(979,483)	(768,568)	390	-	(1,747,661)	(1,758)
Interest expense	(165,029)	(1,177,956)	(72,021)	(371)	(1,415,377)	-
Intergovernmental nonoperating expense	(731,011)	-	-	-	(731,011)	-
Intergovernmental revenue	-	-	-	-	-	45,295
Gain (loss) on sale of assets	(33,697)	(206,878)	-	1,246	(239,329)	-
Total non-operating revenues (expenses)	(1,909,220)	(2,153,402)	(71,631)	875	(4,133,378)	43,537
Income (loss) before transfers	7,881,795	3,121,047	(291,680)	(143,627)	10,567,535	1,306,590
Transfers in	3,566,308	62,447	-	-	3,628,755	-
Transfers out	(9,495,447)	(6,776,911)	(650,000)	-	(16,922,358)	-
	(5,929,139)	(6,714,464)	(650,000)	-	(13,293,603)	-
Change in net position	1,952,656	(3,593,417)	(941,680)	(143,627)	(2,726,068)	1,306,590
Net position, beginning of fiscal year	56,352,092	63,810,515	9,068,399	4,115,320	133,346,326	158,073
Net position, end of fiscal year	<u>\$ 58,304,748</u>	<u>\$ 60,217,098</u>	<u>\$ 8,126,719</u>	<u>\$ 3,971,693</u>	<u>\$ 130,620,258</u>	<u>\$ 1,464,663</u>

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Nonmajor Downtown Development Authority	Total	Internal Service Funds Governmental Activities
	Utility Fund	Water and Sewer Fund	Sanitation Fund			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 71,267,637	\$ 18,115,202	\$ 3,024,301	\$ 1,437,568	\$ 93,844,708	\$ 1,232,494
Receipts from interfund charges	-	-	-	-	-	8,097,894
Payments to suppliers	(59,795,507)	(4,958,928)	(1,465,020)	(956,746)	(67,176,201)	(8,686,845)
Payments to employees	(1,748,487)	(4,317,860)	(905,234)	(20,472)	(6,992,053)	-
Net cash provided by operating activities	9,723,643	8,838,414	654,047	460,350	19,676,454	643,543
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Repayment of interfund advance	(76,645)	-	-	-	(76,645)	-
Advances from other funds	540,699	-	-	-	540,699	116,978
Intergovernmental receipts	-	-	-	-	-	45,295
Transfers out to other funds	(9,495,447)	(6,776,911)	(650,000)	-	(16,922,358)	-
Transfers in from other funds	3,566,308	62,447	-	-	3,628,755	-
Net cash provided by (used in) non-capital financing activities	(5,465,085)	(6,714,464)	(650,000)	-	(12,829,549)	162,273
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal payment on bonds	(975,000)	(775,000)	-	-	(1,750,000)	-
Principal payments on notes payable	-	(671,999)	(191,248)	-	(863,247)	-
Principal payments on intergovernmental agreement	(325,000)	-	-	-	(325,000)	-
Interest and fiscal charges	(178,454)	(1,171,519)	(72,021)	-	(1,421,994)	-
Purchase of capital assets	(1,201,390)	(1,846,398)	(70,908)	(231,072)	(3,349,768)	(196,820)
Proceeds from disposal of capital assets	67,070	294,894	-	7,760	369,724	-
Net cash used in capital and related financing activities	(2,612,774)	(4,170,022)	(334,177)	(223,312)	(7,340,285)	(196,820)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income (loss)	(979,483)	(768,568)	390	-	(1,747,661)	(1,758)
Proceeds from sale of investments	860,491	4,785,260	-	-	5,645,751	28,564
Net cash provided by (used in) investing activities	(118,992)	4,016,692	390	-	3,898,090	26,806
Net increase (decrease) in cash and cash equivalents	1,526,792	1,970,620	(329,740)	237,038	3,404,710	635,802
Cash and cash equivalents, beginning of fiscal year	8,705,558	4,756,321	2,285,448	100,688	15,848,015	667,146
Cash and cash equivalents, end of fiscal year	\$ 10,232,350	\$ 6,726,941	\$ 1,955,708	\$ 337,726	\$ 19,252,725	\$ 1,302,948
Classified as:						
Cash and cash equivalents	\$ 10,232,350	\$ 6,726,941	\$ 1,955,708	\$ 337,726	\$ 19,252,725	\$ 1,302,948
Restricted cash and cash equivalents	-	-	-	-	-	-
	\$ 10,232,350	\$ 6,726,941	\$ 1,955,708	\$ 337,726	\$ 19,252,725	\$ 1,302,948
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 9,791,015	\$ 5,274,449	\$ (220,049)	\$ (144,502)	\$ 14,700,913	\$ 1,263,053
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	2,364,262	3,453,048	1,024,579	165,334	7,007,223	2,706
Change in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(2,968,378)	(202,167)	36,273	-	(3,134,272)	(21,375)
Due from other funds	712,000	(163,990)	-	-	548,010	(99,980)
Inventory	(297,286)	(168,426)	-	-	(465,712)	-
Prepaid items	(3,030)	-	-	(80)	(3,110)	-
Increase (decrease) in:						
Accounts payable	498,490	137,178	(20,424)	(9,941)	605,303	214,139
Retainage payable	-	4,248	-	-	4,248	-
Due to other funds	(2,010)	399,000	(2,595)	224,651	619,046	-
Advance from other funds	-	138,620	-	224,144	362,764	-
Accrued liabilities and claims reserves	27,770	(328,325)	(136,356)	744	(436,167)	(715,000)
Customer deposits	71,516	(62,447)	-	-	9,069	-
Unearned revenue	(239,774)	370,000	-	-	130,226	-
Compensated absences payable	(6,011)	141,190	3,741	-	138,920	-
Net pension liability and related deferred inflows and outflows	(254,369)	(173,910)	(15,349)	-	(443,628)	-
Net OPEB liability and related deferred inflows and outflows	29,448	19,946	(15,773)	-	33,621	-
Net cash provided by operating activities	\$ 9,723,643	\$ 8,838,414	\$ 654,047	\$ 460,350	\$ 19,676,454	\$ 643,543

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

CITY OF LAGRANGE, GEORGIA

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS JUNE 30, 2022

ASSETS	Component Units			
	Downtown LaGrange Development Authority	Visit LaGrange	LaGrange Development Authority	Total
Cash and cash equivalents	\$ 334,521	\$ 1,564,240	\$ 1,415,837	\$ 3,314,598
Investments	-	-	2,502,153	2,502,153
Accounts receivable	30,717	220,831	-	251,548
Due from other governments	-	-	918,503	918,503
Land held for development	-	-	6,101,780	6,101,780
Notes receivable	523,649	-	-	523,649
Lease receivable, current	240,668	-	-	240,668
Lease receivable, noncurrent	1,402,644	-	-	1,402,644
Prepaid items	-	-	1,636	1,636
Inventories	1,614	-	-	1,614
Restricted cash	400,038	-	-	400,038
Capital assets:				
Nondepreciable	1,621,710	-	-	1,621,710
Depreciable, net of accumulated depreciation	14,033,816	1,235	15,493,686	29,528,737
Total assets	18,589,377	1,786,306	26,433,595	46,809,278
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
LIABILITIES				
Accounts payable	650	109,575	25,214	135,439
Due to primary government	6,128	-	-	6,128
Accrued liabilities	13,489	17,575	187,491	218,555
Unearned revenue	90,032	-	35,971	126,003
Noncurrent liabilities due within one year				
Notes payable	147,710	-	-	147,710
Bonds payable	-	-	1,130,102	1,130,102
Noncurrent liabilities due in more than one year				
Notes payable	2,298,598	-	-	2,298,598
Bonds payable	-	-	18,437,877	18,437,877
Total liabilities	2,556,607	127,150	19,816,655	22,500,412
DEFERRED INFLOWS OF RESOURCES				
Lease related deferred inflows	1,621,300	-	-	1,621,300
Total deferred inflows of resources	1,621,300	-	-	1,621,300
NET POSITION				
Net investment in capital assets	13,209,218	1,235	195,706	13,406,159
Restricted	400,038	-	-	400,038
Unrestricted	802,214	1,657,921	6,421,234	8,881,369
Total net position	\$ 14,411,470	\$ 1,659,156	\$ 6,616,940	\$ 22,687,566

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

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Program Revenues				Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown LaGrange Development Authority	Visit LaGrange	LaGrange Development Authority	Total
Component units								
Downtown LaGrange Development Authority	\$ 1,354,270	\$ 705,850	\$ -	\$ -	\$ (648,420)	\$ -	\$ -	\$ (648,420)
Visit LaGrange	2,054,560	-	-	-	-	(2,054,560)	-	(2,054,560)
LaGrange Development Authority	1,902,568	144,338	1,878,192	-	-	-	119,962	119,962
Total component units	<u>\$ 5,311,398</u>	<u>\$ 850,188</u>	<u>\$ 1,878,192</u>	<u>\$ -</u>	<u>(648,420)</u>	<u>(2,054,560)</u>	<u>119,962</u>	<u>(2,583,018)</u>
General revenues:								
Hotel/motel taxes					-	2,005,767	-	2,005,767
Net investment earnings					73,951	278	2,728	76,957
Miscellaneous					171,240	209,684	769,600	1,150,524
Total general revenues					<u>245,191</u>	<u>2,215,729</u>	<u>772,328</u>	<u>3,233,248</u>
Change in net position					(403,229)	161,169	892,290	650,230
Net position, beginning of year, as restated					14,814,699	1,497,987	5,724,650	22,037,336
Net position, end of year					<u>\$ 14,411,470</u>	<u>\$ 1,659,156</u>	<u>\$ 6,616,940</u>	<u>\$ 22,687,566</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF LAGRANGE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of LaGrange, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of LaGrange, Georgia (the "City") was incorporated in 1828, under the provisions of the State of Georgia. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and social services, culture and recreation, community development, planning and zoning, and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

The Downtown Development Authority (the "Authority") consists of a six-member board appointed by the governing body of the City and is reported as a blended component unit of the City. Its purpose is to oversee the operations of the Sweetland Amphitheatre, and although a legally separate entity from the City, the Authority is reported as a non-major enterprise fund of the City. The City can impose its will on the Authority, and any debt reported by the Authority would be expected to be repaid by the City. Separate financial statements are not prepared by the Downtown Development Authority.

Discretely Presented Component Units

The Downtown LaGrange Development Authority (the "DLDA") has been included as a discretely presented component unit in the accompanying financial statements. The purpose of the DLDA is to revitalize and develop central business districts and beautify the historic downtown area. The Authority is governed by a five-member executive committee and management of the City has determined that it would be misleading to exclude the DLDA from the financial reporting of the City. Separate financial statements for the Downtown LaGrange Development Authority are not prepared. There are no differences between the fund level and government-wide reporting for the DLDA; therefore, fund level statements have not been prepared.

Visit LaGrange (the "CVB") has been included as a discretely presented component unit in the accompanying financial statements. The CVB President is appointed by the City and its purpose is to promote and encourage tourism within the City. Due to the significant portion of hotel/motel tax received by the CVB, management believes it would be misleading not to include the CVB as a component unit. Separate financial statements are not prepared for Visit LaGrange.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The LaGrange Development Authority (or Development Authority of LaGrange) (the “LDA”) has been included as a discretely presented component unit. The seven-member board of the LDA is appointed by the City and its purpose is to bring new companies and third parties into the City and help existing businesses grow and expand as well as provide in-depth services for local businesses. A financial benefit exists between the LDA and the City, and the LDA is reported as a proprietary type component unit. The LaGrange Development Authority’s financial statements can be obtained by writing to 200 Ridley Avenue, Lagrange, Georgia 30240.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government including its blended component unit. For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from legally separate component units for which the primary government is financially accountable.

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

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues susceptible to accrual and available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The **SPLOST V Fund** is a capital projects fund and accounts for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure as allowed per the SPLOST referendum.

The **Capital Projects Fund** accounts for the capital expenditures made by the City on long-term projects and/or major capital assets.

The City reports the following major proprietary funds:

The **Utility Fund** accounts for the operations of the City's utilities system, which includes electricity, telecommunications and natural gas activities and services rendered to the residents and businesses of the City.

The **Water and Sewerage Fund** accounts for the operations of the City's water and sewerage activities and services rendered to the residents and businesses of the City.

The **Sanitation Fund** accounts for the provision of solid waste collection and disposal services rendered to the residents and businesses of the City.

Additionally, the City reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted or committed to expenditures for specific purposes.

The **permanent fund** accounts for amounts received by the City which can only be used for a specific purpose. The principal of perpetual care city funds are not available for expenditures based on legal or contractual requirements and must remain in trust and not be encroached upon. Only the income from such funds may be used for general citywide purposes.

The **internal service funds** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City uses internal service funds to account for the City's partial self-insurance of employee medical claims, workers' compensation claims and general liability claims.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

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

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

D. Budgets and Budgetary Accounting

The budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The capital projects fund and SPLOST V Fund are budgeted on a project basis, which may be one or more years in length. Proprietary fund type budgets are adopted for management control purposes only. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is not employed by the City. For the fiscal year ended June 30, 2022, the City did not adopt a budget for the Grant Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

F. Deposits and Investments

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principle (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of fiscal year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The City's nonparticipating interest-earning investment contracts (certificates of deposit) are recorded at cost. The City's remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component investment earnings.

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. The cost is recorded as an expenditure in the governmental funds when consumed. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds (if any), as reported in the fund financial statements, are offset by nonspendable or restricted fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

I. Inventory and Prepaid Items

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items in both government-wide and fund financial statements. Additionally, the government-wide financial statements report bond insurance costs as a prepaid item and it is amortized over the term of the related debt using the effective interest method.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, traffic signals, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Some assets are capitalized when the aggregated amount of a group of an asset is material. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the time of acquisition plus any ancillary charges incurred to put the asset into service. Construction period interest is capitalized with the cost of the asset. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets of the primary government are depreciated or amortized using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	40 - 50
Machinery and equipment	5 - 25
Vehicles	5 - 25
Infrastructure and land improvements	10 - 50

K. Leases

The City is a lessor for noncancellable building leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The City recognizes lease receivables with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City sets the interest rate stated in the lease agreement.
- When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports deferred revenue on a lease receivable, which is reported both at the fund level and the government wide level.

The City has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and total other postemployment benefit (OPEB) liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plan and OPEB plan before year end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources.

The statement of net position reports the *accumulated increase in the fair value of the hedging derivative* as a deferred inflow of resources. As the derivative qualifies as an effective hedge, the change in fair value which occurs each fiscal year is deferred and thus the asset and deferred inflow are adjusted.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Vacation time is allowed to be carried over from the current calendar year up to a maximum of 240 hours without special approval from the City Manager. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Unearned Revenue

Unearned revenue arise in both the governmental fund level and government-wide level when resources are received by the City before it has a legal claim to them. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e., ordinance) of the City Council. The same formal action is required to modify or rescind a fund balance commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council established a policy through a unanimous vote and passage of a resolution which expressly delegated to the City Manager the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Only deficits in fund balances may be reported as unassigned fund balance in other governmental funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the previous section. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and State laws.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of LaGrange Retirement Plan (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Deficit Fund Equity and Net Position

The Tax Allocation Fund – Marriott had a deficit fund balance of \$2,065,587 at June 30, 2022. This is the result of an advance from the Utility Fund, which is being paid back annually with revenues collected within the fund. The Group Insurance Internal Service Fund had a deficit net position of \$843,537, which is being paid back with transfers in from other funds to supplement operations and charges for services to other funds for insurance premiums. The SPLOST V Fund had a deficit fund balance of \$1,131,519, which will be paid back with future years SPLOST collections.

Excess Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the functional level (e.g., administration). For the fiscal year ended June 30, 2022, expenditures exceeded final appropriations in the following funds:

General Fund - general government	\$ 301,062
General Fund - public safety	816,682
General Fund - public works	264,120
General Fund - culture and recreation	399,716
General Fund - community development	106,150
General Fund - transfers out	3,231,338
Tax Allocation District Fund - Mill Creek - capital outlay	791
Tax Allocation District Fund - LaGrange Mall - capital outlay	163
Hotel/Motel Tax Fund - community development	708,857
Hotel/Motel Tax Fund - transfers out	3,870,903

The excess of expenditures over budget noted above were funded by revenues in excess of budgeted amounts, expending less than budget in other departments and functions, and use of fund balance.

NOTE 3. DEPOSITS AND INVESTMENTS

A. Primary Government

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2022, the City's investments in the Municipal Competitive Trust were not rated.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

Custodial credit risk. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2022, the financial institutions holding all of the City's deposits were participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2022, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

At June 30, 2022, the City had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity (years)</u>
Money market mutual fund	\$ 133,029	N/A	N/A
US Treasury Bonds/Notes	32,534,140	AAA	1.94
Municipal Bonds	3,303,054	AAA	2.31
Federal Home Loan Mortgage Corp.	15,046,326	AAA	6.56
Coca Cola Stock	1,232,029	N/A	N/A
Georgia Fund 1	2,998,151	AAAF	0.12
Municipal Competitive Trust - Short-term	447,009	N/A	0.46
Guaranteed Investment Contract	1,527,134	N/A	June 1, 2028
	<u>\$ 57,220,872</u>		

Interest rate risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments. To reduce interest rate risk, the City limits the maturity of any investment to five years. An investment held to maturity will be paid at par value. The City intends to hold all investments to maturity.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2022:

Investment	Level 1	Level 2	Fair Value
Money Markey Mutual Funds	\$ 133,029	\$ -	\$ 133,029
U.S. Treasury Bond/Notes	30,840,719	1,693,421	32,534,140
Municipal Bonds	365,547	2,937,507	3,303,054
Federal Home Loan Mortgage Corp	7,586,711	7,459,615	15,046,326
Coca Cola Stock	1,232,029	-	1,232,029
Municipal Competitive Trust - Short-term	-	447,009	447,009
Total investments measured at fair value	<u>\$ 40,158,035</u>	<u>\$ 12,537,552</u>	<u>\$ 52,695,587</u>
Investments not subject to level disclosure:			
Guaranteed Investment Contract			1,527,134
Georgia Fund 1			1,998,151
Total investments			<u>\$ 56,220,872</u>

The Money Market Mutual Funds, Coca Cola stock, U.S. Treasury Notes/Bonds, Municipal Bonds, Federal Home Loan Mortgage Corp, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for that investment. The remaining investments in Municipal Bonds, the Federal Home Loan Mortgage Corp, the Municipal Competitive Trust, the Guaranteed Investment Contract classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Guaranteed Investment Contract is a nonparticipating interest-earning investment contract and, accordingly, is recorded at cost.

The interest rate swap agreement that is more fully described in Note 7 is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 4. RECEIVABLES

A. Primary Government

Receivables at June 30, 2022, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST V Fund	Capital Projects Fund	Nonmajor Governmental Funds	Utility Fund
Receivables:					
Taxes	\$ 172,916	\$ -	\$ -	\$ -	\$ -
Intergovernmental	707,080	555,581	-	504,758	-
Accounts	98,871	-	-	-	17,578,127
Lease receivable, current	-	-	797,002	-	-
Lease receivable, noncurrent	-	-	4,487,517	-	-
Gross receivables	978,867	555,581	5,284,519	504,758	17,578,127
Less allowance for uncollectibles	-	-	-	-	(8,422,485)
Net receivables	<u>\$ 978,867</u>	<u>\$ 555,581</u>	<u>\$ 5,284,519</u>	<u>\$ 504,758</u>	<u>\$ 9,155,642</u>

	Water and Sewerage Fund	Sanitation Fund	Nonmajor Proprietary Fund	Governmental Activities Internal Service Funds
Receivables:				
Accounts	\$ 5,201,659	\$ 107,823	\$ 5,000	\$ 82,300
Gross receivables	5,201,659	107,823	5,000	82,300
Less allowance for uncollectibles	(3,139,343)	-	-	-
Net receivables	<u>\$ 2,062,316</u>	<u>\$ 107,823</u>	<u>\$ 5,000</u>	<u>\$ 82,300</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LEASE RECEIVABLE

The City is a lessor of two buildings issued to third parties. The City receives monthly payments in amounts ranging from \$4,000 to \$47,404, which include the principal and interest components of the payments. As the leases do not contain a specified interest rate, the City has used estimated discount rates that range from 1-4% using the daily treasury par yield curve rates plus the applicable federal rate. For the current fiscal year, the City recognized \$616,849 in lease revenue and \$172,385 in interest revenue related to the leases. The principal and interest payments to maturity on the leases are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 444,138	\$ 172,711	\$ 616,849
2024	420,619	156,230	576,849
2025	429,441	139,409	568,850
2026	446,937	121,913	568,850
2027	465,146	103,704	568,850
2028-2032	2,339,104	220,717	2,559,821
Total	<u>\$ 4,545,385</u>	<u>\$ 914,684</u>	<u>\$ 5,460,069</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 13,607,147	\$ 26,077	\$ -	\$ -	\$ 13,633,224
Construction in progress	2,242,399	6,797,277	(190,050)	(1,249,456)	7,600,170
Total	<u>15,849,546</u>	<u>6,823,354</u>	<u>(190,050)</u>	<u>(1,249,456)</u>	<u>21,233,394</u>
Capital assets, being depreciated:					
Buildings	27,497,698	556,879	-	1,188,900	29,243,477
Infrastructure and land improvements	63,019,762	1,568,014	-	60,556	64,648,332
Machinery and equipment	14,794,920	867,255	-	-	15,662,175
Vehicles	5,684,122	601,522	(271,392)	-	6,014,252
Total	<u>110,996,502</u>	<u>3,593,670</u>	<u>(271,392)</u>	<u>1,249,456</u>	<u>115,568,236</u>
Less accumulated depreciation for:					
Buildings	(7,331,574)	(667,306)	-	-	(7,998,880)
Infrastructure and land improvements	(25,636,136)	(1,894,678)	-	-	(27,530,814)
Machinery and equipment	(10,148,724)	(865,662)	-	-	(11,014,386)
Vehicles	(4,548,015)	(501,126)	271,392	-	(4,777,749)
Total	<u>(47,664,449)</u>	<u>(3,928,772)</u>	<u>271,392</u>	<u>-</u>	<u>(51,321,829)</u>
Total capital assets, being depreciated, net	<u>63,332,053</u>	<u>(335,102)</u>	<u>-</u>	<u>1,249,456</u>	<u>64,246,407</u>
Governmental activities capital assets, net	<u>\$ 79,181,599</u>	<u>\$ 6,488,252</u>	<u>\$ (190,050)</u>	<u>\$ -</u>	<u>\$ 85,479,801</u>

The opening balance reported on several depreciable asset costs have been revised to reflect reclassified and accurate subtotals. No change to net opening balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,580,561	\$ -	\$ (93,525)	\$ -	\$ 3,487,036
Construction in progress	540,421	1,550,954	(201,369)	(19,740)	1,870,266
Total	<u>4,120,982</u>	<u>1,550,954</u>	<u>(294,894)</u>	<u>(19,740)</u>	<u>5,357,302</u>
Capital assets, being depreciated:					
Buildings	30,979,642	6,930	(6,930)	-	30,979,642
Machinery and equipment	20,638,144	1,149,835	(190,965)	-	21,597,014
Vehicles	1,683,615	227,069	(144,671)	-	1,766,013
Infrastructure and improvements	202,296,430	414,980	-	19,740	202,731,150
Total	<u>255,597,831</u>	<u>1,798,814</u>	<u>(342,566)</u>	<u>19,740</u>	<u>257,073,819</u>
Less accumulated depreciation for:					
Buildings	(18,104,966)	(571,394)	43	-	(18,676,317)
Machinery and equipment	(16,820,488)	(991,827)	90,082	-	(17,722,233)
Vehicles	(1,525,466)	(97,336)	144,671	-	(1,478,131)
Infrastructure and improvements	(103,529,412)	(5,346,666)	-	-	(108,876,078)
Total	<u>(139,980,332)</u>	<u>(7,007,223)</u>	<u>234,796</u>	<u>-</u>	<u>(146,752,759)</u>
Total capital assets, being depreciated, net	<u>115,617,499</u>	<u>(5,208,409)</u>	<u>(107,770)</u>	<u>19,740</u>	<u>110,321,060</u>
Business type activities capital assets, net	<u>\$ 119,738,481</u>	<u>\$ (3,657,455)</u>	<u>\$ (402,664)</u>	<u>\$ -</u>	<u>\$ 115,678,362</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:

General government	\$ 279,449
Public safety	576,703
Public works	323,017
Culture and recreation	102,999
Planning and development	<u>2,646,604</u>

Total depreciation expense – governmental activities	<u>\$ 3,928,772</u>
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Business-type activities:

Utility Fund	\$ 2,364,262
Water & Sewerage Fund	3,453,048
Sanitation Fund	1,024,579
Downtown Development Authority	<u>165,334</u>

Total depreciation expense – business-type activities	<u>\$ 7,007,223</u>
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B. Component Units

Capital asset Activity for the Downtown LaGrange Development Authority for the fiscal year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,621,710	\$ -	\$ -	\$ 1,621,710
Total	<u>1,621,710</u>	<u>-</u>	<u>-</u>	<u>1,621,710</u>
Capital assets, being depreciated:				
Buildings and improvements	19,472,699	17,341	-	19,490,040
Equipment	903,662	3,428	-	907,090
Total	<u>20,376,361</u>	<u>20,769</u>	<u>-</u>	<u>20,397,130</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,066,478)	(492,422)	-	(5,558,900)
Equipment	(790,283)	(14,131)	-	(804,414)
Total	<u>(5,856,761)</u>	<u>(506,553)</u>	<u>-</u>	<u>(6,363,314)</u>
Total capital assets, being depreciated, net	<u>14,519,600</u>	<u>(485,784)</u>	<u>-</u>	<u>14,033,816</u>
Total capital assets, net	<u>\$ 16,141,310</u>	<u>\$ (485,784)</u>	<u>\$ -</u>	<u>\$ 15,655,526</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Component Units (Continued)

Capital asset Activity for Visit LaGrange for the fiscal year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Equipment	\$ 2,057	\$ -	\$ -	\$ 2,057
Total	<u>2,057</u>	<u>-</u>	<u>-</u>	<u>2,057</u>
Less accumulated depreciation for:				
Equipment	(548)	(274)	-	(822)
Total	<u>(548)</u>	<u>(274)</u>	<u>-</u>	<u>(822)</u>
Total capital assets, net	<u>\$ 1,509</u>	<u>\$ (274)</u>	<u>\$ -</u>	<u>\$ 1,235</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 283,926
	SPLOST V Fund	300,000
	Water & Sewerage Fund	399,000
Water & Sewerage Fund	Nonmajor Proprietary Fund	170,000
Internal Service Funds	Nonmajor Proprietary Fund	100,000
		<u>\$ 1,252,926</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance between the SPLOST V Fund and the General Fund is to reimburse the General Fund for referendum approved expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Advances to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Utility Fund	\$ 371,379
	Water & Sewerage Fund	138,620
	Nonmajor Proprietary Fund	224,144
Sanitation Fund	SPLOST V Fund	1,138,000
Utility Fund	Nonmajor Governmental Fund	2,065,657
Internal Service Fund	Utility Fund	389,089
		<u>\$ 4,326,889</u>

The advance between the Utility Fund and nonmajor governmental funds represents a long-term loan made to the Tax Allocation – Marriott Fund, originally made in 2017 for \$2.6 million to assist with the construction in the downtown area. This advance is expected to be paid back over the next twenty-five fiscal years. The advance between the Sanitation Fund and the SPLOST V Fund is the result of a long-term loan made for purposes of funding referendum approved projects and capital outlays. The advance between the Internal Service Funds and the Utility Fund is the result of a long-term loan for \$1.7 million made in 2007 for the purpose of expanding the gas system infrastructure. The advance between the General Fund, Utility Fund, Water and Sewerage Fund and Nonmajor Proprietary Fund pertains to the funds' share of leased vehicle balances owed to the General Fund under the GMA Leasepool. Other than the advance between the Utility Fund and Tax Allocation – Marriott Fund, the remaining advances are expected to be repaid within three to five fiscal years.

Interfund transfers for the fiscal year ended June 30, 2022 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Water and Sewerage Fund	\$ 3,700,000
General Fund	Sanitation Fund	350,000
General Fund	Utility Fund	9,000,000
General Fund	Nonmajor Governmental Funds	7,621,693
Water & Sewerage Fund	Utility Fund	62,447
Utility Fund	Water and Sewerage Fund	3,076,911
Utility Fund	Sanitation Fund	300,000
Utility Fund	Capital Projects Fund	189,397
Nonmajor Governmental Funds	General Fund	3,231,338
Capital Projects Fund	Utility Fund	433,000
		<u>\$ 27,964,786</u>

Transfers were used to: (1) use unrestricted revenues collected in the proprietary funds to finance various programs accounted for in other funds (2) to reimburse the nonmajor governmental funds for certain project and operational costs incurred (3) to move Hotel/Motel tax collections to the General Fund and (4) to reimburse and/or supplement proprietary funds for certain project and operational costs incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

Long-term liability and obligation activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of participation	\$ 3,888,000	\$ -	\$ -	\$ 3,888,000	\$ -
Financed purchases - direct borrowing	1,351,202	-	(255,780)	1,095,422	262,814
Note payable - direct borrowing	1,635,000	-	(227,000)	1,408,000	78,000
Intergovernmental agreement payable	18,462,500	-	(815,000)	17,647,500	852,500
Total OPEB liability	10,915,562	803,083	(1,112,801)	10,605,844	-
Net pension liability	11,055,813	4,421,469	(9,023,108)	6,454,174	-
Compensated absences	709,317	617,934	(640,042)	687,209	515,406
Governmental activities					
Long-term liabilities and obligations	<u>\$ 48,017,394</u>	<u>\$ 5,842,486</u>	<u>\$ (12,073,731)</u>	<u>\$ 41,786,149</u>	<u>\$ 1,708,720</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds - direct placement	\$ 29,805,000	\$ -	\$ (1,750,000)	\$ 28,055,000	\$ 1,875,000
Bond premium	2,389,551	-	(185,739)	2,203,812	-
Subtotal	32,194,551	-	(1,935,739)	30,258,812	1,875,000
Notes payable - direct borrowings	13,248,725	-	(863,247)	12,385,478	878,161
Landfill closure and postclosure liability	9,131,870	50,417	(193,197)	8,989,090	193,197
Intergovernmental agreement payable	1,780,000	-	(325,000)	1,455,000	340,000
Total OPEB liability	5,718,942	420,756	(583,025)	5,556,673	-
Net pension liability	5,791,086	2,328,011	(4,648,268)	3,470,829	-
Compensated absences	395,801	516,670	(511,872)	400,599	209,094
Business-type activities					
Long-term liabilities and obligations	<u>\$ 68,260,975</u>	<u>\$ 3,315,854</u>	<u>\$ (9,060,348)</u>	<u>\$ 62,516,481</u>	<u>\$ 3,495,452</u>

For governmental activities, compensated absences, the net pension liability and the total OPEB liability are liquidated by the General Fund. For business-type activities, compensated absences the net pension liability and the total OPEB liability are liquidated by the Water and Sewerage Fund, the Utility Fund, and the Sanitation Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Financed Purchases from Direct Borrowings – Governmental Activities - The City has entered into lease agreements as lessee for financing the acquisition of various public safety equipment for which Troup County is responsible for approximately 40% of the debt service liability. The financed purchases are for a period of ten years at interest rates ranging from 2.26% - 2.75%. As of June 30, 2022, the City had equipment with a total cost of \$2,545,310, accumulated depreciation of \$1,399,921 and a net book value of \$1,145,389 under financed purchases from direct borrowings as reported in its governmental activities. The financed purchases from direct borrowings contain an event of default that allows the lender to demand full payment in the case of a missed payment.

The City's total financed purchases debt service requirements to maturity are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 262,814	\$ 30,124	\$ 292,938
2024	270,041	22,897	292,938
2025	277,468	15,471	292,939
2026	285,099	7,840	292,939
Total	<u>\$ 1,095,422</u>	<u>\$ 76,332</u>	<u>\$ 1,171,754</u>

Note Payable From Direct Borrowing – Governmental Activities. During fiscal year 2021, the City entered into an installment sale agreement with Georgia Municipal Association for the acquisition and renovation of a building. The terms of the note are semiannual payments for a period of ten years at an interest rate of 1.59%. The note payable from direct borrowing contains an event of default that allows the lender to repossess the property and/or re-sell it to the public as well as demand full payment.

The City's debt service requirements to maturity are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 78,000	\$ 11,194	\$ 89,194
2024	158,000	20,519	178,519
2025	160,000	17,999	177,999
2026	162,000	15,447	177,447
2027	165,000	12,863	177,863
2028-2031	<u>685,000</u>	<u>27,734</u>	<u>712,734</u>
Total	<u>\$ 1,408,000</u>	<u>\$ 105,756</u>	<u>\$ 1,513,756</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Intergovernmental Agreement Payable. The City has entered into three separate intergovernmental agreements for governmental activities and one separate intergovernmental agreement for business-type activities.

The LaGrange Development Authority (LDA), the Troup County Development Authority, the City of LaGrange, and Troup County entered into an intergovernmental contract under which the LDA is to acquire, construct and equip a new industrial park (Callaway South Industrial Park) on approximately 1,100 acres located within the City. The LDA issued two series of revenue bonds, Series 2007A in the aggregate amount of \$1,565,000 and Series 2007B in the aggregate amount of \$5,285,000. In the fiscal year ended June 30, 2014, the LDA refunded the 2007B in full. The revenue bonds, 2012 Revenue Refunding Bonds are secured by the intergovernmental contract under which the City of LaGrange and Troup County have agreed to each pay one-half of the debt service on the bonds when due, commencing in February 2013. LDA is obligated for up to 50 years to reimburse the City of LaGrange and Troup County for payments made under the intergovernmental contract from net proceeds received from the sale or lease of parcels.

The City entered into a contract dated April 1, 2005, with the Downtown LaGrange Development Authority obligating the City to service the principal and interest on the Authority's Series 2005 Revenue Bonds. The bond proceeds were used to construct a movie theater in the downtown area of LaGrange. In the fiscal year ended June 30, 2015, the Downtown LaGrange Development Authority refunded the Series 2005 Revenue Bonds with Series 2014 Revenue Bonds, which the City is obligated to service.

The City entered into an intergovernmental agreement under which the LaGrange Development Authority (LDA) is to construct a conference center. The LDA issued revenue bonds, Series 2016 in the amount of \$16,920,000 and the City is obligated to service the principal and interest.

The City also entered into a contract dated December 1, 2005 with the LaGrange Development Authority obligating the City to service the debt of the LDA's Series 2005A and 2005B Revenue Bonds. The proceeds of the bonds were used to acquire, construct and equip a new office park (Ridley Office Park). The LDA is obligated to reimburse the City for payments made under the contract from net proceeds received from the sale of parcels. This intergovernmental payable is reported within the City's Utility Fund and business-type activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The City's debt service requirements to maturity on its intergovernmental agreements payable for governmental activities are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 852,500	\$ 659,572	\$ 1,512,072
2024	887,500	625,604	1,513,104
2025	915,000	590,162	1,505,162
2026	720,000	553,524	1,273,524
2027	755,000	518,349	1,273,349
2028-2032	2,972,500	2,244,276	5,216,776
2033-2037	3,180,000	1,757,556	4,937,556
2038-2042	3,785,000	1,149,044	4,934,044
2043-2046	3,580,000	365,000	3,945,000
Total	<u>\$ 17,647,500</u>	<u>\$ 8,463,087</u>	<u>\$ 26,110,587</u>

The City's debt service requirements to maturity on its intergovernmental agreements payable for business-type activities are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 340,000	\$ 56,669	\$ 396,669
2024	355,000	41,343	396,343
2025	370,000	25,358	395,358
2026	390,000	8,599	398,599
Total	<u>\$ 1,455,000</u>	<u>\$ 131,969</u>	<u>\$ 1,586,969</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation – Governmental Activities. In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$3,888,000. The lease pool agreement with the Association provides that the City owns its portion of the assets invested by the pool and is responsible for the payment of its portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2022, the floating rate being paid by the City is .34% and the market value of this agreement is \$429,762, a decrease of \$527,303 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2022 based on the derivative contract and it is reported as a non-current asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Direct Placement Revenue Bonds – Business-type activities. In prior fiscal years, the City issued \$10,500,000 of direct placement revenue bonds (Series 2009 Gas Authority Revenue Bonds and Series 2012 Gas Authority Revenue Refunding Bonds) to finance construction projects to expand existing facilities and construct additional facilities to the City's gas system.

In March 2021, the City issued \$26,795,000 (at a premium of \$2,389,551), 2.00% – 4.00% Series 2021 Water and Sewerage Revenue Bonds with varying semi-annual principal and interest payments due January 1 and July 1 through January 1, 2042 for the purpose of acquiring, constructing, equipping and installing certain improvements or extensions to the water and sewer elements of the City's water and sewerage system, pay-off of select Georgia Environmental Finance Authority (GEFA) notes, and paying the costs of issuing the Series 2021 bonds.

The City is in compliance with the covenants as to rates, fees, charges and other debt covenants per the bond agreements. The Series 2021 bonds contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the fiscal year are less than 125 percent of debt service coverage due in the following fiscal year and (2) a provision that in the event of a missed debt service payment, outstanding amounts may become immediately due and payable.

Revenue bonds (Series 2009, 2012, and 2021) currently outstanding mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending June 30,			
2023	\$ 1,875,000	\$ 858,829	\$ 2,733,829
2024	1,955,000	785,276	2,740,276
2025	965,000	739,276	1,704,276
2026	1,015,000	660,100	1,675,100
2027	1,065,000	609,350	1,674,350
2028-2032	6,135,000	2,240,300	8,375,300
2033-2037	7,150,000	1,224,100	8,374,100
2038-2042	7,895,000	479,900	8,374,900
Total	<u>\$ 28,055,000</u>	<u>\$ 7,597,131</u>	<u>\$ 35,652,131</u>
Plus unamortized bond premium	2,203,812		
	<u>\$ 30,258,812</u>		

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable From Direct Borrowings – Business-type Activities. The City has incurred debt to GEFA for construction and improvement of various water and sewerage system projects and sanitation and gas system projects. A summary of the projects and their purpose is as follows:

Purpose	Interest rate	Amount
Gas recirculation project at landfill - Sanitation	2.33	\$ 107,821
Construction of Cell #5 - Sanitation	3.03	2,193,673
Long Cane pump station - Water and Sewerage	1.40	6,159,144
Yellow Jacket Creek pump station - Water and Sewerage	1.40	3,924,840
		<u>\$ 12,385,478</u>

The debt service requirements to maturity on the notes payable from direct borrowings - business-type are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 878,161	\$ 203,391	\$ 1,081,552
2024	877,571	188,187	1,065,758
2025	844,868	173,609	1,018,477
2026	859,169	159,309	1,018,478
2027	873,745	144,733	1,018,478
2028-2032	4,597,429	494,961	5,092,390
2033-2036	3,454,535	105,520	3,560,055
Total	<u>\$ 12,385,478</u>	<u>\$ 1,469,710</u>	<u>\$ 13,855,188</u>

Landfill Closure and Postclosure. State and federal laws require the City to place a final cover over its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. The City reported a liability for closure and postclosure care of its two landfills in the Sanitation Fund of \$8,989,090. One of the City's landfills continues to accept waste and has used approximately 74% of the total capacity. The remaining costs of \$2,564,567, not yet accrued for the landfill, will be recognized over the future life of the landfills as capacity is used. Actual costs may be higher upon completion of the cost estimates, or due to inflation, change in technology, or change in regulations.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Component Unit – Downtown LaGrange Development Authority

In September 2016, the Downtown LaGrange Development Authority (DLDA) converted a line of credit into a 20-year direct borrowing note payable for the construction of a building. The total amount of the loan was \$2,070,000. Subsequently, in September 2017, the DLDA issued two separate direct borrowing notes payable for the purpose of refinancing the line of credit for the acquisition of equipment for the craft brewery company. Each loan is a 10-year loan for \$250,000. All of the Authority's direct borrowing notes payable are secured with collateral of assignment of lease income on real property, and/or real property. Also, all notes contain a provision that in the event of default, outstanding amounts become immediately due if the DLDA is unable to make a payment. As of June 30, 2022 the outstanding amount of the notes payable were \$2,446,308.

The debt service requirements to maturity on the notes payable from direct borrowings – component unit are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 147,710	\$ 81,529	\$ 229,239
2024	152,425	76,814	229,239
2025	157,611	71,628	229,239
2026	162,821	66,418	229,239
2027	168,210	61,039	229,249
2028-2032	658,469	232,508	890,977
2033-2037	999,062	113,769	1,112,831
Total	<u>\$ 2,446,308</u>	<u>\$ 703,705</u>	<u>\$ 3,150,013</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (The City of LaGrange Retirement Plan) covering all full-time employees. The City Council in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Active plan members (employees of the City) are not required to make contributions to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472 or on the internet at www.gmanet.com.

Plan Membership. At January 1, 2022, the date of the most recent actuarial valuation, there were 765 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	280
Terminated vested participants not yet receiving benefits	90
Active employees - vested	388
Active employees - nonvested	7
Total	<u>765</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. At this time, Plan members are not required to make contributions to the Plan. For the fiscal year ended June 30, 2022, the City's contribution rate was 13.21% of annual payroll. City contributions to the Plan were \$2,738,495 for the fiscal year ended June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City. The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2022 with update procedures performed by the actuary to roll forward to the total pension asset measured as of September 30, 2021.

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%
Investment rate of return	7.38%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2022 valuation were based on the sex-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.55%
International equity	20%	7.30
Real estate	10%	3.65
Global fixed income	5%	0.50
Domestic fixed income	20%	0.40
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2021	\$ 62,384,441	\$ 45,537,542	\$ 16,846,899
Changes for the fiscal year:			
Service cost	646,452	-	646,452
Interest	4,533,981	-	4,533,981
Differences between expected and actual experience	1,493,834	-	1,493,834
Changes of benefit terms	-	-	-
Contributions—employer	-	2,636,301	(2,636,301)
Net investment income	-	11,035,075	(11,035,075)
Benefit payments, including refunds of employee contributions	(3,106,365)	(3,106,365)	-
Administrative expense	-	(75,213)	75,213
Net changes	<u>3,567,902</u>	<u>10,489,798</u>	<u>(6,921,896)</u>
Balances at 6/30/2022	<u>\$ 65,952,343</u>	<u>\$ 56,027,340</u>	<u>\$ 9,925,003</u>

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.38 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38 percent) or 1-percentage-point higher (8.38 percent) than the current rate:

	<u>1% Decrease (6.38%)</u>	<u>Current Discount Rate (7.38%)</u>	<u>1% Increase (8.38%)</u>
City's net pension liability	\$ 18,393,799	\$ 9,925,003	\$ 2,869,058

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2021 and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2022, the City recognized pension expense of \$1,401,378. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,960,442	\$ -
Changes in assumptions	1,213,910	-
Net difference between projected and actual earnings on pension plan investments	-	6,159,806
City contributions subsequent to the measurement date	<u>2,344,111</u>	<u>-</u>
Total	<u>\$ 5,518,463</u>	<u>\$ 6,159,806</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

City contributions subsequent to the measurement date of \$2,344,111 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30:		
2023	\$	(346,102)
2024		(162,360)
2025		(1,236,401)
2026		(1,240,591)
Total	\$	<u>(2,985,454)</u>

NOTE 10. DEFINED CONTRIBUTION PLAN

The City of LaGrange has a defined contribution plan which is administered by Nationwide Retirement Services. The Plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of \$667 per year. During the fiscal year ended June 30, 2022, the City contributed \$192,205 and employees contributed \$708,936. Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Employees are vested in the 401A plan upon two years of employment. For fiscal year ended June 30, 2022, 340 employees participated in the Plan.

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NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits. The City of LaGrange Other Postretirement Benefits Plan (the “OPEB Plan”) is a single employer defined benefit postretirement health care plan, or other postemployment benefit (OPEB) plan. The City has not elected to advance fund the plan, but rather maintains the plan on a “pay as you go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. There are no separately issued financial statements related to the City’s OPEB Plan.

Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. The City provides postretirement healthcare insurance and prescription drug benefits to all employees that retire from the City and meet the eligible requirements. To be eligible for benefits, members of the Plan must be retired, at least 55 years of age, and receiving a pension from GMA (the “City’s pension plan”).

Plan Membership. As of January 1, 2021, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries currently receiving benefits	24
Active employees	390
Total	<u>414</u>

City Contributions. The City has elected to fund the Plan on a pay-as-you go basis. For the fiscal year ended June 30, 2022, the City contributed \$293,327 for the pay as you go benefits for the OPEB plan.

Total OPEB Liability. The City’s total OPEB liability of \$16,162,517 was measured as of June 30, 2021 and was determined by an actuarial valuation as of January 1, 2021 using standard rollforward techniques.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation rate	2.25%
Salary increase, including wage inflation	2.25% plus serviced based merit increases
Discount rate	2.16%
Health care cost trends	
Medical	7.00% - 4.50%, trended down over 10 years
Prescription drug	7.00% - 4.50%, trended down over 10 years

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Mortality rates were based on the sex-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

The discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). Specifically, the chosen rate of the Bond Buyer General Obligation 20-year Municipal Bond Index published as of the measurement date of June 30, 2021.

Changes in the Total OPEB Liability. The changes in the total OPEB liability for the City for the fiscal year ended June 30, 2022 were as follows:

	Total OPEB Liability
Balance at June 30, 2021	\$ 16,634,504
Service cost	747,854
Interest	376,098
Change in benefit terms	(574,900)
Experience differences	(388,185)
Assumption changes	99,887
Benefit payments	(732,741)
Balance at June 30, 2022	<u>\$ 16,162,517</u>

Sensitivity for the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 17,958,367	\$ 16,162,517	\$ 14,554,896

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease Health Care Cost Trend Rates</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase Health Care Cost Trend Rates</u>
Total OPEB liability	\$ 14,061,341	\$ 16,162,517	\$ 18,702,982

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2021 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2022 the City recognized OPEB expense of \$448,312. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 839,607	\$ 437,491
Changes in assumptions	1,336,696	1,248,876
City contributions subsequent to the measurement date	<u>293,327</u>	<u>-</u>
Total	<u>\$ 2,469,630</u>	<u>\$ 1,686,367</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued). City contributions made subsequent to the measurement date of \$293,327 are reported as deferred outflows of resources and will be recognized as a decrease of the total OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Fiscal year ending June 30:

2023	\$	(100,739)
2024		(100,739)
2025		77,443
2026		146,225
2027		146,225
Thereafter		321,521
Total	\$	<u>489,936</u>

NOTE 12. RISK MANAGEMENT AND SELF INSURANCE

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Group Insurance. The City has established a self-funded trust for the administration and funding of the City's health insurance and medical expenses. This trust is the source of funding for claims or expense reimbursement of employees for losses due to death, disability, dental or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee. Claim liabilities do not include non-incremental claims adjustment expenses.

The following describes the activity in the health care plan, including changes to the estimate for claims incurred but not reported, for the past two fiscal years.

Fiscal Year	Beginning of Fiscal Year Claims Liability	Current Fiscal Year Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Claims Liability
2022	\$ 1,100,000	\$ 6,392,198	\$ 6,837,198	\$ 655,000
2021	1,100,000	7,340,629	7,340,629	1,100,000

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT AND SELF INSURANCE (CONTINUED)

Property and Casualty Insurance. The City is self-insured for workers' compensation, general, automobile and personal liability claims. Individual limits for City payments are \$100,000 per general insurance claim and \$600,000 per workers' compensation claim. After these limits are met, private insurance covers the claims. The City has entered into a contract with a third-party administrator to administer the claims. Claim liabilities do not include non-incremental claims adjustment expenses. The following describes the activity related to these claims based on actual claims presented after year-end and historical experience for the past two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Claims Liability</u>	<u>Current Fiscal Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Fiscal Year Claims Liability</u>
2022	\$ 600,000	\$ 262,386	\$ 532,386	\$ 330,000
2021	600,000	705,892	705,892	600,000

Group insurance has not paid claims that exceeded its coverage for the past three fiscal years.

NOTE 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the five counties west Georgia area, is a member of the Three Rivers Regional Commission and is required to pay annual dues thereto. For the fiscal year ended June 30, 2022, the City paid \$30,923 in dues.

Membership in a regional commission 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 RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from: Three Rivers Regional Commission, 120 N Hill St., Griffin, Georgia 30223.

NOTE 14. RELATED ORGANIZATIONS

The City's governing body is responsible for appointing a majority of the board members of the City of LaGrange Housing Authority. However, the City has no further accountability for this organization.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation. The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments. For the fiscal year ended June 30, 2022, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$6,511,000.

Grant Contingencies. The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Financial Guarantees. The City has entered into intergovernmental agreements with the LaGrange Development Authority (the "Authority") to transfer a sum of money for purchase of property adjoining an industrial park. The Authority sells property and remits to the City the sales price of the property. To date, \$291,296 has been remitted to the City. There is no set maturity schedule for the property sales reimbursements. In addition, the City, along with Troup County, and the Authority have entered into intergovernmental agreements in which the City and County pay the Authority amounts sufficient to meet debt service requirements on the Authority's Series 2005A and 2005B, Series 2007A and 2007B and Series 2016 revenue bonds. The City's total debt guarantee on each outstanding debt as of June 30, 2022 was \$1,455,000, \$1,407,500 and \$15,485,000, respectively.

Agreements with the Municipal Electric Authority of Georgia. The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit, unless any such profits insure to the benefit of the public.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued). As of June 30, 2022, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$37,345,750 for the fiscal year ended 2022.

At June 30, 2022, the outstanding debt of MEAG was approximately \$7.407 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$425 million at June 30, 2022.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City established a 5% tax under O.C.G.A. 48-13-50 on gross hotel occupancy revenues. During the fiscal year ended June 30, 2022, the City collected \$4,573,422 in hotel/motel taxes. O.C.G.A. 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. For the fiscal year ended, the Hotel/Motel Tax fund expended and/or transferred out 100% of collections for the promotion of tourism and in accordance with provisions of O.C.G.A. 48-13-50.

NOTE 17. RESTATEMENT OF OPENING BALANCE

Management of the LaGrange Development Authority, a discretely presented component unit of the City, determined that a restatement to beginning net position was required to reflect a reduction of its inventory – Ridley Lake Industrial Park land that was not recognized in the prior fiscal year. This adjustment resulted in a change to beginning net position of the aggregate discretely presented component units as follows:

Beginning net position, aggregate discretely presented component units	\$ 23,043,858
Adjust inventory - land assets - LaGrange Development Authority	(1,006,522)
Beginning net position, aggregate discretely presented component units, as restated	<u><u>\$ 22,037,336</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 646,452	\$ 646,529	\$ 599,482	\$ 675,133
Interest	4,533,981	4,287,702	3,971,716	3,811,600
Difference between expected and actual experience	1,493,834	977,869	446,629	588,937
Assumption changes	-	-	3,034,773	-
Changes of benefit terms	-	503,677	91,555	-
Benefit payments, including refunds of employee contributions	(3,106,365)	(3,046,275)	(2,971,882)	(2,758,396)
Net change in total pension liability	3,567,902	3,369,502	5,172,273	2,317,274
Total pension liability - beginning	62,384,441	59,014,939	53,842,666	51,525,392
Total pension liability - ending (a)	65,952,343	62,384,441	59,014,939	53,842,666
Plan fiduciary net position				
Contributions - employer	2,636,301	2,210,122	2,395,939	2,365,708
Net investment income	11,035,075	4,050,182	1,223,468	3,788,480
Benefit payments, including refunds of employee contributions	(3,106,365)	(3,046,275)	(2,971,882)	(2,758,396)
Administrative expenses	(75,213)	(74,229)	(69,344)	(72,327)
Net change in plan fiduciary net position	10,489,798	3,139,800	578,181	3,323,465
Plan fiduciary net position - beginning	45,537,542	42,397,742	41,819,561	38,496,096
Plan fiduciary net position - ending (b)	56,027,340	45,537,542	42,397,742	41,819,561
City's net pension liability - ending (a) - (b)	\$ 9,925,003	\$ 16,846,899	\$ 16,617,197	\$ 12,023,105
Plan fiduciary net position as a percentage of the total pension liability	84.95%	73.00%	71.84%	77.67%
Covered payroll	\$ 20,869,709	\$ 22,861,575	\$ 23,224,805	\$ 22,664,063
City's net pension liability as a percentage of covered payroll	47.56%	73.69%	71.55%	53.05%

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 606,810	\$ 566,691	\$ 601,117	\$ 576,632
Interest	3,689,948	3,467,194	3,246,447	3,069,127
Difference between expected and actual experience	(34,143)	1,246,142	1,221,867	894,970
Assumption changes	897,697	-	-	(190,059)
Benefit payments, including refunds of employee contributions	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Net change in total pension liability	2,666,012	2,962,756	2,944,546	2,350,201
Total pension liability - beginning	48,859,380	45,896,624	42,952,078	40,601,877
Total pension liability - ending (a)	51,525,392	48,859,380	45,896,624	42,952,078
Plan fiduciary net position				
Contributions - employer	2,248,158	2,119,251	1,967,135	1,850,496
Net investment income	5,053,361	3,396,335	353,223	3,132,262
Benefit payments, including refunds of employee contributions	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Administrative expenses	(74,652)	(44,222)	(49,424)	(38,786)
Net change in plan fiduciary net position	4,732,567	3,154,093	146,049	2,943,503
Plan fiduciary net position - beginning	33,763,529	30,609,436	30,463,387	27,519,884
Plan fiduciary net position - ending (b)	38,496,096	33,763,529	30,609,436	30,463,387
City's net pension liability - ending (a) - (b)	\$ 13,029,296	\$ 15,095,851	\$ 15,287,188	\$ 12,488,691
Plan fiduciary net position as a percentage of the total pension liability	74.71%	69.10%	66.69%	70.92%
Covered payroll	\$ 22,195,629	\$ 21,866,679	\$ 20,789,429	\$ 18,116,297
City's net pension liability as a percentage of covered payroll	58.70%	69.04%	73.53%	68.94%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF LAGRANGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN

SCHEDULE OF CITY CONTRIBUTIONS

	2022	2021	2020	2019
Actuarially determined contribution	\$ 2,738,495	\$ 2,636,301	\$ 2,360,585	\$ 2,408,124
Contributions in relation to the actuarially determined contribution	2,738,495	2,636,301	2,360,585	2,408,124
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 21,440,499	\$ 20,679,445	\$ 23,588,951	\$ 23,103,423
Contributions as a percentage of covered payroll	12.77%	12.75%	10.01%	10.42%
	2018	2017	2016	2015
Actuarially determined contribution				
Contributions in relation to the actuarially determined contribution	\$ 2,351,569	\$ 2,213,688	\$ 2,080,493	\$ 1,929,349
	2,351,569	2,213,688	2,085,952	1,929,349
Contribution deficiency (excess)	\$ -	\$ -	\$ 5,459	\$ -
Covered payroll				
Contributions as a percentage of covered payroll	\$ 22,517,609	\$ 22,088,302	\$ 21,792,805	\$ 20,454,970
	10.44%	10.02%	9.57%	9.43%

Notes to the Schedule:

(1) The schedule will present 10 years of information once it is accumulated.

CITY OF LAGRANGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY

AND RELATED RATIOS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 747,854	\$ 590,193	\$ 566,816	\$ 570,148	\$ 652,817
Interest on total OPEB liability	376,098	508,629	567,864	518,765	431,222
Change in benefit terms	(574,900)	-	-	-	-
Differences between expected and actual experience	(388,185)	549,810	617,966	(85,513)	(195,255)
Changes of assumptions	99,887	1,604,446	(1,167,899)	(395,962)	(1,052,013)
Benefit payments	(732,741)	(1,111,759)	(396,468)	(446,057)	(342,027)
Net change in total OPEB liability	<u>(471,987)</u>	<u>2,141,319</u>	<u>188,279</u>	<u>161,381</u>	<u>(505,256)</u>
Total OPEB liability - beginning	<u>16,634,504</u>	<u>14,493,185</u>	<u>14,304,906</u>	<u>14,143,525</u>	<u>14,648,781</u>
Total OPEB liability - ending	<u>\$ 16,162,517</u>	<u>\$ 16,634,504</u>	<u>\$ 14,493,185</u>	<u>\$ 14,304,906</u>	<u>\$ 14,143,525</u>
 Covered-employee payroll	 \$ 21,440,499	 \$ 21,144,733	 \$ 20,679,445	 \$ 19,975,967	 \$ 19,347,185
 Total OPEB liability as a percentage of covered-employee payroll	 75.4%	 78.7%	 70.1%	 71.6%	 73.1%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City is not accumulating assets in a trust fund that meets the criteria GASB Statement No. 75 for payment of future OPEB benefits.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

CITY OF LAGRANGE, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services and capital projects.

Community Development Fund – This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.

ARPA Fund – This fund is used to account for grant activity that is legally restricted for particular purposes outlined in the American Rescue Plan Act.

Grant Fund – This fund is used to account for certain grant activity that is legally restricted for particular purposes.

Tax Allocation Fund – LaGrange Mall – This fund is used to account for activity related to the rebate of annual incremental property tax revenue derived from the increase in property taxes generated by new development in a designated redevelopment area to be used for specified redevelopment purposes.

Tax Allocation Fund – Marriott – This fund is used to account for resources devoted to construction of capital improvements in a district located in the City's downtown. Incremental property tax revenues derived from the increase in market values of a property located within the district will be devoted to capital improvements.

Tax Allocation Fund – Mill Creek – This fund is used to account for resources devoted to construction of capital improvements in a district located in the City. Incremental property tax revenues derived from the increase in market values of a property located within the district will be devoted to capital improvements.

Hotel/Motel Tax Fund – This fund is used to account for 5% lodging tax levied in the City, which is restricted by state law.

PERMANENT FUND

Cemetery Care Fund – To account for monies received by the City which can only be used for a specific purpose. The principal of perpetual care cemetery funds are not available for expenditures based on legal or contractual requirements and must remain in trust and not be encroached upon (reported as nonspendable). Only the income from such funds may be used for maintenance and upkeep of the LaGrange municipal cemetery.

CITY OF LAGRANGE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
	Community Development Fund	ARPA Fund	Grant Fund	Tax Allocation Fund LaGrange Mall	Tax Allocation Fund Marriott	Tax Allocation Fund Mill Creek	Hotel/Motel Tax Fund	Cemetery Care Fund	
Cash and cash equivalents	\$ 388,880	\$ 31,182	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ 420,132
Investments	6,771	-	-	-	-	-	-	1,232,029	1,238,800
Intergovernmental receivable	-	-	-	-	-	-	504,758	-	504,758
Total assets	<u>\$ 395,651</u>	<u>\$ 31,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ 504,758</u>	<u>\$ 1,232,029</u>	<u>\$ 2,163,690</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,832	\$ -	\$ 220,832
Unearned revenue	-	31,182	-	-	-	-	-	-	31,182
Due to other funds	-	-	-	-	-	-	283,926	-	283,926
Advances from other funds	-	-	-	-	2,065,657	-	-	-	2,065,657
Total liabilities	<u>-</u>	<u>31,182</u>	<u>-</u>	<u>-</u>	<u>2,065,657</u>	<u>-</u>	<u>504,758</u>	<u>-</u>	<u>2,601,597</u>
FUND BALANCES									
Nonspendable for:									
Corpus of permanent fund	-	-	-	-	-	-	-	2,500	2,500
Restricted for:									
Cemetery operating capital	-	-	-	-	-	-	-	1,229,529	1,229,529
Planning and development	395,651	-	-	-	-	-	-	-	395,651
Unassigned	-	-	-	-	(2,065,587)	-	-	-	(2,065,587)
Total fund balances (deficits)	<u>395,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,065,587)</u>	<u>-</u>	<u>-</u>	<u>1,232,029</u>	<u>(437,907)</u>
Total liabilities and fund balances	<u>\$ 395,651</u>	<u>\$ 31,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ 504,758</u>	<u>\$ 1,232,029</u>	<u>\$ 2,163,690</u>

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						Permanent Fund	Total Nonmajor Governmental Funds
	Community Development Fund	ARPA Fund	Grant Fund	Tax Allocation Fund LaGrange Mall	Tax Allocation Fund Marriott	Tax Allocation Fund Mill Creek	Cemetery Care Fund	
REVENUES								
Hotel/motel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,573,422	\$ 4,573,422
Intergovernmental	-	5,784,128	59,654	117,163	140,699	283,791	-	6,385,435
Interest income	93	-	-	-	-	-	206,023	206,116
Miscellaneous	34,719	-	-	-	-	-	-	34,719
Total revenues	34,812	5,784,128	59,654	117,163	140,699	283,791	206,023	11,199,692
EXPENDITURES								
Current								
General government	-	1,400,000	-	-	-	-	-	1,400,000
Community development	33,095	-	59,654	-	-	-	-	2,339,106
Debt Service								
Principal retirement	-	-	-	-	-	-	385,000	385,000
Interest	-	-	-	-	-	-	599,981	599,981
Capital outlay	-	1,369,541	-	117,163	-	283,791	-	1,770,495
Total expenditures	33,095	2,769,541	59,654	117,163	-	283,791	3,231,338	6,494,582
Excess of revenues over expenditures	1,717	3,014,587	-	-	140,699	-	1,342,084	4,705,110
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	3,231,338	3,231,338
Transfers out	-	(3,014,587)	-	-	-	-	(4,573,422)	(7,621,693)
Total other financing sources (uses)	-	(3,014,587)	-	-	-	-	(1,342,084)	(4,390,355)
Net change in fund balances	1,717	-	-	-	140,699	-	172,339	314,755
FUND BALANCES (DEFICIT), beginning of fiscal year	393,934	-	-	-	(2,206,286)	-	1,059,690	(752,662)
FUND BALANCES (DEFICIT), end of fiscal year	<u>\$ 395,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,065,587)</u>	<u>\$ -</u>	<u>\$ 1,232,029</u>	<u>\$ (437,907)</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Rental income	\$ 12,600	\$ 12,600	\$ -	\$ (12,600)
Interest	100	100	93	(7)
Miscellaneous	3,000	3,000	34,719	31,719
Total revenues	15,700	15,700	34,812	19,112
EXPENDITURES				
Community development	403,032	403,032	33,095	369,937
Net change in fund balances	(387,332)	(387,332)	1,717	389,049
FUND BALANCES, beginning of fiscal year	393,934	393,934	393,934	-
FUND BALANCES, end of fiscal year	<u>\$ 6,602</u>	<u>\$ 6,602</u>	<u>\$ 395,651</u>	<u>\$ 389,049</u>

CITY OF LAGRANGE, GEORGIA
ARPA FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 5,784,128	\$ 5,784,128	\$ -
Total revenues	-	5,784,128	5,784,128	-
EXPENDITURES				
General government	-	1,400,000	1,400,000	-
Capital outlay	-	1,369,541	1,369,541	-
Total expenditures	-	2,769,541	2,769,541	-
Excess of revenues over expenditures	-	3,014,587	3,014,587	-
Other financing uses:				
Transfers out	-	(3,014,587)	(3,014,587)	-
Total other financing uses	-	(3,014,587)	(3,014,587)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND - LAGRANGE MALL

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 117,000	\$ 117,000	\$ 117,163	\$ 163
Total revenues	117,000	117,000	117,163	163
EXPENDITURES				
Capital outlay	117,000	117,000	117,163	(163)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA

TAX ALLOCATION FUND - MARRIOTT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 141,000	\$ 141,000	\$ 140,699	\$ (301)
Total revenues	141,000	141,000	140,699	(301)
Net change in fund balances	141,000	141,000	140,699	(301)
FUND BALANCES (DEFICITS), beginning of fiscal year	(2,206,286)	(2,206,286)	(2,206,286)	-
FUND BALANCES (DEFICITS), end of fiscal year	<u>\$ (2,065,286)</u>	<u>\$ (2,065,286)</u>	<u>\$ (2,065,587)</u>	<u>\$ (301)</u>

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND - MILL CREEK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 283,000	\$ 283,000	\$ 283,791	\$ 791
Total revenues	283,000	283,000	283,791	791
EXPENDITURES				
Capital outlay	283,000	283,000	283,791	(791)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA

HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,225,000	\$ 3,225,000	\$ 4,573,422	\$ 1,348,422
Total revenues	3,225,000	3,225,000	4,573,422	1,348,422
EXPENDITURES				
Community development	1,537,500	1,537,500	2,246,357	(708,857)
Debt service:				
Principal	385,000	385,000	385,000	-
Interest	599,981	599,981	599,981	-
Total expenditures	2,522,481	2,522,481	3,231,338	(708,857)
Excess of revenues over expenditures	702,519	702,519	1,342,084	639,565
Other financing sources (uses):				
Transfers in	-	-	3,231,338	3,231,338
Transfers out	(702,519)	(702,519)	(4,573,422)	(3,870,903)
Total other financing sources (uses)	(702,519)	(702,519)	(1,342,084)	(639,565)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent Complete
			Prior Fiscal Years	Current Fiscal Year	Total	
Special Local Option Sales Tax - 2017:						
The Thread - multi-use trail	\$ 5,000,000	\$ 10,000,000	\$ 4,120,062	\$ 2,180,181	\$ 6,300,243	63.00 %
Park upgrades	550,000	5,000,000	1,482,745	1,340,320	2,823,065	56.46
Gateway corridor enhancements	2,000,000	2,000,000	-	772,868	772,868	38.64
Roads and bridge improvements	6,000,000	6,000,000	1,980,710	557,396	2,538,106	42.30
Utility relocation	1,400,000	1,400,000	46,783	11,320	58,103	4.15
Regional storm water management initiatives	1,000,000	1,644,000	453,616	1,058,896	1,512,512	92.00
Public safety	4,000,000	6,950,000	4,510,454	1,385,038	5,895,492	84.83
Total SPLOST	<u>\$ 19,950,000</u>	<u>\$ 32,994,000</u>	<u>\$ 12,594,370</u>	<u>\$ 7,306,019</u>	<u>\$ 19,900,389</u>	

Note: Revised Estimated Costs were adjusted in the current fiscal year by Mayor and Council.

**CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS**

Group Insurance Fund – This fund is used to account for the City's partial self-insurance of employees' medical claims.

Property and Casualty Insurance Fund – This fund is used to account for the City's partial self-insurance of workers' compensation and liability claims.

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

ASSETS	Group Insurance Fund	Property and Casualty Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 174,163	\$ 1,128,785	\$ 1,302,948
Investments	-	620,655	620,655
Accounts receivable, net of allowances	82,300	-	82,300
Due from other funds	-	100,000	100,000
Advances to other funds	-	389,089	389,089
Capital assets:			
Non-depreciable	-	34,457	34,457
Depreciable	-	159,657	159,657
Total assets	<u>256,463</u>	<u>2,432,643</u>	<u>2,689,106</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	239,443	239,443
Claims reserve	655,000	330,000	985,000
Total liabilities	<u>655,000</u>	<u>569,443</u>	<u>1,224,443</u>
NET POSITION			
Investment in capital assets	-	194,114	194,114
Unrestricted	(398,537)	1,669,086	1,270,549
Total net position	<u>\$ (398,537)</u>	<u>\$ 1,863,200</u>	<u>\$ 1,464,663</u>

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Group Insurance Fund	Property and Casualty Fund	Total
OPERATING REVENUES			
Premiums	\$ 7,924,862	\$ 951,591	\$ 8,876,453
Miscellaneous revenue	-	575,290	575,290
Total operating revenues	<u>7,924,862</u>	<u>1,526,881</u>	<u>9,451,743</u>
OPERATING EXPENSES			
Administrative services	167,691	15,871	183,562
Risk management	7,319,470	682,952	8,002,422
Depreciation	-	2,706	2,706
Total operating expenses	<u>7,487,161</u>	<u>701,529</u>	<u>8,188,690</u>
Operating income (loss)	<u>437,701</u>	<u>825,352</u>	<u>1,263,053</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	64	(1,822)	(1,758)
Intergovernmental revenue	45,295	-	45,295
Total non-operating revenues (expenses)	<u>45,359</u>	<u>(1,822)</u>	<u>43,537</u>
Change in net position	<u>483,060</u>	<u>823,530</u>	<u>1,306,590</u>
Net position, beginning of fiscal year	<u>(881,597)</u>	<u>1,039,670</u>	<u>158,073</u>
Net position, end of fiscal year	<u><u>\$ (398,537)</u></u>	<u><u>\$ 1,863,200</u></u>	<u><u>\$ 1,464,663</u></u>

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Group Health Fund	Property and Casualty Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 657,204	\$ 575,290	\$ 1,232,494
Receipts from interfund charges	7,246,283	851,611	8,097,894
Payments to suppliers and service providers	(7,957,161)	(729,684)	(8,686,845)
Net cash provided by (used in) operating activities	(53,674)	697,217	643,543
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	28,564	28,564
Interest income (loss)	64	(1,822)	(1,758)
Net cash provided by investing activities	64	26,742	26,806
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental receipts	45,295	-	45,295
Advances from other funds	-	116,978	116,978
Net cash provided by noncapital financing activities	45,295	116,978	162,273
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(196,820)	(196,820)
Net cash used in capital and related financing activities	-	(196,820)	(196,820)
Net increase (decrease) in cash	(8,315)	644,117	635,802
Cash:			
Beginning of fiscal year	182,478	484,668	667,146
End of fiscal year	<u>\$ 174,163</u>	<u>\$ 1,128,785</u>	<u>\$ 1,302,948</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ 437,701	\$ 825,352	\$ 1,263,053
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	-	2,706	2,706
Change in assets and liabilities:			
Increase in accounts receivable	(21,375)	-	(21,375)
Decrease in due from other funds	-	(99,980)	(99,980)
Decrease in claims reserves	(445,000)	(270,000)	(715,000)
Increase (decrease) in accounts payable	(25,000)	239,139	214,139
Net cash provided by (used in) operating activities	<u>\$ (53,674)</u>	<u>\$ 697,217</u>	<u>\$ 643,543</u>

COMPONENT UNIT

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
COMPONENT UNIT - VISIT LAGRANGE
JUNE 30, 2022

ASSETS	
Cash and cash equivalents	\$ 1,564,240
Receivables	<u>220,831</u>
Total assets	<u><u>\$ 1,785,071</u></u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 109,575
Accrued liabilities	<u>17,575</u>
Total liabilities	<u>127,150</u>
 FUND BALANCES	
Restricted:	
Economic development	<u>1,657,921</u>
Total fund balances	<u>1,657,921</u>
Total liabilities and fund balances	<u><u>\$ 1,785,071</u></u>

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE
COMPONENT UNIT - VISIT LAGRANGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues:

Intergovernmental	\$ 2,005,767
Miscellaneous	209,684
Interest income	278
Total revenues	<u>2,215,729</u>

Expenditures:

Current:	
Economic development	<u>2,054,286</u>
Total expenditures	<u>2,054,286</u>

Net change in fund balances	161,443
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Fund balance, beginning of year	<u>1,496,478</u>
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Fund balance, end of year	<u><u>\$ 1,657,921</u></u>
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STATISTICAL SECTION

This part of the City of LaGrange's annual comprehensive financial report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends	84
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	89
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These schedules contain information to help the reader assess the City's most significant local revenue source, utility revenue.

Debt Capacity	95
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	98
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	100
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant fiscal year.

**CITY OF LAGRANGE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment										
in capital assets	\$ 43,576,398	\$ 43,561,422	\$ 53,207,058	\$ 61,734,629	\$ 62,112,183	\$ 66,096,412	\$ 71,977,857	\$ 75,206,491	\$ 72,832,138	\$ 78,713,611
Restricted	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954	4,259,880	1,354,746	2,019,890	1,709,556	2,132,117
Unrestricted	(3,311,359)	(3,569,275)	(9,893,218)	(10,317,280)	(30,591,947)	(36,742,232)	(35,829,384)	(41,643,138)	(35,701,085)	(31,049,297)
Total governmental activities net position	<u>\$ 45,146,398</u>	<u>\$ 46,471,649</u>	<u>\$ 49,909,505</u>	<u>\$ 58,097,514</u>	<u>\$ 37,805,190</u>	<u>\$ 33,614,060</u>	<u>\$ 37,503,219</u>	<u>\$ 35,583,243</u>	<u>\$ 38,840,609</u>	<u>\$ 49,796,431</u>
Business-type activities:										
Net investment										
in capital assets	\$ 113,861,863	\$ 112,233,680	\$ 112,527,782	\$ 110,250,942	\$ 108,454,603	\$ 105,812,200	\$ 101,324,627	\$ 101,978,981	\$ 96,653,024	\$ 96,223,060
Restricted	-	-	-	-	-	-	-	125,000	-	-
Unrestricted	23,220,112	26,522,639	26,235,390	30,199,537	30,425,124	28,695,522	32,991,564	37,442,117	36,693,302	34,397,198
Total business-type activities net position	<u>\$ 137,081,975</u>	<u>\$ 138,756,319</u>	<u>\$ 138,763,172</u>	<u>\$ 140,450,479</u>	<u>\$ 138,879,727</u>	<u>\$ 134,507,722</u>	<u>\$ 134,316,191</u>	<u>\$ 139,546,098</u>	<u>\$ 133,346,326</u>	<u>\$ 130,620,258</u>
Primary government:										
Net investment										
in capital assets	\$ 157,438,261	\$ 155,795,102	\$ 165,734,840	\$ 171,985,571	\$ 170,566,786	\$ 171,908,612	\$ 173,302,484	\$ 177,185,472	\$ 169,485,162	\$ 174,936,671
Restricted	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954	4,259,880	1,354,746	2,144,890	1,709,556	2,132,117
Unrestricted	19,908,753	22,953,364	16,342,172	19,882,257	(166,823)	(8,046,710)	(2,837,820)	(4,201,021)	992,217	3,347,901
Total primary government net position	<u>\$ 182,228,373</u>	<u>\$ 185,227,968</u>	<u>\$ 188,672,677</u>	<u>\$ 198,547,993</u>	<u>\$ 176,684,917</u>	<u>\$ 168,121,782</u>	<u>\$ 171,819,410</u>	<u>\$ 175,129,341</u>	<u>\$ 172,186,935</u>	<u>\$ 180,416,689</u>

**CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 2,374,352	\$ 2,702,167	\$ 2,640,850	\$ 2,536,687	\$ 2,151,318	\$ 2,072,410	\$ 3,348,886	\$ 3,859,865	\$ 4,030,522	\$ 5,434,086
Judicial	-	-	-	-	-	-	-	-	39,474	4,231
Public safety	15,583,597	16,512,002	15,435,028	16,528,248	17,995,155	17,573,577	18,711,064	20,681,558	23,010,757	20,159,162
Public works	2,925,579	2,855,304	2,762,723	3,281,515	3,582,226	3,861,703	3,149,068	4,059,207	3,923,555	4,552,261
Culture and recreation	1,090,148	1,156,457	993,631	1,009,469	1,024,270	1,586,548	1,579,867	1,726,942	2,111,808	2,476,012
Community development	2,885,126	3,160,331	3,330,554	3,547,065	25,296,195	4,551,535	6,359,208	5,777,406	6,171,569 (1)	6,250,382
Redevelopment and housing	577,942	335,399	228,000	228,000	352,895	280,462	206,000	206,000	- (1)	-
Miscellaneous	398,890	415,457	403,159	438,347	443,353	438,966	451,737	507,970	-	-
Interest and fiscal charges	583,580	327,250	326,751	232,542	533,129	788,434	831,861	803,005	1,062,274	956,391
Total governmental activities expenses	<u>26,419,214</u>	<u>27,464,367</u>	<u>26,120,696</u>	<u>27,801,873</u>	<u>51,378,541</u>	<u>31,153,635</u>	<u>34,637,691</u>	<u>37,621,953</u>	<u>40,349,959</u>	<u>39,832,525</u>
Business-type activities:										
Water and sewerage	12,813,505	13,023,085	12,275,364	12,491,721	12,714,739	12,609,701	13,650,697	13,729,797	13,041,808	14,284,191
Gas	12,078,193	14,847,586	13,030,969	9,585,058	10,552,167	10,771,403	12,057,058	9,025,876	9,325,641	14,960,571
Electric system	42,433,294	45,996,684	46,100,926	43,771,606	43,424,244	43,465,618	46,453,642	42,879,125	46,255,005	47,216,516
Sanitation	9,325,713	8,239,045	8,093,325	9,320,613	8,947,980	9,050,058	8,097,230	2,918,963	3,713,205	3,280,098
Telecommunications	2,393,405	2,104,518	1,890,481	2,318,542	2,975,585	2,976,708	3,214,448	3,571,878	2,608,631	2,414,134
Sweetland Amphitheater	-	-	-	-	-	-	-	232,707	382,477	1,582,441
Total business-type activities expenses	<u>79,044,110</u>	<u>84,210,918</u>	<u>81,391,065</u>	<u>77,487,540</u>	<u>78,614,715</u>	<u>78,873,488</u>	<u>83,473,075</u>	<u>72,358,346</u>	<u>75,326,767</u>	<u>83,737,951</u>
Total primary government expenses	<u>\$ 105,463,324</u>	<u>\$ 111,675,285</u>	<u>\$ 107,511,761</u>	<u>\$ 105,289,413</u>	<u>\$ 129,993,256</u>	<u>\$ 110,027,123</u>	<u>\$ 118,110,766</u>	<u>\$ 109,980,299</u>	<u>\$ 115,676,726</u>	<u>\$ 123,570,476</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 119,827	\$ 202,638	\$ 196,652	\$ 356,953	\$ 366,991	\$ 366,546	\$ 1,716,581	\$ 1,280,442	\$ 1,729,001	\$ 1,729,520
Public safety	2,089,613	1,871,655	1,629,624	1,464,613	1,438,475	1,508,576	1,388,901	1,225,329	965,468	1,176,755
Culture and recreation	148,511	63,435	61,110	61,010	44,875	57,315	51,180	48,545	-	-
Community development	1,248,930	1,232,586	1,238,348	1,079,498	1,162,818	861,664	1,057,964	993,385	205,967	261,336
Operating grants and contributions	812,440	338,610	74,335	218,943	586,037	2,817,707	910,388	418,466	2,071,631	7,652,603 (4)
Capital grants and contributions	3,174,313	3,036,190	10,357,243	10,525,756	3,307,053	3,366,043	4,556,503	5,123,036	6,543,151	7,167,456
Total government activities program revenues	<u>7,593,634</u>	<u>6,745,114</u>	<u>13,557,312</u>	<u>13,706,773</u>	<u>6,906,249</u>	<u>8,977,851</u>	<u>9,681,517</u>	<u>9,089,203</u>	<u>11,515,218</u>	<u>17,987,670</u>
Business-type activities:										
Charges for services:										
Water and sewerage	14,844,920	15,430,172	15,634,665	16,165,910	16,667,241	15,996,574	16,986,695	17,826,037	18,627,256	18,173,806
Gas system	14,643,762	17,545,344	16,825,600	11,694,411	11,994,070	13,575,746	14,983,093	12,660,263	12,638,121	18,536,463 (5)
Electric system	49,578,253	53,274,874	54,659,256	50,570,883	48,812,549	50,257,072	51,933,231	48,052,304	47,508,167	51,862,335
Sanitation	8,533,923	8,420,551	8,731,986	9,456,822	9,406,918	8,713,822	7,911,900	2,657,310	2,667,166	2,988,028
Telecommunications	2,933,962	3,050,010	2,755,585	2,998,812	3,082,439	3,215,182	3,376,166	3,421,210	3,289,836	3,053,701
Sweetland Amphitheater	-	-	-	-	-	-	-	338,680	148,961	1,437,568
Capital grants and contributions	-	-	-	-	-	-	-	225,538	-	-
Total business-type activities program revenues	<u>90,534,820</u>	<u>97,720,951</u>	<u>98,607,092</u>	<u>90,886,838</u>	<u>89,963,217</u>	<u>91,758,396</u>	<u>95,191,085</u>	<u>85,181,342</u>	<u>84,879,507</u>	<u>96,051,901</u>
Total primary government program revenues	<u>\$ 98,128,454</u>	<u>\$ 104,466,065</u>	<u>\$ 112,164,404</u>	<u>\$ 104,593,611</u>	<u>\$ 96,869,466</u>	<u>\$ 100,736,247</u>	<u>\$ 104,872,602</u>	<u>\$ 94,270,545</u>	<u>\$ 96,394,725</u>	<u>\$ 114,039,571</u>
(continued)										

**CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2021	2022
Net (expense) revenue										
Governmental activities	\$ (18,825,580)	\$ (20,719,253)	\$ (20,719,253)	\$ (14,095,100)	\$ (44,472,292)	\$ (22,175,784)	\$ (24,956,174)	\$ (28,532,750)	\$ (28,834,741)	\$ (21,844,855)
Business-type activities	11,490,710	13,510,033	13,510,033	13,399,298	11,348,502	12,884,908	11,718,010	12,822,996	9,552,740	12,313,950
Total primary government net expense	<u>\$ (7,334,870)</u>	<u>\$ (7,209,220)</u>	<u>\$ (7,209,220)</u>	<u>\$ (695,802)</u>	<u>\$ (33,123,790)</u>	<u>\$ (9,290,876)</u>	<u>\$ (13,238,164)</u>	<u>\$ (15,709,754)</u>	<u>\$ (19,282,001)</u>	<u>\$ (9,530,905)</u>
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	\$ 3,460,477	\$ 3,833,147	\$ 4,249,366	\$ 4,395,627	\$ 4,545,898	\$ 4,586,458	\$ 4,933,177	\$ 7,666,659	\$ 8,285,491	\$ 9,505,770
Sales and use taxes	5,067,756	4,950,107	4,795,388	5,021,093	4,769,502	4,968,287	5,230,046	5,750,141	6,659,373	7,307,383
Franchise taxes	1,082,666	1,057,342	1,090,820	1,204,116	1,110,440	1,083,001	1,073,386	1,130,709	1,038,066	1,098,906
Unrestricted investment earnings	30,635	132,379	29,289	35,789	42,269	51,222	64,512	100,637	508,877	598,855
Miscellaneous	-	-	-	-	-	-	-	-	677,756 (2)	996,160
Transfers	9,475,160	10,522,376	11,879,641	13,073,728	11,815,000	13,491,000	13,914,000	13,842,000	15,832,000	13,293,603
Total governmental activities	<u>19,116,694</u>	<u>20,495,351</u>	<u>22,044,504</u>	<u>23,730,353</u>	<u>22,283,109</u>	<u>24,179,968</u>	<u>25,215,121</u>	<u>28,490,146</u>	<u>33,001,563</u>	<u>32,800,677</u>
Business-type activities:										
Unrestricted investment earnings (loss)	91,097	15,114	43,952	72,298	103,009	370,511	183,985	1,321,759	25,380 (3)	(1,747,661) (6)
Gain on sale of capital assets	-	-	-	-	-	-	-	1,083,763	54,108	1,246
Transfers	(9,475,160)	(10,522,376)	(11,879,641)	(13,073,728)	(11,815,000)	(13,491,000)	(13,914,000)	(13,842,000)	(15,832,000)	(13,293,603)
Total business-type activities	<u>(9,384,063)</u>	<u>(10,507,262)</u>	<u>(11,835,689)</u>	<u>(13,001,430)</u>	<u>(11,711,991)</u>	<u>(13,120,489)</u>	<u>(13,730,015)</u>	<u>(11,436,478)</u>	<u>(15,752,512)</u>	<u>(15,040,018)</u>
Total primary government	<u>\$ 9,732,631</u>	<u>\$ 9,988,089</u>	<u>\$ 10,208,815</u>	<u>\$ 10,728,923</u>	<u>\$ 10,571,118</u>	<u>\$ 11,059,479</u>	<u>\$ 11,485,106</u>	<u>\$ 17,053,668</u>	<u>\$ 17,249,051</u>	<u>\$ 17,760,659</u>
Change in Net Position										
Governmental activities	291,114	(223,902)	1,325,251	9,635,253	(22,189,183)	2,004,184	258,947	(42,604)	4,166,822	10,955,822
Business-type activities	2,106,647	3,002,771	1,674,344	397,868	(363,489)	(235,581)	(2,012,005)	1,386,518	(6,199,772)	(2,726,068)
Total primary government	<u>\$ 2,397,761</u>	<u>\$ 2,778,869</u>	<u>\$ 2,999,595</u>	<u>\$ 10,033,121</u>	<u>\$ (22,552,672)</u>	<u>\$ 1,768,603</u>	<u>\$ (1,753,058)</u>	<u>\$ 1,343,914</u>	<u>\$ (2,032,950)</u>	<u>\$ 8,229,754</u>

(1) Redevelopment and housing was consolidated into Community development in fiscal year 2021.

(2) This category was not broken out separately in prior fiscal years.

(3) Decrease the result of market fluctuations in the current fiscal year and allocation of investments to governmental activities.

(4) Increase attributable to ARPA grant expenditures in fiscal year 2022.

(5) Natural gas prices hit record highs in fiscal year 2022.

(6) During 2022, the U.S. economy experienced its most significant stock market decline since 2008.

CITY OF LAGRANGE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ 203,335	\$ 197,596	\$ 200,254	\$ 183,753	\$ 195,491	\$ 179,260	\$ 170,003	\$ 165,344	\$ 585,202	\$ 976,295
Restricted	876,905	865,860	812,684	936,059	932,122	928,387	1,354,746	1,279,007	404,455	714,086
Assigned	-	-	-	-	-	-	7,000	12,540	-	-
Unassigned	1,451,702	1,532,232	2,416,230	2,203,372	1,902,981	1,773,138	1,687,912	(1,021,517)	2,924,547	4,694,610
Total General Fund	<u>\$ 2,531,942</u>	<u>\$ 2,595,688</u>	<u>\$ 3,429,168</u>	<u>\$ 3,323,184</u>	<u>\$ 3,030,594</u>	<u>\$ 2,880,785</u>	<u>\$ 3,219,661</u>	<u>\$ 435,374</u>	<u>\$ 3,914,204</u>	<u>\$ 6,384,991</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 70,961
Restricted	4,004,454	5,613,642	5,782,981	5,744,106	5,352,832	3,331,493	883,110	740,883	1,532,135	1,625,180
Assigned	-	-	-	-	-	-	-	-	366,778	113,553
Unassigned	(34,510)	60,474	-	-	(2,720,609)	(2,595,426)	(2,894,486)	(3,844,976)	(2,206,286)	(3,197,106)
Total all other governmental funds	<u>\$ 3,969,944</u>	<u>\$ 5,674,116</u>	<u>\$ 5,782,981</u>	<u>\$ 5,744,106</u>	<u>\$ 2,632,223</u>	<u>\$ 736,067</u>	<u>\$ (2,011,376)</u>	<u>\$ (3,104,093)</u>	<u>\$ (304,873)</u>	<u>\$ (1,387,412)</u>

CITY OF LAGRANGE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes, licenses and permits	\$ 9,960,423	\$ 10,273,853	\$ 10,746,345	\$ 10,579,163	\$ 10,890,064	\$ 11,434,333	\$ 14,823,776	\$ 13,709,187	\$ 16,193,912	\$ 18,195,987
Intergovernmental	3,983,314	3,364,073	3,258,124	3,206,315	3,767,004	5,293,293	5,104,531	5,541,033	8,614,574	14,819,893 ⁽³⁾
Fines and forfeitures	1,828,645	1,613,749	1,376,112	1,133,181	1,115,505	1,164,063	1,037,600	803,272	679,268	785,384
Charges for services	260,968	257,906	250,170	310,653	253,768	285,318	1,339,516	1,152,663	2,010,186	2,098,299
Investment income	1,219,457	1,131,076	1,183,812	993,538	907,538	928,570	1,033,323	928,285	509,085 ⁽¹⁾	599,021
Miscellaneous	313,802	269,320	197,361	425,595	568,710	507,452	620,716	490,537	677,756	772,635
Total revenues	<u>17,566,609</u>	<u>16,909,977</u>	<u>17,011,924</u>	<u>16,648,445</u>	<u>17,502,589</u>	<u>19,613,029</u>	<u>23,959,462</u>	<u>22,624,977</u>	<u>28,684,781</u>	<u>37,271,219</u>
Expenditures										
General government	1,652,312	2,059,938	2,100,858	1,901,425	1,964,022	2,085,775	3,096,624	3,333,594	3,595,620	5,345,978
Public safety	15,176,234	15,754,520	15,552,037	15,947,584	16,935,100	17,424,091	17,766,922	18,893,216	20,868,958	21,391,748
Public works	2,493,475	2,540,906	2,507,788	2,941,310	3,253,462	2,856,934	2,780,224	2,955,747	3,315,572 ⁽²⁾	3,894,994
Culture and recreation	942,167	1,006,218	959,879	944,873	945,898	1,349,158	1,467,014	1,620,773	2,003,320	2,509,790
Community development	1,815,776	1,769,655	1,987,811	2,049,237	4,917,482	2,320,175	3,896,650	3,267,663	3,690,865	3,605,010
Redevelopment and housing	577,942	335,399	228,000	228,000	352,895	280,462	206,000	206,000	- ⁽²⁾	-
Telecommunications and technology	386,117	392,945	405,217	422,411	443,359	466,364	460,021	477,190	532,100	520,730
Debt service:										
Principal	1,478,499	1,196,251	3,420,721	978,491	1,366,227	1,440,153	1,376,182	1,588,199	1,033,934	1,297,780
Interest	597,633	371,047	357,059	226,215	259,488	224,699	865,575	808,359	1,056,501	976,276
Capital outlay	4,486,441	2,069,941	4,189,642	5,699,449	4,702,862	7,535,200	8,875,042	7,083,458	4,929,548	9,857,793
Total expenditures	<u>29,606,596</u>	<u>27,496,820</u>	<u>31,709,012</u>	<u>31,338,995</u>	<u>35,140,795</u>	<u>35,983,011</u>	<u>40,790,254</u>	<u>40,234,199</u>	<u>41,026,418</u>	<u>49,400,099</u>
Excess (deficiency) of revenues over expenditures	(12,039,987)	(10,586,843)	(14,697,088)	(14,690,550)	(17,638,206)	(16,369,982)	(16,830,792)	(17,609,222)	(12,341,637)	(12,128,880)
Other financing sources (uses)										
Refunding bonds issued	-	-	2,299,000	-	-	-	-	-	-	-
Financed purchases	235,475	474,797	238,972	2,725,707	713,427	396,555	213,418	625,083	-	-
Long term debt	-	-	-	-	-	-	-	-	1,635,000	-
Proceeds from sale of capital assets	2,266	347	36,733	4,984	29,306	13,462	11,621	30,135	-	223,525
Transfers in	14,173,836	14,920,980	14,727,220	13,494,882	15,281,892	15,910,705	20,588,068	18,385,659	20,802,614	24,336,031
Transfers out	(3,651,460)	(3,041,363)	(1,653,492)	(1,679,882)	(1,790,892)	(1,996,705)	(6,746,068)	(5,308,659)	(6,065,614)	(11,042,428)
Total other financing sources (uses)	<u>10,760,117</u>	<u>12,354,761</u>	<u>15,648,433</u>	<u>14,545,691</u>	<u>14,233,733</u>	<u>14,324,017</u>	<u>14,067,039</u>	<u>13,732,218</u>	<u>16,372,000</u>	<u>13,517,128</u>
Net change in fund balances	<u>\$ (1,279,870)</u>	<u>\$ 1,767,918</u>	<u>\$ 951,345</u>	<u>\$ (144,859)</u>	<u>\$ (3,404,473)</u>	<u>\$ (2,045,965)</u>	<u>\$ (2,763,753)</u>	<u>\$ (3,877,004)</u>	<u>\$ 4,030,363</u>	<u>\$ 1,388,248</u>
Debt service as a percentage of noncapital expenditures	8.26%	6.16%	13.65%	4.69%	5.24%	5.64%	6.92%	7.15%	5.87%	5.80%

(1) Decrease due to change in accounting and treatment of leasepool interest income.

(2) Departments consolidated under public works for financial reporting.

(3) Increase attributable to ARPA funding expended in fiscal year 2022.

**CITY OF LAGRANGE, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Local Option Sales Tax	Other Taxes	Franchise Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
2013	\$ 4,950,107	\$ 3,074,143	\$ 1,057,342	\$ 723,504	\$ 785,900	\$ 10,590,996
2014	4,795,388	3,020,767	1,090,820	732,169	733,326	10,372,470
2015	5,021,093	3,147,315	1,204,116	713,873	893,124	10,979,521
2016	4,769,502	2,987,372	1,110,440	713,178	916,803	10,497,295
2017	4,968,287	3,205,545	1,083,001	718,706	993,808	10,969,347
2018	5,230,046	3,359,689	1,073,386	717,267	1,122,254	11,502,642
2019	5,750,141	4,194,143	1,130,709	760,968	3,526,384	15,362,345
2020	5,349,061	4,622,567	1,144,431	720,255	2,634,225	14,470,539
2021	6,659,373	4,175,205	1,038,066	767,733	3,319,900	15,960,277
2022	7,307,383	4,183,105	1,098,906	749,243	4,573,422	17,912,059

CITY OF LAGRANGE, GEORGIA
UTILITY DEPARTMENT - OPERATING AND FINANCIAL RATIO ANALYSIS
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
WATER & SEWERAGE FUND:										
FINANCIAL RATIOS:										
Water & sewer profit margin (%)	13.0	13.0	15.0	14.0	14.0	12.0	14.0	14.0	17.0	11.0
Return on total assets (%)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	2.0
Return on equity (%)	3.0	3.0	3.0	3.0	4.0	3.0	4.0	4.0	4.0	2.0
Liabilities/Assets (%)	5.0	11.0	20.0	22.0	22.0	22.0	22.0	23.0	42.0	43.0
Current ratio (x)	12.5	5.1	8.4	9.8	9.0	9.4	7.3	6.4	14.9	10.2
Receivables avg. days outstanding	46.9	42.9	43.6	45.1	42.9	47.6	45.4	38.6	36.4	41.4
Equity transfer (% of Income)	64.0	85.0	109.0	157.0	145.0	179.0	136.0	131.0	152.0	374.0
Equity transfer (% of Revenue)	8.0	11.0	16.0	22.0	22.0	23.0	21.0	20.0	23.0	22.0
Net Equity Transfers Out (\$)	1,185	1,760	2,555	3,585	3,600	3,600	3,605	3,605	4,205	3,909
Cash and investments(\$)	6,600	9,354	11,035	11,557	12,611	11,737	13,144	15,001	40,114	37,299
Capital investment to depreciation ratio (x)	0.5	1.9	2.7	0.8	0.2	0.5	0.3	0.2	0.9	0.4
Total capitalization (\$)	76,699	80,607	86,571	86,217	85,039	81,422	79,647	77,951	102,301	97,699
Working Capital (\$)	8,523	9,669	12,040	12,941	14,030	13,668	14,443	15,879	40,585	37,941
OPERATING INFORMATION:										
Water KGAL sales	1,913,509	1,890,621	1,923,966	1,918,290	2,016,881	1,897,839	1,942,207	1,961,636	1,913,852	1,997,361
Sewer KGAL sales	1,073,267	1,103,925	1,105,869	1,093,066	1,103,998	1,091,718	1,127,385	1,094,075	1,137,669	1,200,835
Revenues \$/KGAL sold	4.97	5.15	5.16	5.37	5.34	5.35	5.53	5.83	6.10	5.68
Total operating expense \$/KGAL	4.23	4.24	3.71	3.69	3.57	3.70	4.15	3.97	3.26	3.75
Distribution expenses \$/Kgal sold	3.32	3.39	3.30	3.40	3.32	3.44	3.52	3.79	3.85	3.60
Installed Water meters	19,607	19,660	19,733	19,783	19,892	19,920	19,991	20,008	20,026	20,160
Water distribution employees	17	17	17	17	17	17	16	16	18	18
Water production employees	13	13	13	13	13	13	13	13	13	13
Meters/distribution employee	1,153	1,156	1,161	1,164	1,170	1,172	1,249	1,251	1,113	1,120
Meters/production employee	1,508	1,512	1,518	1,522	1,530	1,532	1,538	1,539	1,540	1,551
KGAL/distribution employee	112,559	111,213	113,174	112,841	118,640	111,638	121,388	122,602	106,325	110,965
KGAL/production employee	147,193	145,432	147,997	147,561	155,145	145,988	149,401	150,895	147,219	153,643
UTILITY FUND:										
FINANCIAL RATIOS:										
Gas profit margin (%)	17.0	13.0	24.0	19.0	13.0	22.0	20.0	31.0	21.0	15.0
Electric profit margin (%)	17.0	14.0	17.0	17.0	13.0	16.0	13.0	14.0	8.0	15.0
Telecom profit margin (%)	15.0	9.0	33.0	1.0	6.0	10.0	7.0	(1.0)	24.0	24.0
Return on total assets (%)	14.0	13.0	18.0	14.0	12.0	15.0	15.0	16.0	11.0	15.0
Return on equity (%)	22.0	21.0	28.0	20.0	16.0	21.0	20.0	20.0	14.0	19.0
Liabilities/Assets (%)	43.0	42.0	39.0	35.0	32.0	30.0	27.0	26.0	26.0	25.0
Current ratio (x)	3.6	4.0	4.4	4.8	4.3	4.5	5.1	4.8	4.4	4.6
Receivables avg. days outstanding	49.2	42.0	41.0	43.7	46.2	50.5	49.0	44.8	36.0	45.9

(continued)

CITY OF LAGRANGE, GEORGIA
UTILITY DEPARTMENT - OPERATING AND FINANCIAL RATIO ANALYSIS
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equity transfer (% of Income)	96.0	98.0	75.0	77.0	102.0	81.0	82.0	82.0	140.0	82.0
Equity fund transfer (% of Revenue)	16.0	14.0	15.0	13.0	14.0	14.0	13.0	15.0	17.0	12.0
Net Equity Transfers Out (\$)	10,496	10,533	10,900	8,600	9,081	9,400	9,330	9,865	10,925	9,000
Cash & Investments (\$)	20,942	24,982	27,618	30,967	26,642	27,512	28,248	31,569	31,234	31,169
Capital investment versus depreciation (x)	1.0	0.3	0.5	0.4	0.7	0.4	0.4	0.3	0.4	0.6
Capitalization (\$)	63,722	62,757	63,706	64,297	63,423	62,996	63,816	64,608	59,842	60,455
Working Capital (\$)	22,831	26,199	29,083	31,505	27,747	29,578	34,414	34,075	32,573	34,984
OPERATING INFORMATION:										
Electric MWH purchases ^	525,329	535,331	547,324	548,879	543,805	539,512	551,359	533,710	533,552	546,197
Electric MWH sales	505,156	514,629	532,395	535,192	531,624	526,357	539,896	530,999	523,882	532,520
Electric \$/MWH sold	97.81	103.13	102.66	94.27	91.10	94.98	95.57	89.92	89.27	96.27
Electric total operating expense \$/MWH sold	81.55	88.44	84.90	78.29	79.21	80.13	83.61	77.62	82.48	81.52
Electric purchases expense \$/MWH sold	74.16	79.54	76.51	71.08	72.06	70.70	73.77	68.37	69.68	69.66
Electric distribution expense \$/MWH sold	6.37	7.81	7.29	6.11	6.01	8.08	8.40	7.79	11.38	11.09
Installed electric meters	13,561	13,582	13,583	13,594	13,612	13,609	13,561	13,616	13,865	14,001
Electric distribution employees	12	12	12	12	12	12	17	16	16	16
Electric right-of-way employees	5	5	5	6	6	6	7	7	7	7
Meters/employee	1,130	1,132	1,132	1,133	1,134	1,134	848	851	867	875
MWHs/employee	42,096	42,886	44,366	44,599	44,302	43,863	33,744	33,187	32,743	33,283
Gas Dth purchases ^	2,157,212	2,157,212	2,281,697	2,072,075	1,934,894	2,103,741	2,189,843	2,043,810	2,155,321	2,171,284
Gas Dth sales	2,145,567	2,145,567	2,215,146	2,037,322	1,914,494	2,088,221	2,160,022	2,085,646	2,146,873	2,137,157
Gas revenue \$/Dth sold	6.81	8.00	7.59	5.60	6.11	6.38	6.80	5.94	5.89	8.67
Gas operating expense \$/Dth sold	5.63	6.94	5.76	4.56	5.34	4.99	5.41	4.12	4.65	7.37
Gas purchases expense \$/Dth sold	3.92	5.36	4.45	3.27	3.96	3.76	4.12	2.73	3.15	5.84
Gas divisional operating expenses \$/Dth sold	0.70	0.85	0.60	0.54	0.61	0.54	0.64	0.73	0.88	0.94
Installed Gas meters	9,460	9,460	9,500	9,496	9,526	9,521	9,165	9,120	9,018	9,032
Gas employees	10	8	8	8	8	8	8	8	8	8
Meters/employee	946	1,183	1,188	1,187	1,191	1,190	1,146	1,140	1,127	1,129
Dth/employee	214,557	268,196	276,893	254,665	239,312	261,028	270,003	260,706	268,359	267,145
Boring Crew		2	2	2	2	2	3	3	3	3
Customer Service Reps	6	6	6	6	6	8	9	9	9	9
Meters/CSR	7,105	7,117	7,136	7,146	7,172	5,381	4,746	4,749	4,768	4,799
Utility Service Workers	9	9	9	9	9	9	9	9	9	9
Service Orders Completed	26,188	22,337	20,816	19,649	18,719	19,048	17,302	16,164	16,430	16,423
Meters/Service Worker	4,736	4,745	4,757	4,764	4,781	4,783	4,746	4,749	4,768	4,799
Orders per USW	2,910	2,482	2,313	2,183	2,080	2,116	1,922	1,796	1,826	1,825
Total equity transfers out	11,681	12,293	13,455	12,185	12,681	13,000	12,935	13,470	15,130	12,909
Total equity transfer (% of Revenue)	14.0	14.0	15.0	15.0	16.0	16.0	15.0	16.0	18.0	14.0

Data Source: City Utility Department

**CITY OF LAGRANGE, GEORGIA
PRINCIPAL WATER CUSTOMERS
CURRENT AND NINE YEARS AGO**

Customer	2022			2013		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 664,097	1	6.0	\$ 585,194	1	4.0
City of Greenville	224,922	2	2.0	220,045	2	1.5
West Ga Health	224,131	3	2.0	156,689	4	1.1
City of Hogansville	196,232	4	1.8	145,350	5	1.0
Great Wolf Lodge	179,253	5	1.6			
Troup Co. Commissioners	169,574	6	1.5	199,240	3	1.4
Jindal Films America	165,880	7	1.5			
Troup Co. School System	124,453	8	1.1	80,722	8	0.6
Strata Lee	106,325	9	1.0			
Kimberly Clark	92,122	10	0.9	132,503	6	1.0
Lees Crossing Rent Office				96,856	7	0.7
City of West Point				79,924	9	0.5
Duracell				67,774	10	0.5
	<u>\$ 2,146,989</u>		<u>19.4</u>	<u>\$ 1,764,297</u>		<u>12.3</u>

Data Source: City Utility Department

**CITY OF LAGRANGE, GEORGIA
PRINCIPAL NATURAL GAS CUSTOMERS
CURRENT AND NINE YEARS AGO**

Customer	2022			2013		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	3,920,605	1	21.2	\$ 2,465,092	2	16.8
KIA Motor Corporation	3,531,041	2	19.1	3,157,510	1	21.5
Mountville Mills, Inc	1,171,061	3	6.3	618,800	4	4.2
Jindal Films America	821,702	4	4.5			
Interface Flooring Systems	622,324	5	3.4	520,036	6	3.5
Kimberly Clark	501,874	6	2.7	620,796	3	4.2
West Ga Health	491,798	7	2.7	348,090	7	2.4
Great Wolf Lodge	409,887	8	2.2			
Troup Co. School System	198,402	9	1.1	154,377	9	1.1
CW Matthews Contracting Co.	181,399	10	1.0			
Exxon Mobil				524,520	5	3.6
Custom Organics				291,550	8	2.0
Glovis Georgia				122,509	10	0.8
	<u>\$ 11,850,093</u>		<u>64.2</u>	<u>\$ 8,823,280</u>		<u>60.1</u>

Data Source: City Utility Department

**CITY OF LAGRANGE, GEORGIA
PRINCIPAL ELECTRIC CUSTOMERS
CURRENT AND NINE YEARS AGO**

Customer	2022			2013		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Jindal Films America	\$ 3,690,150	1	7.2			
Duracell USA	2,415,736	2	4.7	\$ 2,392,673	2	4.8
Sewon America, Inc	1,827,257	3	3.6	1,561,874	4	3.1
Interface Flooring Systems	1,493,954	4	2.9	1,234,829	6	2.5
WalMart	1,438,887	5	2.8	1,419,237	5	2.9
West Ga Health	1,399,481	6	2.7	1,641,427	3	3.3
Troup Co. School System	1,198,516	7	2.3	1,071,210	7	2.2
SAFA	1,140,331	8	2.2	993,175	8	2.0
Seoyon Interior Systems	891,798	9	1.7			
LaGrange College	837,396	10	1.6	737,184	10	1.5
Exxon Mobil				3,524,627	1	7.1
Mountville Mills				873,589	9	1.8
	<u>\$ 16,333,506</u>		<u>31.7</u>	<u>\$ 15,449,825</u>		<u>31.2</u>

Data Source: City Utility Department

**CITY OF LAGRANGE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Certificates of Participation	Financed Purchases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Notes Payable			
2013	\$ 5,442,500	\$ 3,888,000	\$ -	\$ 1,875,000	\$ 9,735,000	\$ 3,875,000	\$ 3,804,272	\$ 28,619,772	5.67%	953
2014	5,140,000	3,888,000	-	1,565,000	8,985,000	3,660,000	7,553,825	30,791,825	6.07%	1,019
2015	4,932,500	3,888,000	-	1,225,000	8,215,000	3,435,000	18,296,132	39,991,632	7.89%	1,318
2016	4,570,000	3,888,000	2,545,000	855,000	7,415,000	3,195,000	20,123,755	42,591,755	8.40%	1,394
2017	21,120,000	3,888,000	2,315,323	445,000	6,590,000	2,940,000	19,176,976	56,475,299	11.14%	1,837
2018	20,737,500	3,888,000	2,080,456	-	5,740,000	2,670,000	18,211,640	53,327,596	10.52%	1,700
2019	20,005,000	3,888,000	1,842,408	-	4,860,000	2,385,000	17,227,306	50,207,714	9.90%	1,581
2020	19,247,500	3,888,000	1,600,136	-	3,950,000	2,090,000	16,223,544	46,999,180	9.27%	1,464
2021	18,462,500	3,888,000	1,351,202	1,635,000	32,194,551	1,780,000	13,248,725	72,559,978	14.31%	2,395
2022	17,647,500	3,888,000	1,095,422	1,408,000	30,258,812	1,455,000	12,385,478	68,138,212	10.47%	2,198

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

** See Demographic and Economic Statistics for personal income and population data.

**CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 7,265,383	45%	\$ 3,269,422
Troup County School System	35,005,005	45%	15,752,252
Subtotal, overlapping debt			<u>19,021,675</u>
Direct debt:			
City of LaGrange, Georgia governmental activities			24,038,922
Subtotal, direct debt			<u>24,038,922</u>
Total direct and overlapping debt			<u><u>\$ 43,060,597</u></u>

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of LaGrange, Georgia.

This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

**CITY OF LAGRANGE, GEORGIA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Gross Revenue *	Less: Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
2021	\$ 18,627,256	\$ 8,963,081	\$ 9,664,175	\$ -	\$ -	\$ -	0.00
2022	18,173,806	9,446,309	8,727,497	775,000	1,029,012	1,804,012	4.84

* Operating and non-operating revenue available for debt service.

** Operating expenses other than interest on debt, depreciation and amortization.

*** Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that fiscal year. There were no debt service payments made in 2021.

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements.

Note: The City issued Water and Sewer Series 2021 Bonds in fiscal year 2021. This schedule will show ten years as accumulated.

**CITY OF LAGRANGE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City/County Consolidated School Enrollment **	Unemployment Rate ***
2013	30,000	\$ 504,900,000	\$ 16,830	33.0	N/A	12,755	10.0%
2014	30,000	506,900,000	16,897	33.0	N/A	12,667	9.5%
2015	30,000	506,900,000	16,897	33.0	N/A	12,506	6.3%
2016	30,000	506,900,000	16,897	33.0	N/A	12,386	5.2%
2017	30,000	506,900,000	16,897	33.0	N/A	12,204	4.9%
2018	30,500	506,900,000	16,620	33.0	N/A	12,100	3.9%
2019	30,300	506,900,000	16,730	33.0	N/A	12,066	3.6%
2020	30,300	506,900,000	16,730	33.0	N/A	12,184	9.1%
2021	30,300	506,900,000	16,730	33.0	N/A	12,121	5.1%
2022	31,000	651,000,000	21,000	34.0	N/A	12,252	3.2%

N/A = Not Available

Data Sources:

* Source: LaGrange Planning Office. Estimates are provided for numbers for which exact figures cannot be obtained based on census data.

** Board of Education

*** Troup County Department of Labor (latest completed calendar year, City of LaGrange)

**CITY OF LAGRANGE, GEORGIA
PRINCIPAL EMPLOYERS BY NUMBER OF EMPLOYEES
CURRENT AND NINE YEARS AGO**

Employer	Type of Business	2022			2013		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Troup County School System	Education	1,939	1	21.3	1,939	1	22.2
West Georgia Health Systems	Medical Services	1,300	2	14.3	1,300	2	14.9
WalMart Distribution Center	Warehousing	1,175	3	12.9	880	5	10.1
Mountville Mills	Carpet	965	4	10.6			
Sewon America, Inc.	Car Manufacturing Supplier	800	5	8.8	880	6	10.1
Milliken & Co.	Carpet	787	6	8.6	924	4	10.6
Interface Flooring	Floor coverings	717	7	7.9	1,000	3	11.5
Troup County Board of Commissioners	Government	552	8	6.1	552	7	6.3
Great Wolf Lodge	Resort	450	9	4.9			
City of LaGrange	Government	420	10	4.6			
Duracell	Batteries				428	8	4.9
City of LaGrange	Government				420	9	4.8
American Home Shield	Home Warranties				400	10	4.6

Data Source: LaGrange - Troup Chamber of Commerce

* Information not available

CITY OF LAGRANGE, GEORGIA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
CURRENT AND NINE YEARS AGO

	Fiscal Year Ended June 30									
Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
General Government	16	16	16	16	16	13	13	13	17	19
Public safety:										
Police	95	95	99	105	105	105	106	108	108	114
Fire	57	57	57	57	57	64	64	65	65	67
Animal control	4	4	4	4	4	4	4	4	4	4
Court services	3	3	3	3	3	3	3	3	3	4
Probation services	5	5	5	5	5	5	5	5	5	0
Public service:										
Landscaping & cemeteries	8	8	8	8	9	18	18	18	21	23
Highways & streets	17	17	17	17	17	17	16	17	17	23
Traffic control	3	3	3	3	3	3	3	2	2	2
Trash and refuse	8	8	8	8	8	8	8	8	9	9
Recycling			3	3	3	5	5	5	4	3
Engineering	2	2	2	2	2	2	2	2	1	1
Community development:										
Life & building safety	0	0	0	0	0	0	0	0	0	0
Housing & inspections	1	0	0	0	0	0	0	0	0	0
Economic development	1	1	1	1	1	1	1	1	2	2
Community and economic development	7	8	8	8	8	9	8	9	9	4
Other governmental services:										
Vehicle maintenance	16	16	16	16	17	17	15	12	12	11
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	245	245	252	258	260	276	273	274	281	288
Business-type activities:										
Water & sewerage	64	64	63	63	63	63	63	63	64	64
Electric	17	17	17	17	17	18	23	23	23	23
Gas	10	10	8	8	8	8	8	8	8	8
Telecommunications	5	6	8	8	8	8	8	8	9	9
Sanitation	32	32	31	31	31	31	33	15	16	16
Business-type activities support services	27	27	29	29	29	32	32	33	35	35
Total Business-type activities	155	156	156	156	156	160	167	150	155	155
Grand total	400	401	408	414	416	436	440	424	436	443

Data Source: City Finance Office

**CITY OF LAGRANGE, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical arrests	6,111	5,780	5,431	4,519	4,018	4,175	3,323	2,929	2,776	3,171
Parking violations	424	298	255	255	391	611	288	108	23	106
Traffic violations	20,060	14,488	13,363	12,625	12,955	15,095	14,809	8,029	7,702	11,386
Fire										
Number of calls answered	4,723	4,477	4,705	4,634	4,607	4,722	5,040	5,470	5,474	5,575
Inspections	2,715	2,715	2,289	2,579	2,451	1,986	2,598	2,236	2,399	1,984
Health and Welfare										
Animal Control (captured animals-City)	1,446	1,331	1,209	1,163	1,132	1,394	1,568	1,202	1,437	1,239
Highways and streets										
Street resurfacing (miles)	23	3	2	2	5	2	6	4	2	5
Potholes repaired	57	71	53	74	58	72	13	63	76	84
Water and sewerage										
New water connections	7	36	105	111	144	162	129	164	207	192
New sewage connections	22	31	22	28	29	17	59	74	79	83
Average daily consumption (thousands of gallons)	5,242	5,179	5,271	5,288	5,526	5,200	5,321	5,384	5,243	5,472
Average daily sewage treatment (thousands of gallons)	4,370	4,940	4,270	5,120	4,900	3,750	3,750	6,480	4,570	5,500
Gas										
Breaks on gas main	1	2	5	6	0	0	1	4	1	1
Solid waste										
Refuse collected (tons/day)	412	419	442	442	442	442	50	58	63	31
Recyclables collected (tons/day)	11	13	15	15	15	15	20	15	18	0

Data Sources: Various City Departments

Note: Indicators not available for the general government function.

* Information not available

**CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	82	77	89	86	89	93	98	97	98	96
Fire stations	5	5	5	5	5	5	5	6	6	6
Fire engines	10	10	10	11	11	9	9	9	9	9
Health and welfare:										
Animal control:										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Cemeteries	6	6	6	6	6	11	11	11	11	11
Parks acreage	207	207	207	207	207	207	211	211	211	211
Parks	14	14	14	14	14	14	15	15	15	15
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Community centers	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	207	207	207	209	209	214	218	222	226	227
Streetlights (additions)	25	25	52	209	50	72	84	48	81	90
Traffic signals (City owned)	8	8	8	8	8	8	8	8	8	8
Water and sewerage:										
Water mains (miles)	435	442	446	448	449	445	449	453	453	461
Fire hydrants	2,060	1,919	1,919	1,929	1,939	1,930	1,971	2,011	2,038	2,079
Maximum daily water capacity (thousands of gallons)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Sanitary sewers (miles)	215	215	215	215	215	215	216	217	238	249
Storm sewers (miles)	57	57	57	57	57	57	57	61	68	68
Maximum daily sewer treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	10,000	10,000	12,500	12,500	12,500
Gas:										
Gas lines (miles)	326	327	327	339	343	337	337	341	341	342
Number of distribution stations	14	17	18	19	19	19	18	14	14	15
Sanitation:										
Collection trucks	41	42	44	44	44	44	18	14	14	16

Data Sources: Various City departments.

Note: No capital asset statistics are available for the general government function.