

CITY OF LAGRANGE, GEORGIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



LAGRANGE
GEORGIA

Prepared by the City Finance Department

**CITY OF LAGRANGE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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INTRODUCTORY SECTION



April 15, 2024

Citizens of the City of LaGrange, Georgia
Honorable Mayor
Members of the City Council

Ladies and Gentlemen:

Georgia law requires that every local government publish within six months of the close of each fiscal year, a complete set of audited financial statements. Pursuant to that requirement, the City of LaGrange, Georgia ("City") hereby issues its annual comprehensive financial report for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

Mauldin & Jenkins, Certified Public Accountants, LLC, have audited the City's financial statements. The independent audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Mauldin & Jenkins has issued an unmodified opinion on the City's financial statements for the fiscal year, and the auditors' report is presented as the first component of the financial section of this report.

The City is subject to the requirements of the Governmental Accounting Standards Board Statement 34, which requires introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A complements this letter of transmittal and should be read in conjunction with it. The City's MD&A immediately follows the independent auditors' report.

Profile

City Government – According to the most recent federal census, LaGrange was projected to have a population of approximately 31,773 at the beginning of the 2023 fiscal year. The City was incorporated in 1828 and operates under the Council-Manager form of government. The City Council is made up of six members, three elected from each of the City's two districts, and a mayor who is elected at large. All members of the elected body serve four-year terms. Under the City's charter, a full-time city manager is employed by and serves at the pleasure of the Mayor and Council. The City Manager is the Chief Operating Officer of the City government and is responsible for the administration and day-to-day operations of all departments.

City Services - The City provides a wide range of both governmental and utility services to over 30,000 residents located within the corporate limits of LaGrange. Some utility services are delivered to customers located in the unincorporated areas of Troup County. Traditional governmental services include general administration, planning and zoning, police and fire protection, parks and cemeteries, plan review and building inspections, economic development, and construction and maintenance of streets and sidewalks. Utility services include electricity, water, sewer, sanitation, natural gas, telecommunications, telephony, and internet access. The City also operates an amphitheater and Subtitle D landfill. Internal support is provided to these various operations through building and fleet maintenance, accounting and financial services, computer and information systems, and personnel and human resources. The City is primarily self-insured and reserves funds for group health, workers' compensation, and property and casualty claims.

Component Units - As a part of its overall community and economic development initiatives, the City works through the LaGrange Development Authority, Downtown Development Authority, and Visit LaGrange. The financial statements of these component units are included in the government-wide statements of this audit report based on the City's influence on the organizations through board appointments, financial integration, and accountability.

Budget Process - The City's annual budget serves as the foundation for financial planning, control, and professional management of City resources. The budget provides for setting priorities and an orderly means of controlling cash flows and disbursements. Department managers are required to submit requests for appropriations to the City Manager on or about April 1. The City Manager reviews these requests along with needed changes in rates and fees in order to develop a balanced budget for presentation to the Mayor and Council. Following review and comment on the proposed budget, the Mayor and Council are required to hold public hearings and to adopt a final budget no later than the close of the fiscal year on June 30.

Budget Control - The legal level of budgetary control is at the fund and department level. Department managers in consultation with the City Manager are allowed to make transfers between line items of their operational budgets. The Mayor and Council approve budget transfers or revisions between departments. Budgetary control is maintained with monthly reviews of actual results compared to budget and with budget confirmation prior to the issuance of a purchase order. Under Georgia law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed appropriations at either the department or fund level. Unutilized encumbrances (unexpended funds) lapse at the fiscal year-end. Multi-year capital funds (or projects) may show a reservation of fund balance.

Factors Affecting Financial Condition

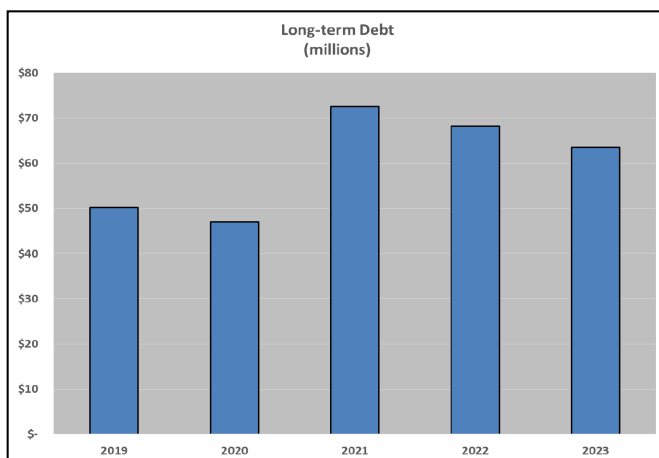
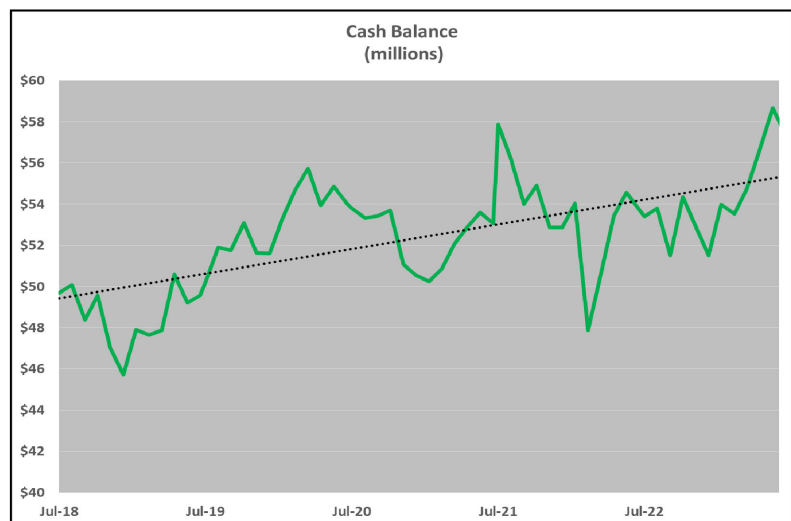
Location and Transportation - The City is located in west central Georgia, approximately 70 miles southwest of Atlanta via Interstate 85. Hartsfield-Jackson Atlanta International Airport is located 45 minutes away via I-85, and Columbus is less than an hour away via I-185 south. CSX provides full-service 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.

Industry - The Georgia International Business Park (GIBP), launched in 2018, combines the LaGrange Industrial Business Park, Jim Hamilton Park, and Callaway South Industrial Park, under the GIBP banner.

It is the largest business park in the Southeast, fourth largest in the country and home to more than 41 international companies representing 18 countries. Industrial utility sales represent a large portion of the City's annual revenues.

Tourism - West Point Lake, managed by the U.S. Army Corps of Engineers, extends 35 miles along the Chattahoochee River on the Alabama-Georgia state line. The lake's 525 miles of shoreline provide excellent opportunities for fishing, camping, boating and other recreational activities. Located around the lake are day use parks, campgrounds, two commercial marinas, beach areas, fishing piers and public hunting areas. Most of the parks have picnic shelters, boat launching ramps with courtesy docks, nature trails and great access to the lake for fishing. Great Wolf Lodge consists of a 300,000 square foot, four-story block and plank hotel with 456 themed suites; a 20,000 square foot steel framed conference center; and a 35,000 square foot, one-story lobby area. A 93,000 square foot indoor water park serves as the centerpiece of the resort, which provides a continuous boost for tourism and economic development in the local community.

City Operations - Revenues used to fund City operations come from both governmental and business-type activities. Governmental revenues include taxes, regulatory fees, court fines, and donations. Business-type activities generate revenues from the sales of utility and sanitation services. Revenues above expenses and debt service requirements are placed into cash reserves. Adequate cash reserves provide stability during fluctuating economic conditions and variations in weather, which impact utility sales. The City's average cash balance for fiscal year ending June 30, 2023 was \$54.4 million.



Long-term Liabilities - The City routinely utilizes debt financing to pay for assets and projects with high costs and long useful lives in order to spread these costs over multiple budget years and minimize the financial impact on citizens and consumers. Debt exists in the form of revenue bonds, certificates of participation through Georgia Municipal Association (GMA) financing programs, notes, financed purchases, and intergovernmental agreements. The City's outstanding long-term liabilities, excluding landfill closure, pension, OPEB, and payroll liabilities, totaled \$63.5 million on June 30,

2023. This figure represents a decline of \$4.9 million versus the prior fiscal year.

Major Initiatives

Utility Infrastructure – In 2021, the City issued \$29.2 million in revenue bonds of which \$2.0 million was used to refund GEFA loans and the remainder to fund numerous water and sewer infrastructure projects. These multi-year projects remained unfinished at the close of the fiscal year. The list of projects includes: 1) upgrades at the Long Cane Wastewater Treatment Plant; 2) repairs and upgrades at the Walter Williams Filtration Plant; 3) water line extension to Rosemont Elementary School; 4) utility relocations for the widening of Hamilton Road U.S. 27; and 5) three lift stations.

Capital Projects – The citywide camera system used by the Police Department was expanded, and quick response vehicles were purchased by the Fire Department to provide for more efficient dispatching to medical emergencies. SPLOST V funds were used to repair and resurface streets, remodel the third floor of the Police Department headquarters, and rehabilitate the playground at Granger Park.



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 36th consecutive year that the City has received this award. To be awarded a Certificate of Achievement, the recipient 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.

Acknowledgements

The timely preparation and publication of this Annual Comprehensive Financial Report is the result of significant effort by the Finance Department working with the City's independent auditors, Mauldin & Jenkins, Certified Public Accountants, LLC. I also want to express my sincere appreciation to the Mayor and Council and department managers for their assistance and leadership this past year in matters pertaining to the financial affairs of the City.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Patrick Bowie".

Patrick Bowie
Interim City Manager / Director of Utilities
City of LaGrange, Georgia



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, 2022

Christopher P. Morill

Executive Director/CEO

City of LaGrange, Georgia
LIST OF PRINCIPAL OFFICIALS

June 30, 2023

ELECTED OFFICIALS

Willie Edmondson	Mayor
Quay Boddie	Council Member
Tom Gore	Council Member
Jim Arrington	Council Member
Nathan Gaskin	Council Member
Mark Mitchell	Council Member
Leon Childs	Council Member

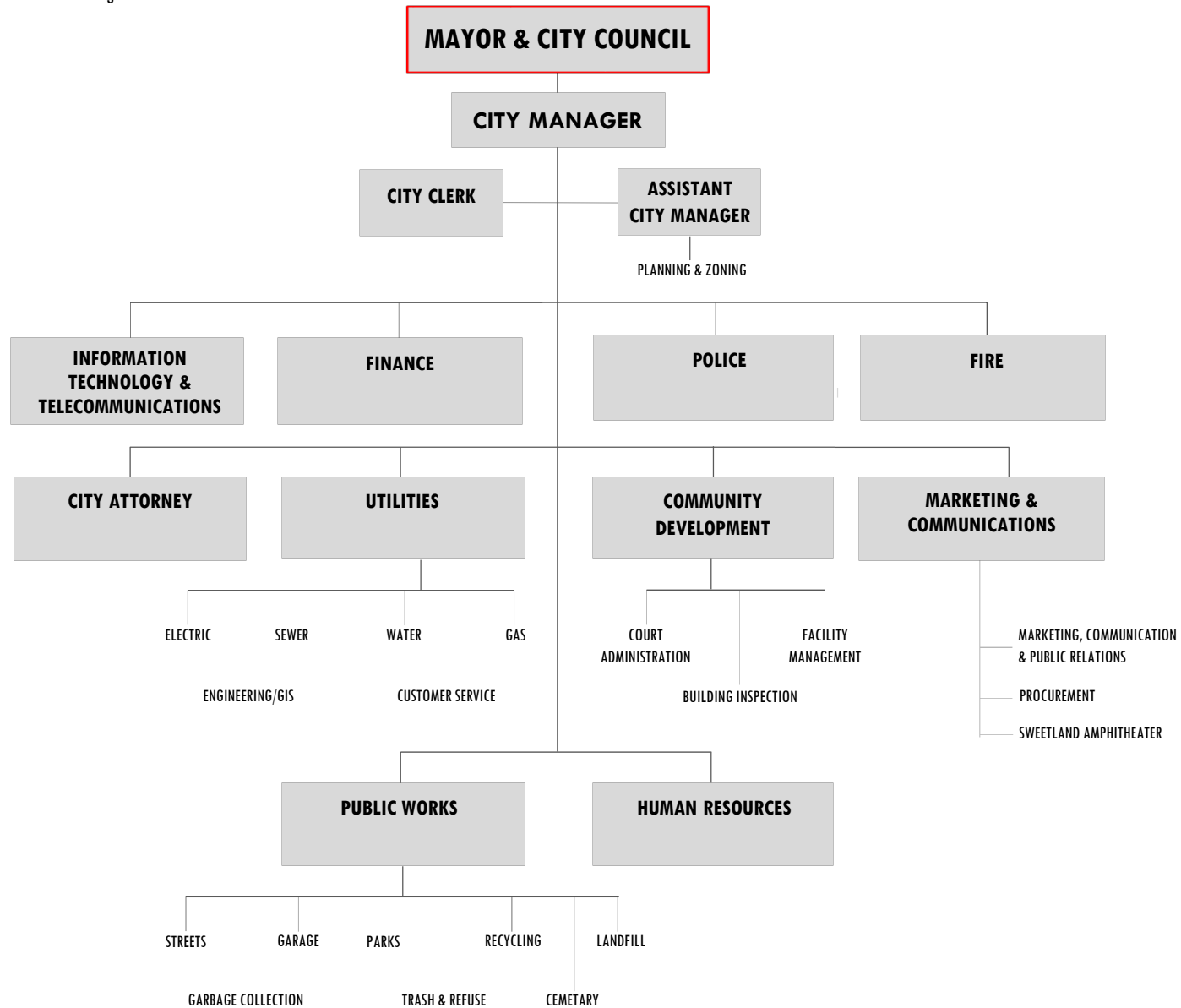
OTHER OFFICIALS

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
Garrett Fiveash	Chief of Police
Willie Bradfield	Fire Chief
Alan Slaughenhaupt	Director of Information And Technology
Katie Van Schoor	Marketing and Communications Manager



LAGRANGE GEORGIA

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, 2023, 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, 2023, 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 Visit LaGrange (the "CVB"), which represents 9 percent, 10 percent, and 68 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023. We also did not audit the financial statements of the LaGrange Development Authority (the "LDA"), a blended component unit of the City, which represents 33 percent, 49 percent and 6 percent, respectively, of the assets, fund balance, and revenues of the major funds as of June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Visit LaGrange and the LaGrange Development Authority are 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 and Visit LaGrange were not audited in accordance with *Government Auditing Standards*.

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.

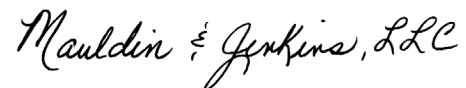
Other Information

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 April 15, 2024 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
April 15, 2024

CITY OF LAGRANGE, GEORGIA
Management's Discussion and Analysis
June 30, 2023

As management of the City of LaGrange ("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, 2023. 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 in the introductory section of this financial report.

FINANCIAL HIGHLIGHTS

- Known as net position, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by approximately \$216,470,000. Of this amount, approximately \$177,020,000 represents a net investment in capital assets, approximately \$2,579,000 is restricted for special purposes and external parties, and approximately \$36,871,000 is available to meet the City's ongoing obligations. Governmental activities produced an increase in net position of approximately \$7,898,000. Business-type activities produced an increase in net position of approximately \$2,534,000.
- The City's governmental funds reported a combined ending fund balance of \$22,030,098, an increase of \$5,637,749 from the restated prior fiscal year. The General Fund ending fund balance of \$10,975,755 represented 30.2% of total General Fund expenditures.
- The City's net pension liability increased approximately \$10,732,000 during the fiscal year, and the total OPEB liability decreased approximately \$2,996,000.
- The total additions in capital assets for governmental and business-type activities, net of deletions, amounted to approximately \$16,077,000 bringing the total balance net of depreciation to \$221,348,000.
- The City's long-term debt, excluding pension, OPEB, landfill, and compensated absence obligations, decreased by approximately \$4,583,000. As a percentage of government-wide net position, the decrease was from 37.8% to 33.1%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City'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 governmental 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 sewer, sanitation, telecommunications, electric, and natural gas services (i.e., utilities) as well as the Sweetland Amphitheater (Downtown Development Authority or DDA), a community development venture that will generate revenue through ticket sales, user fees, and other related activities. The DDA is reported as a blended component unit of the City.

The City's financial statements include not only the City's governmental and business-type activities (known as the primary government), but also several legally separate component units: the Downtown LaGrange Development Authority (DLDA) and Visit LaGrange, which are reported as discretely presented component units as well as the LaGrange Development Authority (LDA), which is reported as a blended component unit along with the DDA. Financial information for the discretely presented 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, the Capital Projects Fund,

and the LDA 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 and special revenue funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budgeted amounts. Budgetary comparison statements have been provided for the special revenue funds in the supplementary financial information elsewhere in this report. Since the capital project fund budgets are adopted on a project basis, supplementary budgetary comparison schedules have not been provided.

Proprietary funds

The City maintains two different types of business-type 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 electric, gas, telecommunications, water and sewerage, sanitation, and Sweetland Amphitheater operations. 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 to the financial statements 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

Net position serves as a useful indicator of a government's financial condition. As mentioned above, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$216,470,000 at the close of the fiscal year 2023, an increase of approximately \$10,432,000. Governmental activities increased net position by approximately \$7,898,000 and business-type activities increased net position by approximately \$2,534,000.

A substantial portion of the City's net position, approximately 82%, reflects its net investment in capital assets (e.g., land, construction in progress, buildings, infrastructure, machinery, vehicles and equipment); less any related debt or capital related payables used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not funds available for future spending. Although the City's investment in its capital assets is reported net of related debt and payables, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance represents the net position restricted for specific purposes (1.2%) and the unrestricted amount that may be used to meet the City's ongoing obligations to citizens and creditors (17.0%).

A summary of the statement of net position as of June 30, 2023, and June 30, 2022, is shown below. At the end of fiscal year 2023, the City shows positive net position and fund balance for the governmental activities, governmental funds, as well as for its business-type activities.

City of LaGrange's Summary of Net Position

(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets:								
Current and other assets	\$ 34,404	\$ 14,977	\$ 79,775	\$ 87,810	\$ 114,179	\$ 102,787	34.02%	33.82%
Capital assets	100,878	85,479	120,546	115,678	221,424	201,157	65.98%	66.18%
Total assets	135,282	100,456	200,321	203,488	335,603	303,944	100.00%	100.00%
Deferred outflows of resources	8,106	5,243	4,186	2,745	12,292	7,988	100.00%	100.00%
Liabilities:								
Current liabilities	6,720	4,012	12,010	10,449	18,730	14,461	15.38%	12.18%
Long-term liabilities	45,600	41,786	57,489	62,517	103,089	104,303	84.62%	87.82%
Total liabilities	52,320	45,798	69,499	72,966	121,819	118,764	100.00%	100.00%
Deferred inflows of resources	7,752	10,105	1,853	2,647	9,605	12,752	100.00%	100.00%
Net position:								
Net Investment in capital assets	79,669	78,714	97,351	96,223	177,020	174,937	81.78%	96.96%
Restricted	2,579	2,131	-	-	2,579	2,131	1.19%	1.18%
Unrestricted	1,068	(31,049)	35,804	34,397	36,872	3,348	17.03%	1.86%
Total net position	\$ 83,316	\$ 49,796	\$ 133,155	\$ 130,620	\$ 216,471	\$ 180,416	100.00%	100.00%

Comparison of Current Assets and Liabilities

A comparison of current assets to current liabilities for both governmental and business-type activities can be a good indication of the City's ability to meet its current and existing operational responsibilities. The ratios for the current and prior fiscal years are as follows:

	Fiscal Year 2023 (rounded)	Fiscal Year 2022 (rounded)
Current Assets	\$114,179,000	\$102,787,000
Current Liabilities	\$18,730,000	\$14,461,000
Ratio	6.10	7.11

On the following page is a breakdown of revenues and expenses by governmental and business-type activities for fiscal years 2023 and 2022.

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)	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues:								
Program:								
Charges for services	\$ 3,819	\$ 3,168	\$ 109,708	\$ 96,052	\$ 113,527	\$ 99,220	75.65%	75.28%
Operating grants	7,456	7,653	-	-	7,456	7,653	4.97%	5.81%
Capital grants and contributions	7,142	7,167	731	-	7,873	7,167	5.25%	5.44%
General:								
Sales and use taxes	8,003	7,307	-	-	8,003	7,307	5.33%	5.54%
Insurance taxes	2,585	2,436	-	-	2,585	2,436	1.72%	1.85%
Other taxes	9,035	8,168	-	-	9,035	8,168	6.02%	6.20%
Investment earnings (loss)	543	599	492	(1,748)	1,035	(1,149)	0.69%	-0.86%
Miscellaneous	561	995	-	-	561	995	0.37%	0.75%
Total revenues	39,144	37,493	110,931	94,304	150,075	131,797	100.00%	100.00%
Program Expenses:								
General government	4,531	5,434	-	-	4,531	5,434	3.24%	4.40%
Judicial	16	4	-	-	16	4	0.01%	0.00%
Public safety	21,445	20,159	-	-	21,445	20,159	15.35%	16.31%
Public works	6,975	4,552	-	-	6,975	4,552	4.99%	3.68%
Culture and recreation	2,900	2,476	-	-	2,900	2,476	2.08%	2.00%
Community development	9,112	6,250	-	-	9,112	6,250	6.52%	5.06%
Interest and fiscal charges	1,817	957	-	-	1,817	957	1.30%	0.77%
Utilities	-	-	72,871	64,591	72,871	64,591	52.16%	52.27%
Water and sewerage	-	-	15,545	14,284	15,545	14,284	11.13%	11.56%
Sanitation	-	-	3,169	3,280	3,169	3,280	2.27%	2.65%
Sweetland Amphitheater	-	-	1,315	1,582	1,315	1,582	0.96%	1.30%
Total expenses	46,796	39,832	92,900	83,737	139,696	123,569	100%	100%
Excess (deficiency)	(7,652)	(2,339)	18,031	10,567	10,379	8,228		
Gain on sale of assets	-	-	53	1	53	1		
Transfers	15,550	13,294	(15,550)	(13,294)	-	-		
Change in net position	7,898	10,955	2,534	(2,726)	10,432	8,229		
Beginning net position, as restated	75,418	38,841	130,620	133,346	206,038	172,187		
Ending net position	\$ 83,316	\$ 49,796	\$ 133,154	\$ 130,620	\$ 216,470	\$ 180,416		

Governmental activities

As noted above, governmental activities increased net position by approximately \$7,898,000 during the fiscal year. This compares to \$10,955,000 in fiscal year 2022. A restatement to opening net position of governmental activities in fiscal year 2023 was reported due to a change in accounting principle by which the LDA qualified as a blended component unit and major governmental fund of the City. The highlights for revenue and expenses impacting the governmental activities are as follows:

Revenues

- The largest revenue source for governmental activities in fiscal year 2023 was taxes (general taxes, sales taxes, insurance taxes etc.) which totaled approximately \$19,623,000 or 50.1% of total governmental activity revenues. Transfers from utilities, which totaled approximately \$15,500,000 represented the second largest source contributing the governmental activities change in net position. Another substantial revenue source came from operating and capital grants, which includes SPLOST proceeds in the approximate amount of \$14,598,000 or 37.3% of the governmental activity

revenues. The remainder of available revenues came from charges for services, interest earnings, and other miscellaneous sources.

- Local option sales taxes increased by \$778,210, hotel/motel taxes increased \$564,635, SPLOST collections increased \$686,557, and building permit fees increased \$356,806, all due to increased economic activity in the community.
- ARPA funds totaling \$3,878,550 were transferred into the General Fund from the ARPA Fund compared to \$3,014,586 last fiscal year. This was directly attributable to revenue recognized in the fund for coronavirus state and local fiscal recovery funding use.
- Electric Fund transfers into the General Fund increased \$2,000,000 this fiscal year. Transfers were reduced by \$2,000,000 in fiscal year 2022 due to the availability of ARPA funds to support the General Fund.
- Interest earned on cash in governmental funds increased due to higher cash balances associated with ARPA funds and increased interest rates on invested funds.

Expenses

- Public Safety is the largest governmental expense at 45.8% during fiscal year 2023, a slight decline from 50.6% last fiscal year due to an increase Public Works and Culture and Recreation spending.
- General pavement repair, repaving, and resurfacing expenses increased \$1,333,119 with a significant portion of this amount related to prior year Local Maintenance & Improvement Grant (LMIG) funding.
- An appropriation of \$1,212,500 was made from the General Fund to support the renovation of the LaGrange Memorial Library.
- SPLOST Fund expenses declined \$2,148,869 this fiscal year. Road and Bridge Improvements spending increased \$1,447,255; Parks spending increased \$43,962; Public Safety Facilities and Equipment spending decreased \$351,497; Thread Multi-Use Trail spending decreased \$1,568,657 due to delays in obtaining easements and CSX permits; Gateway Corridor Enhancement spending decreased \$772,867; and Stormwater Management Initiatives decreased \$928,096.

Business-type activities

As noted above, business-type activities increased net position by approximately \$2,534,000 during the fiscal year. This compares to a decline of approximately \$2,726,000 in fiscal year 2022. The highlights for business-type activity revenue and expenses are as follows:

Revenues

- Water and sewer connection fees increased \$2,532,343 due to housing growth in the community, particularly several new apartment complexes.
- Sewer sales revenues increased \$902,960.

- Electricity sales revenue increased \$4,561,496 due to a \$0.009 per kilowatt-hour or 42.9% increase in the City's Purchased Power Adjustment (PPA) necessary to recover the variable costs of power generated and purchased.
- Off-system electric sales sold to other utilities increased by \$3,204,264. This was due to higher wholesale market prices combined with an accounting change in the calculation of the City's PPA. Historically, sales to other Municipal Electric Authority of Georgia (MEAG) participants, known as surplus sales, were credited against variable costs and not included in off-system sales revenue in the same manner as sales to other utilities outside the MEAG system. Beginning in June 2022, these surplus sales were no longer credited against PPA expenses and were treated as off-system sales revenue. This change is supported by the current PPA tariff language found in the City Code.
- Natural gas sales revenue increased \$2,167,308 due to a \$0.20 per therm. or 40% increase in the City's Purchased Gas Adjustment (PGA) used to recover the wholesale cost of natural gas plus interstate pipeline fuel and distribution system losses. According to the U.S. Energy Information Administration, "The 2022 average Henry Hub real natural gas spot price increased over 53% from 2021, the fourth-largest year-over-year increase in natural gas prices on record...During the first quarter of 2022, declining U.S. natural gas production due to production freeze-offs in January and February and high net withdrawals of natural gas from storage caused the natural gas price to increase. Continued high demand for U.S. liquefied natural gas (LNG) exports in Europe and rising, weather-driven demand for natural gas in the United States led to relatively wide Henry Hub price ranges..."

Expenses

- Metering expenses grew by \$1,035,606 as meters were installed to serve new customers, older meters were replaced, and meters were converted to Automated Metering Infrastructure (AMI). As noted above, water and sewer connection fee revenue increased to partially offset the increase in metering expenses.
- Electric energy purchased from MEAG, and the Southeastern Power Administration (SEPA) increased \$5,309,563. At the end of the fiscal year, the City's PPA balance was \$1,433,042 under collected, representing accrued expenses to be collected from customers at a future date.
- Natural gas purchased by the City from Interconn Resources, the Municipal Gas Authority of Georgia, and the Tennessee Energy Acquisition Corporation increased \$2,321,279. Gas purchases are tied to the first of the month index published in *Platts Inside FERC's Gas Marketing Report* plus any supplemental daily purchases needed to meet demand. At the end of the fiscal year, the City's PGA balance was \$530,111 under collected, representing accrued expenses to be collected from customers at a future date.

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 governmental operating fund of the City. At the end of 2023, unassigned fund balance of the General Fund was \$9,131,954 while total fund balance reached \$10,975,775, an increase of \$4,590,784 over the fiscal year. Revenues increased \$1,120,067 or 6.0%, transfers in from other funds increased \$3,633,646 or 20.8%, and expenditures increased \$2,633,716 or 7.8% producing the net increase in fund balance for 2023. In addition, General Fund expenditures decreased \$116,924 due to the move of the Development Authority president and his assistant from the City budget to the LaGrange Development Authority budget. As a measure of the General Fund's stability, it is useful to compare the fund balance to total fund expenditures. The General Fund balance represents 30.2% of total General Fund expenditures. Net transfers in from other funds to supplement the General Fund were \$21,132,080, representing approximately 58.1% of total General Fund expenditures. The City of LaGrange does not levy a property tax and relies on business-type activities and other sources of revenue to support governmental services.

The fund balance of the SPLOST V Fund was \$358,357 at the end of fiscal year 2023. This represented an increase of \$1,489,876 over fiscal year 2022, which had resulted with a prior deficit balance. Project delays combined with ongoing SPLOST collections contributed to the increase in fund balance.

There was minimal change in the fund balance of the Capital Projects Fund during fiscal year 2023. There was an increase in fund balance of \$90,886 as charges for services, interest income and miscellaneous income outpaced debt service and capital outlay in the current fiscal year.

The City began reporting the LaGrange Development Authority (LDA) in fiscal year 2023 as a blended component unit and major governmental fund as the City is responsible for repaying a portion of the Authority's outstanding bonded debt. Separate financial statements of the LDA are prepared.

Nonmajor Governmental Funds had a total deficit fund balance of \$327,000 at year end. The deficit fund balance, which is attributable to the Tax Allocation District – Marriott as a result of an advance from the Utility Fund, will be recovered in subsequent years with future taxable revenues collected within the district.

Proprietary Funds

Unlike governmental funds, which report equity as fund balance, proprietary funds report equity as net position. The unrestricted net position of the Utility Fund at the end of 2023 was \$31,229,441, an increase of \$2,111,052. The Water and Sewerage Fund unrestricted net position was \$11,569,348, a decrease of \$419,982. The Sanitation Fund unrestricted net position was a deficit of \$6,867,018, a decrease of \$357,794. The DDA unrestricted net position was a deficit of \$128,321, an increase of \$72,976. Decreases in net position are in large part attributable to the transfers out of proprietary funds to supplement governmental activity. Other factors regarding the activity of these funds have already been discussed in the City's business-type activities analysis.

GENERAL FUND BUDGETARY HIGHLIGHTS

All budget amendments at the department (functional) level must be approved by the City Council. A schedule showing the variance between actual expenditures and final budgets for the General Fund is shown in audit schedule *STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023* and further discussed in Note 2 to the financial statements. Total expenditures exceeded budgeted amounts by \$3,021,423 but were offset by revenues that exceeded budgeted amounts by \$3,276,148. Net transfers into the General Fund from other funds exceeded the budgeted amount by \$5,437,080, producing most of the increase in fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's financial statements present capital assets in two categories: assets subject to depreciation, such as buildings, infrastructure, and equipment; and assets not subject to depreciation, such as land and construction in progress. At June 30, 2023, the City had a total of approximately \$221,348,000 invested in a variety of capital assets, as reflected in the schedule below. The net increase (additions less retirements and depreciation) during the fiscal year was approximately \$4,696,000 or 2.1%. More detailed information on capital assets can be found in the Note 6 to the Financial Statements.

City of LaGrange's Capital Assets (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	\$ 13,668	\$ 13,633	\$ 3,487	\$ 3,487	\$ 17,155	\$ 17,120
Construction in Progress	2,644	7,600	11,648	1,870	14,292	9,470
Total non-depreciable assets	16,312	21,233	15,135	5,357	31,447	26,590
Depreciable assets:						
Buildings	46,682	46,520	30,995	30,980	77,677	77,500
Infrastructure and land improvements	72,627	64,694	22,227	21,597	94,854	86,291
Machinery and equipment	16,350	15,663	1,969	1,766	18,319	17,429
Vehicles	6,540	6,014	203,795	202,731	210,335	208,745
Total depreciable assets	142,199	132,891	258,986	257,074	401,185	389,965
Less accumulated depreciation:	57,709	53,150	153,575	146,753	211,284	199,903
Net book value-depreciated assets	84,490	79,741	105,411	110,321	189,901	190,062
Percentage depreciated	40.58%	40.00%	59.30%	57.09%	52.66%	51.26%
Total Capital Assets	\$ 100,802	\$ 100,974	\$ 120,546	\$ 115,678	\$ 221,348	\$ 216,652

**Restated beginning balance of 2022 governmental activities to report the inclusion of the LDA capital assets as part of the City.

Long-Term Debt

At the end of fiscal year 2023, the City had total bonded debt outstanding of approximately \$46,791,000, 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 business-type revenue sources. 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 City currently has no outstanding general obligation bonds.

Other long-term debt exists in the form of certificates of participation, notes, leases, financed purchases and intergovernmental agreements. More detailed information about the City's long-term debt and liabilities can be found in the table below and in Note 9 of the financial statements.

City of LaGrange's Long-Term Debt as of June 30, 2023 and 2022 (in thousands of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Certificates of Participation	\$ 3,888	\$ 3,888	\$ -	\$ -	\$ 3,888	\$ 3,888
Financed purchases payable	833	1,095	-	-	833	1,095
Notes payable	1,251	1,408	11,507	12,385	12,758	13,793
Leases payable	77	-	-	-	77	-
Intergovernmental agreement payable	510	755	-	-	510	755
Net pension liability	13,589	6,454	7,068	3,471	20,657	9,925
Total OPEB liability	8,639	10,606	4,527	5,557	13,166	16,163
Revenue bonds payable	18,605	19,526	26,180	28,055	44,785	47,581
Plus: premium	38	43	1,968	2,203	2,006	2,246
Landfill closure and postclosure	-	-	8,427	8,989	8,427	8,989
Compensated absences	697	687	407	401	1,104	1,088
Total	\$ 48,127	\$ 44,462	\$ 60,084	\$ 61,061	\$ 108,211	\$ 105,523

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The factors below were considered in preparing the City's budget for the 2024 fiscal year:

- According to the Troup County Department of Labor, the unemployment rate for the City at the end of calendar year 2022 was 2.6% compared to 2.9% at the end of the prior calendar year. Low unemployment tends to support economic growth and spending.
- The City is continuing its efforts to ensure that rate structures for its business-type activities are sufficient to cover the costs of providing these services to customers along with the transfer of resources to support the General Fund as needed.

- The fiscal year 2024 capital budget will maintain a focus on capital projects that are already in progress, essential to employee and public safety, or required by mandate.
- Revenues and expenditures will be appropriated with a conservative approach to reflect inflation, potential recession, and other economic conditions that could persist in fiscal year 2024.

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 The City of LaGrange, City Manager, 200 Ridley Avenue, LaGrange, Georgia 30240.

CITY OF LAGRANGE, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 15,371,998	\$ 11,188,974	\$ 26,560,972	\$ 2,012,839
Investments	4,682,734	51,895,846	56,578,580	-
Taxes receivable, net of allowances	162,989	-	162,989	-
Accounts receivable, net of allowances	86,153	11,411,741	11,497,894	329,532
Due from other governments	1,844,558	-	1,844,558	-
Intergovernmental contract receivable - Troup County	1,224,402	-	1,224,402	-
Due from component unit	3,364	-	3,364	-
Lease receivable, current	420,619	-	420,619	503,266
Lease receivable, noncurrent	3,680,627	-	3,680,627	1,496,254
Notes receivable	-	-	-	448,923
Other receivables	118,946	-	118,946	3,343
Internal balances	(971,281)	971,281	-	-
Inventory	253,847	4,246,654	4,500,501	-
Prepaid items	3,783	60,135	63,918	19,966
Restricted cash and cash equivalents	1,176,580	-	1,176,580	400,735
Land held for development	6,101,780	-	6,101,780	-
Fair value of hedging derivative	242,418	-	242,418	-
Capital assets:				
Nondepreciable	16,311,352	15,134,839	31,446,191	1,621,710
Depreciable, net of accumulated depreciation	84,490,474	105,411,382	189,901,856	13,686,854
Right-to-use lease assets, net of accumulated amortization	76,376	-	76,376	-
Total assets	135,281,719	200,320,852	335,602,571	20,523,422
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	6,662,609	3,429,555	10,092,164	-
OPEB related items	1,443,000	756,027	2,199,027	-
Total deferred outflows of resources	8,105,609	4,185,582	12,291,191	-
LIABILITIES				
Accounts payable	518,906	4,195,747	4,714,653	304,113
Retainage payable	80,468	248,427	328,895	-
Due to primary government	-	-	-	3,364
Unearned revenue	1,780,667	974,663	2,755,330	93,018
Accrued liabilities	1,588,979	291,490	1,880,469	11,446
Accrued interest payable	223,047	391,495	614,542	-
Customer deposits payable	-	3,312,574	3,312,574	-
Compensated absences due within one fiscal year	522,414	304,979	827,393	-
Compensated absences due in more than one fiscal year	174,137	101,658	275,795	-
Landfill closure and postclosure liability due within one fiscal year	-	126,786	126,786	-
Landfill closure and postclosure liability due in more than one fiscal year	-	8,300,099	8,300,099	-
Leases payable due within one fiscal year	32,615	-	32,615	-
Leases payable due in more than one fiscal year	44,057	-	44,057	-
Financed purchases due within one fiscal year	270,041	-	270,041	-
Financed purchases due in more than one fiscal year	562,567	-	562,567	-
Notes payable due within one fiscal year	79,000	877,563	956,563	152,425
Notes payable due in more than one fiscal year	1,172,000	10,629,754	11,801,754	2,145,601
Intergovernmental agreement payable due within one fiscal year	255,000	-	255,000	-
Intergovernmental agreement payable due in more than one fiscal year	255,000	-	255,000	-
Bonds payable due within one fiscal year	1,195,000	1,955,000	3,150,000	-
Bonds payable due in more than one fiscal year	17,448,623	26,193,498	43,642,121	-
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	13,588,985	7,068,378	20,657,363	-
Total OPEB liability due within one fiscal year	172,792	90,530	263,322	-
Total OPEB liability due in more than one fiscal year	8,466,793	4,435,970	12,902,763	-
Total liabilities	52,319,091	69,498,611	121,817,702	2,709,967
DEFERRED INFLOWS OF RESOURCES				
Lease related deferred inflows	3,963,999	-	3,963,999	1,951,738
Pension related items	479,679	246,814	726,493	-
OPEB related items	3,066,312	1,606,517	4,672,829	-
Accumulated increase in fair value of hedging derivative	242,418	-	242,418	-
Total deferred inflows of resources	7,752,408	1,853,331	9,605,739	1,951,738
NET POSITION				
Net investment in capital assets	79,669,454	97,351,042	177,020,496	13,010,538
Restricted for debt service	647,003	-	647,003	-
Restricted for capital improvements	358,357	-	358,357	-
Restricted for federal programs	33,027	-	33,027	-
Restricted for planning and development	360,982	-	360,982	-
Restricted for corpus of permanent fund	2,500	-	2,500	-
Restricted for cemetery operating capital	1,176,848	-	1,176,848	400,735
Unrestricted	1,067,658	35,803,450	36,871,108	2,450,444
Total net position	\$ 83,315,829	\$ 133,154,492	\$ 216,470,321	\$ 15,861,717

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, 2023

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position							
	Program Revenues				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary government:								
Governmental activities:								
General government	\$ 4,530,855	\$ 1,933,761	\$ 1,593,909	\$ -	\$ (1,003,185)	\$ -	\$ (1,003,185)	\$ -
Judicial	15,724	-	-	-	(15,724)	-	(15,724)	-
Public safety	21,444,780	1,243,566	4,187,664	-	(16,013,550)	-	(16,013,550)	-
Public works	6,975,461	-	-	7,141,840	166,379	-	166,379	-
Culture and recreation	2,900,039	-	-	-	(2,900,039)	-	(2,900,039)	-
Community development	9,112,159	641,879	1,674,556	-	(6,795,724)	-	(6,795,724)	-
Interest and fiscal charges	1,817,837	-	-	-	(1,817,837)	-	(1,817,837)	-
Total governmental activities	<u>46,796,855</u>	<u>3,819,206</u>	<u>7,456,129</u>	<u>7,141,840</u>	<u>(28,379,680)</u>	<u>-</u>	<u>(28,379,680)</u>	<u>-</u>
Business-type activities:								
Utilities	72,871,488	83,225,752	-	-	-	10,354,264	10,354,264	-
Water and sewer	15,545,354	22,239,721	-	731,011	-	7,425,378	7,425,378	-
Sanitation	3,168,720	3,002,170	-	-	-	(166,550)	(166,550)	-
Sweetland Amphitheater	1,314,277	1,240,584	-	-	-	(73,693)	(73,693)	-
Total business-type activities	<u>92,899,839</u>	<u>109,708,227</u>	<u>-</u>	<u>731,011</u>	<u>-</u>	<u>17,539,399</u>	<u>17,539,399</u>	<u>-</u>
Total primary government	<u>\$ 139,696,694</u>	<u>\$ 113,527,433</u>	<u>\$ 7,456,129</u>	<u>\$ 7,872,851</u>	<u>\$ (28,379,680)</u>	<u>\$ 17,539,399</u>	<u>\$ (10,840,281)</u>	<u>\$ -</u>
Component units:	<u>\$ 4,212,689</u>	<u>\$ 844,673</u>	<u>\$ 411,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,956,804)</u>

General revenues:				
Franchise taxes	\$ 1,260,309	\$ -	\$ 1,260,309	\$ -
Insurance premium taxes	2,585,375	-	2,585,375	-
Sales and use taxes	8,003,206	-	8,003,206	-
Motor vehicle taxes	966,765	-	966,765	-
Beer, wine, and liquor taxes	725,894	-	725,894	-
Hotel/Motel taxes	5,047,281	-	5,047,281	2,358,738
Other taxes	1,034,322	-	1,034,322	-
Unrestricted investment earnings (loss)	543,454	492,043	1,035,497	84,466
Gain on disposal of capital assets	-	52,892	52,892	-
Miscellaneous	560,656	-	560,656	428,344
Transfers	15,550,100	(15,550,100)	-	-
Total general revenues and transfers	<u>36,277,362</u>	<u>(15,005,165)</u>	<u>21,272,197</u>	<u>2,871,548</u>
Change in net position	7,897,682	2,534,234	10,431,916	(85,256)
Net position, beginning of fiscal year, as restated	<u>75,418,147</u>	<u>130,620,258</u>	<u>206,038,405</u>	<u>15,946,973</u>
Net position, end of fiscal year	<u>\$ 83,315,829</u>	<u>\$ 133,154,492</u>	<u>\$ 216,470,321</u>	<u>\$ 15,861,717</u>

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

CITY OF LAGRANGE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	General Fund	SPLOST V Fund	Capital Projects Fund	LaGrange Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 5,625,802	\$ 1,041,007	\$ 135,653	\$ 3,530,805	\$ 2,201,723	\$ 12,534,990
Restricted cash and cash equivalents	1,176,580	-	-	-	-	1,176,580
Investments	2,877,166	-	-	-	1,186,119	4,063,285
Taxes receivable	162,989	-	-	-	-	162,989
Other receivables	118,946	-	-	-	-	118,946
Intergovernmental receivables	760,626	561,003	-	19,402	503,527	1,844,558
Due from component unit	3,364	-	-	-	-	3,364
Lease receivable	-	-	4,101,246	-	-	4,101,246
Due from other funds	283,234	-	-	-	-	283,234
Land held for development	-	-	-	6,101,780	-	6,101,780
Prepaid items	-	-	-	3,783	-	3,783
Inventory	253,847	-	-	-	-	253,847
Advances to other funds	719,924	-	-	1,115,000	-	1,834,924
Total assets	<u>\$ 11,982,478</u>	<u>\$ 1,602,010</u>	<u>\$ 4,236,899</u>	<u>\$ 10,770,770</u>	<u>\$ 3,891,369</u>	<u>\$ 32,483,526</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 214,329	\$ 76,505	\$ -	\$ 7,779	\$ 220,293	\$ 518,906
Retainage payable	-	80,468	-	-	-	80,468
Accrued liabilities	741,054	-	-	12,925	-	753,979
Unearned revenue	-	-	-	-	1,780,667	1,780,667
Due to other funds	51,320	-	-	-	283,234	334,554
Advances from other funds	-	1,086,680	-	-	1,934,175	3,020,855
Total liabilities	<u>1,006,703</u>	<u>1,243,653</u>	<u>-</u>	<u>20,704</u>	<u>4,218,369</u>	<u>6,489,429</u>
DEFERRED INFLOWS OF RESOURCES						
Lease related deferred inflows	-	-	3,963,999	-	-	3,963,999
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,963,999</u>	<u>-</u>	<u>-</u>	<u>3,963,999</u>
FUND BALANCES						
Fund balances:						
Nonspendable for:						
Prepaid items	-	-	-	3,783	-	3,783
Inventory	253,847	-	-	-	-	253,847
Land held for development	-	-	-	6,101,780	-	6,101,780
Lease receivable, net	-	-	137,247	-	-	137,247
Corpus of permanent fund	-	-	-	-	2,500	2,500
Advances to other funds	719,924	-	-	1,115,000	-	1,834,924
Restricted for:						
Federal programs	-	-	-	-	33,027	33,027
Capital Improvements	-	358,357	-	-	33,749	392,106
Debt service	870,050	-	-	-	-	870,050
Planning and development	-	-	-	-	360,982	360,982
Cemetery operating capital	-	-	-	-	1,176,848	1,176,848
Committed for:						
Economic development	-	-	-	3,529,503	-	3,529,503
Assigned for:						
Capital projects	-	-	135,653	-	-	135,653
Unassigned	9,131,954	-	-	-	(1,934,106)	7,197,848
Total fund balances (deficits)	<u>10,975,775</u>	<u>358,357</u>	<u>272,900</u>	<u>10,750,066</u>	<u>(327,000)</u>	<u>22,030,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,982,478</u>	<u>\$ 1,602,010</u>	<u>\$ 4,236,899</u>	<u>\$ 10,770,770</u>	<u>\$ 3,891,369</u>	<u>\$ 32,483,526</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, 2023

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

Total governmental fund balances	\$	22,030,098
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Capital and right-to-use lease assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost	\$ 158,396,384	
Less accumulated depreciation and amortization	(57,708,237)	100,688,147

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.	3,163,635
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Long-term intergovernmental contract receivable is not available to pay for current period expenditures, and, therefore, is not reported in the governmental funds.	1,224,402
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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)	(696,551)	
Accrued interest	(223,047)	
Certificates of participation	(3,888,000)	
Intergovernmental agreement payable	(510,000)	
Bonds payable	(18,605,000)	
Premium on bonds payable	(38,623)	
Leases payable	(76,672)	
Notes payable	(1,251,000)	
Financed purchases payable	(832,608)	(26,121,501)

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	(13,588,985)	
Pension related deferred outflows of resources	6,662,609	
Pension related deferred inflows of resources	(479,679)	
Total OPEB liability	(8,639,585)	
OPEB related deferred outflows of resources	1,443,000	
OPEB related deferred inflows of resources	(3,066,312)	(17,668,952)

Net position - governmental activities	\$	83,315,829
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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, 2023

	General Fund	SPLOST V Fund	Capital Projects Fund	LaGrange Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 14,575,871	\$ -	\$ -	\$ -	\$ 5,047,281	\$ 19,623,152
Licenses and permits	634,265	-	-	-	-	634,265
Intergovernmental	1,903,023	6,387,011	-	2,282,056	4,633,133	15,205,223
Fines and forfeitures	903,297	-	-	-	-	903,297
Charges for services	1,302,915	-	942,758	35,971	-	2,281,644
Interest income	255,365	246	172,820	99,472	15,797	543,700
Miscellaneous	251,218	119,222	133,623	170	53,977	558,210
Total revenues	<u>19,825,954</u>	<u>6,506,479</u>	<u>1,249,201</u>	<u>2,417,669</u>	<u>9,750,188</u>	<u>39,749,491</u>
Expenditures						
Current:						
General government	4,203,254	-	739	-	-	4,203,993
Public safety	21,813,752	-	-	-	-	21,813,752
Public works	4,986,279	-	-	-	-	4,986,279
Culture and recreation	2,653,862	-	-	-	-	2,653,862
Community development	1,958,350	-	-	1,212,269	2,581,358	5,751,977
Telecommunications	549,749	-	-	-	-	549,749
Capital outlay	-	5,016,603	44,627	93,585	589,380	5,744,195
Debt service:						
Principal retirements	-	-	867,314	926,504	405,000	2,198,818
Interest and fiscal charges	204,450	-	130,735	912,214	580,731	1,828,130
Total expenditures	<u>36,369,696</u>	<u>5,016,603</u>	<u>1,043,415</u>	<u>3,144,572</u>	<u>4,156,469</u>	<u>49,730,755</u>
Excess (deficiency) of revenues over expenditures	<u>(16,543,742)</u>	<u>1,489,876</u>	<u>205,786</u>	<u>(726,903)</u>	<u>5,593,719</u>	<u>(9,981,264)</u>
Other financing sources (uses):						
Lease issuance	-	-	-	82,199	-	82,199
Proceeds from disposal of assets	2,446	-	-	-	-	2,446
Transfers in	24,626,082	-	73,100	-	3,478,270	28,177,452
Transfers out	<u>(3,494,002)</u>	<u>-</u>	<u>(188,000)</u>	<u>-</u>	<u>(8,961,082)</u>	<u>(12,643,084)</u>
Total other financing sources (uses)	<u>21,134,526</u>	<u>-</u>	<u>(114,900)</u>	<u>82,199</u>	<u>(5,482,812)</u>	<u>15,619,013</u>
Net change in fund balances	4,590,784	1,489,876	90,886	(644,704)	110,907	5,637,749
Fund balances (deficits), beginning of fiscal year, as restated	<u>6,384,991</u>	<u>(1,131,519)</u>	<u>182,014</u>	<u>11,394,770</u>	<u>(437,907)</u>	<u>16,392,349</u>
Fund balances (deficits), end of fiscal year	<u>\$ 10,975,775</u>	<u>\$ 358,357</u>	<u>\$ 272,900</u>	<u>\$ 10,750,066</u>	<u>\$ (327,000)</u>	<u>\$ 22,030,098</u>

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, 2023

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

Net change in fund balances - total governmental funds	\$	5,637,749
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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 of capital assets and amortization expense of right-to-use assets.

Capital outlay	\$ 4,490,875	
Depreciation and amortization expense	<u>(4,582,101)</u>	(91,226)

The receipt of payment for a long term intergovernmental contract reduces the balance of intergovernmental receivable in the statement of net position.		(204,649)
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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:

Issuance of leases payable	(82,199)	
Principal payment on note payable	157,000	
Principal payment on intergovernmental agreement payable	245,000	
Principal payment on bonds payable	920,977	
Amortization of premium on bonds payable	3,379	
Principal payment on leases payable	5,527	
Principal payment on financed purchases	<u>262,814</u>	1,512,498

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.		1,698,972
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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	6,914	
Change in deferred inflows and outflows - pension related items and net pension liability	(482,205)	
Change in deferred inflows and outflows - OPEB related items and total OPEB liability	(171,029)	
Change in compensated absences	<u>(9,342)</u>	

Change in net position - governmental activities	\$	<u>7,897,682</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Sales taxes	\$ 6,570,000	\$ 6,570,000	\$ 8,003,206	\$ 1,433,206
Franchise taxes	1,081,000	1,081,000	1,260,309	179,309
Insurance premium taxes	2,400,000	2,400,000	2,585,375	185,375
Beer, liquor, and wine taxes	750,000	750,000	725,894	(24,106)
Ad valorem taxes	855,000	855,000	966,765	111,765
Other taxes	799,000	799,000	1,034,322	235,322
Licenses and permits	235,000	235,000	634,265	399,265
Intergovernmental	1,797,556	1,797,556	1,903,023	105,467
Fines and forfeitures	791,100	791,100	903,297	112,197
Interest income	300	300	255,365	255,065
Garage charges	850,000	850,000	844,089	(5,911)
Charges for services	257,350	257,350	458,826	201,476
Miscellaneous	163,500	163,500	251,218	87,718
Total revenues	16,549,806	16,549,806	19,825,954	3,276,148
Expenditures				
Current:				
General government:				
City clerk	181,968	181,968	227,715	(45,747)
City manager	2,236,497	2,236,497	2,443,688	(207,191)
General administration	88,500	88,500	54,918	33,582
Finance	516,873	516,873	576,927	(60,054)
Garage	960,615	960,615	900,006	60,609
Total general government	3,984,453	3,984,453	4,203,254	(218,801)
Public safety:				
Court administration	422,060	422,060	535,418	(113,358)
Probation	-	-	628	(628)
Police	12,516,614	12,516,614	13,004,207	(487,593)
Community Service	91,120	91,120	78,073	13,047
Traffic control	1,032,922	1,032,922	1,082,367	(49,445)
Fire services	6,908,877	6,908,877	6,430,068	478,809
Animal control	568,109	568,109	682,991	(114,882)
Total public safety	21,539,702	21,539,702	21,813,752	(274,050)
Public works:				
Engineering	191,843	191,843	227,397	(35,554)
Streets	2,232,008	2,232,008	3,685,295	(1,453,287)
Solid waste	852,301	852,301	921,939	(69,638)
Recycling	110,565	110,565	151,648	(41,083)
Total public works	3,386,717	3,386,717	4,986,279	(1,599,562)
Culture and recreation:				
Landscaping and cemetery maintenance	2,394,317	2,394,317	2,646,288	(251,971)
Amphitheater operations	-	-	7,574	(7,574)
Total culture and recreation	2,394,317	2,394,317	2,653,862	(259,545)
Community development				
Community development	474,756	474,756	499,208	(24,452)
DAL Marketing	317,220	317,220	115,720	201,500
Other community support	132,580	132,580	1,343,422	(1,210,842)
Total community development	924,556	924,556	1,958,350	(1,033,794)
Telecommunications:				
Administration	391,598	391,598	274,648	116,950
LGTV	279,019	279,019	275,101	3,918
Total telecommunications	670,617	670,617	549,749	120,868
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	447,911	447,911	204,450	243,461
Total debt service	447,911	447,911	204,450	243,461
Total expenditures	33,348,273	33,348,273	36,369,696	(3,021,423)
Deficiency of revenues under expenditures	(16,798,467)	(16,798,467)	(16,543,742)	254,725
Other financing sources (uses)				
Proceeds from disposal of capital assets	1,000	1,000	2,446	1,446
Transfers in	15,695,000	15,695,000	24,626,082	8,931,082
Transfers out	-	-	(3,494,002)	(3,494,002)
Total other financing sources (uses)	15,696,000	15,696,000	21,134,526	5,438,526
Net change in fund balances	(1,102,467)	(1,102,467)	4,590,784	5,693,251
Fund balance, beginning of fiscal year	6,384,991	6,384,991	6,384,991	-
Fund balance, end of fiscal year	\$ 5,282,524	\$ 5,282,524	\$ 10,975,775	\$ 5,693,251

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

CITY OF LAGRANGE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

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	\$ 7,551,672	\$ 2,307,125	\$ 1,231,062	\$ 99,115	\$ 11,188,974	\$ 2,837,008
Investments	24,270,631	27,625,215	-	-	51,895,846	619,449
Accounts receivable, net of allowances	8,981,252	2,255,507	169,982	5,000	11,411,741	86,153
Due from other funds	-	-	51,320	-	51,320	-
Prepaid items	60,135	-	-	-	60,135	-
Inventory	2,628,430	1,618,224	-	-	4,246,654	-
Total current assets	43,492,120	33,806,071	1,452,364	104,115	78,854,670	3,542,610
NONCURRENT ASSETS						
Advances to other funds	1,934,175	-	1,086,680	-	3,020,855	265,970
Capital Assets:						
Nondepreciable	2,252,364	11,394,742	1,437,733	50,000	15,134,839	34,457
Depreciable, net of accumulated depreciation and amortization	27,818,194	58,533,201	15,083,666	3,976,321	105,411,382	155,598
Total capital assets	30,070,558	69,927,943	16,521,399	4,026,321	120,546,221	190,055
Total noncurrent assets	32,004,733	69,927,943	17,608,079	4,026,321	123,567,076	456,025
Total assets	75,496,853	103,734,014	19,060,443	4,130,436	202,421,746	3,998,635
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	1,889,855	1,285,357	254,343	-	3,429,555	-
OPEB related items	417,815	283,016	55,196	-	756,027	-
Total deferred outflows of resources	2,307,670	1,568,373	309,539	-	4,185,582	-
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	4,007,131	163,383	2,447	22,786	4,195,747	-
Retainage payable	-	248,427	-	-	248,427	-
Claims reserve	-	-	-	-	-	835,000
Accrued liabilities	160,335	108,542	21,869	744	291,490	-
Accrued interest payable	14,320	377,175	-	-	391,495	-
Customer deposits	2,647,470	663,635	1,469	-	3,312,574	-
Unearned Revenue	494,663	480,000	-	-	974,663	-
Compensated absences payable	152,869	116,939	35,171	-	304,979	-
Accrued landfill closure and postclosure care costs	-	-	126,786	-	126,786	-
Notes payable	-	691,070	186,493	-	877,563	-
Total OPEB liability	50,031	33,890	6,609	-	90,530	-
Revenue bonds payable, net	1,035,000	920,000	-	-	1,955,000	-
Total current liabilities	8,561,819	3,803,061	380,844	23,530	12,769,254	835,000
NONCURRENT LIABILITIES						
Compensated absences payable	50,956	38,979	11,723	-	101,658	-
Advances from other funds	1,550,974	110,896	230,118	208,906	2,100,894	-
Accrued landfill closure and postclosure care costs	-	-	8,300,099	-	8,300,099	-
Revenue bonds payable, net	-	26,193,498	-	-	26,193,498	-
Notes payable	-	8,711,448	1,918,306	-	10,629,754	-
Net pension liability	3,901,045	2,647,716	519,617	-	7,068,378	-
Total OPEB liability	2,451,525	1,660,585	323,860	-	4,435,970	-
Total noncurrent liabilities	7,954,500	39,363,122	11,303,723	208,906	58,830,251	-
Total liabilities	16,516,319	43,166,183	11,684,567	232,436	71,599,505	835,000
DEFERRED INFLOWS OF RESOURCES						
Pension related items	135,369	92,900	18,545	-	246,814	-
OPEB related items	887,836	601,393	117,288	-	1,606,517	-
Total deferred outflows of resources	1,023,205	694,293	135,833	-	1,853,331	-
NET POSITION						
Net investment in capital assets	29,035,558	49,872,563	14,416,600	4,026,321	97,351,042	190,055
Unrestricted	31,229,441	11,569,348	(6,867,018)	(128,321)	35,803,450	2,973,580
Total net position	\$ 60,264,999	\$ 61,441,911	\$ 7,549,582	\$ 3,898,000	\$ 133,154,492	\$ 3,163,635

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, 2023

	Enterprise Funds			Nonmajor		Internal
	Utility	Water and	Sanitation	Downtown	Total	Service Funds
	Fund	Sewerage	Fund	Development		Governmental
		Fund		Authority		Activities
OPERATING REVENUES						
Water and sewerage system	\$ -	\$ 21,972,999	\$ -	\$ -	\$ 21,972,999	\$ -
Gas system	20,538,841	-	-	-	20,538,841	-
Electric system	58,309,990	-	-	-	58,309,990	-
Sanitation	-	-	2,997,159	-	2,997,159	-
Premiums	-	-	-	-	-	8,810,596
Telecommunications	3,774,717	-	-	-	3,774,717	-
Sponsorships	-	-	-	225,615	225,615	-
Other sales	602,204	266,722	5,011	1,001,978	1,875,915	-
Miscellaneous income	-	-	-	12,991	12,991	99,274
Total operating revenues	83,225,752	22,239,721	3,002,170	1,240,584	109,708,227	8,909,870
OPERATING EXPENSES						
Water and sewerage system	-	11,276,144	-	-	11,276,144	-
Gas system	16,436,884	-	-	-	16,436,884	-
Electric system	47,538,535	-	-	-	47,538,535	-
Sanitation	-	-	2,110,654	-	2,110,654	-
Telecommunications	1,902,728	-	-	-	1,902,728	-
Administrative services	4,601,339	-	-	-	4,601,339	665,693
Depreciation	2,267,015	3,608,035	984,400	191,590	7,051,040	4,059
Risk management	-	-	-	-	-	6,608,914
Community development	-	-	-	1,115,878	1,115,878	-
Total operating expenses	72,746,501	14,884,179	3,095,054	1,307,468	92,033,202	7,278,666
Operating income (loss)	10,479,251	7,355,542	(92,884)	(66,884)	17,675,025	1,631,204
NON-OPERATING REVENUES (EXPENSES)						
Investment income	8,987	473,643	9,413	-	492,043	26,950
Interest expense	(124,987)	(661,175)	(73,666)	(6,809)	(866,637)	-
Intergovernmental revenue	-	-	-	-	-	25,086
Gain on sale of assets	-	7,892	45,000	-	52,892	-
Total nonoperating revenues (expenses)	(116,000)	(179,640)	(19,253)	(6,809)	(321,702)	52,036
Income (loss) before transfers and capital contributions	10,363,251	7,175,902	(112,137)	(73,693)	17,353,323	1,683,240
Capital contributions	-	731,011	-	-	731,011	-
Transfers in	3,247,000	-	-	-	3,247,000	15,732
Transfers out	(11,650,000)	(6,682,100)	(465,000)	-	(18,797,100)	-
	(8,403,000)	(5,951,089)	(465,000)	-	(14,819,089)	15,732
Change in net position	1,960,251	1,224,813	(577,137)	(73,693)	2,534,234	1,698,972
Net position, beginning of fiscal year	58,304,748	60,217,098	8,126,719	3,971,693	130,620,258	1,464,663
Net position, end of fiscal year	<u>\$ 60,264,999</u>	<u>\$ 61,441,911</u>	<u>\$ 7,549,582</u>	<u>\$ 3,898,000</u>	<u>\$ 133,154,492</u>	<u>\$ 3,163,635</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, 2023

	Enterprise Funds			Nonmajor		Internal
	Utility Fund	Water and Sewer Fund	Sanitation Fund	Downtown Development Authority	Total	Service Funds Governmental Activities
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 83,443,944	\$ 22,096,530	\$ 2,888,691	\$ 1,240,584	\$ 109,669,749	\$ 756,478
Receipts from interfund charges	-	-	-	-	-	8,249,539
Payments to suppliers	(70,200,876)	(7,163,852)	(1,797,902)	(1,406,993)	(80,569,623)	(7,664,050)
Payments to employees	(1,407,786)	(4,165,546)	(847,563)	(20,472)	(6,441,367)	-
Net cash provided by (used in) operating activities	<u>11,835,282</u>	<u>10,767,132</u>	<u>243,226</u>	<u>(186,881)</u>	<u>22,658,759</u>	<u>1,341,967</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Repayment of interfund advance	(664,494)	-	-	-	(664,494)	-
Advances from other funds	131,482	-	281,438	-	412,920	123,119
Intergovernmental receipts	-	-	-	-	-	25,086
Transfers out to other funds	(11,650,000)	(6,682,100)	(465,000)	-	(18,797,100)	-
Transfers in from other funds	3,247,000	-	-	-	3,247,000	15,732
Net cash provided by (used in) noncapital financing activities	<u>(8,936,012)</u>	<u>(6,682,100)</u>	<u>(183,562)</u>	<u>-</u>	<u>(15,801,674)</u>	<u>163,937</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal payment on bonds	(1,000,000)	(875,000)	-	-	(1,875,000)	-
Principal payments on notes payable	-	(681,468)	(196,693)	-	(878,161)	-
Interest and fiscal charges	(138,847)	(669,939)	(73,667)	(6,809)	(889,262)	-
Purchase of capital assets	(1,116,215)	(9,706,814)	(568,363)	(44,921)	(11,436,313)	-
Reduction of intergovernmental payable	(731,010)	-	-	-	(731,010)	-
Proceeds from disposal of capital assets	-	7,892	45,000	-	52,892	-
Net cash used in capital and related financing activities	<u>(2,986,072)</u>	<u>(11,925,329)</u>	<u>(793,723)</u>	<u>(51,730)</u>	<u>(15,756,854)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	8,987	473,643	9,413	-	492,043	26,950
Purchase of investments	(2,602,863)	-	-	-	(2,602,863)	-
Proceeds from sale of investments	-	2,946,838	-	-	2,946,838	1,206
Net cash provided by (used in) investing activities	<u>(2,593,876)</u>	<u>3,420,481</u>	<u>9,413</u>	<u>-</u>	<u>836,018</u>	<u>28,156</u>
Net increase (decrease) in cash and cash equivalents	(2,680,678)	(4,419,816)	(724,646)	(238,611)	(8,063,751)	1,534,060
Cash and cash equivalents, beginning of fiscal year	10,232,350	6,726,941	1,955,708	337,726	19,252,725	1,302,948
Cash and cash equivalents, end of fiscal year	<u>\$ 7,551,672</u>	<u>\$ 2,307,125</u>	<u>\$ 1,231,062</u>	<u>\$ 99,115</u>	<u>\$ 11,188,974</u>	<u>\$ 2,837,008</u>
Classified as:						
Cash and cash equivalents	\$ 7,551,672	\$ 2,307,125	\$ 1,231,062	\$ 99,115	\$ 11,188,974	\$ 2,837,008
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 10,479,251	\$ 7,355,542	\$ (92,884)	\$ (66,884)	\$ 17,675,025	\$ 1,631,204
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	2,267,015	3,608,035	984,400	191,590	7,051,040	4,059
Change in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	174,390	(193,191)	(62,159)	-	(80,960)	(3,853)
Due from other funds	-	170,000	(51,320)	-	118,680	100,000
Inventory	(971,421)	75,781	-	-	(895,640)	-
Prepaid items	(6,079)	-	-	80	(5,999)	-
Increase (decrease) in:						
Accounts payable	(125,826)	(107,300)	(6,748)	(26,429)	(266,303)	(239,443)
Retainage payable	-	244,179	-	-	244,179	-
Due to other funds	-	(399,000)	-	(270,000)	(669,000)	-
Advance from other funds	-	(27,724)	-	(15,238)	(42,962)	-
Accrued liabilities and claims reserves	31,047	21,270	(558,353)	-	(506,036)	(150,000)
Customer deposits	43,802	-	-	-	43,802	-
Unearned revenue	(225,850)	(120,000)	-	-	(345,850)	-
Compensated absences payable	(14,063)	14,728	5,373	-	6,038	-
Net pension liability and related deferred inflows and outflows	133,497	91,269	141,032	-	365,798	-
Total OPEB liability and related deferred inflows and outflows	49,519	33,543	(116,115)	-	(33,053)	-
Net cash provided by (used in) operating activities	<u>\$ 11,835,282</u>	<u>\$ 10,767,132</u>	<u>\$ 243,226</u>	<u>\$ (186,881)</u>	<u>\$ 22,658,759</u>	<u>1,341,967</u>

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

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023

ASSETS	Component Units		
	Downtown LaGrange Development Authority	Visit LaGrange	Total
Cash and cash equivalents	\$ 449,982	\$ 1,562,857	\$ 2,012,839
Accounts receivable	71,707	257,825	329,532
Notes receivable	448,923	-	448,923
Lease receivable, current	503,266	-	503,266
Lease receivable, noncurrent	1,496,254	-	1,496,254
Prepaid items	-	19,966	19,966
Other current assets	3,343	-	3,343
Restricted cash	400,735	-	400,735
Capital assets:			
Nondepreciable	1,621,710	-	1,621,710
Depreciable, net of accumulated depreciation	13,619,854	67,000	13,686,854
Total assets	18,615,774	1,907,648	20,523,422
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
LIABILITIES			
Accounts and contracts payable	-	304,113	304,113
Due to primary government	3,364	-	3,364
Accrued liabilities	11,446	-	11,446
Unearned revenue	93,018	-	93,018
Notes payable due within one year	152,425	-	152,425
Notes payable due in more than one year	2,145,601	-	2,145,601
Total liabilities	2,405,854	304,113	2,709,967
DEFERRED INFLOWS OF RESOURCES			
Lease related deferred inflows	1,951,738	-	1,951,738
Total deferred inflows of resources	1,951,738	-	1,951,738
NET POSITION			
Net investment in capital assets	12,943,538	67,000	13,010,538
Restricted	400,735	-	400,735
Unrestricted	913,909	1,536,535	2,450,444
Total net position	\$ 14,258,182	\$ 1,603,535	\$ 15,861,717

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, 2023

	Program Revenues				Component Units		
		Charges for	Operating	Capital	Downtown	Visit	
<u>Component units</u>	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>LaGrange</u>	<u>LaGrange</u>	<u>Total</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Authority</u>		
Downtown LaGrange Development Authority	\$ 1,493,916	\$ 838,748	\$ -	\$ -	\$ (655,168)	\$ -	\$ (655,168)
Visit LaGrange	2,718,773	5,925	411,212	-	-	(2,301,636)	(2,301,636)
Total component units	<u>\$ 4,212,689</u>	<u>\$ 844,673</u>	<u>\$ 411,212</u>	<u>\$ -</u>	<u>(655,168)</u>	<u>(2,301,636)</u>	<u>(2,956,804)</u>
General revenues:							
Hotel/motel taxes					-	2,358,738	2,358,738
Net investment earnings					83,050	1,416	84,466
Miscellaneous					418,830	9,514	428,344
Total general revenues					<u>501,880</u>	<u>2,369,668</u>	<u>2,871,548</u>
Change in net position					(153,288)	68,032	(85,256)
Net position, beginning of year, as restated					14,411,470	1,535,503	15,946,973
Net position, end of year					<u>\$ 14,258,182</u>	<u>\$ 1,603,535</u>	<u>\$ 15,861,717</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, 2023

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 nonmajor 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.

The LaGrange Development Authority and Development Authority of LaGrange (consolidated for financial reporting as the "LaGrange Development Authority" or the "LDA") have been included as a blended component unit. The Boards of both Authorities are appointed by the City and have the purpose of promoting the expansion and development of trade and industry in the City. A portion of the LDA's bonded debt is to be repaid with the City's resources. The LDA is reported as a governmental type component unit. The LDA's financial statements can be obtained by writing to 17 ½ N Lafayette Square, Lagrange, Georgia 30240.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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. Visit LaGrange's financial statements can be obtained by writing to 206 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 nonexchange 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 **LaGrange Development Authority** accounts for the operations of the LaGrange Development Authority and Development Authority of LaGrange, which include the purchase and sale of land for development and industrial prospects and general commercial and development within the City.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 *nonoperating* 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 nonoperating 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.

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 & 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 noncurrent 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, 2023, 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

Lessor

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)

K. Leases (Continued)

Lessee

The LaGrange Development Authority is a lessee for noncancellable office space and a vehicle. The Authority recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and proprietary funds.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

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 net assets 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 a deferred inflow of resources 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

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.

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.

S. Land Held for Development

The City’s land held for development consists of real estate properties held by the LaGrange Development Authority. The properties are held with the intention of future development within the City and are not held for income or profit purposes.

NOTES TO FINANCIAL STATEMENTS

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.

Deficit Fund Equity and Net Position

The Tax Allocation Fund – Marriott had a deficit fund balance of \$1,934,106 at June 30, 2023. This is the result of an advance from the Utility Fund, which is being paid back annually with revenues collected within the fund.

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, 2023, expenditures exceeded final appropriations in the following funds:

General Fund - general government	\$ 218,801
General Fund - public safety	274,050
General Fund - public works	1,599,562
General Fund - culture and recreation	259,545
General Fund - community development	1,033,794
Hotel/Motel Tax Fund - community development	361,639

The excess of expenditures over budget noted above were funded by revenues in excess of budgeted amounts.

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, 2023, 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, 2023, 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, 2023, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

At June 30, 2023, the City had the following investments that are included in the custodial credit risk discussion above related to deposits:

Investment	Fair Value	Credit Rating	Weighted Average Maturity (years)
Money Market Mutual Fund	\$ 139,029	N/A	N/A
U.S. Treasury Bonds/Notes	30,754,320	AAA	2.16
Municipal Bonds	2,681,473	AAA	1.49
Mortgage Pass-Through Securities	2,428,831	AAA	11.11
U.S. GSE (U.S. Government Sponsored Enterprise)	1,691,950	AAA	1.01
U.S. Agency Bonds	5,685,453	AAA	1.89
Collateralized Mortgage Obligations (CMOs)	4,502,033	AAA	8.10
Coca Cola Stock	1,179,348	N/A	N/A
Georgia Fund 1	2,994,989	AAAf	0.08
Municipal Competitive Trust - Short-Term	2,970,998	N/A	0.46
Guaranteed Investment Contract	1,550,156	N/A	June 1, 2028
	<u>\$ 56,578,580</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, 2023:

Investment	Level 1	Level 2	Fair Value
Money Market Mutual Funds	\$ 139,029	\$ -	\$ 139,029
U.S. Treasury Bond/Notes	30,754,320	-	30,754,320
Municipal Bonds	-	2,681,473	2,681,473
Mortgage Pass-Through Securities	-	2,428,831	2,428,831
U.S. GSE	-	1,691,950	1,691,950
U.S. Agency Bonds	2,407,272	3,278,181	5,685,453
Collateralized Mortgage Obligations (CMOs)	-	4,502,033	4,502,033
Coca Cola Stock	1,179,348	-	1,179,348
Municipal Competitive Trust - Short-Term	-	2,970,998	2,970,998
Total investments measured at fair value	<u>\$ 34,479,969</u>	<u>\$ 17,553,466</u>	<u>\$ 52,033,435</u>
Investments not subject to level disclosure:			
Guaranteed Investment Contract			1,550,156
Georgia Fund 1			<u>2,994,989</u>
Total investments			<u>\$ 56,578,580</u>

The Money Market Mutual Funds, Coca Cola Stock, U.S. Treasury Notes/Bonds, and U.S. Agency Bonds, 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, Mortgage Pass-Through Securities, U.S. GSE, U.S. Agency Bonds, Collateralized Mortgage Obligations, and Municipal Competitive Trust 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 9 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, 2023, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST V Fund	Capital Projects Fund	LaGrange Development Authority	Nonmajor Governmental Funds
Receivables:					
Taxes	\$ 162,989	\$ -	\$ -	\$ -	\$ -
Intergovernmental	760,626	561,003	-	19,402	503,527
Accounts	118,946	-	-	-	-
Lease receivable	-	-	4,101,246	-	-
Gross receivables	1,042,561	561,003	4,101,246	19,402	503,527
Less allowance for uncollectibles	-	-	-	-	-
Net receivables	<u>\$ 1,042,561</u>	<u>\$ 561,003</u>	<u>\$ 4,101,246</u>	<u>\$ 19,402</u>	<u>\$ 503,527</u>

	Utility Fund	Water and Sewerage Fund	Sanitation Fund	Nonmajor Proprietary Fund	Governmental Activities Internal Service Funds
Receivables:					
Accounts	\$ 17,643,565	\$ 5,391,041	\$ 169,982	\$ 5,000	\$ 86,153
Gross receivables		5,391,041	169,982	5,000	86,153
Less allowance for uncollectibles	(8,662,313)	(3,135,534)	-	-	-
Net receivables	<u>\$ 8,981,252</u>	<u>\$ 2,255,507</u>	<u>\$ 169,982</u>	<u>\$ 5,000</u>	<u>\$ 86,153</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

A. Primary Government (Continued)

In May 2007, the LaGrange development Authority (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 LDA entered into a contract with the City of LaGrange and Troup County in which the City and County have agreed to pay one-half of the debt service requirements on the outstanding bonds. A long-term, intergovernmental receivable was recorded to report the County's share of its outstanding intergovernmental payable on the outstanding principal amount of the bonds.

Future payments to be received by the LDA from the County under the debt service schedules are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2024	\$ 207,500	\$ 47,528	\$ 255,028
2025	215,000	42,133	257,133
2026	250,000	36,543	286,543
2027	260,000	24,868	284,868
2028	272,500	12,725	285,225
Total	<u>\$ 1,205,000</u>	<u>\$ 163,797</u>	<u>\$ 1,368,797</u>

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 \$616,748 in lease revenue and \$172,711 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
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	484,096	84,753	568,849
2029-2033	1,855,007	135,964	1,990,971
Total	<u>\$ 4,101,246</u>	<u>\$ 741,973</u>	<u>\$ 4,843,219</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 13,633,224	\$ 34,457	\$ -	\$ -	\$ 13,667,681
Construction in progress	7,600,170	1,402,086	-	(6,358,585)	2,643,671
Total	<u>21,233,394</u>	<u>1,436,543</u>	<u>-</u>	<u>(6,358,585)</u>	<u>16,311,352</u>
Capital assets, being depreciated:					
Buildings	46,520,161	162,363	-	-	46,682,524
Infrastructure and land improvements	64,693,877	1,574,816	-	6,358,585	72,627,278
Machinery and equipment	15,662,175	687,973	-	-	16,350,148
Vehicles	6,014,252	552,804	(27,352)	-	6,539,704
Total	<u>132,890,465</u>	<u>2,977,956</u>	<u>(27,352)</u>	<u>6,358,585</u>	<u>142,199,654</u>
Less accumulated depreciation for:					
Buildings	(9,827,423)	(1,128,077)	-	-	(10,955,500)
Infrastructure and land improvements	(27,530,814)	(2,103,705)	-	-	(29,634,519)
Machinery and equipment	(11,014,386)	(867,567)	-	-	(11,881,953)
Vehicles	(4,777,749)	(486,811)	27,352	-	(5,237,208)
Total	<u>(53,150,372)</u>	<u>(4,586,160)</u>	<u>27,352</u>	<u>-</u>	<u>(57,709,180)</u>
Total capital assets, being depreciated, net	<u>79,740,093</u>	<u>(1,608,204)</u>	<u>-</u>	<u>6,358,585</u>	<u>84,490,474</u>
Governmental activities capital assets, net	<u>\$ 100,973,487</u>	<u>\$ (171,661)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,801,826</u>

** Restated beginning balance to report the inclusion of LaGrange Development Authority capital assets as part of the change in reporting entity.

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	\$ 3,487,036	\$ -	\$ -	\$ -	\$ 3,487,036
Construction in progress	1,870,266	9,920,152	(142,615)	-	11,647,803
Total	<u>5,357,302</u>	<u>9,920,152</u>	<u>(142,615)</u>	<u>-</u>	<u>15,134,839</u>
Capital assets, being depreciated:					
Buildings	30,979,642	15,330	-	-	30,994,972
Machinery and equipment	21,597,014	859,177	(228,900)	-	22,227,291
Vehicles	1,766,013	202,505	-	-	1,968,518
Infrastructure and improvements	202,731,150	1,064,350	-	-	203,795,500
Total	<u>257,073,819</u>	<u>2,141,362</u>	<u>(228,900)</u>	<u>-</u>	<u>258,986,281</u>
Less accumulated depreciation for:					
Buildings	(18,676,317)	(571,258)	-	-	(19,247,575)
Machinery and equipment	(17,722,233)	(823,752)	228,900	-	(18,317,085)
Vehicles	(1,478,131)	(111,289)	-	-	(1,589,420)
Infrastructure and improvements	(108,876,078)	(5,544,741)	-	-	(114,420,819)
Total	<u>(146,752,759)</u>	<u>(7,051,040)</u>	<u>228,900</u>	<u>-</u>	<u>(153,574,899)</u>
Total capital assets, being depreciated, net	<u>110,321,060</u>	<u>(4,909,678)</u>	<u>-</u>	<u>-</u>	<u>105,411,382</u>
Business-type activities capital assets, net	<u>\$ 115,678,362</u>	<u>\$ 5,010,474</u>	<u>\$ (142,615)</u>	<u>\$ -</u>	<u>\$ 120,546,221</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	\$ 335,545
Public safety	621,536
Public works	414,357
Culture and recreation	82,871
Planning and development	<u>3,131,851</u>

Total depreciation expense – governmental activities	<u>\$ 4,586,160</u>
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Business-type activities:

Utility Fund	\$ 2,267,015
Water and Sewerage Fund	3,608,035
Sanitation Fund	984,400
Downtown Development Authority	<u>191,590</u>

Total depreciation expense – business-type activities	<u>\$ 7,051,040</u>
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B. Component Unit – Downtown LaGrange Development Authority

Capital asset Activity for the Downtown LaGrange Development Authority for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
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	19,490,040	93,013	-	19,583,053
Equipment	907,090	-	-	907,090
Total	<u>20,397,130</u>	<u>93,013</u>	<u>-</u>	<u>20,490,143</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,558,900)	(494,625)	-	(6,053,525)
Equipment	(804,414)	(12,350)	-	(816,764)
Total	<u>(6,363,314)</u>	<u>(506,975)</u>	<u>-</u>	<u>(6,870,289)</u>
Total capital assets, being depreciated, net	<u>14,033,816</u>	<u>(413,962)</u>	<u>-</u>	<u>13,619,854</u>
Total capital assets, net	<u>\$ 15,655,526</u>	<u>\$ (413,962)</u>	<u>\$ -</u>	<u>\$ 15,241,564</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 283,234
Sanitation Fund	General Fund	51,320
		<u>\$ 334,554</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.

Advances to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 170,004
	Water and Sewerage Fund	110,896
	Sanitation Fund	230,118
	Nonmajor Proprietary Fund	208,906
LaGrange Development Authority	Utility Fund	1,115,000
Sanitation Fund	SPLOST V Fund	1,086,680
Utility Fund	Nonmajor Governmental Fund	1,934,175
Internal Service Fund	Utility Fund	265,970
		<u>\$ 5,121,749</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, Sanitation Fund and Nonmajor Proprietary Fund pertains to the funds' share of leased vehicle balances owed to the General Fund under the GMA lease pool. 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. The advance between the LaGrange Development Authority and the Utility Fund represents the Utility Fund's share of a long-term loan made from the Authority pertaining to its Series 2005A and 2005B Revenue Bonds that were utilized to acquire, construct, and equip an office park.

NOTES TO FINANCIAL STATEMENTS

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

Interfund transfers for the fiscal year ended June 30, 2023 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Water and Sewerage Fund	\$ 3,800,000
General Fund	Sanitation Fund	215,000
General Fund	Utility Fund	11,650,000
General Fund	Nonmajor Governmental Funds	8,961,082
Internal Service Fund	General Fund	15,732
Utility Fund	Water and Sewerage Fund	2,809,000
Utility Fund	Sanitation Fund	250,000
Utility Fund	Capital Projects Fund	188,000
Nonmajor Governmental Funds	General Fund	3,478,270
Capital Projects Fund	Water and Sewerage Fund	73,100
		<u>\$ 31,440,184</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 supplement proprietary funds for certain project and operational costs incurred.

NOTE 8. LEASE ASSETS

A summary of lease asset activity for the LaGrange Development Authority for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets:				
Right-to-use assets - vehicle and office	\$ -	\$ 82,198	\$ -	\$ 82,198
Total	<u>-</u>	<u>82,198</u>	<u>-</u>	<u>82,198</u>
Less accumulated amortization for:				
Right-to-use assets - vehicle and office	-	(5,822)	-	(5,822)
Total	<u>-</u>	<u>(5,822)</u>	<u>-</u>	<u>(5,822)</u>
Total right-to-use lease assets, net	<u>\$ -</u>	<u>\$ 76,376</u>	<u>\$ -</u>	<u>\$ 76,376</u>

Amortization expense of \$5,822 was charged to community development expense.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT

A. Primary Government

Long-term liability and obligation activity for the fiscal year ended June 30, 2023, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	\$ 19,525,977	\$ -	\$ (920,977)	\$ 18,605,000	\$ 1,195,000
Bond premium	42,002	-	(3,379)	38,623	-
Subtotal	19,567,979	-	(924,356)	18,643,623	1,195,000
Certificates of participation	3,888,000	-	-	3,888,000	-
Financed purchases - direct borrowing	1,095,422	-	(262,814)	832,608	270,041
Note payable - direct borrowing	1,408,000	-	(157,000)	1,251,000	79,000
Leases payable	-	82,199	(5,527)	76,672	32,615
Intergovernmental agreement payable	755,000	-	(245,000)	510,000	255,000
Total OPEB liability	10,605,844	780,775	(2,747,034)	8,639,585	172,792
Net pension liability	6,454,174	9,832,728	(2,697,917)	13,588,985	-
Compensated absences	687,209	715,225	(705,883)	696,551	522,414
Governmental activities					
Long-term liabilities and obligations	<u>\$ 44,461,628</u>	<u>\$ 11,410,927</u>	<u>\$ (7,745,531)</u>	<u>\$ 48,127,024</u>	<u>\$ 2,526,862</u>

** Restated beginning balance to report the inclusion and effect of the LaGrange Development Authority debt as part of the change in reporting entity.

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds - direct placement	\$ 28,055,000	\$ -	\$ (1,875,000)	\$ 26,180,000	\$ 1,955,000
Bond premium	2,203,812	-	(235,314)	1,968,498	-
Subtotal	30,258,812	-	(2,110,314)	28,148,498	1,955,000
Notes payable - direct borrowings	12,385,478	-	(878,161)	11,507,317	877,563
Landfill closure and postclosure liability	8,989,090	-	(562,205)	8,426,885	126,786
Total OPEB liability	5,556,673	409,069	(1,439,242)	4,526,500	90,530
Net pension liability	3,470,829	4,927,865	(1,330,316)	7,068,378	-
Compensated absences	400,599	532,961	(526,923)	406,637	304,979
Business-type activities					
Long-term liabilities and obligations	<u>\$ 61,061,481</u>	<u>\$ 5,869,895</u>	<u>\$ (6,847,161)</u>	<u>\$ 60,084,215</u>	<u>\$ 3,354,858</u>

** Restated beginning balance to report the inclusion and effect of the LaGrange Development Authority debt as part of the change in reporting entity.

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 9. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Financed Purchases from Direct Borrowings – Governmental Activities - The City has entered into financed purchase agreements for 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, 2023, the City had equipment with a total cost of \$2,545,310, accumulated depreciation of \$1,654,452 and a net book value of \$890,858 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
2024	\$ 270,041	\$ 22,897	\$ 292,938
2025	277,468	15,471	292,939
2026	285,099	7,840	292,939
Total	<u>\$ 832,608</u>	<u>\$ 46,208</u>	<u>\$ 878,816</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 resell 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
2024	\$ 79,000	9,945	\$ 88,945
2025	160,000	17,999	177,999
2026	162,000	15,447	177,447
2027	165,000	12,863	177,863
2028	167,000	10,232	177,232
2029-2031	<u>518,000</u>	<u>14,502</u>	<u>532,502</u>
Total	<u>\$ 1,251,000</u>	<u>\$ 80,988</u>	<u>\$ 1,331,988</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds – LaGrange Development Authority (LDA). In December 2005 the LDA issued tax-exempt Series 2005A Revenue Bonds totaling \$2,800,000 to provide funding to acquire, construct and equip certain public utilities. Interest payments are due semiannually on January 1 and July 1 at a rate of 4.41%. The bonds are to be repaid from funds provided by the City of LaGrange based on an intergovernmental agreement. The unpaid principal balance as of June 30, 2023 is \$1,115,000.

In June 2007 the LDA issued tax-exempt Series 2007A and 2007B Revenue Bonds totaling \$1,565,000 and \$5,285,000, respectively. The bonds were issued to provide funding to acquire land, construct and equip infrastructure and other public improvements for a new industrial park. Interest payments are due semiannually on February 1 and August 1 at rates of 4.67% and 6.11% on the Series 2007A and 2007B, respectively. Principal payments began in 2009 on the Series 2007B Bonds and commence in 2026 on the Series 2007A. The bonds are to be repaid from funds provided by the City of LaGrange and Troup County based on an intergovernmental agreement. The Series 2007B Bonds were refinanced in August 2012 at a new interest rate of 2.60%. The newly issued bonds mature in February 2025.

The unpaid principal balance as of June 30, 2023 on the Series 2007A Bonds is \$1,565,000. The unpaid principal balance as of June 30, 2023 on the Series 2007B Bonds is \$845,000.

In December 2016 the LDA issued tax exempt Series 2016 Revenue Bonds totaling \$16,920,000 to provide funding to build a conference center. Interest payments are due semiannually on April 1 and October 1 at a rate of 5.00%. The bonds are to be repaid from funds provided by the City of LaGrange based on an intergovernmental agreement. The unpaid principal balance as of June 30, 2023 is \$15,080,000 net of unamortized premium of \$38,623.

The LDA's debt service requirements to maturity on its bonds payable for governmental activities are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2024	\$ 1,195,000	\$ 696,881	\$ 1,891,881
2025	1,245,000	648,854	1,893,854
2026	1,360,000	598,666	1,958,666
2027	1,015,000	543,217	1,558,217
2028	1,050,000	504,083	1,554,083
2029-2033	2,790,000	2,146,106	4,936,106
2034-2038	3,290,000	1,647,713	4,937,713
2039-2043	3,925,000	1,008,900	4,933,900
2044-2046	2,735,000	221,800	2,956,800
Total	<u>\$ 18,605,000</u>	<u>\$ 8,016,220</u>	<u>\$ 26,621,220</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Intergovernmental Agreement Payable. 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'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
2024	\$ 255,000	\$ 17,595	\$ 272,595
2025	255,000	8,798	263,798
Total	<u>\$ 510,000</u>	<u>\$ 26,393</u>	<u>\$ 536,393</u>

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 semiannual 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation – Governmental Activities (Continued). 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, 2023, the floating rate being paid by the City is 0.34% and the market value of this agreement is \$242,418, a decrease of \$187,344 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, 2023 based on the derivative contract and it is reported as a noncurrent 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Direct Placement Revenue Bonds – Utility, Water & Sewerage and Sanitation. 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 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 required to be 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,			
2024	\$ 1,955,000	\$ 785,276	\$ 2,740,276
2025	965,000	708,350	1,673,350
2026	1,015,000	660,100	1,675,100
2027	1,065,000	609,350	1,674,350
2028	1,120,000	556,100	1,676,100
2029-2033	6,390,000	1,985,100	8,375,100
2034-2038	7,290,000	1,081,100	8,371,100
2039-2042	6,380,000	322,000	6,702,000
Total	<u>\$ 26,180,000</u>	<u>\$ 6,707,376</u>	<u>\$ 32,887,376</u>
Plus unamortized bond premium	1,968,498		
	<u>\$ 28,148,498</u>		

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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	\$ 46,727
Construction of Cell #5 - Sanitation	3.03	2,058,072
Long Cane pump station - Water and Sewerage	1.40	5,747,317
Yellow Jacket Creek pump station - Water and Sewerage	1.40	3,655,201
		<u>\$ 11,507,317</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
2024	\$ 877,563	\$ 188,187	\$ 1,065,750
2025	844,868	173,610	1,018,478
2026	859,169	159,309	1,018,478
2027	873,745	144,733	1,018,478
2028	888,602	129,876	1,018,478
2029-2033	4,676,158	416,231	5,092,389
2034-2036	2,487,212	54,374	2,541,586
Total	<u>\$ 11,507,317</u>	<u>\$ 1,266,320</u>	<u>\$ 12,773,637</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 \$8,426,885. One of the City's landfills continues to accept waste and has used approximately 73% of the total capacity. The remaining costs of \$2,592,962, 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 9. 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, 2023 the outstanding amount of the notes payable were \$2,298,026.

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
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	144,577	55,731	200,308
2029-2033	631,548	209,073	840,621
2034-2037	880,834	81,472	962,306
Total	<u>\$ 2,298,026</u>	<u>\$ 622,175</u>	<u>\$ 2,920,201</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. 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, 2023, the date of the most recent actuarial valuation, there were 747 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	258
Terminated vested participants not yet receiving benefits	93
Active employees - vested	390
Active employees - nonvested	6
Total	<u>747</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, 2023, the City's contribution rate was 12.59% of annual payroll. City contributions to the Plan were \$2,907,775 for the fiscal year ended June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Net Pension Liability of the City. The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2023 with update procedures performed by the actuary to roll forward to the total pension asset measured as of September 30, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2023 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, 2023 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, 2023 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 -%.

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, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80
Real estate	10%	3.90
Global fixed income	5%	0.46
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 10. PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.38%. There was no change in the discount rate from prior fiscal year. 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, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2022	\$ 65,952,343	\$ 56,027,340	\$ 9,925,003
Changes for the fiscal year:			
Service cost	732,056	-	732,056
Interest	4,796,391	-	4,796,391
Differences between expected and actual experience	(908,115)	-	(908,115)
Changes of benefit terms	-	-	-
Contributions—employer	-	3,120,118	(3,120,118)
Net investment income	-	(9,155,686)	9,155,686
Benefit payments, including refunds of employee contributions	(3,297,168)	(3,297,168)	-
Administrative expense	-	(76,460)	76,460
Net changes	1,323,164	(9,409,196)	10,732,360
Balances at 6/30/2023	\$ 67,275,507	\$ 46,618,144	\$ 20,657,363

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 10. 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	\$ 29,274,864	\$ 20,657,363	\$ 13,477,408

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, 2022 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, 2023, the City recognized pension expense of \$3,610,184. At June 30, 2023, 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	\$ 1,376,775	\$ 726,493
Changes in assumptions	606,955	-
Net difference between projected and actual earnings on pension plan investments	5,999,603	-
City contributions subsequent to the measurement date	2,108,831	-
Total	<u>\$ 10,092,164</u>	<u>\$ 726,493</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

City contributions subsequent to the measurement date of \$2,108,831 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, 2024. 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:		
2024	\$	2,311,688
2025		1,237,647
2026		1,233,457
2027		2,474,048
Total	\$	<u>7,256,840</u>

NOTE 11. 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, 2023, the City contributed \$198,064 and employees contributed \$763,438. 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, 2023, 340 employees participated in the Plan.

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NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 healthcare 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, 2023, the City contributed \$341,846 for the pay-as-you-go benefits for the OPEB plan.

Total OPEB Liability. The City’s total OPEB liability of \$13,166,085 was measured as of June 30, 2022 and was determined by an actuarial valuation as of January 1, 2022 using standard roll-forward 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	3.54%
Healthcare cost trends	
Medical	-4.00% for 2021, then 6.75% trended down to 4.50% over 9 years
Prescription drug	-4.00% for 2021, then 6.75% trended down to 4.50% over 9 years

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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, 2022 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, 2022.

Changes in the Total OPEB Liability. The changes in the total OPEB liability for the City for the fiscal year ended June 30, 2023 were as follows:

	Total OPEB Liability
Balance at June 30, 2022	\$ 16,162,517
Service cost	826,041
Interest	363,802
Change in benefit terms	-
Experience differences	(245,538)
Assumption changes	(3,647,410)
Benefit payments	(293,327)
Balance at June 30, 2023	<u>\$ 13,166,085</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 (2.54 percent) or 1-percentage-point higher (4.54) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 14,603,119	\$ 13,166,085	\$ 11,889,921

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 Healthcare Cost Trend Rates</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase Healthcare Cost Trend Rates</u>
Total OPEB liability	\$ 11,442,801	\$ 13,166,085	\$ 15,243,590

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, 2022 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, 2023, the City recognized OPEB expense of \$602,482. At June 30, 2023, 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	\$ 709,855	\$ 569,094
Changes in assumptions	1,147,326	4,103,735
City contributions subsequent to the measurement date	341,846	-
Total	<u>\$ 2,199,027</u>	<u>\$ 4,672,829</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 \$341,846 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2024	\$ (587,357)
2025	(409,175)
2026	(340,393)
2027	(340,393)
Thereafter	(1,138,330)
Total	<u>\$ (2,815,648)</u>

NOTE 13. 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 nonincremental claims adjustment expenses.

The following describes the activity in the healthcare 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
2023	\$ 655,000	\$ 5,114,585	\$ 5,134,585	\$ 635,000
2022	1,100,000	6,392,198	6,837,198	655,000

NOTES TO FINANCIAL STATEMENTS

NOTE 13. 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 nonincremental 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.

Fiscal Year	Beginning of Fiscal Year Claims Liability	Current Fiscal Year Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Claims Liability
2023	\$ 330,000	\$ 357,634	\$ 457,634	\$ 230,000
2022	600,000	262,386	532,386	330,000

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

NOTE 14. 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, 2023, 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 15. 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 16. 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, 2023, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$12,393,000.

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 "LDA") 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 LDA have entered into an intergovernmental agreement in which the City and County pay the LDA amounts sufficient to meet debt service requirements on the LDA's Series 2007A and 2007B Revenue Bonds. The City and LDA have intergovernmental agreements in which the City pays the LDA amounts sufficient to meet debt service requirements on the LDA's Series 2005A and 2005B and Series 2016 Revenue Bonds. The City's total debt guarantee on each outstanding debt as of June 30, 2023 was \$1,115,000 on the Series 2005A and 2005B Revenue Bonds, \$1,205,000 on the Series 2007A and 2007B revenue bonds, and \$15,080,000 on the Series 2016 Revenue Bonds.

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 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued). As of June 30, 2023, 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 \$42,570,084 for the fiscal year ended 2023.

At June 30, 2023, the outstanding debt of MEAG was approximately \$8.170 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$476 million at June 30, 2023.

NOTE 17. 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, 2023, the City collected \$5,047,281 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 18. CHANGE IN REPORTING ENTITY

Management of the City has determined that a restatement to the beginning fund balance and/or net position of governmental funds, governmental activities and aggregate discretely presented component units is necessary to properly reflect a change in the City's financial reporting. Management determined that the LaGrange Development Authority and Development Authority of LaGrange (consolidated for financial reporting as the "LDA") qualifies as a blended component unit of the City. A restatement was required for the beginning fund balance of the governmental funds and beginning net position of governmental activities and aggregate discretely presented component units to properly reflect the change in reporting entity.

The net effect of the restatements is shown below:

Net position, aggregate discretely presented component units, July 1, 2022 as previously reported	\$ 22,687,566
Change in reporting entity - reduction of LDA net position	(6,616,940)
Restatement of opening balance - Note 19	(123,653)
Net position, aggregate discretely presented component units, July 1, 2022 as restated	<u>\$ 15,946,973</u>
 Fund balances, governmental funds, July 1, 2022 as previously reported	 \$ 4,997,579
Change in reporting entity - addition of LDA - governmental fund balance on modified accrual basis of accounting	 11,394,770
Fund balances, governmental funds, July 1, 2022 as restated	<u>\$ 16,392,349</u>
 Net position, governmental activities, July 1, 2022 as previously reported	 \$ 49,796,431
Change in reporting entity:	
Addition of LDA - governmental fund balance as of July 1, 2022	11,394,770
Addition of long-term intergovernmental receivable	1,429,051
Reduction of intergovernmental agreement payable attributable to the LDA	16,892,500
Addition of revenue bonds payable attributable to the LDA	(19,567,979)
Addition of accrued interest payable attributable to the LDA	(20,312)
Addition of net capital assets attributable to the LDA	15,493,686
Net position, governmental activities, July 1, 2022 as restated	<u>\$ 75,418,147</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 19. RESTATEMENT OF OPENING BALANCE

Management of Visit LaGrange (the “CVB”), a discretely presented component unit of the City, determined that a restatement to beginning net position was required to correct an error in reporting certain balances at June 30, 2022. This adjustment resulted in a change to beginning net position of the aggregate discretely presented component units as follows:

Net position, aggregate discretely presented component units, July 1, 2022 as previously reported	\$ 22,687,566
Change in reporting entity - removal of LDA net position	(6,616,940)
Visit LaGrange - adjustment to opening net position	(123,653)
Net position, aggregate discretely presented component units, July 1, 2022 as restated	<u>\$ 15,946,973</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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 732,056	\$ 646,452	\$ 646,529	\$ 599,482	\$ 675,133
Interest	4,796,391	4,533,981	4,287,702	3,971,716	3,811,600
Difference between expected and actual experience	(908,115)	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	(3,297,168)	(3,106,365)	(3,046,275)	(2,971,882)	(2,758,396)
Net change in total pension liability	1,323,164	3,567,902	3,369,502	5,172,273	2,317,274
Total pension liability - beginning	65,952,343	62,384,441	59,014,939	53,842,666	51,525,392
Total pension liability - ending (a)	67,275,507	65,952,343	62,384,441	59,014,939	53,842,666
Plan fiduciary net position					
Contributions - employer	3,120,118	2,636,301	2,210,122	2,395,939	2,365,708
Net investment income	(9,155,686)	11,035,075	4,050,182	1,223,468	3,788,480
Benefit payments, including refunds of employee contributions	(3,297,168)	(3,106,365)	(3,046,275)	(2,971,882)	(2,758,396)
Administrative expenses	(76,460)	(75,213)	(74,229)	(69,344)	(72,327)
Net change in plan fiduciary net position	(9,409,196)	10,489,798	3,139,800	578,181	3,323,465
Plan fiduciary net position - beginning	56,027,340	45,537,542	42,397,742	41,819,561	38,496,096
Plan fiduciary net position - ending (b)	46,618,144	56,027,340	45,537,542	42,397,742	41,819,561
City's net pension liability - ending (a) - (b)	\$ 20,657,363	\$ 9,925,003	\$ 16,846,899	\$ 16,617,197	\$ 12,023,105
Plan fiduciary net position as a percentage of the total pension liability	69.29%	84.95%	73.00%	71.84%	77.67%
Covered payroll	\$ 21,853,256	\$ 20,869,709	\$ 22,861,575	\$ 23,224,805	\$ 22,664,063
City's net pension liability as a percentage of covered payroll	94.53%	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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 2,907,775	\$ 2,738,495	\$ 2,636,301	\$ 2,360,585	\$ 2,408,124
Contributions in relation to the actuarially determined contribution	<u>2,907,775</u>	<u>2,738,495</u>	<u>2,636,301</u>	<u>2,360,585</u>	<u>2,408,124</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,091,526	\$ 21,440,499	\$ 20,679,445	\$ 23,588,951	\$ 23,103,423
Contributions as a percentage of covered payroll	12.59%	12.77%	12.75%	10.01%	10.42%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially determined contribution	\$ 2,351,569	\$ 2,213,688	\$ 2,080,493	\$ 1,929,349	
Contributions in relation to the actuarially determined contribution	<u>2,351,569</u>	<u>2,213,688</u>	<u>2,085,952</u>	<u>1,929,349</u>	
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,459</u>	<u>\$ -</u>	
Covered payroll	\$ 22,517,609	\$ 22,088,302	\$ 21,792,805	\$ 20,454,970	
Contributions as a percentage of covered payroll	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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 826,041	\$ 747,854	\$ 590,193	\$ 566,816	\$ 570,148	\$ 652,817
Interest on total OPEB liability	363,802	376,098	508,629	567,864	518,765	431,222
Change in benefit terms	-	(574,900)	-	-	-	-
Differences between expected and actual experience	(245,538)	(388,185)	549,810	617,966	(85,513)	(195,255)
Changes of assumptions	(3,647,410)	99,887	1,604,446	(1,167,899)	(395,962)	(1,052,013)
Benefit payments	(293,327)	(732,741)	(1,111,759)	(396,468)	(446,057)	(342,027)
Net change in total OPEB liability	(2,996,432)	(471,987)	2,141,319	188,279	161,381	(505,256)
Total OPEB liability - beginning	16,162,517	16,634,504	14,493,185	14,304,906	14,143,525	14,648,781
Total OPEB liability - ending	\$ 13,166,085	\$ 16,162,517	\$ 16,634,504	\$ 14,493,185	\$ 14,304,906	\$14,143,525
 Covered-employee payroll	 \$ 21,922,910	 \$ 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	 60.1%	 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.

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, 2023

ASSETS	Special Revenue Funds						Permanent Fund	Total
	Community Development Fund	ARPA Fund	Tax Allocation Fund LaGrange Mall	Tax Allocation Fund Marriott	Tax Allocation Fund Mill Creek	Hotel/Motel Tax Fund	Cemetery Care Fund	Nonmajor Governmental Funds
Cash and cash equivalents	\$ 354,211	\$ 1,813,694	\$ 33,749	\$ 69	\$ -	\$ -	\$ -	\$ 2,201,723
Investments	6,771	-	-	-	-	-	1,179,348	1,186,119
Intergovernmental receivable	-	-	-	-	-	503,527	-	503,527
Total assets	<u>\$ 360,982</u>	<u>\$ 1,813,694</u>	<u>\$ 33,749</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 503,527</u>	<u>\$ 1,179,348</u>	<u>\$ 3,891,369</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,293	\$ -	\$ 220,293
Unearned revenue	-	1,780,667	-	-	-	-	-	1,780,667
Due to other funds	-	-	-	-	-	283,234	-	283,234
Advances from other funds	-	-	-	1,934,175	-	-	-	1,934,175
Total liabilities	<u>-</u>	<u>1,780,667</u>	<u>-</u>	<u>1,934,175</u>	<u>-</u>	<u>503,527</u>	<u>-</u>	<u>4,218,369</u>
FUND BALANCES								
Nonspendable for:								
Corpus of permanent fund	-	-	-	-	-	-	2,500	2,500
Restricted for:								
Federal programs	-	33,027	-	-	-	-	-	33,027
Capital Improvements	-	-	33,749	-	-	-	-	33,749
Cemetery operating capital	-	-	-	-	-	-	1,176,848	1,176,848
Planning and development	360,982	-	-	-	-	-	-	360,982
Unassigned	-	-	-	(1,934,106)	-	-	-	(1,934,106)
Total fund balances (deficits)	<u>360,982</u>	<u>33,027</u>	<u>33,749</u>	<u>(1,934,106)</u>	<u>-</u>	<u>-</u>	<u>1,179,348</u>	<u>(327,000)</u>
Total liabilities and fund balances	<u>\$ 360,982</u>	<u>\$ 1,813,694</u>	<u>\$ 33,749</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 503,527</u>	<u>\$ 1,179,348</u>	<u>\$ 3,891,369</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, 2023

	Special Revenue Funds						Permanent Fund	Total
	Community Development Fund	ARPA Fund	Tax Allocation Fund LaGrange Mall	Tax Allocation Fund Marriott	Tax Allocation Fund Mill Creek	Hotel/Motel Tax Fund	Cemetery Care Fund	Nonmajor Governmental Funds
REVENUES								
Hotel/motel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,047,281	\$ -	\$ 5,047,281
Intergovernmental	-	3,909,008	257,094	131,481	335,550	-	-	4,633,133
Interest income (loss)	173	33,054	-	-	-	-	(17,430)	15,797
Miscellaneous	53,977	-	-	-	-	-	-	53,977
Total revenues	54,150	3,942,062	257,094	131,481	335,550	5,047,281	(17,430)	9,750,188
EXPENDITURES								
Current								
Community development	88,819	-	-	-	-	2,492,539	-	2,581,358
Debt Service								
Principal retirement	-	-	-	-	-	405,000	-	405,000
Interest	-	-	-	-	-	580,731	-	580,731
Capital outlay	-	30,485	223,345	-	335,550	-	-	589,380
Total expenditures	88,819	30,485	223,345	-	335,550	3,478,270	-	4,156,469
Excess (deficiency) of revenues over expenditures	(34,669)	3,911,577	33,749	131,481	-	1,569,011	(17,430)	5,593,719
Other financing sources (uses):								
Transfers in	-	-	-	-	-	3,478,270	-	3,478,270
Transfers out	-	(3,878,550)	-	-	-	(5,047,281)	(35,251)	(8,961,082)
Total other financing sources (uses)	-	(3,878,550)	-	-	-	(1,569,011)	(35,251)	(5,482,812)
Net change in fund balances	(34,669)	33,027	33,749	131,481	-	-	(52,681)	110,907
FUND BALANCES (DEFICIT), beginning of fiscal year	395,651	-	-	(2,065,587)	-	-	1,232,029	(437,907)
FUND BALANCES (DEFICIT), end of fiscal year	\$ 360,982	\$ 33,027	\$ 33,749	\$ (1,934,106)	\$ -	\$ -	\$ 1,179,348	\$ (327,000)

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	100	100	173	73
Miscellaneous	5,100	5,100	53,977	48,877
Total revenues	5,200	5,200	54,150	48,950
EXPENDITURES				
Community development	150,000	150,000	88,819	61,181
Net change in fund balances	(144,800)	(144,800)	(34,669)	110,131
FUND BALANCES, beginning of fiscal year	395,651	395,651	395,651	-
FUND BALANCES, end of fiscal year	<u>\$ 250,851</u>	<u>\$ 250,851</u>	<u>\$ 360,982</u>	<u>\$ 110,131</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,658,500	\$ 5,658,500	\$ 3,909,008	\$ (1,749,492)
Interest income	-	-	33,054	33,054
Total revenues	5,658,500	5,658,500	3,942,062	(1,716,438)
EXPENDITURES				
Capital outlay	30,485	30,485	30,485	-
Total expenditures	30,485	30,485	30,485	-
Excess of revenues over expenditures	5,628,015	5,628,015	3,911,577	(1,716,438)
Other financing uses:				
Transfers out	(5,628,015)	(5,628,015)	(3,878,550)	1,749,465
Total other financing uses	(5,628,015)	(5,628,015)	(3,878,550)	1,749,465
Net change in fund balances	-	-	33,027	33,027
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ 33,027	\$ 33,027

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, 2023**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 4,000,000	\$ 4,000,000	\$ 5,047,281	\$ 1,047,281
Total revenues	4,000,000	4,000,000	5,047,281	1,047,281
EXPENDITURES				
Community development	2,130,900	2,130,900	2,492,539	(361,639)
Debt service:				
Principal	405,000	405,000	405,000	-
Interest	580,731	580,731	580,731	-
Total expenditures	3,116,631	3,116,631	3,478,270	(361,639)
Excess of revenues over expenditures	883,369	883,369	1,569,011	685,642
Other financing sources (uses):				
Transfers in	-	-	3,478,270	3,478,270
Transfers out	(883,369)	(883,369)	(5,047,281)	(4,163,912)
Total other financing sources (uses)	(883,369)	(883,369)	(1,569,011)	(685,642)
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, 2023

			Expenditures			Estimated Percent Complete
SPLOST - 2017	Original Estimated Cost	Revised Estimated Cost	Prior Fiscal Years	Current Fiscal Year	Total	
Project						
Special Local Option Sales Tax - 2017:						
The Thread - multiuse trail	\$ 5,000,000	\$ 10,000,000	\$ 6,300,243	\$ 477,095	\$ 6,777,338	67.77 %
Park upgrades	550,000	5,000,000	2,823,065	1,415,852	4,238,917	84.78
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	2,538,106	1,964,144	4,502,250	75.04
Utility relocation	1,400,000	1,400,000	58,103	-	58,103	4.15
Regional stormwater management initiatives	1,000,000	1,644,000	1,512,512	120,799	1,633,311	99.35
Public safety	4,000,000	6,950,000	5,895,491	1,038,713	6,934,204	99.77
Total SPLOST 2017	<u>\$ 19,950,000</u>	<u>\$ 32,994,000</u>	<u>\$ 19,900,388</u>	<u>\$ 5,016,603</u>	<u>\$ 24,916,991</u>	
SPLOST - 2022	Original Estimated Cost	Revised Estimated Cost	Prior Fiscal Years	Current Fiscal Year	Total	Estimated Percent Complete
Project						
Special Local Option Sales Tax - 2022:						
The Thread - multiuse trail	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ -	- %
Park upgrades	5,300,000	5,300,000	-	-	-	-
Gateway corridor enhancements	4,440,000	4,440,000	-	-	-	-
Roads and bridge improvements	4,000,000	4,000,000	-	-	-	-
Regional stormwater management initiatives	1,000,000	1,000,000	-	-	-	-
Public safety	7,000,000	7,000,000	-	-	-	-
Total SPLOST 2022	<u>\$ 31,740,000</u>	<u>\$ 31,740,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Note 2: No collections or expenditures on the SPLOST 2022 referendum are set to commence until 2025.

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, 2023

ASSETS	Group Insurance Fund	Property and Casualty Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,629,911	\$ 1,207,097	\$ 2,837,008
Investments	-	619,449	619,449
Accounts receivable, net of allowances	86,153	-	86,153
Total current assets	<u>1,716,064</u>	<u>1,826,546</u>	<u>3,542,610</u>
NONCURRENT ASSETS			
Advances to other funds	-	265,970	265,970
Capital assets:			
Nondepreciable	-	34,457	34,457
Depreciable	-	155,598	155,598
Total noncurrent assets	<u>-</u>	<u>456,025</u>	<u>456,025</u>
Total assets	<u>1,716,064</u>	<u>2,282,571</u>	<u>3,998,635</u>
LIABILITIES			
CURRENT LIABILITIES			
Claims reserve	<u>635,000</u>	<u>200,000</u>	<u>835,000</u>
Total liabilities	<u>635,000</u>	<u>200,000</u>	<u>835,000</u>
NET POSITION			
Investment in capital assets	-	190,055	190,055
Unrestricted	1,081,064	1,892,516	2,973,580
Total net position	<u>\$ 1,081,064</u>	<u>\$ 2,082,571</u>	<u>\$ 3,163,635</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, 2023

	Group Insurance Fund	Property and Casualty Fund	Total
OPERATING REVENUES			
Premiums	\$ 7,865,329	\$ 945,267	\$ 8,810,596
Miscellaneous revenue	-	99,274	99,274
Total operating revenues	7,865,329	1,044,541	8,909,870
OPERATING EXPENSES			
Administrative services	647,473	18,220	665,693
Risk management	5,763,825	845,089	6,608,914
Depreciation	-	4,059	4,059
Total operating expenses	6,411,298	867,368	7,278,666
Operating income	1,454,031	177,173	1,631,204
NONOPERATING REVENUES			
Investment income	484	26,466	26,950
Intergovernmental revenue	25,086	-	25,086
Total nonoperating revenues	25,570	26,466	52,036
Income before transfers	1,479,601	203,639	1,683,240
Transfers in	-	15,732	15,732
Change in net position	1,479,601	219,371	1,698,972
Net position, beginning of fiscal year	(398,537)	1,863,200	1,464,663
Net position, end of fiscal year	<u>\$ 1,081,064</u>	<u>\$ 2,082,571</u>	<u>\$ 3,163,635</u>

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Group Health Fund	Property and Casualty Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 657,204	\$ 99,274	\$ 756,478
Receipts from interfund charges	7,204,272	1,045,267	8,249,539
Payments to suppliers and service providers	(6,431,298)	(1,232,752)	(7,664,050)
Net cash provided by (used in) operating activities	<u>1,430,178</u>	<u>(88,211)</u>	<u>1,341,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	-	1,206	1,206
Interest income	484	26,466	26,950
Net cash provided by investing activities	<u>484</u>	<u>27,672</u>	<u>28,156</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	15,732	15,732
Intergovernmental receipts	25,086	-	25,086
Advances from other funds	-	123,119	123,119
Net cash provided by noncapital financing activities	<u>25,086</u>	<u>138,851</u>	<u>163,937</u>
Net increase in cash	1,455,748	78,312	1,534,060
Cash:			
Beginning of fiscal year	<u>174,163</u>	<u>1,128,785</u>	<u>1,302,948</u>
End of fiscal year	<u><u>\$ 1,629,911</u></u>	<u><u>\$ 1,207,097</u></u>	<u><u>\$ 2,837,008</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 1,454,031	\$ 177,173	\$ 1,631,204
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	-	4,059	4,059
Change in assets and liabilities:			
Increase in accounts receivable	(3,853)	-	(3,853)
Decrease in due from other funds	-	100,000	100,000
Decrease in claims reserves	(20,000)	(130,000)	(150,000)
Decrease in accounts payable	-	(239,443)	(239,443)
Net cash provided by (used in) operating activities	<u><u>\$ 1,430,178</u></u>	<u><u>\$ (88,211)</u></u>	<u><u>\$ 1,341,967</u></u>

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.

Page

Financial Trends 84

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

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

Debt Capacity 95

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

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

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment										
in capital assets	\$ 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	\$ 79,669,454
Restricted	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	2,578,717
Unrestricted	(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)	1,067,658
Total governmental activities net position	<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>	<u>\$ 83,315,829</u>
Business-type activities:										
Net investment										
in capital assets	\$ 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	\$ 97,351,042
Restricted	-	-	-	-	-	-	125,000	-	-	-
Unrestricted	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	35,803,450
Total business-type activities net position	<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>	<u>\$ 133,154,492</u>
Primary government:										
Net investment										
in capital assets	\$ 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	\$ 177,020,496
Restricted	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	2,578,717
Unrestricted	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	36,871,108
Total primary government net position	<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>	<u>\$ 216,470,321</u>

CITY OF LAGRANGE, GEORGIA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 4,530,855
Judicial	-	-	-	-	-	-	-	39,474	4,231	15,724
Public safety	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	21,444,780
Public works	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	6,975,461
Culture and recreation	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	2,900,039
Community development	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	9,112,159 (8)
Redevelopment and housing	335,399	228,000	228,000	352,895	280,462	206,000	206,000	- (1)	-	-
Miscellaneous	415,457	403,159	438,347	443,353	438,966	451,737	507,970	-	-	-
Interest and fiscal charges	327,250	326,751	232,542	533,129	788,434	831,861	803,005	1,062,274	956,391	1,817,837
Total governmental activities expenses	27,464,367	26,120,696	27,801,873	51,378,541	31,153,635	34,637,691	37,621,953	40,349,959	39,832,525	46,796,855
Business-type activities:										
Water and sewerage	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	15,545,354
Gas	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	18,272,779
Electric system	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	51,962,242 (7)
Sanitation	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	3,168,720
Telecommunications	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	2,636,467
Sweetland Amphitheater	-	-	-	-	-	-	232,707	382,477	1,582,441	1,314,277
Total business-type activities expenses	84,210,918	81,391,065	77,487,540	78,614,715	78,873,488	83,473,075	72,358,346	75,326,767	83,737,951	92,899,839
Total primary government expenses	<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>	<u>\$ 139,696,694</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 202,638	\$ 196,652	\$ 356,953	\$ 366,991	\$ 366,546	\$ 1,716,581	\$ 1,280,442	\$ 1,729,001	\$ 1,729,520	\$ 1,933,761
Public safety	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	1,243,566
Culture and recreation	63,435	61,110	61,010	44,875	57,315	51,180	48,545	-	-	-
Community development	1,232,586	1,238,348	1,079,498	1,162,818	861,664	1,057,964	993,385	205,967	261,336	641,879
Operating grants and contributions	338,610	74,335	218,943	586,037	2,817,707	910,388	418,466	2,071,631	7,652,603 (4)	7,456,129
Capital grants and contributions	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	7,141,840
Total government activities program revenues	6,745,114	13,557,312	13,706,773	6,906,249	8,977,851	9,681,517	9,089,203	11,515,218	17,987,670	18,417,175
Business-type activities:										
Charges for services:										
Water and sewerage	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	22,239,721
Gas system	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)	20,538,841
Electric system	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	58,912,194 (7)
Sanitation	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	3,002,170
Telecommunications	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	3,774,717
Sweetland Amphitheater	-	-	-	-	-	-	338,680	148,961	1,437,568	1,240,584
Capital grants and contributions	-	-	-	-	-	-	225,538	-	-	731,011
Total business-type activities program revenues	97,720,951	98,607,092	90,886,838	89,963,217	91,758,396	95,191,085	85,181,342	84,879,507	96,051,901	110,439,238
Total primary government program revenues	<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>	<u>\$ 128,856,413</u>

(continued)

CITY OF LAGRANGE, GEORGIA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense) revenue										
Governmental activities	\$ (12,563,384)	\$ (20,719,253)	\$ (44,472,292)	\$ (22,175,784)	\$ (24,956,174)	\$ (28,532,750)	\$ (28,834,741)	\$ (21,844,855)	\$ (21,844,855)	\$ (28,379,680)
Business-type activities	17,216,027	13,510,033	11,348,502	12,884,908	11,718,010	12,822,996	9,552,740	12,313,950	12,313,950	17,539,399
Total primary government net expense	<u>\$ 4,652,643</u>	<u>\$ (7,209,220)</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>	<u>\$ (9,530,905)</u>	<u>\$ (10,840,281)</u>
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	\$ 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	\$ 10,359,637
Sales and use taxes	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	8,003,206
Franchise taxes	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	1,260,309
Unrestricted investment earnings	132,379	29,289	35,789	42,269	51,222	64,512	100,637	508,877	598,855	543,454
Miscellaneous	-	-	-	-	-	-	-	677,756 (2)	996,160	560,656
Transfers	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	15,550,100
Total governmental activities	<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>	<u>36,277,362</u>
Business-type activities:										
Unrestricted investment earnings (loss)	15,114	43,952	72,298	103,009	370,511	183,985	1,321,759	25,380 (3)	(1,747,661) (6)	492,043
Gain on sale of capital assets	-	-	-	-	-	-	1,083,763	54,108	1,246	52,892
Transfers	(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)	(15,550,100)
Total business-type activities	<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>	<u>(15,005,165)</u>
Total primary government	<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>	<u>\$ 21,272,197</u>
Change in Net Position										
Governmental activities	7,931,967	1,325,251	(20,741,939)	107,325	(776,206)	(3,317,629)	(344,595)	11,156,708	10,955,822	7,897,682
Business-type activities	6,708,765	1,674,344	(1,652,928)	1,172,917	(1,402,479)	(907,019)	(1,883,738)	(3,438,562)	(2,726,068)	2,534,234
Total primary government	<u>\$ 14,640,732</u>	<u>\$ 2,999,595</u>	<u>\$ (22,394,867)</u>	<u>\$ 1,280,242</u>	<u>\$ (2,178,685)</u>	<u>\$ (4,224,648)</u>	<u>\$ (2,228,333)</u>	<u>\$ 7,718,146</u>	<u>\$ 8,229,754</u>	<u>\$ 10,431,916</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.
- (7) Market factors resulted in a sharp rise in cost of goods sold for electric and power supply, which also contributed to an increase in revenue.
- (8) In fiscal year 2023, the LaGrange Development Authority was reported as a blended component unit and major governmental fund of the City.

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

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	\$ 197,596	\$ 200,254	\$ 183,753	\$ 195,491	\$ 179,260	\$ 170,003	\$ 165,344	\$ 585,202	\$ 976,295	\$ 973,771
Restricted	865,860	812,684	936,059	932,122	928,387	1,354,746	1,279,007	404,455	714,086	870,050
Assigned	-	-	-	-	-	7,000	12,540	-	-	-
Unassigned	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	9,131,954
Total General Fund	<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>	<u>\$ 10,975,775</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 70,961	\$ 7,360,310
Restricted	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	1,962,963
Committed	-	-	-	-	-	-	-	-	-	3,529,503
Assigned	-	-	-	-	-	-	-	366,778	113,553	135,653
Unassigned	60,474	-	-	(2,720,609)	(2,595,426)	(2,894,486)	(3,844,976)	(2,206,286)	(3,197,106)	(1,934,106)
Total all other governmental funds	<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>	<u>\$ 11,054,323</u>

Note: 2023 fund balance includes reporting of the LaGrange Development Authority as a blended component unit and major governmental fund of the City.

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

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes, licenses and permits	\$ 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	\$ 20,257,417
Intergovernmental	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⁾	15,205,223
Fines and forfeitures	1,613,749	1,376,112	1,133,181	1,115,505	1,164,063	1,037,600	803,272	679,268	785,384	903,297
Charges for services	257,906	250,170	310,653	253,768	285,318	1,339,516	1,152,663	2,010,186	2,098,299	2,281,644
Investment income	1,131,076	1,183,812	993,538	907,538	928,570	1,033,323	928,285	509,085 ⁽¹⁾	599,021	543,700
Miscellaneous	269,320	197,361	425,595	568,710	507,452	620,716	490,537	677,756	772,635	558,210
Total revenues	16,909,977	17,011,924	16,648,445	17,502,589	19,613,029	23,959,462	22,624,977	28,684,781	37,271,219	39,749,491
Expenditures										
General government	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	4,203,993
Public safety	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	21,813,752
Public works	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	4,986,279
Culture and recreation	1,006,218	959,879	944,873	945,898	1,349,158	1,467,014	1,620,773	2,003,320	2,509,790	2,653,862
Community development	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	5,751,977
Redevelopment and housing	335,399	228,000	228,000	352,895	280,462	206,000	206,000	- ⁽²⁾	-	-
Telecommunications and technology	392,945	405,217	422,411	443,359	466,364	460,021	477,190	532,100	520,730	549,749
Debt service:										
Principal	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	2,198,818
Interest	371,047	357,059	226,215	259,488	224,699	865,575	808,359	1,056,501	976,276	1,828,130
Capital outlay	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	5,744,195
Total expenditures	27,496,820	31,709,012	31,338,995	35,140,795	35,983,011	40,790,254	40,234,199	41,026,418	49,400,099	49,730,755
Excess (deficiency) of revenues over expenditures	(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)	(9,981,264)
Other financing sources (uses)										
Refunding bonds issued	-	2,299,000	-	-	-	-	-	-	-	-
Financed purchases	474,797	238,972	2,725,707	713,427	396,555	213,418	625,083	-	-	-
Long-term debt	-	-	-	-	-	-	-	1,635,000	-	82,199
Proceeds from sale of capital assets	347	36,733	4,984	29,306	13,462	11,621	30,135	-	223,525	2,446
Transfers in	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	28,177,452
Transfers out	(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)	(12,643,084)
Total other financing sources (uses)	12,354,761	15,648,433	14,545,691	14,233,733	14,324,017	14,067,039	13,732,218	16,372,000	13,517,128	15,619,013
Net change in fund balances	\$ 1,767,918	\$ 951,345	\$ (144,859)	\$ (3,404,473)	\$ (2,045,965)	\$ (2,763,753)	\$ (3,877,004)	\$ 4,030,363	\$ 1,388,248	\$ 5,637,749
Debt service as a percentage of noncapital expenditures	6.16%	13.65%	4.69%	5.24%	5.64%	6.92%	7.15%	5.87%	5.80%	8.88%

- (1) Decrease due to change in accounting and treatment of lease pool interest income.
(2) Departments consolidated under public works for financial reporting.
(3) Increase attributable to ARPA funding expended in fiscal year 2022.

Note: 2023 changes in fund balances includes reporting of the LaGrange Development Authority as a blended component unit and major governmental fund of the City.

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
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
2023	8,003,206	4,586,462	1,260,309	725,894	5,047,281	19,623,152

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
WATER AND SEWERAGE FUND:										
FINANCIAL RATIOS:										
Water and sewer profit margin (%)	13.0	15.0	14.0	14.0	12.0	14.0	14.0	17.0	7.0	18.0
Return on total assets (%)	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	1.0	5.0
Return on equity (%)	3.0	3.0	3.0	4.0	3.0	4.0	4.0	4.0	1.0	7.0
Liabilities/Assets (%)	11.0	20.0	22.0	22.0	22.0	22.0	23.0	42.0	42.0	42.0
Current ratio (x)	5.1	8.4	9.8	9.0	9.4	7.3	6.4	14.9	10.3	9.2
Receivables avg. days outstanding	42.9	43.6	45.1	42.9	47.6	45.4	38.6	36.4	41.4	37.0
Equity transfer (% of Income)	85.0	109.0	157.0	145.0	179.0	136.0	131.0	152.0	1,241.0	89.0
Equity transfer (% of Revenue)	11.0	16.0	22.0	22.0	23.0	21.0	20.0	23.0	22.0	18.0
Net equity transfers out (\$)	1,760	2,555	3,585	3,600	3,600	3,605	3,605	4,205	3,909	4,009
Cash and investments(\$)	9,354	11,035	11,557	12,611	11,737	13,144	15,001	40,114	37,299	29,932
Capital investment to depreciation ratio (x)	1.9	2.7	0.8	0.2	0.5	0.3	0.2	0.9	0.4	2.7
Total capitalization (\$)	80,607	86,571	86,217	85,039	81,422	79,647	77,951	102,301	96,968	96,346
Working capital (\$)	9,669	12,040	12,941	14,030	13,668	14,443	15,879	40,585	40,585	30,113
OPERATING INFORMATION:										
Water KGAL sales	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	2,027,502
Sewer KGAL sales	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	1,206,977
Revenues \$/KGAL sold	5.15	5.16	5.37	5.34	5.35	5.53	5.83	6.10	5.68	6.88
Total operating expense \$/KGAL	4.24	3.71	3.69	3.57	3.70	4.15	3.97	3.26	3.52	3.98
Distribution expenses \$/Kgal sold	3.39	3.30	3.40	3.32	3.44	3.52	3.79	3.85	3.83	4.31
Installed Water meters	19,660	19,733	19,783	19,892	19,920	19,991	20,008	20,026	20,160	10,936
Water distribution employees	17	17	17	17	17	16	16	18	18	18
Water production employees	13	13	13	13	13	13	13	13	13	13
Meters/distribution employee	1,156	1,161	1,164	1,170	1,172	1,249	1,251	1,113	1,120	1,133
Meters/production employee	1,512	1,518	1,522	1,530	1,532	1,538	1,539	1,540	1,551	1,569
KGAL/distribution employee	111,213	113,174	112,841	118,640	111,638	121,388	122,602	106,325	110,965	112,639
KGAL/production employee	145,432	147,997	147,561	155,145	145,988	149,401	150,895	147,219	153,643	155,962
UTILITY FUND:										
FINANCIAL RATIOS:										
Gas profit margin (%)	13.0	24.0	19.0	13.0	22.0	20.0	31.0	21.0	16.0	12.0
Electric profit margin (%)	14.0	17.0	17.0	13.0	16.0	13.0	14.0	8.0	17.0	16.0
Telecom profit margin (%)	9.0	33.0	1.0	6.0	10.0	7.0	(1.0)	24.0	22.0	32.0
Return on total assets (%)	13.0	18.0	14.0	12.0	15.0	15.0	16.0	11.0	15.0	18.0
Return on equity (%)	21.0	28.0	20.0	16.0	21.0	20.0	20.0	14.0	20.0	23.0
Liabilities/Assets (%)	42.0	39.0	35.0	32.0	30.0	27.0	26.0	26.0	23.0	22.0
Current ratio (x)	4.0	4.4	4.8	4.3	4.5	5.1	4.8	4.4	4.6	5.1
Receivables avg. days outstanding	42.0	41.0	43.7	46.2	50.5	49.0	44.8	36.0	45.9	39.7

(continued)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equity transfer (% of Income)	98.0	75.0	77.0	102.0	81.0	82.0	82.0	140.0	83.0	86.0
Equity fund transfer (% of Revenue)	14.0	15.0	13.0	14.0	14.0	13.0	15.0	17.0	13.0	14.0
Net equity transfers out (\$)	10,533	10,900	8,600	9,081	9,400	9,330	9,865	10,925	9,433	11,650
Cash and Investments (\$)	24,982	27,618	30,967	26,642	27,512	28,248	31,569	31,234	31,900	31,823
Capital investment versus depreciation (x)	0.3	0.5	0.4	0.7	0.4	0.4	0.3	0.4	0.5	0.5
Capitalization (\$)	62,757	63,706	64,297	63,423	62,996	63,816	64,608	59,842	60,455	61,025
Working capital (\$)	26,199	29,083	31,505	27,747	29,578	34,414	34,075	32,573	34,984	36,559
OPERATING INFORMATION:										
Electric MWH purchases ^	535,331	547,324	548,879	543,805	539,512	551,359	533,710	533,552	546,197	528,629
Electric MWH sales	514,629	532,395	535,192	531,624	526,357	539,896	530,999	523,882	532,520	517,723
Electric \$/MWH sold	103.13	102.66	94.27	91.10	94.98	95.57	89.92	89.27	96.27	112.63
Electric total operating expense \$/MWH sold	88.44	84.90	78.29	79.21	80.13	83.61	77.62	82.48	79.75	94.62
Electric purchases expense \$/MWH sold	79.54	76.51	71.08	72.06	70.70	73.77	68.37	69.68	69.66	81.90
Electric distribution expense \$/MWH sold	7.81	7.29	6.11	6.01	8.08	8.40	7.79	11.38	9.10	11.76
Installed electric meters	13,582	13,583	13,594	13,612	13,609	13,561	13,616	13,865	14,001	14,172
Electric distribution employees	12	12	12	12	12	17	16	16	16	16
Electric right-of-way employees	5	5	6	6	6	7	7	7	7	7
Meters/employee	1,132	1,132	1,133	1,134	1,134	848	851	867	875	886
MWHs/employee	42,886	44,366	44,599	44,302	43,863	33,744	33,187	32,743	33,283	32,358
Gas Dth purchases ^	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	2,097,568
Gas Dth sales	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	2,032,301
Gas revenue \$/Dth sold	8.00	7.59	5.60	6.11	6.38	6.80	5.94	5.89	8.67	10.11
Gas operating expense \$/Dth sold	6.94	5.76	4.56	5.34	4.99	5.41	4.12	4.65	7.25	8.89
Gas purchases expense \$/Dth sold	5.36	4.45	3.27	3.96	3.76	4.12	2.73	3.15	5.84	7.28
Gas divisional operating expenses \$/Dth sold	0.85	0.60	0.54	0.61	0.54	0.64	0.73	0.88	0.76	0.97
Installed gas meters	9,460	9,500	9,496	9,526	9,521	9,165	9,120	9,018	9,032	8,890
Gas employees	8	8	8	8	8	8	8	8	8	8
Meters/employee	1,183	1,188	1,187	1,191	1,190	1,146	1,140	1,127	1,129	1,111
Dth/employee	268,196	276,893	254,665	239,312	261,028	270,003	260,706	268,359	267,145	254,038
Boring crew	2	2	2	2	2	3	3	3	3	3
Customer service reps	6	6	6	6	8	9	9	9	9	12
Meters/CSR	7,117	7,136	7,146	7,172	5,381	4,746	4,749	4,768	4,799	3,622
Utility service workers	9	9	9	9	9	9	9	9	9	10
Service orders completed	22,337	20,816	19,649	18,719	19,048	17,302	16,164	16,430	16,423	16,423
Meters/service worker	4,745	4,757	4,764	4,781	4,783	4,746	4,749	4,768	4,799	4,346
Orders per USW	2,482	2,313	2,183	2,080	2,116	1,922	1,796	1,826	1,825	1,642
Total equity transfers out	12,293	13,455	12,185	12,681	13,000	12,935	13,470	15,130	13,342	15,659
Total equity transfer (% of Revenue)	14.0	15.0	15.0	16.0	16.0	15.0	16.0	18.0	15.0	15.0

Data Source: City Utility Department

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

Customer	2023			2014		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 690,350	1	5.6	\$ 666,081	1	3.4
City of Greenville	278,506	2	2.3	220,045	2	1.1
West Ga Health	234,812	3	1.9	146,109	5	0.7
City of Hogansville	220,812	4	1.8	155,464	4	0.8
Great Wolf Lodge	198,344	5	1.6			
Troup Co. Commissioners	173,038	6	1.4	166,064	3	0.8
Troup Co. School System	120,887	7	1.0	83,629	9	0.4
Mountville Mills	93,569	8	0.8			
Jindal Films America	92,265	9	0.8			
City of West Point	85,600	10	0.7	120,297	7	0.6
Kimberly Clark				120,378	6	0.6
Lees Crossing Rent Office				97,116	8	0.5
Sun Ridge Apartments				71,016	10	0.4
	<u>\$ 2,188,183</u>		<u>17.9</u>	<u>\$ 1,846,199</u>		<u>9.3</u>

Data Source: City Utility Department

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

Customer	2023			2014		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 4,024,345	1	19.5	\$ 2,853,746	2	16.6
KIA Motor Corporation	3,664,286	2	17.8	3,631,650	1	21.1
Mountville Mills, Inc.	1,150,614	3	5.6	790,721	3	4.6
Interface Flooring Systems	949,626	4	4.6	569,014	6	3.3
Jindal Films America	655,752	5	3.2			
Great Wolf Lodge	602,688	6	2.9			
West Ga Health	552,221	7	2.7	385,315	8	2.2
Kimberly Clark	368,014	8	1.8	703,069	4	4.1
CW Matthews Contracting Co.	257,764	9	1.3	179,235	10	1.0
Troup Co. School System	230,225	10	1.1	183,686	9	1.1
Exxon Mobil				609,557	5	3.5
Custom Organics				507,357	7	3.0
	<u>\$ 12,455,535</u>		<u>60.5</u>	<u>\$ 10,413,350</u>		<u>60.5</u>

Data Source: City Utility Department

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

Customer	2023			2014		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Jindal Films America	\$ 3,629,648	1	6.2			
Duracell USA	2,657,970	2	4.5	\$ 2,320,839	2	4.4
Sewon America, Inc.	2,335,782	3	4.0	1,525,442	4	2.9
Interface Flooring Systems	1,866,020	4	3.2	1,416,275	5	2.7
West Ga Health	1,605,471	5	2.7	1,583,528	3	3.0
Wal-Mart	1,598,003	6	2.7	1,314,733	6	2.5
SAFA	1,289,866	7	2.2	1,058,756	8	2.0
Troup Co. School System	1,286,838	8	2.2	1,081,751	7	2.0
Seoyon Interior Systems	1,213,177	9	2.0			
LaGrange College	863,858	10	1.4	768,553	10	1.5
Exxon Mobil				3,583,280	1	6.8
Mountville Mills				886,613	9	1.7
	<u>\$ 18,346,633</u>		<u>31.1</u>	<u>\$ 15,539,770</u>		<u>29.5</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	Revenue Bonds	Leases Payable	Financed Purchases	Notes Payable	Intergovernmental Agreements	Revenue Bonds	Notes Payable			
2014	\$ 5,140,000	\$ 3,888,000	\$ -	\$ -	\$ -	\$ 1,565,000	\$ 3,660,000	\$ 8,985,000	\$ 7,553,825	\$ 30,791,825	6.07%	1,019
2015	4,932,500	3,888,000	-	-	-	1,225,000	3,435,000	8,215,000	18,296,132	39,991,632	7.89%	1,318
2016	4,570,000	3,888,000	-	-	2,545,000	855,000	3,195,000	7,415,000	20,123,755	42,591,755	8.40%	1,394
2017	21,120,000	3,888,000	-	-	2,315,323	445,000	2,940,000	6,590,000	19,176,976	56,475,299	11.14%	1,837
2018	20,737,500	3,888,000	-	-	2,080,456	-	2,670,000	5,740,000	18,211,640	53,327,596	10.52%	1,700
2019	20,005,000	3,888,000	-	-	1,842,408	-	2,385,000	4,860,000	17,227,306	50,207,714	9.90%	1,581
2020	19,247,500	3,888,000	-	-	1,600,136	-	2,090,000	3,950,000	16,223,544	46,999,180	9.27%	1,464
2021	18,462,500	3,888,000	-	-	1,351,202	1,635,000	1,780,000	32,194,551	13,248,725	72,559,978	14.31%	2,395
2022	755,000 ***	3,888,000	19,567,979 ***	-	1,095,422	1,408,000	- ***	30,258,812	12,385,478	69,358,691	10.47%	2,198
2023	510,000 ***	3,888,000	18,643,623 ***	76,672 ***	832,608	1,251,000	- ***	28,148,498	11,507,317	64,857,718	9.10%	2,041

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.

*** In 2023, the LaGrange Development Authority was reported as a blended component unit of the City. This change in reporting entity created a change in the reporting of the governmental activities intergovernmental agreements payable, resulted in the addition of revenue bonds payable, leases payable and affected the reporting of the business-type intergovernmental agreements payable.

CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 5,120,542	45%	\$ 2,304,244
Troup County School System	34,438,619	45%	15,497,379
Subtotal, overlapping debt			<u>17,801,623</u>
Direct debt:			
City of LaGrange, Georgia governmental activities			<u>25,125,231</u>
Subtotal, direct debt			<u>25,125,231</u>
Total direct and overlapping debt			<u><u>\$ 42,926,854</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
2023	22,239,721	11,276,144	10,963,577	875,000	776,225	1,651,225	6.64

* Operating and nonoperating 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 ***
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%
2023	31,773	713,000,000	23,000	34.0	N/A	12,139	3.2%

N/A - Not Available

Note: The 2023 median age and unemployment demographic information was not available and estimates matching the prior year data were used.

Data Sources:

* 2020 U.S. Census: other years - LaGrange Planning Office.

** 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 (CITY OF LAGRANGE)
CURRENT YEAR AND TEN YEARS AGO

Employer	Type of Business	2023			2014		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Troup County School System	Education	1796	1	20.1	1939	1	21.0
Walmart Distribution Center	Warehousing	1550	2	17.3	960	5	10.4
WellStar West Georgia Health Systems	Medical Services	1438	3	16.1	1300	2	14.1
Sewon America, Inc.	Car Manufacturing Supplier	800	4	8.9	912	6	9.9
Great Wolf Lodge	Resort	750	5	8.4			
Interface Flooring	Floor coverings	723	6	8.1	1000	4	10.8
Mountville Mills	Carpet	550	7	6.1	550	8	6.0
Milliken and Company	Floor coverings	465	8	5.2	1099	3	11.9
City of LaGrange	Government	445	9	5.0			
Duracell	Batteries	437	10	4.8	428	10	4.7
Troup County Board of Commissioners	Government				552	7	6.0
Caterpillar, Inc.	Forestry Products				480	9	5.2

Data Source: LaGrange - Troup Chamber of Commerce

CITY OF LAGRANGE, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General Government	16	16	16	16	13	13	13	17	19	20
Public safety:										
Police	95	99	105	105	105	106	108	108	114	116
Fire	57	57	57	57	64	64	65	65	67	70
Animal control	4	4	4	4	4	4	4	4	4	4
Court services	3	3	3	3	3	3	3	3	4	3
Probation services	5	5	5	5	5	5	5	5	0	0
Public service:										
Landscaping and cemeteries	8	8	8	9	18	18	18	21	23	23
Highways and streets	17	17	17	17	17	16	17	17	23	23
Traffic control	3	3	3	3	3	3	2	2	2	2
Trash and refuse	8	8	8	8	8	8	8	9	9	9
Recycling		3	3	3	5	5	5	4	3	1
Engineering	2	2	2	2	2	2	2	1	1	1
Community development:										
Life and building safety	0	0	0	0	0	0	0	0	0	0
Housing and inspections	0	0	0	0	0	0	0	0	0	0
Economic development	1	1	1	1	1	1	1	2	2	2
Community and economic development	8	8	8	8	9	8	9	9	4	4
Other governmental services:										
Vehicle maintenance	16	16	16	17	17	15	12	12	11	11
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	245	252	258	260	276	273	274	281	288	291
Business-type activities:										
Water and sewerage	64	63	63	63	63	63	63	64	64	63
Electric	17	17	17	17	18	23	23	23	23	23
Gas	10	8	8	8	8	8	8	8	8	8
Telecommunications	6	8	8	8	8	8	8	9	9	9
Sanitation	32	31	31	31	31	33	15	16	16	16
Business-type activities support services	27	29	29	29	32	32	33	35	35	35
Total Business-type activities	156	156	156	156	160	167	150	155	155	154
Grand total	401	408	414	416	436	440	424	436	443	445

Data Source: City Finance Department

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

	Fiscal Year Ended June 30									
Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Physical arrests	5,780	5,431	4,519	4,018	4,175	3,323	2,929	2,776	3,171	3,889
Parking violations	298	255	255	391	611	288	108	23	106	335
Traffic violations	14,488	13,363	12,625	12,955	15,095	14,809	8,029	7,702	11,386	10,645
Fire:										
Number of calls answered	4,477	4,705	4,634	4,607	4,722	5,040	5,470	5,474	5,575	5,881
Inspections	2,715	2,289	2,579	2,451	1,986	2,598	2,236	2,399	1,984	2,851
Health and Welfare:										
Animal Control (captured animals-City)	1,331	1,209	1,163	1,132	1,394	1,568	1,202	1,437	1,239	1,220
Highways and streets:										
Street resurfacing (miles)	3	2	2	5	2	6	4	2	5	1
Potholes repaired	71	53	74	58	72	13	63	76	84	74
Water and sewerage:										
New water connections	36	105	111	144	162	129	164	207	192	148
New sewage connections	31	22	28	29	17	59	74	79	83	89
Average daily consumption (thousands of gallons)	5,179	5,271	5,288	5,526	5,200	5,321	5,384	5,243	5,472	5,555
Average daily sewage treatment (thousands of gallons)	4,940	4,270	5,120	4,900	3,750	3,750	6,480	4,570	5,500	5,470
Gas:										
Breaks on gas main	2	5	6	0	0	1	4	1	1	1
Solid waste:										
Refuse collected (tons/day)	419	442	442	442	442	50	58	63	31	55
Recyclables collected (tons/day)	13	15	15	15	15	20	15	18	0	1

Data Sources: Various City Departments

Note: Indicators not available for the general government function.

**CITY OF LAGRANGE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	77	89	86	89	93	98	97	98	96	101
Fire stations	5	5	5	5	5	5	6	6	6	5
Fire engines	10	10	11	11	9	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	11	11	11	11	11	11
Parks acreage	207	207	207	207	207	211	211	211	211	300
Parks	14	14	14	14	14	15	15	15	15	15
Swimming pools	2	2	2	2	2	2	2	2	2	1
Tennis courts	3	3	3	3	3	3	3	3	3	2
Community centers	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	207	207	209	209	214	218	222	226	227	254
Streetlights (additions)	25	52	209	50	72	84	48	81	90	N/A
Traffic signals (City owned)	8	8	8	8	8	8	8	8	8	8
Water and sewerage:										
Water mains (miles)	442	446	448	449	445	449	453	453	461	468
Fire hydrants	1,919	1,919	1,929	1,939	1,930	1,971	2,011	2,038	2,079	2,160
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	216	217	238	249	244
Storm sewers (miles)	57	57	57	57	57	57	61	68	68	68
Maximum daily sewer treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	10,000	10,000	12,500	12,500	12,500	12,500
Gas:										
Gas lines (miles)	327	327	339	343	337	337	341	341	342	300
Number of distribution stations	17	18	19	19	19	18	14	14	15	16
Sanitation:										
Collection trucks	42	44	44	44	44	18	14	14	16	19

Data Sources: Various City departments.

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

N/A - Data not available in the fiscal year as the highways and streets department ceased tracking information.