CITY OF GRANTVILLE, GEORGIA

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

SEPTEMBER 30, 2023

Gerald G. Pentecost, Jr., CPA

Certified Public Accountants

CITY OF GRANTVILLE, GEORGIA

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Grantville, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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 Grantville, Georgia as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Grantville, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grantville, Georgia, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual on page 48, the Special Revenue Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual on page 49 through 52, the Schedule of Changes in Net Pension Liability on page 54, and the Schedule of Employer Contributions on page 55 be presented to supplement the basic financial statements 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grantville, Georgia's basic financial statements. The accompanying introductory section, the Schedule of Expenditures of Special Purpose Local Option Sales Tax required by the Official Code of Georgia 48-8-121 on page 53, and schedule of expenditures of federal awards on page 56 - 57, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 Schedule of Expenditures of Special Purpose Local Option Sales Tax and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2024, on our consideration of the City of Grantville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Grantville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Grantville, Georgia's internal control over financial reporting and compliance.



Gadsden, Alabama
March 20, 2024

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,717,139	$ 3,500,021	$ 5,217,160
Investments	180,487	-	180,487
Taxes receivable, net of allowances	841,914	-	841,914
Accounts receivable, net of allowances	97,568	590,308	687,876
Due from other governments	32,876	-	32,876
Due from other funds	(275)	325	50
Prepaid assets	91,499	25,950	117,449
Restricted cash	-	333,927	333,927
Restricted investments	1,595,303	660,996	2,256,299
Capital assets:			
Non-depreciable	153,038	58,494	211,532
Depreciable, net of accumulated depreciation	5,439,514	9,470,542	14,910,056
Total Assets	10,149,063	14,640,563	24,789,626
Deferred Outflows - Pension Related	73,636	43,349	116,985
Total Assets and Deferred Outflows	$ 10,222,699	$ 14,683,912	$ 24,906,611
LIABILITIES			
Accounts payable	$ 228,150	$ 159,033	$ 387,183
Accrued liabilities	133,054	20,136	153,190
Customer deposits payable	-	244,111	244,111
Compensated absences, due within one year	50,579	1,753	52,332
Lease Liability	632,671	-	632,671
Net Pension Liability	299,838	176,509	476,347
Notes payable, due within one year	-	97,567	97,567
Notes payable, due in more than one year	-	153,623	153,623
Bonds payable, due within one year	-	22,948	22,948
Bonds payable, due in more than one year	-	301,892	301,892
Total Liabilities	1,344,292	1,177,572	2,521,864
Deferred Inflows - pension related	35,451	20,871	56,322
NET POSITION			
Net investment in capital assets	5,592,552	8,953,006	14,545,558
Restricted for:			
Public safety	720,479	-	720,479
Capital projects	1,565,182	-	1,565,182
Public works	-	918,590	918,590
Debt Service	-	76,333	76,333
Unrestricted	964,743	3,537,540	4,502,283
Total Net Position	8,842,956	13,485,469	22,328,425
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 10,222,699	$ 14,683,912	$ 24,906,611

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions	**Expenses**	*Program Revenues*			*Net (Expense) Revenue and Changes in Net Position*		
		Fees, Fines and Charges for Services	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental Activities:							
General government	$ 434,055	$ 109,695	$ 35,348	$ 261,646	$ (27,366)	$ -	$ (27,366)
Judicial	177,150	249,472	-	-	72,322	-	72,322
Public safety	1,530,711	348	-	96,775	(1,433,588)	-	(1,433,588)
Public works	998,413	-	-	1,320,006	321,593	-	321,593
Health and welfare	325,330	-	213,357	-	(111,973)	-	(111,973)
Culture and recreation	220,540	-	-	96,721	(123,819)	-	(123,819)
Housing and development	51,666	-	-	-	(51,666)	-	(51,666)
Total Governmental Activities	3,737,865	359,515	248,705	$ 1,775,148	(1,354,497)		(1,354,497)
Business-type Activities:							
Water and sewer	1,437,921	1,206,302	-	-	-	(231,619)	(231,619)
Electric	1,683,395	1,639,036	-	-	-	(44,359)	(44,359)
Gas	461,289	425,540	-	-	-	(35,749)	(35,749)
Solid waste	345,593	340,660	-	-	-	(4,933)	(4,933)
Total Business-type Activities	3,928,198	3,611,538	-	-	-	(316,660)	(316,660)
Total Primary Government	$ 7,666,063	$ 3,971,053	$ 248,705	$ 1,775,148	(1,354,497)	(316,660)	(1,671,157)
	General Revenues:						
	Property taxes				898,708	-	898,708
	Sales taxes				1,120,465	-	1,120,465
	Franchise taxes				44,825	-	44,825
	Insurance premium taxes				268,444	-	268,444
	Other taxes				62,268	-	62,268
	Gain on sale of assets				53,660	-	53,660
	Other				163,176	-	163,176
	Unrestricted investment earnings				118,106	92,630	210,736
	Transfers				(1,217,762)	1,217,762	-
	Total General Revenues and Transfers				1,511,890	1,310,392	2,822,282
	Change in Net Position				157,393	993,732	1,151,125
	Net Position, Beginning				9,538,579	12,491,737	22,030,316
	Prior Period Adjustment (See Note 17)				(853,016)	-	(853,016)
	Net Position, Ending				$ 8,842,956	$ 13,485,469	$ 22,328,425

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
BALANCE SHEETS - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	2013 SPLOST Fund	2019 SPLOST Fund	Drug Fund	Federal Seized Fund	Court Fund	ARP Fund	Total Governmental Funds
ASSETS								
Cash and cash equivalents	922,015	39,683	18,404	48,667	78,921	609,449	-	1,717,139
Investments	180,487	-	-	-	-	-	-	180,487
Taxes receivable	841,914	-	-	-	-	-	-	841,914
Accounts Receivable	30,411	-	67,157	-	-	-	-	97,568
Due from other governments	32,876	-	-	-	-	-	-	32,876
Prepaid expenses	84,957	-	-	-	-	6,542	-	91,499
Restricted Investments	-	-	1,595,303	-	-	-	-	1,595,303
Total Assets	2,092,660	39,683	1,680,864	48,667	78,921	615,991	-	4,556,786
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	59,634	-	155,365	-	-	13,151	-	228,150
Due to other funds	(2,637)	-	-	2,912	-	-	-	275
Accrued liabilities	132,559	-	-	-	-	495	-	133,054
Total Liabilities	189,556	-	155,365	2,912	-	13,646	-	361,479
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - property taxes	759,639	-	-	-	-	-	-	759,639
Total deferred inflows of resources	759,639	-	-	-	-	-	-	759,639
FUND BALANCES								
Nonspendable:								
Prepaids	84,957	-	-	-	-	6,542	-	91,499
Restricted for:								
Public safety	-	-	-	45,755	78,921	595,803	-	720,479
Capital projects	-	39,683	1,525,499	-	-	-	-	1,565,182
Unassigned	1,058,508	-	-	-	-	-	-	1,058,508
Total Fund Balances	1,143,465	39,683	1,525,499	45,755	78,921	602,345	-	3,435,668
Total Liabilities, deferred inflows of resources, and Fund Balances	$ 2,092,660	$ 39,683	$ 1,680,864	$ 48,667	$ 78,921	$ 615,991	$ -	$ 4,556,786

CITY OF GRANTVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balances of governmental funds		$ 3,435,668
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Governmental capital assets	12,596,443	
Less: Accumulated depreciation	(7,003,891)	
Total Capital Assets		5,592,552
Long-term assets (receivables) are not available to pay current period expenditures and; therefore, are unavailable in the funds		759,639
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position.		
Compensated absences	(50,579)	
Lease liability	(632,671)	
Net pension liabilities, deferred outflows and deferred inflows not reported in the funds	(261,653)	
		(944,903)
Net position of governmental activities		$ 8,842,956

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	2013 SPLOST Fund	2019 SPLOST Fund	Drug Fund	Federal Seized Fund	Court Fund	ARP Fund	Total Governmental Funds
REVENUES:								
Taxes	$ 2,186,867	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,186,867
Licenses and permits	87,480	-	-	-	-	-	-	87,480
Intergovernmental	240,932	-	880,078	-	-	-	853,016	1,974,026
Fines and forteitures	-	-	-	348	-	249,472	-	249,820
Charges for services	22,215	-	-	-	-	-	-	22,215
Interest	118,106	12	41,756	21	33	-	232	160,160
Contributions	7,773	-	-	-	-	-	-	7,773
Other	163,176	-	-	-	-	-	-	163,176
Total Revenues	2,826,549	12	921,834	369	33	249,472	853,248	4,851,517
EXPENDITURES:								
Current								
General government	366,140	-	70,746	-	-	-	-	436,886
Judicial	-	-	-	-	-	184,385	-	184,385
Public safety	1,963,705	-	52,767	7,969	-	-	-	2,024,441
Public works	714,556	6,403	754,389	-	-	-	853,248	2,328,596
Health and welfare	321,032	-	-	-	-	-	-	321,032
Recreation	104,966	-	178,507	-	-	-	-	283,473
Housing and development	51,666	-	-	-	-	-	-	51,666
Total Expenditures	3,522,065	6,403	1,056,409	7,969	-	184,385	853,248	5,630,479
Excess Revenues Over (Under) Expenditures	(695,516)	(6,391)	(134,575)	(7,600)	33	65,087	-	(778,962)
Other Financing Sources (Uses):								
Proceeds from sale of capital assets	66,456	-	-	-	-	-	-	66,456
Operating Lease Liability	557,963	-	-	-	-	-	-	557,963
Transfers in	156,046	-	127,500	-	-	14,741	-	298,287
Transfers out	(161,768)	-	-	-	-	-	-	(161,768)
Total Other Financing Sources (Uses)	618,697	-	127,500	-	-	14,741	-	760,938
Change in Fund Balance	(76,819)	(6,391)	(7,075)	(7,600)	33	79,828	-	(18,024)
Fund Balance, Beginning	1,220,284	46,074	1,532,574	53,355	78,888	522,517	853,016	4,306,708
Prior Period Adjustment	-	-	-	-	-	-	(853,016)	(853,016)
Fund Balance, Ending	$ 1,143,465	$ 39,683	$ 1,525,499	$ 45,755	$ 78,921	$ 602,345	$ -	$ 3,435,668

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances total governmental funds		$ (18,024)
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.		
Expenditures for capital assets	930,355	
Less: current year depreciation	(512,718)	
		417,637
Governmental funds report proceeds from sales of capital assets as other financing uses. However, in the Statement of Activities, the associated undepreciated costs of the assets sold are deducted against the proceeds and a gain or loss is recorded.		(12,796)
Revenues in the statement of activities that do not provide current financial resources are not in the governmental funds because they are not financial resources.		207,843
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 the governmental funds.		
Change in compensated absences		(3,961)
Change in net pension liability, deferred outflows and deferred inflows		(7,555)
Lease payments are recorded as expenditures in the funds. They are recorded as payments on operating liabilities in the statement of net position.		132,212
Lease liabilities arising from leasing arrangements in the current period are recorded as other financing sources in the governmental funds but are liabilities in the statement of net position		(557,963)
Change in net position of governmental activities		$ 157,393

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Fund	Gas Fund	Non-major Enterprise Solid Waste Fund	Total
ASSETS					
Current Assets					
Cash and cash equivalents	$ 663,410	$ 1,648,276	$ 1,136,469	$ 51,866	$ 3,500,021
Accounts receivable, net of allowances	162,857	354,160	20,264	53,027	590,308
Due from Other Funds	195	65	65	-	325
Prepaid assets	13,392	6,878	5,680	-	25,950
	839,854	2,009,379	1,162,478	104,893	4,116,604
Restricted Assets					
Restricted cash	76,333	39,588	218,006	-	333,927
Restricted investments	-	660,996	-	-	660,996
	76,333	700,584	218,006	-	994,923
Total Current Assets	916,187	2,709,963	1,380,484	104,893	5,111,527
Capital assets					
Non-depreciable	45,211	12,703	580	-	58,494
Depreciable, net of accumulated depreciation	7,527,868	746,566	1,196,108	-	9,470,542
Total Non-current Assets	7,573,079	759,269	1,196,688	-	9,529,036
Total Assets	8,489,266	3,469,232	2,577,172	104,893	14,640,563
Deferred Outflows					
Pension related	14,808	18,969	8,567	1,005	43,349
Total Assets and Deferred Outflows	$ 8,504,074	$ 3,488,201	$ 2,585,739	$ 105,898	$ 14,683,912
LIABILITIES					
Current Liabilities					
Accounts payable	$ 30,048	$ 62,561	$ 17,305	$ 49,119	$ 159,033
Accrued liabilities	2,780	15,348	1,927	81	20,136
Customer deposits payable	69,871	106,490	67,750	-	244,111
Compensated absences, due within one year	1,753	-	-	-	1,753
Notes payable, due within one year	97,567	-	-	-	97,567
Bonds payable, due within one year	22,948	-	-	-	22,948
Total Current Liabilities	224,967	184,399	86,982	49,200	545,548
Noncurrent Liabilities					
Net pension liability	60,295	77,239	34,884	4,091	176,509
Notes payable, due in more than one year	153,623	-	-	-	153,623
Bonds payable, due in more than one year	301,892	-	-	-	301,892
Total Noncurrent Liabilities	515,810	77,239	34,884	4,091	632,024
Total Liabilities	740,777	261,638	121,866	53,291	1,177,572
Deferred inflows - pension related	7,129	9,133	4,125	484	20,871
NET POSITION					
Net investment in capital assets	6,997,049	759,269	1,196,688	-	8,953,006
Restricted for Public Works	-	700,584	218,006	-	918,590
Restricted for Debt Service	76,333	-	-	-	76,333
Unrestricted	682,786	1,757,577	1,045,054	52,123	3,537,540
Total Net Position	7,756,168	3,217,430	2,459,748	52,123	13,485,469
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 8,504,074	$ 3,488,201	$ 2,585,739	$ 105,898	$ 14,683,912

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	**Electric Fund**	**Gas Fund**	**Non-major Enterprise Solid Waste Fund**	**Totals**
OPERATING REVENUE					
Charges for sales and services	$ 1,206,302	$ 1,639,036	$ 425,540	$ 340,660	$ 3,611,538
Total Revenues	1,206,302	1,639,036	425,540	340,660	3,611,538
OPERATING EXPENSES					
Costs of sales and services	313,714	1,150,216	197,624	322,942	1,984,496
General operating costs	822,363	409,761	218,021	22,651	1,472,796
Depreciation	284,350	123,418	45,644	-	453,412
Total Operating Expenses	1,420,427	1,683,395	461,289	345,593	3,910,704
Operating Income (Loss)	(214,125)	(44,359)	(35,749)	(4,933)	(299,166)
NON-OPERATING INCOME (EXPENSES)					
Interest income	93	17	91	-	201
Interest expense	(17,494)	-	-	-	(17,494)
Investment income (loss)	-	59,746	32,683	-	92,429
Total Non-Operating Income (Expenses)	(17,401)	59,763	32,774	-	75,136
Capital Contributions	963,899	214,533	175,849		1,354,281
Transfers in	198,002	24,021	14,279	2,769	239,071
Transfers out	(106,082)	(255,000)	-	(14,508)	(375,590)
	1,055,819	(16,446)	190,128	(11,739)	1,217,762
Change in Net Position	824,293	(1,042)	187,153	(16,672)	993,732
Total Net Position, Beginning	6,931,875	3,218,472	2,272,595	68,795	12,491,737
Total Net Position, Ending	$ 7,756,168	$ 3,217,430	$ 2,459,748	$ 52,123	$ 13,485,469

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Fund	Gas Fund	Non-major Enterprise Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,144,040	$ 1,573,793	$ 414,837	$ 310,728	$ 3,443,398
Payments to suppliers	(986,673)	(1,392,963)	(306,782)	(308,583)	(2,995,001)
Payments to employees	(152,503)	(127,917)	(105,195)	(16,858)	(402,473)
Net cash provided by (used in) operating activities	4,864	52,913	2,860	(14,713)	45,924
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	198,002	24,021	14,279	2,769	239,071
Transfer out to other funds	(106,082)	(255,000)	-	(14,508)	(375,590)
Net cash provided by (used in) non-capital financing activities	91,920	(230,979)	14,279	(11,739)	(136,519)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on notes payable	(93,797)	-	-	-	(93,797)
Principal payments on bonds payable	(22,355)	-	-	-	(22,355)
Interest paid	(17,816)	-	-	-	(17,816)
Net cash used in capital and related financing	(133,968)	-	-	-	(133,968)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	93	59,762	32,774	-	92,629
Net cash provided by (used in) investing activities	93	59,762	32,774	-	92,629
Net Increase (Decrease) in cash	(37,091)	(118,304)	49,913	(26,452)	(131,934)
Cash, Beginning	776,834	2,467,164	1,304,562	78,318	4,626,878
Cash, Ending	$ 739,743	$ 2,348,860	$ 1,354,475	$ 51,866	$ 4,494,944
Classified as:					
Cash	$ 663,410	$ 1,648,276	$ 1,136,469	$ 51,866	$ 3,500,021
Restricted cash and investments	76,333	700,584	218,006	-	994,923
Total	$ 739,743	$ 2,348,860	$ 1,354,475	$ 51,866	$ 4,494,944
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	$ (214,125)	$ (44,359)	$ (35,749)	$ (4,933)	$ (299,166)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	284,350	123,418	45,644	-	453,412
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(61,112)	(64,992)	(9,503)	(29,932)	(165,539)
(Increase) decrease in prepaid items	(1,909)	(1,802)	(481)	-	(4,192)
(Increase) decrease in deferred outflows	7,412	(6,738)	1,802	(1,005)	1,471
Increase (decrease) in accounts payable	(1,785)	2,700	(1,537)	16,539	15,917
Increase (decrease) in accrued liabilities	917	3,379	443	43	4,782
Increase (decrease) in customer deposits payable	(1,150)	(3,290)	(1,350)	-	(5,790)
Increase (decrease) in compensated absences payable	732	-	-	-	732
Increase (decrease) in net pension liability	(15,595)	35,464	(533)	4,091	23,427
Increase (decrease) in deferred inflows	7,129	9,133	4,124	484	20,870
Net cash provided by (used in) operating activities	$ 4,864	$ 52,913	$ 2,860	$ (14,713)	$ 45,924
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
Non-Cash Investing Activities					
Reassingment of Capital Assets Purchased by Governmental Funds Transferred to Enterprise Funds	963,899	214,533	175,849	-	1,354,281

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Private-Purpose Trust
Assets	
Cash	$ 5,229
Total Assets	$ 5,229
Liabilities	
Due to other funds	$ 50
Total Liabilities	$ 50
Net Position	
Held in trust for other purposes	5,179
Total Net Position	$ 5,179
Total Net Position and Liabilties	$ 5,229

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Private-Purpose Trust
Additions:	
Other sources	52
Total Additions	52
Deductions:	
Cemetery services	538
Total Deductions	538
Change in Net Position	(486)
Net position, Beginning	5,665
Net position, Ending	$ 5,179

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Grantville, 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

Incorporated in 1852, under the laws of the State of Georgia, the City of Grantville is governed by a five member Mayor/Council form of government. The Mayor and Council are elected to four-year terms. The Mayor and the other four Council members serve on a part-time basis. The Mayor and Council appoint a city manager to handle the daily operations of the City.

The City's major operations include public safety, public works, culture and recreation, housing and development, utility services and general administrative services.

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 non-fiduciary activities of the primary government. 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. The statement of net position will include non-current assets, deferred inflows of resources, and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

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

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

The City reports the following major governmental funds:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **2013 SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected as part of the referendum adopted in 2012. The funds are used for specific capital projects as approved by voter referendum.

The **2019 SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected as part of the referendum adopted in 2019. The funds are used for specific capital projects as approved by voter referendum.

The **Drug Fund** accounts for revenue from seizures and forfeitures which are legally restricted to expenditures for law enforcement services.

The **Federal Seized Fund** accounts for revenue from seizures and forfeitures in conjunction with federal agencies which are legally restricted to expenditures for law enforcement services.

The **American Rescue Plan Fund (ARP Fund)** accounts for revenue received from the State of Georgia American Rescue Plan funds restricted for expenditures incurred as a result of the COVID-19 Pandemic.

The **Court Fund** is used to account for all operations of the court including fines and other fees for violations of city ordinances.

The City reports the following major enterprise funds:

The **Water and Sewer Fund** is used to account for all operations relating to activities conducted in the operation of a municipal water supply and wastewater treatment system.

The **Electric Fund** is used to account for all operations related to providing electrical utilities to citizens of the City.

The **Gas Fund** is used to account for all operations related to providing natural gas utilities to citizens of the City.

The City reports the following fiduciary funds:

The *fiduciary fund* accounts for funds collected and expended on the cemetery.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City also reports the following non-major fund type:

The *enterprise fund* is used to account for the charges and expenses incurred in providing garbage services to the city. The City has a service contract in place with a third party to provide the collection and disposal of solid waste.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

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

D. Budgets

An annual appropriated budget is adopted for the General Fund, the Drug Fund, the Federal Seized Fund, the ARP Fund, and the Court Fund. A project-length budget is adopted for the 2013 and 2019 SPLOST Funds. 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. The City does not use 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations. 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.

All cash accounts are held in a financial institution that participates in the Georgia Secure Deposit Program. Through the Georgia Secure Deposit Program, Public Deposits held with Covered Depositories participating in the program in excess of FDIC insurance limits are protected through a combination of collateral pledged by the bank and the contingent liability provisions of the program that require participating banks to jointly cover all deposits not protected by FDIC insurance and the sale of pledged collateral in the event of a loss.

The City's deposits are categorized to give an indication of the level of risk assumed by the City at the end of the year. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the City or its agent in the City's name.
Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name
Category 3 – Uncollateralized.

At September 30, 2023, all deposits of the City were insured by the FDIC or included in the Georgia Secure Deposits Program (Category 2)

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is 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."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments (Continued)

Receivables and Payables

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond September 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported on the consumption basis of accounting.

G. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB 34, infrastructure assets acquired prior to October 1, 2003 have not been capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Land Improvements	15 to 30
Buildings	25 to 70
Vehicles	5 to 8
Equipment	5 to 10
Water distribution system	15 to 75
Sewerage treatment plant	40 to 70
Gas distribution system	25 to 50
Electricity distribution system	25 to 50
General infrastructure	50

H. Restricted Assets

Restricted assets in the enterprise funds include amounts for customer utility deposits, funds established for debt service for revenue bonds, and amounts related to the Municipal Electric Authority of Georgia (MEAG) trust accounts.

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the governmental funds balance sheet and will report unearned property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed non-exchange revenue transaction received or reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied.

K. 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 deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures or expenses.

L. 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.”

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund Balance – Generally, fund balance represents the difference between the assets, deferred inflows of resources, and liabilities 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:

Non-spendable – Fund balances are reported as non-spendable 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 can be used only for specific purposes pursuant to constraints imposed by a resolution of the City Council. Only the City Council may modify or rescind the commitment through a formal voting resolution.

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 Council has not currently designated the authority to make assignments, and retains the authority with the Council.

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. The City, by resolution, has created a minimum fund balance policy to be no less than 30 to 55 days or 9% to 15% of the next fiscal year's budgeted expenditures, in order to maintain adequate reserves to cover unforeseen emergencies and/or revenue shortfalls.

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, (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position – Net position represent the difference between assets, deferred inflows of resources, and liabilities 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 section above. All other net positions 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.

M. 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 amount of assets, deferred inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

N. 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 Grantville, Georgia Retirement Plan (GRP) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by GRP. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

O. Change in Accounting Principle

The City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Change in Accounting Principle (Continued)

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

For the year ending September 30, 2023, the City did not have any information technology arrangements requiring restatement under GASB 96.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

a. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this ($650,546) difference are as follows:

Compensated absences	$	(50,579)
Lease liability		(632,671)
Net pension liability and deferred outflows not reported in the funds		(261,653)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(944,903)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (Continued)

b. **Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this 417,637 difference are as follows:

Capital outlay	$ 930,355
Depreciation expense	(512,718)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 417,637

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of Grantville, Georgia employs the following procedures in establishing its annual budget:

1. Prior to October 1, the City Manager prepares a proposed budget for the fiscal year commencing October 1. The proposed budget is submitted to the Mayor and City Council. The operating budget includes proposed expenditures and the means for financing them.

2. The City Council holds a public hearing on the budget of the City of Grantville, Georgia.

3. The budget is then revised and adopted or amended by the City Council at a subsequent regular meeting in the year to which it applies.

4. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same, for anything above the legal level of budgetary control, which is the department level. The final budget amounts shown in these financial statements reflect amendments approved by the City Council.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (Continued)

The General fund had excess of actual expenditures over appropriations for the year ended September 30, 2023 as follows:

	Final Budget	Actual	Variance
Public Works			
Highways and Streets	$ 602,014	$ 621,151	$ (19,137)

The Drug Fund had no excess of actual expenditures over appropriations as follows for the year ended September 30, 2023.

The Federal Seized Fund had no excess of actual expenditures over appropriations as follows for the year ended September 30, 2023.

The ARP Fund had no excess of actual expenditures over appropriations as follows for the year ended September 30, 2023.

The Court fund had no excess of actual expenditures over appropriations for the year ended September 30, 2023.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of September 30, 2023 are summarized as follows:

Amounts as presented on the entity wide statement of net position:	
Cash and cash equivalents	$ 5,217,160
Investments	180,487
Restricted cash and cash equivalents	333,927
Restricted investments	2,256,299
Total	$ 7,987,873
Cash deposited and money market accounts with financial institutions	$ 6,209,877
Certificates of deposit	1,117,000
Municipal Competitive Trust	660,996
	$ 7,987,873

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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 banker's acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At September 30, 2022, the City had the following investments:

Investment	Maturities (in years)	Fair Value
Money Markets	Less than 1 year	$ 658,790
Certificate of deposit	Less than 1 year	1,117,000
Municipal Competitive Trust	Less than 1 year	298,963
Municipal Competitive Trust	1-5 years	362,033
Total		$ 2,436,786

The investments above are not rated by a national rating organization.

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy, require all deposits and investments (other than Federal or State governmental instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2023, the City's deposits are insured or collateralized as required by State law.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with Coweta County to bill and collect their property taxes. The taxes are levied by October 21 based on the assessed value of property as listed on the previous January 1 and are due on December 20 of each year.

Property taxes are recorded as receivables and deferred revenues when assessed. Revenues are recognized when available.

Receivables at September 30, 2023, for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	2019 SPLOST	Water & Sewer	Electric	Gas	Nonmajor Solid Waste
Receivables:						
Taxes	841,914	-	-	-	-	-
Accounts	30,411	-	168,975	373,090	28,582	55,660
Other Governments	32,876	67,157	-	-	-	-
Less Allowance for uncollectible	-	-	(6,118)	(18,930)	(8,318)	(2,633)
Net Total Receivable	905,201	67,157	162,857	354,160	20,264	53,027

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Construction in progress	19,990	-	-	-	19,990
Land	133,048	-	-	-	133,048
Total	153,038	-	-	-	153,038
Capital assets, being depreciated					
Land Improvements	237,906	-	-	-	237,906
Buildings and Improvements	2,794,882	110,566	-	-	2,905,448
Vehicles	872,484	-	(146,608)	-	725,876
Machinery and equipment	1,171,423	107,666	-	-	1,279,089
Infrastructure	6,243,803	77,435	-	-	6,321,238
Intangible right of use assets	533,209	634,689	(194,048)	-	973,850
Total	11,853,707	930,356	(340,656)	-	12,443,407
Less accumulated depreciation for:					
Land Improvements	(127,340)	(11,359)	-	-	(138,699)
Buildings and Improvements	(1,185,332)	(63,110)	-	-	(1,248,442)
Vehicles	(692,401)	(62,272)	113,777	-	(640,896)
Machinery and equipment	(816,553)	(86,711)	-	-	(903,264)
Infrastructure	(3,724,773)	(133,036)	-	-	(3,857,809)
Intangible right of use assets	(129,725)	(156,231)	71,173	-	(214,783)
Total	(6,676,124)	(512,719)	184,950	-	(7,003,893)
Total capital assets, being depreciated, net	5,177,583	417,637	(155,706)	-	5,439,514
Governmental activites capital assets, net	5,330,621	417,637	(155,706)	-	5,592,552

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	$ 58,494	$ -	$ -	$ 58,494
Total	58,494	-	-	58,494
Capital assets, being depreciated				
Building and improvements	2,014,224	-	-	2,014,224
Vehicles	484,581	127,500	-	612,081
Machinery & equipment	627,040	43,245	-	670,285
Infrastructure	15,728,481	1,183,535	-	16,912,016
Total	18,854,326	1,354,280	-	20,208,606
Less accumulated depreciation for:				
Building and improvements	(778,255)	(46,236)	-	(824,491)
Vehicles	(391,332)	(44,238)	-	(435,570)
Machinery & equipment	(545,533)	(44,898)	-	(590,431)
Infrastructure	(8,569,532)	(318,040)	-	(8,887,572)
Total	(10,284,652)	(453,412)	-	(10,738,064)
Total capital assets being depreciated, net	8,569,674	900,868	-	9,470,542
Business-type activities capital assets, net	$ 8,628,168	$ 900,868	$ -	$ 9,529,036

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

Governmental activities:	
General government	$ 19,616
Public safety	259,268
Public works	189,729
Health and welfare	2,039
Culture and recreation	42,067
Total depreciation expense - governmental activities	$ 512,719
Business-type activities:	
Water & sewer	$ 284,350
Gas	45,644
Electric	123,418
Total depreciation expense - business-type activities	$ 453,412

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 46,618	$ 50,579	$ (46,618)	$ 50,579	$ 50,579
Lease Liability	349,830	557,963	(275,122)	632,671	217,969
Net Pension Liability	356,295	-	(56,457)	299,838	-
Governmental activities Long-term liabilities	$ 752,743	$ 608,542	$ (378,197)	$ 983,088	$ 178,453
Business-type activities:					
Revenue bonds payable	$ 347,195	$ -	$ (22,355)	$ 324,840	$ 22,948
Note payable	344,987	-	(93,797)	251,190	97,567
Compensated absences	1,021	1,753	(1,021)	1,753	1,753
Net Pension Liability	153,081	23,428	-	176,509	-
Business-type activities Long-term liabilities	$ 846,284	$ 25,181	$ (117,173)	$ 754,292	$ 122,268

For governmental funds, compensated absences and claims and judgements are liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds. In 2009, the City adopted a bond ordinance to borrow up to $760,000 on Sewer System Revenue Bonds Series 2009. These funds are to be used for capital improvements to the sewer system and are secured by the net revenues of the City's water and sewer services. Bond terms call for an interest only payment one year from issue, with monthly payments of $2,600 being made thereafter for 468 months, maturing in November 2035. The bonds will bear interest at 2.625% per annum.

The debt service to maturity on the Series 2009 revenue bonds is as follows:

	Series 2009		
Fiscal Year Ending September 30,	Principal	Interest	Total
2024	22,948	8,252	31,200
2025	23,557	7,643	31,200
2026	24,183	7,017	31,200
2027	24,826	6,374	31,200
2028	25,485	5,715	31,200
2029 – 2033	137,951	18,049	156,000
2034 - 2036	65,890	1,970	67,860
Total	$ 324,840	$ 55,020	$ 379,860

Notes Payable. The City has also incurred debt to the Georgia Environmental Finance Authority for construction of various water and sewer system projects. The notes outstanding at September 30, 2022 are as follows:

Interest Rate	Term	Due Date	Original Balance	Balance at September 30, 2023
3.96%	20 years	2025	$1,460,761	$251,190
			$1,921,741	$251,190

During the fiscal year ending September 30, 2020, the City entered into a deferral agreement on these notes payable to aid with financial difficulties encountered during the Covid-19 pandemic. The agreement allowed for the deferral of interest and principal for 6 months with no additional interest charged on the balances. The term of the notes was extended 6 months at the end of the loan term.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	97,567	8,515	106,082
2025	101,489	4,593	106,082
2026	52,134	777	52,911
Total	$ 251,190	$ 13,885	$ 265,075

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of the inter-fund balances as of September 30, 2023.

	Due From Fund	Due To Fund
General Fund	$ 8,257	$ 5,620
Drug Fund	-	2,912
Total Governmental Funds	8,257	8,532
Water and Sewer	195	-
Electric Fund	65	-
Gas Fund	65	-
Total Proprietary Funds	325	-
Fiduciary Fund	-	50
Total Interfund Balances	$ 8,582	$ 8,582

The purpose of all other inferfund balances was to temporarily record small accounts payable in the Enterprise Funds to the proper expense categories in the General Fund and Fiduciary Fund. The City will reimburse the Enterprise Funds in the subsequent period.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Transfers are used to (1) move unrestricted revenues from utility funds to the General Fund to supplement operations of the City, (2) move unrestricted revenues between the various utility funds for operational purposes, (3) to show the current year additions of capital assets to the business-type activities which were funded with current resources of the governmental activities of the City. The composition of inter-fund transfer balances at September 30, 2023 is as follows:

	Transfers Out	Transfers In
General Fund		
General Fund	$ 161,768	$ 156,046
Total General Fund	161,768	156,046
Special Revenue Fund		
2019 SPLOST Fund	-	127,500
Court Fund	-	14,741
Total Special Revenue Fund	-	142,241
Proprietary Funds		
Water and Sewer Fund	106,082	198,002
Electric Fund	255,000	24,021
Gas Fund	-	14,279
Solid Waste Fund	14,508	2,769
Total Proprietary Funds	375,590	239,071
Total Interfund Transfers	$ 537,358	$ 537,358

Certain fixed assets were transferred to the enterprise funds from the capital projects funds during the year ending September 30, 2023. They were reported as capital contributions in the fund financial statements. They are eliminated as expenditures and capital contributions and included in transfers in the government wide statement of activities.

	Capital Contributions Out	Capital Contributions In
Special Revenue Fund		
2019 SPLOST Fund	$ 501,035	$ -
American Rescue Plan Fund	853,246	-
Total Special Revenue Fund	1,354,281	-
Proprietary Funds		
Water and Sewer Fund	-	963,899
Electric Fund	-	214,533
Gas Fund	-	175,849
Total Proprietary Funds	-	1,354,281
Total Capital Contributions	$ 1,354,281	$ 1,354,281

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City of Grantville's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by VALIC for all full time employees. The Plan is funded through employee contributions. Plan provisions and contribution requirements are established and may be amended by the City Council. At September 30, 2023, there were 5 plan members. Beginning October 1, 2022, the City entered into the Georgia Municipal Employees Benefit System retirement plan (see Note 14) and discontinued use of this defined contribution plan.

Beginning in the year ended September 30, 2017, the City also maintained a Simplified Employer Pension (SEP) Plan. This plan was funded through contributions from the employer. Plan provisions and contribution requirements are established and may be amended by the City Council. Beginning October 1, 2022, the City entered into the Georgia Municipal Employees Benefit System retirement plan and discontinued use of this defined contribution plan. The City did not make any contributions to this plan during the fiscal year ended September 30, 2023. Elective deferrals from employees are not allowed under a SEP Plan.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with the other municipalities and county governments in a thirteen county area, was a member in the Three Rivers Regional Development Center (RDC). As of July 1, 2009, the Three Rivers RDC was dissolved and merged into the Three Rivers Regional Commission. Membership in the Commission is required under the Official Code of Georgia Annotated (OCGA) Section 50-8-34. During the fiscal year ended September 30, 2022, the City paid $2.733 in dues to the Commission. The governing Board of the Commission includes the chief elected official of each county and one municipality included in the Commission area. Member governments are liable for any debts or obligations incurred by the Commission. Separate financial statements may be obtained from the Three River Regional Commission, PO Box 1600, Franklin, Georgia 30217.

NOTE 11. LEASES

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2023
Ford Police Utility	8/14/2020	4 Years	13,182	3.25%	49,381	11,889
Ford F250	2/9/2021	4 Years	7,941	3.25%	29,748	10,980
Dodge Charger Police	6/23/2021	4 Years	10,573	3.25%	39,608	17,964
Dodge Charger Police	6/23/2021	4 Years	10,902	3.25%	40,840	18,522
Dodge Charger Police	6/23/2021	4 Years	10,902	3.25%	40,840	18,522
Dodge Charger Police	7/1/2021	4 Years	10,636	3.25%	39,845	18,905
Ford Police Utility	6/23/2021	4 Years	12,013	3.25%	45,002	20,408
Dodge Charger Police	9/21/2022	4 Years	13,701	3.25%	46,701	36,017
Office Equipment	8/28/2020	4 Years	7,196	3.25%	7,196	2,897
Ford Police Interceptor	5/19/2023	4 Years	15,949	8.00%	54,438	50,535
Ford Police Interceptor	3/6/2023	4 Years	13,703	8.39%	46,428	41,437
Ford Police Interceptor	3/6/2023	4 Years	13,703	8.39%	46,428	41,437
Ford Police Interceptor	3/6/2023	4 Years	13,703	8.39%	46,428	41,437
Ford F150	1/23/2023	4 Years	9,733	3.40%	36,356	30,634
Ford F150	1/11/2023	4 Years	9,298	1.78%	35,868	30,067
Ford F150	1/11/2023	4 Years	9,788	2.14%	37,491	31,463
Ford F150	1/11/2023	4 Years	9,788	2.14%	37,491	31,463
Ford F150	1/11/2023	4 Years	9,788	2.14%	37,491	31,463
Ford F150	1/11/2023	4 Years	9,788	2.14%	37,491	31,463
Ford F150	1/11/2023	4 Years	9,788	2.14%	37,491	31,463
Ford F150	11/7/2022	4 Years	15,333	2.34%	58,491	46,753
Dodge Charger Police	10/8/2022	4 Years	46,071	9.20%	46,071	36,952
						632,671

The City leases vehicles for its various activities from Enterprise Fleet Management. The interest rates range from 1.78% to 9.20%. Certain leases have a rate implicit to the lease. When a rate isn't implicit in the lease, the City has used its incremental borrowing rate to value these leases. The City will not acquire the vehicles at the end of the lease period and there are no options to renew or extend the lease.

The City leases its copier equipment. The interest rate used was the estimated incremental borrowing rate of the City of 3.25% since there was no an interest rate implicit in the leases. The City will not acquire the equipment at the end of the lease period and there are no options to renew or extend the lease.

NOTE 11. LEASES (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending 30-Sep	Principal	Interest
2024	217,969	26,513
2025	198,070	16,697
2026	160,011	7,860
2027	56,621	929
Total	632,671	51,999

NOTE 12. FIDUCIARY FUND

The Grantville Cemetery Trust:

The Grantville Cemetery Trust (the "Trust") is a fiduciary fund to the City of Grantville. The City Council voted to obligate 4/10 of one mil, with an annual maximum of $5,000, to the maintenance of the cemetery. The Trust is a 501(c)(3) organization formed to maintain the City Cemetery. During the year ended September 30, 2018, the remaining member of the independent Board of Trustees turned the trust over to the City to be held in a separate restricted account for Capital Improvements to the Cemetery. The Trust's financial statements are included on pages 13 and 14 of these financial statements but are excluded from the government-wide statement of net position and statement of activities in accordance with GASB 34.

NOTE 13. RELATED ORGANIZATIONS

Housing Authority of the City of Grantville

The Housing Authority of the City of Grantville (the "Housing Authority") is a related organization to the City of Grantville. The City made no contributions to the Housing Authority during the fiscal year ended September 30, 2023. The City does not have the power to remove board members.

NOTE 14. PENSION PLAN

Plan Description

The City's defined benefit pension plan, City of Grantville Retirement Plan ("GRP"), provides retirement and death benefits to plan members and beneficiaries. GRP plan is affiliated with the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association assigns the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for GRP, that authority rests with the City of Grantville. 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 written request to Georgia Municipal Association,201 Pryor Street, SW, Atlanta, Georgia 30303.

Membership of the plan

Active plan members	30
Total	30

Funding Policy

GRP members are not required and do not contribute to GRP, GRP is a noncontributory plan. The City is required to contribute 100% of the amount necessary to fund GRP at an actuarially determined rate; the current rate is 7.48% of expected payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

GRP is subject to minimum funding standards of the Georgia Public Retirement Systems standards Law. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The recommended contribution is developed under the actuarial funding policy each year, and meets the applicable state funding standards. These contributions are determined under the entry age normal actuarial cost method and the asset valuation method for developing the actuarial value of assets, The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base. These amortization periods, if applicable, are closed for this plan year.

NOTE 14. PENSION PLAN (Continued)

Plan Description (Continued)

Investment Data

The market value of assets is based on current values as of the three months preceding the valuation date (January 1, 2023) and is assumed to be current through that date. All asset data that was used in the actuarial valuation has been supplied by GMEBS. Net investment return is estimated at 7.375% on an on-going basis, based on long-term expected rate of return on pension plan investments. 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. An inflation rate of 2.25°/o has been assumed. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020, 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%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
Total	100%	

Net Pension Liability

The City has implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASS Statement No. 27, as well as GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASS Statement No. 68, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with these standards.

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 of January 1, 2023 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021.

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Net pension liability is calculated as follows:

Total pension liability Fiduciary net position	$ 61,606
Net pension liability	537,953
Fiduciary net position as a percentage of total pension liability	11.452%

Total pension liability uses Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2022 are used to measure total pension liability as of September 30, 2022. The balances as of September 30, 2021 constitute measurements of the net pension liability for the fiscal year ending September 30, 2022.

Total pension liability uses Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2022 are used to measure total pension liability as of September 30, 2022. The balances as of September 30, 2022 constitute measurements of the net pension liability for the fiscal year ending September 30, 2023.

The mortality and economic actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. Mortality rates were based on the sex-distinct Pri-2012 head count rated Healthy Mortality Table with rates multiplied by 1.25.

Assumptions on which the cost of GRP is calculated include investment return, mortality rates, retirement rates, disability rates, withdrawal rates and salary increase rates.

Total pension liability, fiduciary net position, and net pension liability are based on a September 30, 2022 measurement date which would make them applicable to the fiscal year beginning October 1, 2022 and ending September 30, 2023.

Benefit Terms

The eligibility requirement is immediate for employees, officials and MLO's, Employees are vested after 5 years and officials, MLO's, and City manager are vested immediately. The type of benefit payment is a life annuity. Death benefits are actuarial reserve for full-time employees only. The benefit formula is 1.00% - 1.75°/o (table breakpoint). There are no automatic postemployment benefit changes due to COLAs. The Georgia Municipal Association has assigned the authority to the City to establish and amend the benefit provisions of the plan.

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability in the January 1, 2022 actuarial valuation was based on the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The actuarial assumptions included the following:

- Rate of return on investments — 7.375% per year
- Projected salary increases — 2.25% per year plus age and service based on merit increases
- Inflation rate assumption — 2.25%
- Cost of living adjustments — 1.70%

Changes in assumptions

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

Benefit Changes

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

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the difference between actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the 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. There were no changes in the discount rate since the prior fiscal period.

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended September 30, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 09/30/2021	$ 514,876	$ 2,500	$ 512,376
Changes for the year:			
Service cost	47,322	-	47,322
Interest	41,462	-	41,462
Changes of assumptions	-	-	-
Difference betweed expected and actual experience	(65,707)		(65,707)
Contributions - Employer	-	83,959	(83,959)
Contributions - Employee	-	(13,675)	13,675
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense		(11,178)	11,178
Other	-	-	-
Net Changes	23,077	59,106	(36,029)
Balances at 09/30/2022	537,953	$ 61,606	$ 476,347

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes of 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.

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 7.375 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 (6.375°/o) or 1 percentage point higher (8.375°/o) than the current rate:

	1% Decrease (6.375%)		Current Rate (7.375%)	1% Increase (8.375%)
Plan's net pension liability	$ 555,931	#	$ 476,347	$ 410,578

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

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 and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of $53,325. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (56,322)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	13,236	-
Employer contributions subsequent to the measurement date measurement date	103,749	-
Total	$ 116,985	$ (56,322)

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

Year Ended October 31	
2023	$ 97,671
2024	(6,078)
2025	(6,078)
2026	(6,078)
2027	(9,387)
Thereafter	(9,387)

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

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

Settled claims have not exceeded the coverage in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the current or prior year.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is named as 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. The outcome of these legal actions cannot be ascertained at this time. There are no liabilities recorded in the statement of net position.

NOTE 16. COMMITMENTS AND CONTINGENCIES (Continued)

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.

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 inure to the benefit of the public.

Agreements with the Municipal Gas Authority of Georgia:

The City has also entered into a contract for wholesale natural gas purchases with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire the bonds issued by MGAG, the City is obligated to pay its "obligation share" of the costs of the gas supply and related services MGAG provides to the City, which costs includes amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2023, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to $197,624 in 2023.

At September 30, 2023, the outstanding debt of MGAG was approximately $87 million. The City's guarantee varies by individual projects undertaken by MGAG and totals $71,245 at September 30, 2023.

NOTE 17. PRIOR PERIOD ADJUSTMENT

The City has determined that certain transactions were recorded incorrectly in a prior year.

Governmental Activities: In the Fund Financial Statements and Government Wide Financial Statements, revenue received but unspent as of September 30, 2022 in the ARP Fund was improperly recognized as revenue when it should have been recorded as an unearned revenue based on requirements of the American Rescue Plan agreement. The restatement had a corresponding effect on the change in net position.

	Net Position As Previously Reported	Unearned Revenue Restatement	Net Position As Restated
Governmental Activities Government-Wide Total Net Position	$ 9,538,579	$ (853,016)	$ 8,685,563
Fund-Level – ARP Fund	$ 853,016	$ (853,016)	$ -

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	$ 2,085,250	$ 2,085,250	$ 2,186,867	$ 101,617
Licenses and permits	140,000	140,000	87,480	(52,520)
Charges for services	31,775	31,775	22,215	(9,560)
Intergovernmental	234,000	234,000	240,932	6,932
Interest	2,000	2,000	118,106	116,106
Contributions	10,000	10,000	7,773	(2,227)
Other revenues	59,234	59,234	163,176	103,942
Total Revenue	2,562,259	2,562,259	2,826,549	264,290
EXPENDITURES:				
General government:				
Legislative	69,260	117,260	105,959	11,301
Executive	11,988	11,988	8,480	3,508
Finance	334,082	334,082	251,701	82,381
Total general government	415,330	463,330	366,140	97,190
Public safety:				
Police	1,481,497	1,728,774	1,612,148	116,626
Fire	240,000	240,000	237,220	2,780
Animal control	133,767	133,767	114,337	19,430
Total public safety	1,855,264	2,102,541	1,963,705	138,836
Public works:				
Highways and streets	273,843	602,014	621,151	(19,137)
Cemetery	30,000	30,000	19,800	10,200
Street lights	75,000	75,000	73,605	1,395
Total public works	378,843	707,014	714,556	(7,542)
Health and welfare	336,458	351,458	321,032	30,426
Recreation	90,552	110,552	104,966	5,586
Housing and development	60,000	60,000	51,666	8,334
Total Expenditures	3,136,447	3,794,895	3,522,065	272,830
Excess Revenues Over (Under) Expenditures	(574,188)	(1,232,636)	(695,516)	537,120
OTHER FINANCING SOURCES (USES)				
Proceeds from lease liabilities	-	560,448	557,963	(2,485)
Proceeds from sale of capital assets	1,500	1,500	66,456	64,956
Transfer in	355,783	355,783	156,046	(199,737)
Transfers out	(203,533)	(203,533)	(161,768)	41,765
Total Other Financing Sources (Uses)	153,750	714,198	618,697	(95,501)
Net Changes in Fund Balances	(420,438)	(518,438)	(76,819)	441,619
Beginning Fund Balance	1,220,284	1,220,284	1,220,284	-
Ending Fund Balance	$ 799,846	$ 701,846	$ 1,143,465	$ 441,619

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
DRUG FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	$ 250,000	$ 200,000	$ 348	$ (199,652)
Interest	-	-	21	21
Total Revenues	250,000	200,000	369	(199,631)
EXPENDITURES:				
Public safety:				
Police	250,000	200,000	7,969	192,031
Total public safety	250,000	200,000	7,969	192,031
Excess Revenues Over (Under) Expenditures	-	-	(7,600)	(7,600)
OTHER FINANCING SOURSES (USES)				
Transfer in	-	-	-	-
Total Other Financing Sourses (Uses)				
Net Changes in Fund Balances	-	-	(7,600)	(7,600)
Beginning Fund Balance	53,355	53,355	53,355	-
Ending Fund Balance	$ 53,355	$ 53,355	$ 45,755	$ (7,600)

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
FEDERAL SEIZED FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	$ 250,000	$ 250,000	$ -	$ (250,000)
Interest	-	-	33	33
Total Revenues	250,000	250,000	33	(249,967)
EXPENDITURES:				
Public safety:				
Police	250,000	250,000	-	250,000
Total public safety	250,000	250,000	-	250,000
Excess Revenues Over (Under) Expenditures	-	-	33	33
OTHER FINANCING SOURSES (USES)				
Transfer in	-	-	-	-
Total Other Financing Sourses (Uses)				
Net Changes in Fund Balances	-	-	33	33
Beginning Fund Balance	78,888	78,888	78,888	-
Ending Fund Balance	$ 78,888	$ 78,888	$ 78,921	$ 33

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COURT FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	$ 480,000	$ 480,000	$ 249,472	$ (230,528)
EXPENDITURES:				
Public safety:				
Judicial	276,467	276,467	184,385	92,082
Total public safety	276,467	276,467	184,385	92,082
Excess Revenues Over (Under) Expenditures	203,533	203,533	65,087	(138,446)
OTHER FINANCING SOURSES (USES)				
Transfer out	(221,878)	(221,878)	-	221,878
Transfer in	-	-	14,741	14,741
Total Other Financing Sourses (Uses)	(221,878)	(221,878)	14,741	236,619
Net Changes in Fund Balances	(18,345)	(18,345)	79,828	98,173
Beginning Fund Balance	522,517	522,517	522,517	-
Ending Fund Balance	$ 504,172	$ 504,172	$ 602,345	$ 98,173

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
AMERICAN RESCUE PLAN FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Intergovernmental Revenues	$ 1,038,453	$ 1,038,453	$ 853,016	$ (185,437)
Interest	-	-	232	232
Total Revenues	1,038,453	1,038,453	853,248	(185,205)
EXPENDITURES:				
Public Safety				
Police	125,000	125,000	-	125,000
Public Works				
Utilities	913,453	913,453	853,248	60,205
Total public safety	1,038,453	1,038,453	853,248	185,205
Excess Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURSES (USES)				
Transfer in	-	-	-	-
Total Other Financing Sourses (Uses)				
Net Changes in Fund Balances	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	$ -	$ -	$ -	$ -

CITY OF GRANTVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	ESTIMATED COST		EXPENDITURES			PERCENTAGE
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	OF COMPLETION
2013 SPLOST						
Road and sidewalk construction	$ 1,118,520	$ 943,174	$ 910,056	$ -	$ 910,056	96.49
Utility capital expansion	674,360	943,167	918,751	6,381	925,132	98.09
City hall	444,540	396,406	396,404		396,404	100.00
Recreation and culture	386,800	491,529	491,528	-	491,528	100.00
Public safety	243,780	259,262	259,261	-	259,261	100.00
	$ 2,868,000	$ 3,033,538	$ 2,976,000	$ 6,381	$ 2,982,381	
2019 SPLOST						
Road and sidewalk construction	1,109,082	627,815	341,362	141,352	482,714	76.89
Utility capital expansion	376,810	1,010,673	280,876	636,048	916,924	90.72
City hall	338,360	344,076	204,345	73,170	277,515	80.66
Recreation and culture	338,360	344,076	8,527	141,889	150,416	43.72
Public safety	338,360	344,076	34,604	54,869	89,473	26.00
Historic Preservation	288,375	293,246	9,990	1,225	11,215	3.82
Downtown Revitalization	288,375	295,507	154,922	6,484	161,406	54.62
	3,077,722	3,259,469	1,034,626	1,055,037	2,089,663	
TOTALS	$ 5,945,722	$ 6,293,007	$ 4,010,626	$ 1,061,418	$ 5,072,044	

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TEN FISCAL YEARS ENDING
SEPTEMBER 30, 2022

The effective date of the plan was October 1, 2021 so no historical data exists prior to that date

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	47,322	-	-	-	-	-	-	-
Interest	41,462	-	-	-	-	-	-	-
Changes on benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(65,707)	-	-	-	-	-	-	-
Changes of assumption	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-	-
Other	-	514,876	-	-	-	-	-	-
Net change in total pension liability	23,077	514,876	-	-	-	-	-	-
Total Pension Liability - beginning	514,876	-	-	-	-	-	-	-
Total Pension Liability - ending (a)	537,953	514,876	-	-	-	-	-	-
Plan fiduciary net position								
Contributions - employer	83,959	2,500	-	-	-	-	-	-
Net investment income	(13,675)	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-	-
Administrative expense	(11,178)	-	-	-	-	-	-	-
Transfers among employers	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	59,106	2,500	-	-	-	-	-	-
Plan net position - beginning	2,500	-	-	-	-	-	-	-
Plan net position - ending (b)	61,606	2,500	-	-	-	-	-	-
Net Pension Liability (a)-(b)	476,347	512,376	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	11.45%	0.49%	-	-	-	-	-	-
Covered employee payroll	1,261,214	1,372,017	-	-	-	-	-	-
Net pension liability (asset) as a percentage of covered employee payroll	37.77%	37.34%	-	-	-	-	-	-

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS ENDING
SEPTEMBER 30, 2023

The effective date of the plan was October 1, 2021 so no historical data exists prior to that date

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarily determined contributions	103,748	150,016	-	-	-	-	-	-	-	-
Contributions in relation to the actuarily determined contributions	103,748	150,016	-	-	-	-	-	-	-	-
Contribution deficiency (increase)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	1,261,214	1,372,017	-	-	-	-	-	-	-	-
Contributions as a percentage of covered employee payroll	8.23%	10.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES TO SCHEDULE

The actuarily determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year.

Contributions for the fiscal year September 30, 2023 were based on the September 30, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2022 through September 30, 2023:

Actuarial Cost Method	Entry Age Normal
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	30 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeeds is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value
Cost of Living Adjustments	1.700%
Salary Increases	2.25% per year plus service based merit increases
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

COMPLIANCE SECTION

THE CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2023

	Federal CFDA Number	Non-COVID-19 Expenditures	COVID-19 Expenditures	Total	Loan Balance At Beginning of Period
U.S. Department of Agriculture					
Direct Loans for Water and Waste Disposal Systems	10.760	324,840	-	324,840	347,194
Total U.S. Department of Agriculture		324,840	-	324,840	
U.S. Department of Treasury					
Coronavirus Relief Fund	21.019	-	1,244,954	1,244,954	
Total U.S. Department of Treasury		-	1,244,954	1,244,954	
U.S. Department of Health and Human Services					
Passed through the Three Rivers Commission Area Agency on Aging					
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	95,494	-	95,494	
Nutrition Services Incentive Program	93.053	44,325	-	44,325	
Social Services Block Grant	93.667	8,413	-	8,413	
Total Programs for the Aging Cluster		148,232	-	148,232	
Total U.S. Department of Health and Human Services		148,232	-	148,232	
Total Federal Financial Assistance		$ 473,072	$ 1,244,954	$ 1,718,026	

THE CITY OF GRANTVILLE, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award actividy of The City of Grantville, Georgia under programs of the federal government for the year ended September 30, 2023 The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Becasuse the Schedule presents only a selected portion of the operations of the City of Grantville, Georgia, it is not intended to and does not present the financial position , changes in net assets, or cash flows of The City of Grantville, Georgia.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

To the City Council
City of Grantville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grantville, Georgia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Grantville, Georgia's basic financial statements and have issued our report thereon dated March 20, 2024.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Grantville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gadsden, Alabama

March 20, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board
The City of Grantville, Georgia
Grantville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the The City of Grantville, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the The City of Grantville, Georgia's major federal programs for the year ended September 30, 2023. The The City of Grantville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The City of Grantville, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The City of Grantville, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The City of Grantville, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The City of Grantville, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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



Gadsden, Alabama
March 20, 2024

THE CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Federal Awards:

Internal controls over major programs	
Material weaknesses identified	-No-
Significant deficiencies identified	-No-
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	-No-

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as a low-risk auditee	-No-

THE CITY OF GRANTVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Summary schedule of prior year audit findings:

2022-001 Segregation of Duties

Status: Management has issued written policies and required training of all employees that handle financial transactions. Several key accounting procedures were reassigned to allow for the proper segregation of duties of custody of assets and recordkeeping.