CITY OF HOMELAND, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2023

CITY OF HOMELAND
ANNUAL FINANCIAL REPORT
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CITY OF HOMELAND
CITY OFFICIALS
For the year ended December 31, 2023

MAYOR
Leroy C. Guinn

COUNCIL
Joseph K. Taylor, Post 1
Delbert Shelton, Post 2
Brian Lloyd, Post 3
Mark Williams, Post 4
Lee Waterfield, Post 5
Open, Post 6

CITY CLERK
Bernice Pascal

Kendall L. Davis, P.C.
CERTIFIED PUBLIC ACCOUNTANT
*34 S Williams St * Hazlehurst, Georgia 31539 * (912)375-6077 *email: kendall_davis_pc@yahoo.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental activities, the business-type activities, each major fund of the City of Homeland (the "City"), as of December 31, 2023, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Homeland as of December 31, 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

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

Responsibilities of Management for the Financial Statements

The City of Homeland's 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 Homeland's ability to continue as a going concern for one year.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CITY's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CITY's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparisons (page 34) 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Required Supplementary Information Omitted

The City of Homeland has not presented 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 basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards and is not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and schedule of special purpose local sales tax proceeds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds as required by the Official Code of Georgia 48-8-121 is presented for purposes of additional analysis, and is not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 3, 2024 on my consideration of the CITY's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CITY's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CITY's internal control over financial reporting and compliance.

Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
September 3, 2024

CITY OF HOMELAND

Basic Financial Statements

The basic financial statements include the government-wide Statement of Net Position and government-wide Statement of Activities, which include all the primary government's governmental activities, business-type activities and component units. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

CITY OF HOMELAND, GEORGIA

Statement of Net Position

As of December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 277,496	$ 120,238	$ 397,734
Investments	64,346	-	64,346
Receivables, net	74,551	1,893	76,444
Total current assets	416,393	122,131	538,524
Noncurrent Assets:			
Capital assets:			
Nondepreciable	196,000	5,000	201,000
Depreciable, net	3,074,724	1,073,071	4,147,795
Total noncurrent assets	3,270,724	1,078,071	4,348,795
Total assets	3,687,117	1,200,202	4,887,319
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ 3,687,117	$ 1,200,202	$ 4,887,319
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	$ 14,257	$ 1,528	$ 15,785
Customer deposits	-	29,790	29,790
Short-term debt	7,940	15,131	23,071
Total current liabilities	22,197	46,449	68,646
Noncurrent Liabilities:			
Long-term debt	2,815	137,779	140,594
Total liabilities	25,012	184,228	209,240
Deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	3,259,969	925,161	4,185,130
Restricted - Debt service	-	55,129	55,129
Restricted - Capital projects	164,804	-	164,804
Unrestricted	237,332	35,684	273,016
Total net position	3,662,105	1,015,974	4,678,079
Total liabilities, deferred inflows of resources, and net position	$ 3,687,117	$ 1,200,202	$ 4,887,319

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Statement of Activities

For the year ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 166,679	$ 13,484	$ -	$ -	$ (153,195)	$ -	$ (153,195)
Public safety	159,914	81,601	3,140	-	(75,173)	-	(75,173)
Public works	381,994	35,914	33,027	1,440,127	1,127,074	-	1,127,074
Culture and recreation	2,580	4,600	-	-	2,020	-	2,020
Interest	-	-	-	-	-	-	-
Total governmental activities	711,167	135,599	36,167	1,440,127	900,726	-	900,726
Business-type activities -							
Water and sewer	217,211	165,499	-	-	-	(51,712)	(51,712)
Total business-type activities	217,211	165,499	-	-	-	(51,712)	(51,712)
Total primary government	928,378	301,098	36,167	1,440,127	900,726	(51,712)	849,014
			General revenues:				
			Property taxes		56,477	-	56,477
			Sales taxes		189,843	-	189,843
			Insurance premium taxes		77,880	-	77,880
			Franchise taxes		35,187	-	35,187
			Miscellaneous		2,772	-	2,772
			Unrestricted investment earnings		385	82	467
			Total general revenues		362,544	82	362,626
			Transfers		(33,657)	33,657	-
			Change in net position		1,229,613	(17,973)	1,211,640
			Net position - beginning		2,432,492	1,033,947	3,466,439
			Net position - ending		$ 3,662,105	$ 1,015,974	$ 4,678,079

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Balance Sheet - Governmental Funds

As of December 31, 2023

	Major Fund General Fund	Capital Projects TSPLOST Fund	Capital Projects SPLOST Fund	CDBG Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 112,592	$ 61,954	$ 102,850	$ 100	$ 277,496
Investments	64,346	-	-	-	64,346
Receivables, net	74,551	-	-	-	74,551
Total assets	$ 251,489	$ 61,954	$ 102,850	$ 100	$ 416,393
LIABILITIES					
Current liabilities:					
Accounts payable/accrued expenses	$ 14,257	$ -	$ -	$ -	$ 14,257
Total liabilities	14,257	-	-	-	14,257
FUND BALANCES					
Nonspendable	-	-	-	-	-
Committed	27,294	-	-	-	27,294
Restricted	-	61,954	102,850	100	164,904
Unassigned (deficit)	209,938	-	-	-	209,938
Total fund balances	237,232	61,954	102,850	100	402,136
Total liabilities and fund balances	$ 251,489	$ 61,954	$ 102,850	$ 100	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (page 21)	3,259,969
Net position of governmental activities (page 9)	$ 3,662,105

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended December 31, 2023

	General Fund	Capital Projects TSPLOST	Capital Projects SPLOST	CDBG	Total Governmental Funds
REVENUES					
Taxes	$ 322,969	$ 39,558	$ -	$ -	$ 362,527
Intergovernmental	36,167	-	59,805	1,377,182	1,473,154
Charges for services	135,599	-	-	-	135,599
Interest income	385	-	-	-	385
Miscellaneous	2,772	-	-	-	2,772
Total revenues	497,892	39,558	59,805	1,377,182	1,974,437
EXPENDITURES					
Current:					
General government	164,206	-	-	-	164,206
Public safety	124,235	-	-	-	124,235
Public works	200,803	45,000	25,000	1,377,182	1,647,985
Culture and recreation	2,580	-	-	-	2,580
Community development	-	-	-	-	-
Capital outlay	115,091	-	-	-	115,091
Debt service - principal	7,687	-	-	-	7,687
Debt service - interest	584	-	-	-	584
Total expenditures	615,186	45,000	25,000	1,377,182	2,062,368
Excess(deficiency) of revenues over expenditures	(117,294)	(5,442)	34,805	-	(87,931)
OTHER FINANCING SOURCES					
Transfers in/(out)	(33,757)	-	-	100	(33,657)
Total other financing sources	(33,757)	-	-	100	(33,657)
Change in fund balance	(151,051)	(5,442)	34,805	100	(121,588)
Fund balances at beginning of year, unaudited	388,283	67,396	68,045	-	523,724
Fund balances at end of year	$ 237,232	$ 61,954	$ 102,850	$ 100	$ 402,136

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the year ended December 31, 2023

Net change in fund balances - total governmental funds (page 7)	$	(121,588)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded in the current period.		1,492,273
Depreciation expense on capital assets is reported in the government-wide statement of activities and change in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.		(148,759)
Insuance of long term debt provides current financial resources of of governmental funds while the repayment of the principal of long-term debt consumes the current finanical resources of governmental funds. The issuance of long-term debt increases long-term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net position.		7,687
Change in net position of governmental activities (page 5)	$	1,229,613

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Statement of Net Position
Proprietary Fund

As of December 31, 2023

	Business-Type Activity - Enterprise Funds Water and Sewer
ASSETS	
Current assets:	
Cash and cash equivalents	$ 65,109
Restricted cash	55,129
Receivables, net	1,893
Total current assets	122,131
Capital assets:	
Nondepreciable - land	5,000
Distribution and collection systems	1,809,205
Less: accumulated depreciation	(736,134)
Capital assets, net	1,078,071
Total assets	1,200,202
Deferred outflows of resources	-
Total assets and deferred outflows of resources	$ 1,200,202
LIABILITIES	
Current liabilities:	
Accounts payable	$ 1,528
Customer deposits	29,790
Notes payable	15,131
Total current liabilities	46,449
Noncurrent liabilities:	
Bonds, notes and loans payable	137,779
Total noncurrent liabilities	137,779
Total liabilities	184,228
Deferred inflows of resources	-
NET POSITION	
Net investment in capital assets	925,161
Restricted for debt services	55,129
Unrestricted net position	35,684
Total net position	1,015,974
Total liabilities, deferred inflows of resources, and net position	$ 1,200,202

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund

For the year ended December 31, 2023

	Business-Type Activity - Enterprise Funds Water and Sewer
OPERATING REVENUES	
Charges for services	$ 165,499
Total operating revenues	165,499
OPERATING EXPENSES	
Personnel services	57,924
Utilities	13,439
Repairs and maintenance	78,635
Other supplies and expenses	19,529
Depreciation	38,048
Total operating expenses	207,575
Income (loss) from operations	(42,076)
NON-OPERATING REVENUES (EXPENSES)	
Investment income	82
Interest expense	(9,636)
Total non-operating revenues (expenses)	(9,554)
Income (loss) before contributions and transfers	(51,630)
CONTRIBUTIONS AND TRANSFERS	
Capital contributions	-
Transfers in / (out)	33,657
Net contributions and transfers	33,657
Change in net position	(17,973)
Net position - beginning	1,033,947
Net position - ending	$ 1,015,974

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND, GEORGIA

Statement of Cash Flows
Proprietary Fund

For the year ended December 31, 2023

	Enterprise Funds Water and Sewer
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	
Receipts from customers	$ 165,526
Payments to suppliers	(111,039)
Payments to employees	(57,924)
Net cash provided from operating activities	(3,437)
CASH FLOWS PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in (out)	33,657
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grant	-
Acquisition of capital assets	(40,071)
Principal paid on capital debt	(14,680)
Interest paid on capital debt	(9,636)
Net cash used by capital and related financing activities	(64,387)
CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES	
Interest income	82
Net cash provided from investing activities	82
NET INCREASE IN CASH	(34,085)
CASH, beginning of year	154,323
CASH, end of year	$ 120,238
Reconciliation of total cash and cash equivalents	
Cash - unrestricted	$ 65,109
Restricted cash	55,129
Cash and cash equivalents	$ 120,238
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES	
Operating income (loss)	$ (42,076)
Adjustments to reconcile operating income (loss) to net cash provided from operating activities:	
Depreciation	38,048
Change in assets and liabilities:	
Receivables, net	27
Accounts and other payables	(1,066)
Customer deposits	1,630
Net cash provided from operating activiities	$ (3,437)

See auditor's report.

See accompanying notes to financial statements.

CITY OF HOMELAND

Notes to Basic Financial Statements

Notes 1 through 14

Note 1: Summary of Significant Account Policies

The City of Homeland, Georgia (the City), was incorporated under the laws of the State of Georgia and operates under the leadership of the Mayor and City Council consisting of six members, elected for four-year terms. The Mayor is full-time and Council serve on a part-time basis and appoint a City Clerk who is responsible for the daily operations of the City.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position, Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department; and therefore are clearly identifiable to the particular function. Program revenues include charges paid by the recipient of the foods and services offered by the program, grants and contributions that are restricted to meeting the operation or capital requirement of the particular program, and the interest earned on the that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City with certain limited exceptions. The comparison of direct expenses with the program revenues identifies the extent to which each governmental program or business activity is self-financing or drams from the general revenues of the city.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and propriety fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those presenting balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are 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.

Note 1: Summary of Significant Account Policies (continued)

B. Reporting Entity

Standards published by the Government Accounting Standards Board (GASB) define the financial reporting entity as (a) the primary government; (b) organizations for which the primary government is financially responsible; and (c) other organizations for which the primary government is not accountable but for which the nature and the significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no organizations identified as component units if the City, as defined by GASB Statement No. 14, 39, 61, 80, 90, and 97, *The Financial Reporting Entity.*

Related Organizations

The City is required by State law to be a member of the Regional Commission. The City pays its prorate share of operating costs and would be liable for a prorata share of any unpaid liabilities if the SGRC were to go out of existence. However, the City has no material equity interest in the Regional Commission and it is not included in these financial statements. Financial statements are available at the organization's office. At year-end there were no receivables or payables between the City and this organization.

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self- balancing set of accounts. The two categories of funds are governmental and proprietary.

Governmental Funds

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

- **General Fund:** The General is used to account for all revenues and expenditures applicable to the general operations of City government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund.
- **SPLOST Fund:** The fund accounts for financial sources and uses for the Special Purpose Local Option Sales Taxes.
- **T-SPLOST Fund:** The fund accounts for financing capital projects for streets. The improvements are financed through federal and state grants.
- **CDBG Fund:** The fund accounts for revenues and expenses related to Community Development Block Grant funds.

The other governmental funds of the City account for other resources whose use is restricted for particular purpose; the accumulation of resources for and the payment of debt; and the acquisition or construction of major capital projects.

Note 1: Summary of Significant Account Policies (continued)

Proprietary Funds

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

- **Water System Fund:** This fund accounts for financing and costs of providing water to residents of the City.

Propriety funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with propriety fund principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sale and service. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statements of Net Position. The Statements of Revenues, Expenditures, and Changes in Fund Balances present increases (i.e., revenues), and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds use the accrual basis of accrual. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Note 1: Summary of Significant Account Policies (continued)

F. Revenues - Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenues from sales taxes are recognized in the period in which the sales are made. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the when the use is permitted; matching requirements in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transaction must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end. sales taxes, charges for services, fines and forfeitures, state levied locally shared taxes, grants, interest and rent.

G. Deferred Outflows/Inflows of Resources

The City has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position.* This standard modified terminology and presentation of certain accounts.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category on the governmental funds balance sheet.

H. Expenses and Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Note 1: Summary of Significant Account Policies (continued)

I. FASB Statements and Interpretations

For proprietary activities, all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, have been applied except for those that conflict with or contradict GASB pronouncements.

J. Budgets and Budgetary Accounting

An annual operating budget is adopted by the City for the general and enterprise funds. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are adopted as budgetary expenses.

All unexpended, unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically (i.e., no action is required by the City Council).

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

1. The City Council may transfer funds from one object or purpose to another within the same department.
2. The City Council may amend the budget by motion during the fiscal year.
3. The proposed budget for the subsequent year is submitted to the City Council prior to January 1st.
4. Public hearings are held.
5. The budget is legally enacted by Council resolution before January 1st.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

K. Cash and Cash Equivalents

For the propriety fund types a statement of cash flows is presented, as is required by GASB Statement 9, instead of a statement of changes in financial position. For this statement, cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to known amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

L. Investments

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks within the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank and Federal Bank for Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

All investments are stated at market value.

Note 1: Summary of Significant Account Policies (continued)

M. Capital Assets

General capital assets are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

The cost of infrastructure assets, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems acquired during the current fiscal year is recorded in the government-wide financial statements. The City is not required to and will not record acquisitions prior to June 30, 2003.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date donated. The City maintains a capitalization threshold of $1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	*Estimated Lives*
Buildings and improvements	20-50 years
Water and sewer system	20-50 years
Infrastructure	20-50 years
Vehicles	7 years
Furniture and fixtures	10 years
Equipment	10 years
Computer equipment	5 years
Heavy machinery	5 years

N. Inventories

Inventories consist of supplies and are expenses at time of purchase due to the City keeping an insignificant amount on hand at any time.

O. Allowance for Doubtful Accounts

The City provides an allowance for the Water and Sewer Fund accounts receivable that may be uncollectable. At December 31, 2023, any uncollectibles were immaterial amounts. No other allowances for uncollectable accounts receivable are necessary. All other accounts receivable are considered collectible as reported as of December 31, 2023.

P. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to service already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. It is the City's policy to pay all annual vacation prior to year-end, therefore no compensated absences are recorded.

Note 1: Summary of Significant Account Policies (continued)

Q. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

R. Federal Funds Expended

The City received $1,377,182 in CDBG – MIT funds during the year. The City expended these funds for flood mitigation.

S. Fund Equity

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

Fund Balance: Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that compromise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

Restricted: Fund balances are reported as restricted when there are limitations imposed on their use whether through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or 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 formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment by the same formal action.

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. Through resolution, the City Council has authorized the City Manager to assign fund balance.

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. Negative unassigned fund balances may be reported in all funds.

Note 1: Summary of Significant Account Policies (continued)

S. Fund Equity (continued)

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:

- Committed
- Assigned
- Unassigned

Net Position: Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when as described in the fund balance section above. All other net position is reported as unrestricted.

T. Prepaid Expenditures

Payments made to various vendors for items or services for a future period are recorded as prepaid expenditures.

U. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

V. Property Taxes

Property taxes attach as enforceable lien on property as of January 1. Taxes are levied on or about November 1 and are due and payable on or before January 12 of the following year. The City's taxes are billed and collected by the Charlton County Tax Commissioner. City property tax revenues are recognized when received by the City from the Tax Commissioner up to 60 days beyond the year end.

Note 2: Expenditures in Excess of Appropriations

The City had no departments with excess expenditures and no deficit fund balances as of December 31, 2023.

Note 3: Cash Deposits and Investments

The City's deposits are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits over the federal depository insurance coverage are collateralized with securities held by the City's agent in the City's name. As of December 31, 2023, the carrying amounts of the City's bank deposits were $297,176 and the respective carrying balances were $466,304. Of the total bank balances, $314,345 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining was collateralized with securities held in the City of Homeland's name.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of December 31, 2023, $459,888 in securities were held in the name of the financial institutions in the City's name.

Note 3: Cash Deposits and Investments (continued)

The bank balances are categorized as follows:

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

Category 1 - Insured or collateralized with securities held by the City or by 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, including those collateralized with securities held by the pledging financial institution, not in the City's name.

All the City's deposits are classified as category 1 credit risk.

Note 4: Receivables and Payables

Receivables at December 31, 2023 were as follows:

	Accounts	Taxes	Total
Governmental activities:			
General, net	$ -	$ 74,551	$ 74,551
Total governmental activities	$ -	$ 74,551	$ 74,551
Business-type activities:			
Water and Sewer, net	$ 1,893	$ -	$ 1,893
Total business-type activities	$ 1,893	$ -	$ 1,893

Payables at December 31, 2023 were as follows:

	Total
Governmental activities:	
General - vendors	$ 14,257
Total governmental activities	$ 14,257
Business-type activities:	
Water	$ 1,528
Total business-type activities	$ 1,528

Note 5: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2023, is as follows:

	Beginning	Additions	Deletions	Ending
Governmental Activities				
Nondepreciable capital assets:				
Land	$ 196,000	$ -	$ -	$ 196,000
Total nondepreciable capital assets	196,000	-	-	196,000
Depreciable capital assets:				
Infrastructure	4,153,161	1,377,182	-	5,530,343
Buildings	123,650	-	-	123,650
Equipment	468,311	71,725	-	540,036
Vehicles	194,872	43,366	-	238,238
Total capital assets	4,939,994	1,492,273	-	6,432,267
Less: accumulated depreciation for:				
Infrastructure	2,635,297	110,607	-	2,745,904
Buildings	58,691	2,473	-	61,164
Equipment	400,829	12,156	-	412,985
Vehicles	113,967	23,523	-	137,490
Total accumulated depreciation	3,208,784	148,759	-	3,357,543
Total depreciable, net	1,731,210	1,343,514	-	3,074,724
Capital assets (net)	1,927,210	1,343,514	-	3,270,724
Notes payable	18,442	-	7,687	26,129
Governmental a capital assets, net of related debt	$ 1,908,768	$ 1,343,514	$ 7,687	$ 3,244,595
Business-Type Activities				
Nondepreciable capital assets:				
Land	$ 5,000	$ -	$ -	$ 5,000
Total nondepreciable capital assets	5,000	-	-	5,000
Depreciable capital assets:				
Water and sewer system	1,769,134	40,071	-	1,809,205
Total depreciable capital assets	1,769,134	40,071	-	1,809,205
Less: accumulated depreciation for:				
Water and sewer system	698,086	38,048	-	736,134
Total accumulated depreciation	698,086	38,048	-	736,134
Total depreciable, net	1,071,048	2,023	-	1,073,071
Capital assets (net)	1,076,048	2,023	-	1,078,071
Revenue bonds	(167,590)	-	14,680	(152,910)
Business activities capital assets, net	$ 908,458	$ 2,023	$ 14,680	$ 925,161

Note 5: Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	$ 2,473
Public Safety	35,679
Public Works	110,607
Total Depreciation Expense - Governmental Activities	$ 148,759

Capital related items:

Public works interest	$ 584
Debt service interest	(584)
Increase in capital assets	(1,492,273)
Depreciation	148,759
Principal paid on notes	(7,687)
Net change in expenses	$ (1,351,201)

Construction commitments:

As of December 31, 2023, the City had no commitments with respect to uncompleted capital projects.

Note 6: Interfund Receivable and Payable Balances

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent certain transactions between funds had not been paid or received as of December 31, 2023, balance of interfund accounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at December 31, 2023, were as follows:

There were no interfund balances at December 31, 2023.

During the course of normal operations, The City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Transfers between funds during the year:	
Transfer from General Fund	$ 33,657
Transfer to Proprietary Fund	(33,657)
	$ -

Note 7: Long-Term Obligations

Business-Type Activities

In April, 1992, the City issued the Series 1992 Revenue Bonds for the purpose of financing the construction of the water system for the City. The Series 1992 Bonds were issued in the amount of $393,200 with an interest rate of 5.75%.

Debt service requirements to maturity for the revenue bonds at December 31, 2023 are as follows:

December 31	Balance	Principal	Interest	Total
2024	$ 154,000	$ 15,131	$ 9,093	$ 24,224
2025	138,869	16,026	8,198	24,224
2026	122,843	16,971	7,253	24,224
2027	105,872	17,973	6,251	24,224
2028	87,899	19,035	5,189	24,224
2029	68,864	20,158	4,066	24,224
2030	48,706	21,349	2,875	24,224
2031	27,357	22,608	1,616	24,224
2032	4,749	3,659	280	3,939
Total		$ 152,910	$ 44,821	$ 197,731

Original Bond Amount	$ 393,200
Interest Rate	5.750%
Date of Bond	April 15, 1992
Purpose of Bond	Construction of the water system for the City.
Maturity Date	April 15, 2032

Changes in Long-Term Liabilities:

Business Type Activities:	Beginning	Additions	Reductions	Ending	Due Within One Year
1992 Revenue Bonds	$ 167,590	$ -	$ 14,680	$ 152,910	$ 15,131
Net Changes	$ 167,590	$ -	$ 14,680	$ 152,910	$ 15,131

Note 7: Long-Term Obligations

Governmental Activities

Long-term debt of the general fund outstanding at December 31, 2023, consisted of a 2020 Note Payable in the amount of $38,000 with an interest rate of 3.25%. The balance at December 31, 2023 was $10,755.

Change in long term debt:

Note payable, beginning of year	$	18,442
Note increased		-
Note decreased		(7,687)
Note payable, end of year	$	10,755
Due within the next year	$	7,940

Debt service requirements to maturity for the note at December 31, 2023 are as follows:

December 31	Balance	Principal	Interest	Total
2024	$ 10,026	$ 7,940	$ 331	$ 8,271
2025	2,086	2,815	69	2,884
Total		$ 10,755	$ 400	$ 11,155

Original Bond Amount	$ 38,000
Interest Rate	3.250%
Date of Bond	February 3, 2020
Purpose of Note	Purchase 2005 Mack Garbage Truck, which is the collateral for the Note.

Note 8: Retirement Benefits

The City has no pension plan.

Note 9: Fund Equity

The City records five categories of fund balance as defined in Note 1, Section S. The five types are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance is classified by amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

	General Fund	Capital Projects
Nonspendable		
The following fund balance is nonspendable for:	$ -	$ -
Committed		
The following fund balances are committed for:		
Cemetary impovements	$ 8,480	$ -
Police Department Equipment	1,369	-
LMIG Expense	287	
Health Care Expense	4,273	
Development Authority	12,885	-
	$ 27,294	$ -
Restricted		
The following fund balances are restricted for:		
SPLOST Capital Projects	$ -	$ 102,850
TSPLOST Capital Projects	-	61,954
	$ -	$ 164,804
Unassigned		
The following fund balances are unassigned:	$ 209,938	

Note 10: Risk Management

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

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities. GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Homeland must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA 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 Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City of Homeland retains the first $5,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to $5,000 deductible.

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

Note 10: Risk Management (Continued)

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

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, 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 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 Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on the basis of the employer's liability, including suits or other proceeding alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false and fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, all expenses incurred for investigation, negotiation, or defense.

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

Note 11: Commitments and Contingencies

A. Litigation

The City's management and attorney has advised that there are no pending litigation cases against the City as of December 31, 2023, that will materially affect the financial statements.

B. Contingent Liabilities

The City receives various grants and other funding from federal and state assisted grant programs. Some of these funds have spending restrictions and are subject to compliance audits. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. The City is not aware of contingent liabilities associated with these funds.

Note 12: Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the eight-county Southeast Georgia area, is a member of the Southern Georgia Regional Commission (SGRC). Membership in a SGRC is automatic for each municipality and county in the state. The Official Code of Georgia Annotated (OCGA) Section 50-8-34 (Georgia Planning Act of 1989) which provides for the organizational structure of the SGRC. Each county and municipality in the state is required by law to pay minimum annual dues to the SGRC. The Board of the SGRC is comprised of not less than two or more than five representatives of each member county served by the SGRC. The manner of selecting such representatives from each member county is as follows:

a. The chief elected official or the board of commissioners of each county served by the SGRC shall be a member (or a designated government official).

b. One elected or appointed municipal government official from each city served by the SGRC. The mayors of the municipalities in such city shall select the municipal representative of that city.

c. Not less than ten or more than twenty public members.

d. A minority representative, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest Untied States Census.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines SGRC as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a SGRC beyond its resources. (OCGA 50-8-39.1)

Complete financial statements of the Southern Georgia Regional Commission can be obtained directly from the SGRC's administrative office at: Southern Georgia Reginal Commission
1725 South Ga Parkway, W
Waycross, Georgia 31503

Note 13: Reconciliation of Total Expenditures to Total Expenses Governmental Activities

"Total expenditures" for governmental funds $2,062,368 differs from "Total expenses" for activities $711,167 reported in the Statement of Activities. The differences primarily arise from the long-term economic focus of the Statement of Activities versus the current spending focus of the governmental funds and expenses in the Statement of Activities are revealed in the table below. Detailed explanations of certain net or combined adjustments are also provided below.

	Governmental Fund Expenditures	Capital Related Items	Statement of Activities Expenses
Current Operating:			
General government	$ 164,206	$ 2,473	$ 166,679
Public safety	124,235	35,679	159,914
Public works	1,647,985	(1,265,991)	381,994
Culture and recreation	2,580	-	2,580
Capital Outlay	115,091	(115,091)	-
Debt Service			-
Principal retired	7,687	(7,687)	
Interest	584	(584)	-
Totals	$ 2,062,368	$ (1,351,201)	$ 711,167
	(page 7)	(page 22)	(page 5)

Note 14: Subsequent Events

Subsequent events have been evaluated through September 3, 2024, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether change in the financial statements would be required.

CITY OF HOMELAND

Required Supplemental Information

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered part of the basic financial statements. Such information includes:

Budgetary comparison – General Fund

CITY OF HOMELAND, GEORGIA

Schedule of Revenues, Expenditures, and Changes in Fund Balance
General Fund - Budget to Actual

For the year ended December 31, 2023

	Budget		Actual	Variance with Final Budget - Over
	Original	Final	Amounts	(Under)
REVENUES				
Taxes	$ 239,563	$ 239,563	$ 322,969	$ 83,406
Intergovernmental	49,956	49,956	36,167	(13,789)
Charges for services	120,421	120,421	135,599	15,178
Interest income	50	50	385	335
Other income	356,655	356,655	2,772	(353,883)
Total revenues	766,645	766,645	497,892	(268,753)
EXPENDITURES				
Current:				
General government	203,795	203,795	164,206	(39,589)
Public safety	130,000	130,000	124,235	(5,765)
Public works	292,579	292,579	200,803	(91,776)
Culture and recreation	12,000	12,000	2,580	(9,420)
Capital outlay	120,000	120,000	115,091	(4,909)
Debt service:				
Principal retirement	7,687	7,687	7,687	-
Interest	584	584	584	-
Total expenditures	766,645	766,645	615,186	(151,459)
Excess of revenues over (under) expenditures	-	-	(117,294)	(117,294)
OTHER FINANCING SOURCES				
Transfers in (out)	-	-	(33,757)	(33,757)
Total other financing sources	-	-	(33,757)	(33,757)
Change in fund balance	$ -	$ -	(151,051)	$ 9,406
Fund balances - beginning			388,283	
Fund balances - ending			$ 237,232	

Note to RSI:
Budget is prepared using the accounting principles generally accepted in the United States of America.

CITY OF HOMELAND

Special Reports Section

Member:
Association of Certified Fraud Examiners

Kendall L. Davis, P.C.

Georgia Society of CPA'S

CERTIFIED PUBLIC ACCOUNTANT
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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and Members of City Council
City of Homeland
Homeland, Georgia

I have audited the accompanying Schedule Purpose Local Option Sales Tax for the City of Homeland for the year ended December 31, 2023. This schedule is the responsibility of the City of Homeland's management. My responsibility is to express an opinion on the Schedule Purpose Local Option Sales Tax based on my audit.

I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis as described in Note 1 and is not intended to be a complete presentation of the City of Homeland's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Homeland's resolution or ordinance calling for the tax for the year ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
September 3, 2024

CITY OF HOMELAND, GEORGIA

Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds
2020 - SPLOST
For the Year Ended December 31, 2023

Project Description per SPLOST Referendum	Estimated Cost		Expenditures			
	Original	Current	Prior Years	Current Year	Total	
Water and Street Improvements	$ 300,000	$ 300,000	$ 70,406	$ 25,000	$ 95,406	32%
Total	$ 300,000	$ 300,000	$ 70,406	$ 25,000	$ 95,406	

The amount of $59,805 was received from Charlton County in 2023 for the 2020 SPLOST Funds. The SPLOST proceeds are to be used for renovation, improvement, expanson and purchase of property relating to streets, sidewalks, solid waste disposal, water and waste water system and other public facilities in the City of Homeland.

The SPLOST schedule has been prepared on the modified accrual basis of accounting.

See auditor's report.

CITY OF HOMELAND, GEORGIA

Schedule of Projects Constructed with Transportation Special Purpose Local Sales Tax Proceeds
TSPLOST
For the Year Ended December 31, 2023

Project Description per SPLOST Referendum	Estimated Cost		Expenditures			
	Original	Current	Prior Years	Current Year	Total	
Roads, Streets and Bridge Improvements & Equipment	$ 286,848	$ 286,848	$ 80,762	$ 45,000	$ 125,762	44%
Total	$ 286,848	$ 286,848	$ 80,762	$ 45,000	$ 125,762	

The amount of $39,558 was received in T-Splost proceeds during 2023.

The TSPLOST schedule has been prepared on the modified accrual basis of accounting.

See auditor's report.

CITY OF HOMELAND, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT
PROJECT COST SCHEDULE
Grant No. MITINF-2-006

For the year ended December 31, 2023

Program Activity	CDBG Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures to Date CDBG Funds	Accumulative Expenditures to Date Other Funds	Grant Total of Expenditures to Date	Questioned Costs (if applicable)
Streets/Drainage Admin	A-21A-00	$ 90,000	$ 40,409	$ -	$ 40,409	$ -
Streets/Drainage Engineering		180,000	174,500	-	174,500	-
Streets/Drainage Construction		1,594,369	1,312,770	-	1,312,770	-
Total		$ 1,864,369	$ 1,527,679	$ -	$ 1,527,679	$ -

See auditor's report.

CITY OF HOMELAND

Single Audit Section

Member:
Association of Certified Fraud Examiners

Kendall L. Davis, P.C.

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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

Honorable Mayor and
Members of the City Council
CITY OF HOMELAND
HOMELAND, Georgia

I 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, of the CITY OF HOMELAND (the "CITY"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the CITY's basic financial statements, and have issued my report thereon dated September 3, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the CITY's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CITY's internal control. Accordingly, I do not express an opinion on the effectiveness of the CITY's internal control.

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

My consideration of 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 weakness or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CITY's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CITY'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 CITY's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
September 3, 2024

Member:
Association of Certified Fraud Examiners

Kendall L. Davis, P.C.

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

Honorable Mayor and City Council
City of Homeland
Homeland, Georgia

Report on Compliance for Each Major Federal Program Opinion of Each Major Federal Program

I have audited the City of Homeland'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 of the City of Homeland's major federal program for the year ended December 31, 2023. The City of Homeland's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In my opinion, the City of Homeland complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the City of Homeland and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the City of Homeland's 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 Homeland's federal program.

Auditor's Responsibilities for the Audit of Compliance

My 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 Homeland's compliance based on my 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 GAAS, *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 Homeland's compliance with the requirements of each of its major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, I:

- 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 Homeland's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.

- Obtain an understanding of the City of Homeland '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 Homeland's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that are not identified.

My 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 my 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.



Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
September 3, 2024

City of Homeland
Homeland, Georgia

Schedule of Expenditures of Federal Awards

For the twelve months ended December 31, 2023

FEDERAL GRANTOR	Assistance Listings Number	Program or Award Amount	Disbursements or Expenditures	
U. S. Department of Treasury				
Community Development Block Grant Grant # MITINF-2-006 Flood Mitigation	*14.228	$ 1,864,369	$ 1,377,182	+
TOTAL			$ 1,377,182	

* -Type A program
** -Type B program
\+ - Major program

Note 1 - Basis of Presentation

The accompanying Schedule of Expendure of Federal Awards (the "Schedule") includes the federal grant activity of the City under program of the federal government for the year ended December 31, 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior year.

Note 3 - Indirect Cost Rate

The City is not reimbursed for indirect costs under any of its federal awards and does not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance or any other indirect cost rate.

See auditor's report.

CITY OF HOMELAND, GEORGIA

December 31, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major program:		
Material weakness(es) identified?		No
Significant deficiencies identified not considered to be material weaknesses?		None Reported
Type of report issued on the compliance for major program:		Unmodified
Any audit findings disclosed that are required to be reported In accordance with 2 CFR 200.516(a)?		No
Identification of major program:	ALN 14.228	Community Development Block Grant - MIT
Dollar threshold used to distinguish between Type A and Type B programs:		$750,000
Did the City qualify as a low-risk auditee?		No

Section II - Financial Statement Finding:

There were no audit findings disclosed relating to this area for the period ended December 31, 2023.

Section III - Federal Awards:

There were no audit findings disclosed relating to this area for the period ended December 31, 2023.