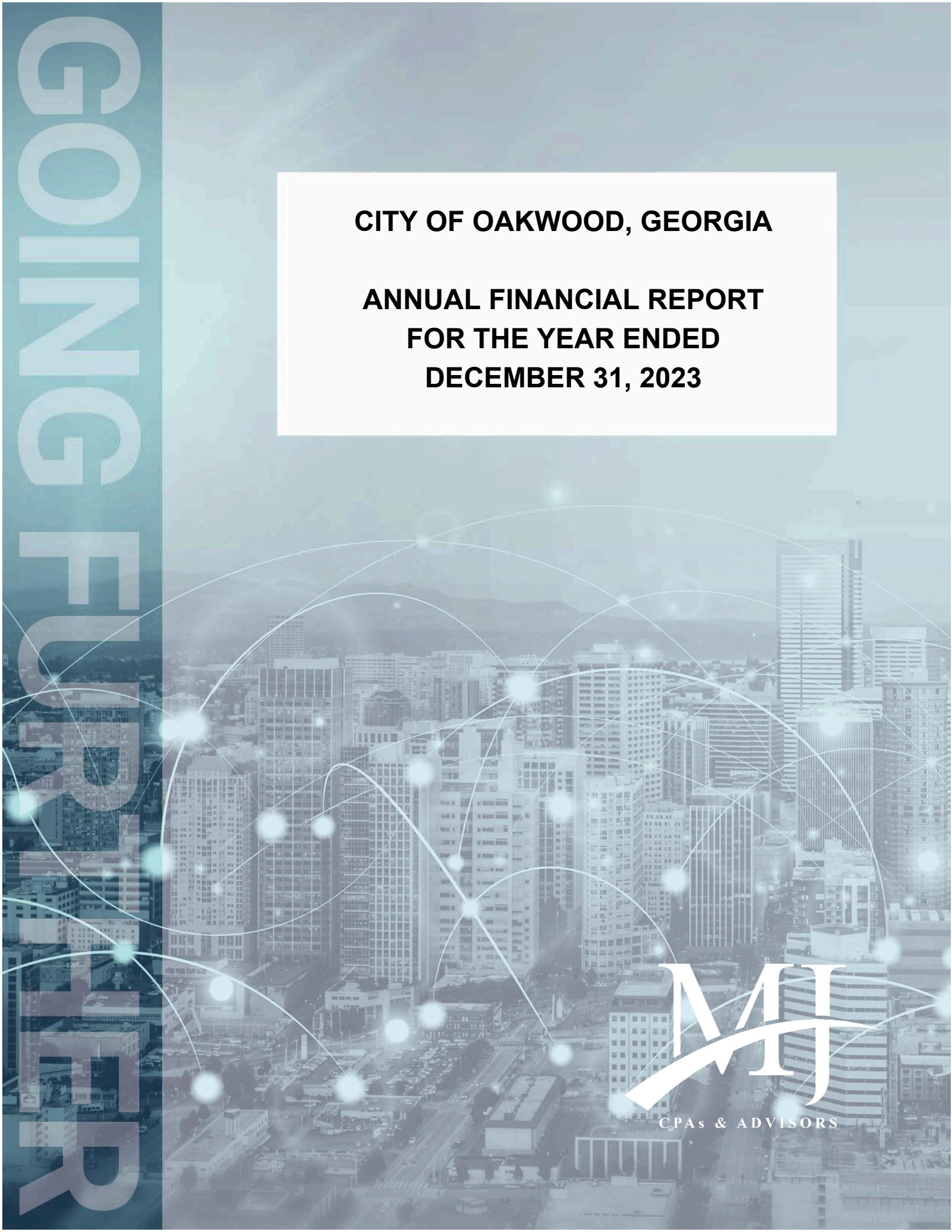
GOING FURTHER

CITY OF OAKWOOD, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2023



MJ
CPAs & ADVISORS

CITY OF OAKWOOD, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Oakwood, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Oakwood, Georgia** (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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, 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 combining and individual fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax proceeds 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 May 14, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 14, 2026

CITY OF OAKWOOD, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 19,286,614	$ 5,071,721	$ 24,358,335
Accounts receivable	-	1,122,924	1,122,924
Property taxes receivable, net	1,024,685	-	1,024,685
Due from other governments	309,459	195,111	504,570
Prepaid items	62,370	1,451	63,821
Restricted assets	248,819	-	248,819
Capital assets:			
Nondepreciable	6,807,058	1,961,559	8,768,617
Depreciable, net of accumulated depreciation and amortization	10,094,273	8,750,528	18,844,801
Total assets	37,833,278	17,103,294	54,936,572
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	793,684	-	793,684
Total deferred outflows of resources	793,684	-	793,684
LIABILITIES			
Accounts payable and other current liabilities	1,463,911	53,787	1,517,698
Escrow deposits	-	-	-
Accrued interest payable	240,393	88,188	328,581
Unearned revenue	443,501	-	443,501
Bonds payable, due within one year	-	575,000	575,000
Bonds payable, due in more than one year	11,946,746	5,597,820	17,544,566
Compensated absences, due within one year	65,215	-	65,215
Compensated absences, due in more than one year	70,213	-	70,213
Net pension liability	2,336,695	-	2,336,695
Lease liabilities, due within one year	284,728	-	284,728
Lease liabilities, due in more than one year	402,978	-	402,978
Total liabilities	17,254,380	6,314,795	23,569,175
DEFERRED INFLOWS OF RESOURCES			
Pension related items	256,774	-	256,774
Total deferred outflows of resources	256,774	-	256,774
NET POSITION			
Net investment in capital assets	14,137,430	4,539,267	18,676,697
Restricted for public safety	27,034	-	27,034
Restricted for capital projects	2,290,237	-	2,290,237
Restricted for economic development	583,582	-	583,582
Restricted for debt service	279	-	279
Unrestricted	4,077,525	6,249,232	10,326,757
Total net position	$ 21,115,808	$ 10,788,499	$ 31,904,307

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

CITY OF OAKWOOD, 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 (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 949,613	$ 262,274	$ -	$ 147,480	$ (539,859)	$ -	$ (539,859)
Judicial	355,515	-	-	-	(355,515)	-	(355,515)
Public safety	3,682,625	729,435	-	-	(2,953,190)	-	(2,953,190)
Public works	2,031,952	-	-	1,051,439	(980,513)	-	(980,513)
Recreation and culture	89,518	-	-	-	(89,518)	-	(89,518)
Housing and development	1,453,073	915,102	-	-	(537,971)	-	(537,971)
Interest and fiscal charges	505,437	-	-	-	(505,437)	-	(505,437)
Total governmental activities	9,067,733	1,906,811	-	1,198,919	(5,962,003)	-	(5,962,003)
Business-type activities:							
Sewer	1,075,287	957,171	-	-	-	(118,116)	(118,116)
Total primary government	$ 10,143,020	$ 2,863,982	$ -	$ 1,198,919	(5,962,003)	(118,116)	(6,080,119)
General revenues:							
Property taxes					3,736,712	-	3,736,712
Local Option Sales Tax					1,346,107	-	1,346,107
Insurance Premium Tax					427,721	-	427,721
Alcohol Beverage Tax					441,667	-	441,667
Franchise taxes					445,446	-	445,446
Hotel/Motel taxes					170,409	-	170,409
Other taxes					79,384	-	79,384
Unrestricted investment earnings					505,951	-	505,951
Miscellaneous revenues					31,589	-	31,589
Gain on sale of capital assets					1,582	-	1,582
Transfers					(311,370)	311,370	-
Total general revenues and transfers					6,875,198	311,370	7,186,568
Change in net position					913,195	193,254	1,106,449
Net position, beginning of year (restated)					20,202,613	10,595,245	30,797,858
Net position, end of year					$ 21,115,808	$ 10,788,499	$ 31,904,307

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

CITY OF OAKWOOD, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	ARPA Fund	URA Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 6,685,777	$ -	$ 10,464,556	$ 1,645,749	$ 490,532	$ 19,286,614
Taxes receivable, net of allowance	891,047	-	-	-	133,638	1,024,685
Intergovernmental receivable	222,811	-	-	86,648	-	309,459
Due from other funds	49,998	443,501	-	-	-	493,499
Prepaid items	62,370	-	-	-	-	62,370
Restricted cash	-	-	240,672	-	8,147	248,819
Total assets	$ 7,912,003	$ 443,501	$ 10,705,228	$ 1,732,397	$ 632,317	$ 21,425,446
LIABILITIES						
Accounts payable	$ 1,319,946	$ -	$ -	$ -	$ 8,147	$ 1,328,093
Accrued liabilities	118,320	-	-	-	-	118,320
Unearned revenue	-	443,501	-	-	-	443,501
Claims and judgement payable	17,498	-	-	-	-	17,498
Due to other funds	443,501	-	-	36,444	13,554	493,499
Total liabilities	1,899,265	443,501	-	36,444	21,701	2,400,911
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	359,186	-	-	-	-	359,186
Total deferred inflows of resources	359,186	-	-	-	-	359,186
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	62,370	-	-	-	-	62,370
Restricted for:						
Public safety	-	-	-	-	27,034	27,034
Capital projects	-	-	10,464,556	1,695,953	-	12,160,509
Economic development	-	-	-	-	583,582	583,582
Debt service	-	-	240,672	-	-	240,672
Assigned for:						
Capital improvements	1,924,411	-	-	-	-	1,924,411
Unassigned	3,666,771	-	-	-	-	3,666,771
Total fund balances	5,653,552	-	10,705,228	1,695,953	610,616	18,665,349
Total liabilities, deferred inflows of resources, and fund balances	$ 7,912,003	$ 443,501	$ 10,705,228	$ 1,732,397	$ 632,317	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.						16,901,331
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.						(13,010,273)
Net pension liability and related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds:						
Deferred outflows of resources - Pension related items						793,684
Deferred inflows of resources - Pension related items						(2,336,695)
Net pension liability						(256,774)
Some revenues are not available in the current period and, therefore, are deferred inflows of resources in the governmental funds.						359,186
Net position of governmental activities						$ 21,115,808

The accompanying notes are an integral part of these statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	ARPA Fund	URA Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 6,352,993	$ -	$ -	$ -	$ 290,493	$ 6,643,486
Fines and forfeitures	729,435	-	-	-	-	729,435
Licenses and permits	1,120,589	-	-	-	-	1,120,589
Charges for services	56,787	-	-	-	-	56,787
Intergovernmental	147,480	-	-	1,050,657	-	1,198,137
Investment earnings	-	-	505,297	782	654	506,733
Other	27,439	-	-	-	4,150	31,589
Total revenues	8,434,723	-	505,297	1,051,439	295,297	10,286,756
Expenditures:						
Current:						
General government	854,510	-	-	-	-	854,510
Judicial	352,241	-	-	-	-	352,241
Public safety	3,339,905	-	-	-	537	3,340,442
Public works	1,298,836	-	-	-	-	1,298,836
Recreation and culture	72,601	-	-	-	-	72,601
Housing and development	1,416,653	-	-	-	-	1,416,653
Capital outlay	-	-	355,042	733,013	-	1,088,055
Debt service:						
Principal	229,432	-	-	-	-	229,432
Interest	25,223	-	427,367	-	-	452,590
Total expenditures	7,589,401	-	782,409	733,013	537	9,105,360
Excess (Deficiency) of revenues over expenditures	845,322	-	(277,112)	318,426	294,760	1,181,396
Other financing sources (Uses):						
Transfers in	170,409	-	480,788	-	-	651,197
Transfers out	(480,788)	-	-	-	(170,409)	(651,197)
Issuance of leases	372,063	-	-	-	-	372,063
Proceeds from sale of capital assets	108,089	-	-	-	-	108,089
Total other financing sources (Uses)	169,773	-	480,788	-	(170,409)	480,152
Net change in fund balances	1,015,095	-	203,676	318,426	124,351	1,661,548
Fund balances, beginning of year, as restated	4,638,457	-	10,501,552	1,377,527	486,265	17,003,801
Fund balances, end of year	$ 5,653,552	$ -	$ 10,705,228	$ 1,695,953	$ 610,616	$ 18,665,349

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

CITY OF OAKWOOD, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,661,548
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlay in the current period.		(88,763)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposal of capital assets) is to decrease net position.		(417,877)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		3,960
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(142,631)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(103,042)
Change in net position - governmental activities	$	913,195

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

CITY OF OAKWOOD, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,161,354	$ 3,161,354	$ 3,612,668	$ 451,314
Sales taxes	1,051,170	1,051,170	1,346,107	294,937
Franchise taxes	383,000	383,000	445,446	62,446
Alcohol excise taxes	437,160	437,160	441,667	4,507
Insurance premium taxes	400,000	400,000	427,721	27,721
Other taxes	38,000	38,000	79,384	41,384
Licenses and permits	855,500	855,500	1,120,589	265,089
Intergovernmental	89,616	89,616	147,480	57,864
Charges for services	45,300	45,300	56,787	11,487
Fines and forfeitures	650,000	650,000	729,435	79,435
Miscellaneous	28,000	28,000	27,439	(561)
Total revenues	7,139,100	7,139,100	8,434,723	1,295,623
Expenditures:				
Current:				
General government:				
Mayor and council	115,592	115,592	107,435	8,157
General administration	696,623	696,623	747,075	(50,452)
Total general government	812,215	812,215	854,510	(42,295)
Judicial	304,033	304,033	352,241	(48,208)
Public safety	3,447,320	3,447,320	3,339,905	107,415
Public works:				
Streets	852,410	852,410	1,114,257	(261,847)
Solid waste	262,838	262,838	184,579	78,259
Total public works	1,115,248	1,115,248	1,298,836	(183,588)
Recreation	112,939	112,939	72,601	40,338
Housing and development				
Planning and zoning	1,168,497	1,168,497	1,291,963	(123,466)
Economic development	82,290	82,290	124,690	(42,400)
Total housing and development	1,250,787	1,250,787	1,416,653	(165,866)
Debt service				
Principal	322,983	322,983	229,432	93,551
Interest	157,805	157,805	25,223	132,582
Total debt service	480,788	480,788	254,655	226,133
Total expenditures	7,523,330	7,523,330	7,589,401	(66,071)
Excess(deficiency) of revenues over expenditures	(384,230)	(384,230)	845,322	1,229,552
Other financing sources (Uses):				
Transfers in	130,000	130,000	170,409	40,409
Transfers out	(45,770)	(45,770)	(480,788)	(435,018)
Issuance of leases	-	-	372,063	372,063
Proceeds from sales of capital assets	-	-	108,089	108,089
Total other financing sources (Uses)	84,230	84,230	169,773	85,543
Net change in fund balance	(300,000)	(300,000)	1,015,095	1,315,095
Fund balance, beginning of year as restated	4,638,457	4,638,457	4,638,457	-
Fund balance, end of year	$ 4,338,457	$ 4,338,457	$ 5,653,552	$ 1,315,095

The accompanying notes are an integral part of these statements.

CITY OF OAKWOOD GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

ASSETS	Sewer Fund
CURRENT ASSETS	
Cash	$ 5,071,721
Accounts receivable	1,122,924
Intergovernmental receivables	195,111
Prepaids	1,451
Total current assets	6,391,207
NONCURRENT ASSETS	
Capital assets, nondepreciable	1,961,559
Capital assets, depreciable	13,621,376
Accumulated depreciation	(4,870,848)
Total capital assets, net	10,712,087
Total assets	17,103,294
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	53,787
Accrued interest payable	88,188
Bonds payable, due within one year	575,000
Total current liabilities	716,975
NONCURRENT LIABILITIES	
Bonds payable, non-current	5,597,820
Total noncurrent liabilities	5,597,820
Total liabilities	6,314,795
NET POSITION	
Net investment in capital assets	4,539,267
Unrestricted	6,249,232
Total net position	$ 10,788,499

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

CITY OF OAKWOOD GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Sewer Fund
OPERATING REVENUE	
Charges for services	$ 760,819
Total operating revenues	760,819
OPERATING EXPENSES	
Cost of services	417,849
Depreciation and amortization	435,248
Total operating expenses	853,097
Operating loss	(92,278)
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	196,352
Interest expense	(222,190)
Total nonoperating expenses	(25,838)
Loss before capital contributions	(118,116)
Capital contributions	311,370
Change in net position	193,254
Total net position, beginning, as restated	10,595,245
Total net position, ending	$ 10,788,499

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

CITY OF OAKWOOD, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

		Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	720,827
Payments to suppliers		(678,086)
Net cash provided by operating activities		42,741
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash receipts from sales of sewer capacity		1,430,590
Principal payments on bonds outstanding		(555,000)
Interest paid		(228,300)
Net cash provided by capital and related financing activities		647,290
Net change in cash		690,031
Cash, beginning of year		4,381,690
Cash, end of year	$	5,071,721
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$	(92,278)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization		435,248
Change in assets and liabilities:		
Increase in due from other governments		(39,992)
Increase in prepaid expenses		(967)
Decrease in accounts payable		(23,170)
Decrease in due to other governments		(236,100)
Net cash provided by operating activities	$	42,741
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Transfers of capital assets received from governmental activities	$	311,370

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1903 and operates under a city council/manager form of government. Policy making and legislative authority are vested in the Mayor and five council members. The City Manager is responsible for the daily operations of all City Departments. The City provides basic services which include general government, public safety, public works, health and welfare, culture and recreation, and housing and development. Sewer management services are also provided.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. In conformity with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", and GASB Statement No. 61, "The Financial Reporting Entity", the component unit's financial statements have been included as a blended component unit.

Blended component units, although also legally separate entities, are in substance part of the City's operations; data from this component unit is combined with the data of the City of Oakwood.

Blended Component Unit - The Urban Redevelopment Agency (the "URA") of the City of Oakwood is shown as a blended component unit in the accompanying financial statements and reported as a Capital Projects Fund. The purpose of the URA is to secure financing to revitalize City of Oakwood assets, specifically within the downtown areas of the City suffering from urban blight. The City appoints all members to the URA's board and is financially responsible for the repayment of all debt for the URA. Separate financial statements for the Urban Redevelopment Agency are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. The statement of net position includes noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation and amortization expense on the City's capital assets and intangible right-to-use assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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 those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement 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 the 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the intangible right-to-use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

In accounting and reporting for its proprietary operations, the City applies all Governmental Accounting Standards Board (GASB) pronouncements. The City applies GASB Statement No. 62, *Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance on or before November 30, 1989.

In accordance with GASB Statement No. 34, major individual governmental 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 Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

The **American Rescue Plan Act of 2021 (ARPA) Fund** is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

The **Urban Redevelopment Agency (URA) Fund** is used to provide financing for the City related to the redevelopment of certain areas within the City.

The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to provide financing for the acquisition of capital assets or construction of major projects financed by special purpose local option sales tax proceeds.

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The City reports the following major proprietary fund:

The **Sewer Fund** is used to report all resources related to the activities of the sewer system.

The City aggregates other nonmajor governmental funds in a single column in the fund financial statements:

The **Special Revenue Funds** are used to account for specific revenues which are either legally restricted or committed to expenditures for particular purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, Special Revenue Funds, and Capital Projects Funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund and each Special Revenue Fund each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the Capital Projects Funds. During the fiscal year ended December 31, 2023, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value as determined by quoted market prices.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the 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".

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets and right-to-use intangible assets, which include buildings and improvements, vehicles, machinery and equipment, infrastructure assets, and right-to-use equipment and vehicle assets, are reported 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructures that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Capital assets and right-to-use leased assets of the City are depreciated/amortized using the straight-line method over the following useful lives:

Buildings	30 years
Building improvements	30 years
Vehicles	5-7 years
Machinery and equipment	5-7 years
Infrastructure	20 years
Right-to-use equipment	5-7 years
Right-to-use vehicles	4-5 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases

Lessee

The City is the lessee for non-cancellable leases of equipment and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the governmentwide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

Intangible right-to-use assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflow of resources. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and compensatory time pay benefits. Vacation is earned at increasing rates based on employment longevity. Annually, an employee's unused vacation benefits are paid on his/her anniversary date. An employee can carry no more than 120 vacations hours from one year to the next. Sick leave is accrued at 8 hours per month with a maximum of 480 hours accrued. Accrued sick leave is not paid upon termination, but unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. A maximum of 240 hours of compensatory time may be accrued, with any unused compensatory time paid upon termination. The liabilities for compensated absences of the governmental activities are recorded in the government-wide financial statements.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond payables are reported net of the applicable premium.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures. Issuance costs are expenses when incurred.

N. Fund Balance and Fund Net Position

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities and deferred inflows of resources under the current financial resources measurement 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance and Fund Net Position (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed through a resolution of the City Council. Only the City Council may modify or rescind the commitment, also through a 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 Fund Balance Policy, as adopted by the City Council, delegates the authority to the City Manager or his or her designee to assign fund balance for particular purposes.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance and Fund Net Position (Continued)

Fund Net Position – Net position represents the difference between assets, deferred outflows of resources, 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. The remaining portion of net position is reported as unrestricted.

The City applies restricted resources first to fund outlays for which both restricted and unrestricted net position is available.

O. Use of Estimates

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

P. 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 Oakwood Retirement Plan (the “Plan”), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 $13,010,273 difference are as follows:

Revenue bonds payable	$	(11,935,000)
Premium on bonds payable		(11,746)
Accrued interest payable		(240,393)
Compensated absences		(135,428)
Lease liability		(687,706)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(13,010,273)

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 change in fund balances – total governmental funds and change 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 estimated useful lives and reported as depreciation and amortization expense". The details of this $88,763 difference are as follows:

Capital outlay	$	1,008,937
Depreciation and amortization expense		(1,097,700)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(88,763)

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 (Continued)

Another element of the reconciliation states that "the net effect of various miscellaneous transactions involving capital assets is to decrease net position". The details of this $417,877 difference are as follows:

Net book value of capital asset disposals	$	(106,507)
Transfers of capital assets from governmental activities to the Sewer Fund		(311,370)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(417,877)

Another element of the reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position". This amount is the net effect of these differences in the treatment of long-term debt. The details of this $142,631 difference are as follows:

Issuance of lease liabilities	$	(372,063)
Principal payments on lease liabilities		229,432
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(142,631)

Another element of the reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds". The details of this $103,042 difference are as follows:

Compensated absences	$	(4,639)
Changes in accrued interest		(53,420)
Changes in deferred outflows, inflows, and net pension liability		(45,556)
Changes in amortization of bond premium		573
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(103,042)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

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

1. The initial budget is prepared based on revenues and expenditures of the prior year.
2. Work sessions are held to amend the amounts based on expected revenues.
3. The proposed budget is presented to the City Council in a regular council meeting.
4. The Council sets a date for a public hearing on the proposed budget. After the hearing, the Council adopts the budget.
5. Over or under expended appropriations are not carried forward to the next year.
6. Budget revisions that alter the total expenditures of any line item within a department must be approved by the Council.
7. Budget amounts are as originally adopted, or as amended by the Council.

Encumbrance accounting is not used by the City.

The following fund had departments with excess of actual expenditures over appropriations for the year ended December 31, 2023:

General Fund:		
General Government:		
General administration	$	50,452
Judicial		48,208
Public Works:		
Streets		261,847
Housing and Development:		
Planning and zoning		123,466
Economic development		42,400

These over expenditures were funded by greater than anticipated revenues and available fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk: State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. As of December 31, 2023, the City had no investment balances that were exposed to credit risk.

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 require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties or municipalities of the State of Georgia. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. At December 31, 2023, the City's deposits were insured and/or collateralized as defined by state statutes and GASB pronouncements. As of December 31, 2023, the City had deposits with three (3) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had deposits with one (1) financial institution that were collateralized by pledged securities, as defined above, such that all of the City's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

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 loses arising from increasing interest rates.

NOTE 5. RECEIVABLES

The City bills and collects its own property taxes. Property taxes are generally levied on November 1st of each year, with the bills being payable by January 1st. All unpaid taxes become delinquent and subject to lien on January 1st. Property taxes receivable at year end is estimated based on the tax levy, less amounts collected prior to December 31, 2023. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually for collectability.

Receivables at December 31, 2023, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Sewer Fund
Receivables:				
Taxes	$ 921,415	$ -	$ 133,638	$ -
Accounts	-	-	-	1,122,924
Intergovernmental	222,811	86,648	-	195,111
Total receivables	1,144,226	86,648	133,638	1,318,035
Less allowance for uncollectible	(30,368)	-	-	-
Net total receivable	$ 1,113,858	$ 86,648	$ 133,638	$ 1,318,035

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the City for the year ended December 31, 2023 is as follows:

	Restated Beginning Balance	Increases	Decreases	Transfers	Transfers to Business-Type	Ending Balance
Governmental activities:						
Capital assets, not being depreciated:						
Land	$ 4,930,863	$ -	$ -	$ -	$ -	$ 4,930,863
Construction in progress	2,839,138	355,042	(63,772)	(1,124,353)	(129,860)	1,876,195
Total	7,770,001	355,042	(63,772)	(1,124,353)	(129,860)	6,807,058
Capital assets, being depreciated:						
Buildings	1,660,262	-	(11,340)	-	-	1,648,922
Improvements	385,720	-	(7,168)	-	-	378,552
Vehicles	950,847	-	(230,648)	-	-	720,199
Machinery and equipment	1,776,291	100,322	(640,929)	-	-	1,235,684
Infrastructure	14,762,684	181,510	-	1,124,353	(181,510)	15,887,037
Lease assets	976,803	372,063	-	-	-	1,348,866
Total	20,512,607	653,895	(890,085)	1,124,353	(181,510)	21,219,260
Less accumulated depreciation/amortization for:						
Buildings	(1,040,559)	(26,628)	5,999	-	-	(1,061,188)
Improvements	(134,334)	(20,202)	7,168	-	-	(147,368)
Vehicles	(692,215)	(43,017)	226,767	-	-	(508,465)
Machinery and equipment	(1,218,614)	(89,158)	607,416	-	-	(700,356)
Infrastructure	(7,387,030)	(521,308)	-	-	-	(7,908,338)
Lease assets	(401,885)	(397,387)	-	-	-	(799,272)
Total	(10,874,637)	(1,097,700)	847,350	-	-	(11,124,987)
Capital assets, net depreciation	9,637,970	(443,805)	(42,735)	1,124,353	(181,510)	10,094,273
Governmental activities capital assets, net	$ 17,407,971	$ (88,763)	$ (106,507)	$ -	$ (311,370)	$ 16,901,331

Beginning capital assets was restated to correct previously unrecorded depreciation. See Note 16.

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Restated Beginning Balance	Increases	Decreases	Transfers from Governmental	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 230,407	$ -	$ -	$ -	$ 230,407
Sewer capacity - intangible asset	2,750,484	-	(1,019,332)	-	1,731,152
Total	2,980,891	-	(1,019,332)	-	1,961,559
Capital assets, being depreciated:					
Machinery and equipment	69,718	-	-	-	69,718
Infrastructure	13,240,288	-	-	311,370	13,551,658
Total	13,310,006	-	-	311,370	13,621,376
Less accumulated depreciation for:					
Machinery and equipment	(25,345)	(6,847)	-	-	(32,192)
Infrastructure	(4,335,968)	(502,688)	-	-	(4,838,656)
Total	(4,361,313)	(509,535)	-	-	(4,870,848)
Capital assets, net depreciation	8,948,693	(509,535)	-	311,370	8,750,528
Business-type activities capital assets, net	$ 11,929,584	$ (509,535)	$ (1,019,332)	$ 311,370	$ 10,712,087

Beginning business-type capital asset balances have been restated by $1,527,420 for capacity which was previously reported as a prepaid asset. Furthermore, capacity was restated by $1,223,064 for amounts which were not previously reported. See Note 16.

Depreciation/amortization expense was charged to functions/programs of governmental activities and business-type activities as follows:

Governmental activities:	
General government	$ 62,710
Public safety	288,308
Public works	695,380
Recreation and culture	16,917
Housing and development	34,385
Total depreciation and amortization expense - governmental activities	$ 1,097,700
Business-type activities:	
Sewer	$ 509,535

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended December 31, 2023:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable - direct placement	$ 11,935,000	$ -	$ -	$ 11,935,000	$ -
Plus: premium	12,319	-	(573)	11,746	-
Total bonds payable	11,947,319	-	(573)	11,946,746	-
Lease liabilities	545,075	372,063	(229,432)	687,706	284,728
Compensated absences	130,789	73,344	(68,705)	135,428	65,215
Net pension liability	1,866,245	1,118,551	(648,101)	2,336,695	-
Governmental activities long-term liabilities	$ 14,489,428	$ 1,563,958	$ (946,811)	$ 15,106,575	$ 349,943

For governmental activities, bonds payable, compensated absences, and the net pension liability are liquidated by the General Fund.

Beginning balances were restated to properly reflect compensated absences. See Note 16.

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NOTE 7. LONG-TERM DEBT (CONTINUED)

	Restated Beginning Balance	Additions	Reductions	Ending Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds payable	$ 6,280,000	$ -	$ (555,000)	$ 5,725,000	$ 575,000
Plus: premium	522,107	-	(74,287)	447,820	58,209
Total bonds payable	6,802,107	-	(629,287)	6,172,820	633,209
Business-type activities long-term liabilities	$ 6,802,107	$ -	$ (629,287)	$ 6,172,820	$ 633,209

Beginning balance for business-type activities was restated to properly report bond premiums. See Note 16.

Governmental Activities - Bonds Payable

In August 2022, the Urban Redevelopment Agency of the City of Oakwood (URA) issued Series 2022A and Series 2022B Revenue Bonds in the amount of $11,445,000 and $490,000, respectively. The Series 2022A and Series 2022B Revenue Bonds were issued at a premium of $12,232 and $660, respectively. The proceeds from the bonds were used to retire the existing $886,068 notes payable balance on the City's 21.4 acres downtown property to facilitate development of a town center project. The project includes an education museum and parking, a railroad/train museum, and sidewalks and trails. The bonds are special limited obligations of the URA, payable solely from and secured pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. Interest rates range from 3.75% to 4.00% and interest payments are due semiannually on January 1 and July 1. The principal payments are due annually for the Series 2022A Revenue Bonds starting January 1, 2027 and the bonds are scheduled to mature on January 1, 2052. The principal payments are due annually for the Series 2022B Revenue Bonds starting January 1, 2025 and the bonds are scheduled to mature on January 1, 2026. As of December 31, 2023, the outstanding principal amounts are $11,445,000 and $490,000, respectively.

The City has signed a lease agreement with Interactive Neighborhood for Kids, Inc. (INK) for leasing the environmental museum. Per the agreement, INK will pay the City monthly rent of $9,500 beginning September 1, 2025. The City will use the rental payments to repay the bond. See Note 15.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities - Bonds Payable (Continued)

The debt service requirements to maturity for the bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ -	$ 480,788	$ 480,788
2025	240,000	476,288	716,288
2026	250,000	466,788	716,788
2027	260,000	456,588	716,588
2028	270,000	445,988	715,988
2029-2033	1,510,000	2,056,538	3,566,538
2034-2038	1,835,000	1,722,838	3,557,838
2039-2043	2,240,000	1,316,938	3,556,938
2044-2048	2,730,000	820,969	3,550,969
2049-2052	2,600,000	220,069	2,820,069
Total	$ 11,935,000	$ 8,463,792	$ 20,398,792

Business-Type Activities - Bonds Payable

On July 1, 2016, the City entered into a contract with Gainesville-Hall County Development Authority to issue $9,265,000 of Series 2016 Revenue Bonds for sewer facilities and improvements. The Series 2016 Revenue Bonds were issued at a premium of $899,150. These were refunding revenue bonds used to retire two (2) original Georgia Environmental Finance Authority (GEFA) notes. Interest rates range from 2-4% and interest payments are due semiannually on February 1 and August 1. The principal payments are due annually on August 1 and the bonds are scheduled to mature on August 1, 2037. The principal amount due at December 31, 2023 was $5,725,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business-Type Activities - Bonds Payable (Continued)

The debt service requirements to maturity for the revenue bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 575,000	$ 211,650	$ 786,650
2025	585,000	200,150	785,150
2026	600,000	182,600	782,600
2027	625,000	158,600	783,600
2028	650,000	133,600	783,600
2029-2033	2,120,000	302,200	2,422,200
2034-2037	570,000	56,800	626,800
Total	$ 5,725,000	$ 1,245,600	$ 6,970,600

Lease Liabilities

The City entered into a Master Lease Agreement with Enterprise Leasing for the lease of various public safety and public works vehicles. The title for these vehicles does not transfer to the City at the end of the lease term. Currently, the City has thirty (30) vehicles under lease. The lease terms vary from 48 to 60 months. In absence of a prescribed interest rate in the lease, the City has used its incremental borrowing rate for similar assets of 4.00% as the discount rate for the leases. Each vehicle lease has a residual value at the end of its lease terms. The City is required to make monthly payments ranging from $500 to $1,500 through the end of the lease term. The liability for these leases at December 31, 2023 is $671,839. The value of the right-to-use asset as of the end of the current fiscal year was $1,305,468 and had accumulated amortization of $771,641. The debt service requirements to maturity for the lease liabilities are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 279,441	$ 20,796	$ 300,237
2025	187,373	11,739	199,112
2026	107,648	6,175	113,823
2027	97,377	1,811	99,188
Total	$ 671,839	$ 40,521	$ 712,360

NOTE 7. LONG-TERM DEBT (CONTINUED)

Lease Liabilities (Continued)

The City leases various office items for operating purposes. The title for these items does not transfer to the City at the end of the lease term. This equipment includes two (2) printers, a postage machine, and a digital plotter. The lease terms vary from 36 to 60 months. In absence of a prescribed interest rate in the lease, the City has used its incremental borrowing rate for similar assets of 5.00% as the discount rate for the leases. The City is required to make monthly payments ranging from $50 to $300 through the end of the lease term. The liability for these leases at December 31, 2023 is $15,867. The value of the right-to-use asset as of the end of the current fiscal year was $43,398 and had accumulated amortization of $27,631. The debt service requirements to maturity for the lease liabilities are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 5,287	$ 661	$ 5,948
2025	3,316	451	3,767
2026	2,900	297	3,197
2027	3,048	149	3,197
2028	1,316	17	1,333
Total	$ 15,867	$ 1,575	$ 17,442

NOTE 8. SEWER TREATMENT CONTRACTS

To facilitate the provision of wastewater (sewer) treatment for the residents of Oakwood, the City has entered into various intergovernmental agreements (IGA) with several municipal service providers. Utilizing existing facilities and infrastructure and designation of distinct services areas, sewer treatment is provided via intergovernmental agreements with the Cities of Flowery Branch and Gainesville, and the Town of Braselton. The intergovernmental agreements give the City rights over sewer capacity. The value of the sewer capacity is recorded by the City at cost, less amounts allocated to developers, and is included in capital assets for business-type activities as an intangible asset.

NOTE 8. SEWER TREATMENT (CONTINUED)

Oakwood Capacity in Flowery Branch

In 2005, the City entered into a settlement agreement with the City of Flowery Branch to confirm its allocation of 50,000 gpd (gallons per day) of wastewater capacity in the Flowery Branch WWTP. During 2006, Hall County transferred to the City of Oakwood, 200,000 gallons per day of its 400,000 gallons per day of wastewater capacity, which it had purchased from Flowery Branch for $4,000,000 in 2004. Additionally, as a part of a 2017 IGA with Flowery Branch, the City received an additional 12,000 gallons per day of capacity based on shifting customers from Flowery Branch wastewater treatment to its emerging wastewater treatment agreement with the Town of Braselton. While the City of Flowery Branch provides operation/maintenance of the system, the City of Gainesville bills customers and remits a sewer capital recoupment fee (an add-on to the sewer charges) to the City on a quarterly basis. The 2017 IGA with Flowery Branch addressed various service delivery challenges in the south and west portions of the City. This agreement superseded previous agreements and defined the City's capacity in the Flowery Branch system (262,000 gpd), terms and parameters for acquiring additional capacity, and its one-third interest in a jointly owned spray field site. As of December 31, 2023, 221,718 gpd of wastewater treatment capacity had been allocated to developers, and the remaining capacity (40,282 gpd) is valued at $402,820. As of December 31, 2023, $567,938 is due to the City from developers for sales of the capacity.

Oakwood Capacity in Gainesville

In 1995, the City entered into an IGA with the City of Gainesville that increased its reserved capacity in the Gainesville WWTP to 400,000 gpd. In 2006, the City acquired an additional capacity reservation bringing the total to 650,000 gpd. The City of Gainesville provides operation/maintenance of the system, bills customers, and remits a sewer capital recoupment fee (an add-on to the sewer charges) to the City on a quarterly basis. As of December 31, 2023, 583,520 gpd of wastewater treatment capacity had been allocated to developers, and the remaining capacity (66,180 gpd) is valued at $825,412. As of December 31, 2023, $372,802 is due to the City from developers for sales of the capacity.

NOTE 8. SEWER TREATMENT (CONTINUED)

Oakwood Capacity in Braselton

In 2008, the City purchased 50,000 gpd of capacity from the Town of Braselton at a cost of $350,000. In 2015, the City paid $1,415,250 from its State of Georgia revolving loan proceeds to the Town of Braselton for wastewater processing capacity and infrastructure system investment to transport an additional 75,000 gpd to the treatment facility. In 2021, the City utilized a portion of its American Rescue Plan Fund funds to acquire an additional 50,000 gpd of wastewater capacity. The IGA with the Town of Braselton provided for this capacity, while providing for a proportionate share in capital improvements required to service the eastern portion of the City. Based on a billing IGA with the City of Gainesville, the Oakwood customers with wastewater treated through the Town of Braselton VWWTP are billed for sewer services by the City of Gainesville. The City of Gainesville remits the sewer fee and the capital recoupment fee (an add-on to the sewer charges) to the City on a quarterly basis. As of December 31, 2023, 202,140 gpd of wastewater treatment capacity had been allocated to developers, and the remaining capacity (22,860 gpd) is valued at $502,920. As of December 31, 2023, $182,184 is due to the City from developers for sales of the capacity.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2023, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	$ 36,444
General Fund	Nonmajor governmental funds	13,554
ARPA Fund	General Fund	443,501
		$ 493,499

The outstanding balances between funds primarily result from the time lag between the dates that: (1) interfund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are expected to be repaid within one year from the date of the financial statements. Amounts due to the General Fund from the SPLOST Fund are for allowable program activities. Amounts due to the ARPA Fund from the General Fund are for ARPA funds originally deposited in the General Fund.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 170,409
URA Fund	General Fund	480,788
		$ 651,197

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to the URA Fund for debt service.

NOTE 10. RETIREMENT PLAN

Plan Description

The City, as authorized by the Mayor and City Council, has established a defined benefit pension plan (the "City of Oakwood Retirement Plan") covering all full-time employees. The City Council in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. The City's Pension Plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472 or on the internet at www.gmanet.com.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the City Council, the plan provides pension benefits and death and disability benefits for all full-time employees. Regular, full-time employees who work at least 30 hours per week may participate in the plan after they have completed one (1) year of continuous service. Elected officials are eligible for these benefits. Benefits vest after 5 years of service. City employees who retire at age 65 with five (5) years of service are entitled to a monthly retirement benefit based upon average earnings and years credited service. Additionally, employees whose age and years of service total seventy-five (Rule of 75) or more qualify for a monthly retirement benefit. Early retirement is permitted provided the participant is at least 55 years of age and has completed ten (10) years of service.

NOTE 10. RETIREMENT PLAN (CONTINUED)

Plan Description (Continued)

As of July 1, 2023, the date of the most recent actuarial valuation, there were 77 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	14
Terminated vested participants not yet receiving benefits	28
Active participants - vested	35
Total	77

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For year 2023, the actuarially determined contribution rate was 28.25% of covered payroll. The City makes all contributions to the Plan. For year 2023, the City's contribution to the Plan was $527,712.

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Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, with update procedures performed by the actuary to rollforward to the total pension liability measured as of December 31, 2023.

NOTE 10. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00 - 8.50% including inflation
Investment rate of return	7.375%

Mortality rates for the July 1, 2023 valuation were based on the sex-distinct, Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries and the sex-distinct, Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2023 are summarized in the table below:

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	—	
Total	100%	

NOTE 10. RETIREMENT PLAN (CONTINUED)

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

Changes in the net pension liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2023 were as follows:

	Liability (a)	Net Position (b)	Liability (Asset) (a) - (b)
Balances at 12/31/22	$ 7,286,069	$ 5,419,824	$ 1,866,245
Changes for the year:			
Service cost	211,034	-	211,034
Interest	537,351	-	537,351
Differences between expected and actual experience	(84,288)	-	(84,288)
Other changes	-	-	-
Contributions—employer	-	563,813	(563,813)
Net investment income	-	(356,813)	356,813
Benefit payments, including refunds of employee contributions	(421,966)	(421,966)	-
Administrative expense	-	(13,353)	13,353
Net changes	242,131	(228,319)	470,450
Balances at 12/31/2023	$ 7,528,200	$ 5,191,505	$ 2,336,695

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

NOTE 10. RETIREMENT PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension asset or liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 3,277,236	$ 2,336,695	$ 1,553,582

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 December 31, 2023 and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended December 31, 2023, the City recognized pension expense of $573,268. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 170,722	$ 256,774
Net difference between projected and actual earnings on pension plan investments	227,178	-
City contributions subsequent to the measurement date	395,784	-
Total	$ 793,684	$ 256,774

City contributions subsequent to the measurement date of $395,784 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	
2024	$ 51,987
2025	(228,710)
2026	165,596
2027	152,253
Total	$ 141,126

NOTE 11. 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 fiscal years.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (RC) and is required to pay annual dues thereto. During the year ended December 31, 2023, the City paid $6,049 in such dues. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of a RC. RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. Separate financial statements may be obtained from the Georgia Mountains Regional Commission, P.O. Box 1720, Gainesville, Georgia 30503.

NOTE 13. HOTEL/MOTEL LODGING TAX

Beginning May 1, 2021, the City began imposing an 8% (up from 5%) hotel/motel excise tax on lodging facilities within the City. According to Georgia statute (O.C.G.A. 48-13-51), all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended December 31, 2023, the City received $170,409 in hotel/motel taxes. Of this amount, $106,583, or 62.5%, was used for the promotion of tourism, conventions, and trade shows.

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

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.

Outsourced Contractual Services: The City outsources various operational functions with external service providers. For the year ended December 31, 2023, the costs for these contracts totaled approximately $2,027,793.

Construction Projects: The City has active construction projects for the construction of various projects. The remaining commitments to contractors on December 31, 2023 totaled $13,745,158.

Litigation: The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Other: In 2017, the City decommissioned its former fueling site, which contained an underground fuel storage tank. Under the purview of the Georgia Environmental Protection Division (EDP), the necessary site clean-up and removal of soil and tank contaminates has been completed.

NOTE 15. SUBSEQUENT EVENT

On February 1, 2025, the City entered into a lease contract as the lessor to lease an educational museum facility to Interactive Neighborhood for Kids, Inc. (INK). The lease is for a total of 38 years and 5 months, beginning September 1, 2025 and ending January 1, 2064. The City will receive monthly lease payments of $9,500 at the start of the lease. INK has an option to purchase the 85.66% interest for a net price of $5,297,234. All lease payments apply toward the purchase price option.

NOTE 16. PRIOR PERIOD ADJUSTMENT

The City has determined the following restatements to beginning fund balance and net position were required to the individual funds noted below as well as governmental activities. The restatements resulted from the following errors: (1) allowance for doubtful accounts which were not properly recorded, (2) unavailable revenues which were not properly recorded, (3) intergovernmental receivables which were not properly recorded, (4) adjusted pension related deferred outflows for amounts not properly recorded, (5) adjusted compensated absences which was not properly recorded, (6) adjusted accounts payable to agree with subsidiary ledgers or supporting documents and schedules, (7) adjusted capital assets which understated accumulated depreciation and was not properly recorded, (8) to adjust premium in revenue bonds which was not properly recorded, (9) to adjust sewer capacity which was not properly recorded, and (10) to adjust accounts receivable for sewer capacity which was to agree with subsidiary ledgers or supporting documents and schedules.

The restatements are summarized as follows:

Governmental Funds, Governmental Activities, and Business-Type Activities:

	General Fund	SPLOST Fund	Governmental Activities	Business-Type Activities
Fund balance/Net position at				
December 31, 2022, as previously reported	$ 5,020,002	$ 1,354,381	$ 20,633,399	$ 11,225,815
Restatements to adjust:				-
Allowance for doubtful accounts	(26,319)	-	(26,319)	-
Unavailable property tax revenue	(355,226)	-	-	-
Intergovermental receivables	-	80,107	80,107	-
Accounts payable	-	(56,961)	(56,961)	-
Pension related deferred outflows	-	-	431,885	-
Capital assets	-	-	(845,457)	-
Premium on bonds payable	-	-	-	113,632
Compensated absenses	-	-	(14,041)	-
Sewer capacity	-	-	-	1,223,064
Accounts receivable	-	-	-	(1,967,266)
Total restatements	(381,545)	23,146	(430,786)	(630,570)
Fund balance/Net position at December 31, 2022 as restated	$ 4,638,457	$ 1,377,527	$ 20,202,613	$ 10,595,245

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKWOOD, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 211,034	$ 187,889	$ 173,389	$ 118,248	$ 129,878
Interest on total pension liability	537,351	543,959	478,188	429,503	389,236
Differences between expected and actual experience	(84,288)	(401,162)	682,887	112,227	329,285
Other	-	-	-	434,642	-
Benefit payments, including refunds of employee contributions	(421,966)	(464,889)	(449,415)	(335,709)	(264,033)
Net change in total pension liability	242,131	(134,203)	885,049	758,911	584,366
Total pension liability - beginning	7,286,069	7,420,272	6,535,223	5,776,312	5,191,946
Total pension liability - ending (a)	$ 7,528,200	$ 7,286,069	$ 7,420,272	$ 6,535,223	$ 5,776,312
Plan fiduciary net position					
Contributions - employer	$ 563,813	$ 517,889	$ 438,722	$ 401,708	$ 383,142
Net investment income	(356,813)	308,727	1,587,288	(268,831)	128,943
Benefit payments, including refunds of member contributions	(421,966)	(464,889)	(449,415)	(335,709)	(264,033)
Administrative expenses	(13,353)	(12,290)	(11,407)	(12,396)	(11,518)
Net change in plan fiduciary net position	(228,319)	349,437	1,565,188	(215,228)	236,534
Plan fiduciary net position - beginning	5,419,824	5,070,387	3,505,199	3,720,427	3,483,893
Plan fiduciary net position - ending (b)	$ 5,191,505	$ 5,419,824	$ 5,070,387	$ 3,505,199	$ 3,720,427
City's net pension liability - ending (a) - (b)	$ 2,336,695	$ 1,866,245	$ 2,349,885	$ 3,030,024	$ 2,055,885
Plan fiduciary net position as a percentage of the total pension liability	68.96%	74.39%	68.33%	53.64%	64.41%
Covered payroll	$ 1,780,051	$ 1,847,128	$ 1,656,514	$ 1,502,467	$ 1,118,544
City's net pension liability as a percentage of covered payroll	131.27%	101.03%	141.86%	201.67%	183.80%

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 110,858	$ 91,074	$ 89,199	$ 100,023
Interest on total pension liability	363,076	350,714	309,141	289,436
Differences between expected and actual experience	58,058	(39,758)	353,477	10,974
Other	98,361	-	-	35,359
Benefit payments, including refunds of employee contributions	(246,513)	(238,534)	(192,250)	(170,822)
Net change in total pension liability	383,840	163,496	559,567	264,970
Total pension liability - beginning	4,808,106	4,644,610	4,085,043	3,820,073
Total pension liability - ending (a)	$ 5,191,946	$ 4,808,106	$ 4,644,610	$ 4,085,043
Plan fiduciary net position				
Contributions - employer	$ 388,805	$ 395,328	$ 332,559	$ 341,884
Net investment income	373,835	323,856	9,460	199,142
Benefit payments, including refunds of member contributions	(246,513)	(238,534)	(192,250)	(170,822)
Administrative expenses	(11,117)	(11,290)	(8,050)	(7,313)
Net change in plan fiduciary net position	505,010	469,360	141,719	362,891
Plan fiduciary net position - beginning	2,978,883	2,509,523	2,367,804	2,004,913
Plan fiduciary net position - ending (b)	$ 3,483,893	$ 2,978,883	$ 2,509,523	$ 2,367,804
City's net pension liability - ending (a) - (b)	$ 1,708,053	$ 1,829,223	$ 2,135,087	$ 1,717,239
Plan fiduciary net position as a percentage of the total pension liability	67.10%	61.96%	54.03%	57.96%
Covered payroll	$ 1,184,559	$ 1,011,820	$ 931,177	$ 970,895
City's net pension liability as a percentage of covered payroll	144.19%	180.79%	229.29%	176.87%

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

CITY OF OAKWOOD, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - RETIREMENT PLAN

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 527,712	$ 575,847	$ 498,570	$ 418,772	$ 396,017
Contributions in relation to the actuarially determined contribution	527,712	575,847	498,570	451,775	363,016
Contribution deficiency (excess)	$ -	$ -	$ -	$ (33,003)	$ 33,001
Covered payroll	$ 1,868,117	$ 1,677,387	$ 1,656,514	$ 1,502,467	$ 1,118,544
Contributions as a percentage of covered payroll	28.25%	34.33%	30.10%	30.07%	32.45%

	2018	2017	2016	2015
Actuarially determined contribution	$ 378,851	$ 392,123	$ 356,757	$ 364,133
Contributions in relation to the actuarially determined contribution	378,851	392,123	356,757	364,133
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,184,559	$ 1,011,820	$ 931,177	$ 970,895
Contributions as a percentage of covered payroll	31.98%	38.75%	38.31%	37.50%

Notes to the Schedule of City Contributions:

(1) Actuarial assumptions used to determine contributions:

Valuation Date	July 1, 2023
Cost Method	Projected Unit Credit
Actuarial 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 amounts that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-Living Adjustment	N/A
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Confiscated Assets Fund – Accounts for certain asset seizures confiscated by the Oakwood Police Department.

Tax Allocation District (TAD) Fund – Accounts for tax allocation funds from the City and County to be used for land acquisition and capital improvements in the TAD district.

Hotel/Motel Tax Fund – To account for the 8% lodging tax levied in the City, which is restricted by State law.

CITY OF OAKWOOD, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS	Confiscated Assets Fund	Tax Allocation District Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 27,034	$ 463,498	$ -	$ 490,532
Taxes receivable	-	120,084	13,554	133,638
Restricted cash	8,147	-	-	8,147
Total assets	$ 35,181	$ 583,582	$ 13,554	$ 632,317
LIABILITIES				
Due to other funds	$ -	$ -	$ 13,554	$ 13,554
Escrow deposits	8,147	-	-	8,147
Total liabilities	8,147	-	13,554	21,701
FUND BALANCES				
Restricted for:				
Public safety	27,034	-	-	27,034
Economic development	-	583,582	-	583,582
Total fund balances	27,034	583,582	-	610,616
Total liabilities and fund balances	$ 35,181	$ 583,582	$ 13,554	$ 632,317

CITY OF OAKWOOD, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Confiscated Assets Fund	Tax Allocation District Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ -	$ 120,084	$ 170,409	$ 290,493
Investment earnings	-	654	-	654
Other	4,150	-	-	4,150
Total revenues	4,150	120,738	170,409	295,297
Expenditures				
Current:				
Public safety	537	-	-	537
Total expenditures	537	-	-	537
Excess of revenues over expenditures	3,613	120,738	170,409	294,760
Other Financing Sources (Uses)				
Transfers out	-	-	(170,409)	(170,409)
Total other financing sources (Uses)	-	-	(170,409)	(170,409)
Net change in fund balances	3,613	120,738	-	124,351
Fund balances, beginning of year	23,421	462,844	-	486,265
Fund balances, end of year	$ 27,034	$ 583,582	$ -	$ 610,616

CITY OF OAKWOOD, GEORGIA

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Other revenues	$ 6,500	$ 6,500	$ 4,150	$ (2,350)
Total revenues	6,500	6,500	4,150	(2,350)
Expenditures:				
Public safety	6,500	6,500	537	5,963
Total expenditures	6,500	6,500	537	5,963
Net change in fund balances	-	-	3,613	3,613
Fund balances, beginning of year	23,421	23,421	23,421	-
Fund balances, end of year	$ 23,421	$ 23,421	$ 27,034	$ 3,613

CITY OF OAKWOOD, GEORGIA

TAD (TAX ALLOCATION DISTRICT) FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Tax increment	$ 91,178	$ 91,178	$ 120,084	$ 28,906
Investment income	100	100	654	554
Total revenues	91,278	91,278	120,738	29,460
Net change in fund balances	91,278	91,278	120,738	29,460
Fund balances, beginning of year	462,844	462,844	462,844	-
Fund balances, end of year	$ 554,122	$ 554,122	$ 583,582	$ 29,460

CITY OF OAKWOOD, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 130,000	$ 130,000	$ 170,409	$ 40,409
Total revenues	130,000	130,000	170,409	40,409
Other financing uses:				
Transfers out	(130,000)	(130,000)	(170,409)	(40,409)
Total other financing uses	(130,000)	(130,000)	(170,409)	(40,409)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF OAKWOOD, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST VII:						
Roads, Streets, and Bridges	$ 1,684,678	$ 1,826,258	$ 1,786,545	$ -	$ 1,786,545	97.83 %
Sewer Infrastructure	1,000,000	1,076,188	673,965	-	673,965	62.63
Public Safety Equipment	300,000	358,729	358,729	-	358,729	100.00
Total SPLOST VII	$ 2,984,678	$ 3,261,175	$ 2,819,239	$ -	$ 2,819,239	
SPLOST VIII:						
Roads, Streets, and Bridges	$ 2,368,262	$ 3,245,169	$ -	$ 446,723	$ 446,723	13.77 %
Sewer Infrastructure	800,000	1,096,220	673,659	181,510	855,169	78.01
Public Safety Equipment	600,000	822,165	151,777	104,780	256,557	31.21
Total SPLOST VIII	$ 3,768,262	$ 5,163,554	$ 825,436	$ 733,013	$ 1,558,449	