CITY OF ROSSVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year

Ended September 30, 2023

By Authority of the Mayor
and City Council

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CITY OF ROSSVILLE, GEORGIA
Annual Financial Report
Year Ended September 30, 2023

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FINANCIAL SECTION

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LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Of the City of Rossville, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Rossville, Georgia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Rossville, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Rossville, Georgia as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and the American Rescue Plan Special Revenue 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rossville, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic 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.

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios on page 38 and the Schedule of Contributions – Pension Plan on page 39 be presented to supplement the basic financial statements. Such 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. We have

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rossville, Georgia's basic financial statements. The budgetary comparisons on pages 42-44, the Schedule of Special Purpose Local Option Sales Tax Expenditures on page 49, and the Schedule of Transportation Special Purpose Local Option Sales Tax Expenditures on page 50 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain limited 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 individual fund budgetary comparisons are fairly stated in all material respects in relation to the basic financial statements as a whole. The Schedule of Special Purpose Local Option Sales Tax Expenditures and the Schedule of Transportation Special Purpose Local Option Sales Tax Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain limited procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Special Purpose Local Option Sales Tax Expenditures and the Schedule of Transportation Special Purpose Local Option Sales Tax Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2024 on our consideration of the City of Rossville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Rossville, Georgia's internal control over financial reporting and compliance.

Williamson + Company

Williamson and Company
Certified Public Accountants
March 31, 2024

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BASIC FINANCIAL STATEMENTS

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CITY OF ROSSVILLE, GEORGIA
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 3,542,895	$ 900,570	$ 4,443,465
Receivables, Net	684,989	291,810	976,799
Capital Assets:			
Land and Improvements	208,581	-	208,581
Construction in Progress	344,672	3,265	347,937
Other Capital Assets, Net	3,321,143	394,566	3,715,709
Total Capital Assets	3,874,396	397,831	4,272,227
Total Assets	8,102,280	1,590,211	9,692,491
Deferred Outflows of Resources			
Pension Plan	490,230	-	490,230
Total Deferred Outflows of Resources	490,230	-	490,230
Total Assets and Deferred Outlows of Resources	8,592,510	1,590,211	10,182,721
Liabilities			
Accounts Payable	29,875	87,789	117,664
Other Payables	32,886	-	32,886
Unearned Grant Revenue	997,360	-	997,360
Net Pension Liability	940,674	-	940,674
Noncurrent Liabilities:			
Due In One Year	26,517	-	26,517
Due In More Than One Year	11,302	-	11,302
Total Liabilities	2,038,614	87,789	2,126,403
Deferred Inflows of Resources			
Pension Plan	2,343	-	2,343
Total Deferred Inflows of Resources	2,343	-	2,343
Total Liabilities and Deferred Inflows of Resources	2,040,957	87,789	2,128,746
Net Position			
Investment In Capital Assets	3,874,396	397,831	4,272,227
Restricted For:			
Capital Projects	1,215,549	-	1,215,549
Road Maintenance and Improvements	271,324	-	271,324
Law Enforcement Activities	52,662	-	52,662
Federal Programs	213	-	213
Unrestricted	1,137,409	1,104,591	2,242,000
Total Net Position	$ 6,551,553	$ 1,502,422	$ 8,053,975

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Activities
For The Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	$ 846,860	$ 81,190	$ 510,187	$ 778,286
Police	1,348,146	360,893	-	-
Fire	460,590	-	-	-
Streets	745,885	-	-	154,899
Culture and Recreation	91,293	-	-	-
Sanitation	243,062	140,210	-	-
Sewer and Drainage Improvements	154,413	-	-	-
Total Governmental Activities	3,890,249	582,293	510,187	933,185
Business-type Activities:				
Sewer Utility	907,059	1,263,099	-	-
Total Primary Government	$ 4,797,308	$ 1,845,392	$ 510,187	$ 933,185

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Activities
For The Year Ended September 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities	Business-type Activities	Total
Primary Government			
Governmental Activities:			
General Government	$ 522,803	$	$ 522,803
Police	(987,253)		(987,253)
Fire	(460,590)		(460,590)
Streets	(590,986)		(590,986)
Recreation	(91,293)		(91,293)
Sanitation	(102,852)		(102,852)
Sewer and Drainage Improvements	(154,413)		(154,413)
Total Governmental Activities	(1,864,584)		(1,864,584)
Business-type Activities:			
Sewer Utility		356,040	356,040
Total Primary Government			(1,508,544)
General Revenues:			
Property Taxes, Levied For General Purposes	989,333	-	989,333
Motor Vehicle Taxes	79,341	-	79,341
Franchise Taxes	75,814	-	75,814
Alcoholic Beverage Excise Taxes	91,712	-	91,712
Occupational Taxes	391,149	-	391,149
Local Option Sales Tax	740,191	-	740,191
Intangible Taxes	13,455	-	13,455
Transfer Tax	7,899	-	7,899
Investment Earnings	471	80	551
Miscellaneous	14,743	-	14,743
Total General Revenues	2,404,108	80	2,404,188
Transfers	(92,594)	92,594	-
Change In Net Position	446,930	448,714	895,644
Net Position - Beginning	6,104,623	1,053,708	7,158,331
Net Position - Ending	$ 6,551,553	$ 1,502,422	$ 8,053,975

The accompanying notes are an integral part of this financial statement.

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CITY OF ROSSVILLE, GEORGIA
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Capital Projects Fund	TSPLOST Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 1,129,434	$ 1,090,645	$ 272,581	$ 997,573	$ 52,662	$ 3,542,895
Receivables, Net	556,148	128,841	-	-	-	684,989
Total Assets	1,685,582	1,219,486	272,581	997,573	52,662	4,227,884
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	24,681	3,937	1,257	-	-	29,875
Other Payables	32,886	-	-	-	-	32,886
Unearned Grant Revenue	-	-	-	997,360	-	997,360
Total Liabilities	57,567	3,937	1,257	997,360	-	1,060,121
Fund Balances						
Restricted:						
Capital Projects	-	1,215,549	-	-	-	1,215,549
Law Enforcement	-	-	-	-	52,662	52,662
Road Maintenance and Improvements	-	-	271,324	-	-	271,324
Federal Programs	-	-	-	213	-	213
Assigned						
Recreational Activities	17,982	-	-	-	-	17,982
Fountain	151	-	-	-	-	151
Unassigned	1,609,882	-	-	-	-	1,609,882
Total Fund Balances	1,628,015	1,215,549	271,324	213	52,662	3,167,763
Total Liabilities and Fund Balances	$ 1,685,582	$ 1,219,486	$ 272,581	$ 997,573	$ 52,662	$ 4,227,884

Reconciliation of the Balance Sheet to the Statement of Net Position			
Total Fund Balances - Governmental Funds			$ 3,167,763
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Governmental Capital Assets		9,752,838	
Less Accumulated Depreciation		(5,878,442)	3,874,396
A portion of the pension plan components are for future use and are considered deferred outflows of resources.			490,230
Differences in projections and assumptions regarding the City's pension plan are considered deferred inflows of resources.			(2,343)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Compensated Absences		(37,819)	
Net Pension Liability		(940,674)	(978,493)
Net Position of Governmental Activities			$ 6,551,553

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Capital Projects Fund	T-SPLOST Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 2,388,894	$ -	$ -	$ -	$ -	$ 2,388,894
Licenses and Permits	80,258	-	-	-	-	80,258
Charges For Services	141,140	-	-	-	-	141,140
Fines and Forfeitures	391,047	-	-	-	9,160	400,207
Intergovernmental	199,826	778,196	3,788	422,121	-	1,403,931
Investment Earnings	339	90	39	126	5	599
Miscellaneous Income	14,743	-	-	-	-	14,743
Total Revenues	3,216,247	778,286	3,827	422,247	9,165	4,429,772
Expenditures						
Current:						
General Government	739,811	54,232	-	6,713	-	800,756
Police	1,217,481	9,312	-	7,135	3,826	1,237,754
Fire	354,634	-	-	47,420	-	402,054
Streets	530,487	7,261	61,516	5,120	-	604,384
Culture and Recreation	70,457	13,480	-	-	-	83,937
Sanitation	243,062	-	-	-	-	243,062
Sewer and Drainage Improvements	-	752	-	153,661	-	154,413
Capital Outlay:						
General Government	-	30,175	-	31,244	-	61,419
Police	-	143,084	-	-	-	143,084
Fire	-	2,083	-	18,411	-	20,494
Streets	-	126,393	209,327	-	-	335,720
Culture and Recreation	-	15,241	-	22,982	-	38,223
Sewer and Drainage Improvements	-	-	-	129,435	-	129,435
Total Expenditures	3,155,932	402,013	270,843	422,121	3,826	4,254,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,315	376,273	(267,016)	126	5,339	175,037
Other Financing Sources						
Transfers In	36,841	-	-	-	-	36,841
Total Other Financing Sources	36,841	-	-	-	-	36,841
Net Change in Fund Balances	97,156	376,273	(267,016)	126	5,339	211,878
Fund Balances - Beginning	1,530,859	839,276	538,340	87	47,323	2,955,885
Fund Balances - Ending	$ 1,628,015	$ 1,215,549	$ 271,324	$ 213	$ 52,662	$ 3,167,763

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Year Ended September 30, 2023

Net Change in Fund Balances		$ 211,878
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeded capital outlays in the current period:		
Expenditures for Capital Assets	728,374	
Less Current Year Depreciation	(272,478)	455,896
Transfers of capital assets between governmental and business-type activities are not reported in the governmental fund statements.		(129,435)
Changes in the value of the deferred inflows of resources associated with the net pension liability are not reflected in the governmental funds, however they are accounted for in the governmental activities.		233,181
Changes in the value of the deferred outflows of resources associated with the net pension liability are not reflected in the governmental funds, however they are accounted for in the governmental activities.		360,952
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Net Change in Net Pension Liability	(678,747)	
Net Change in Compensated Absences	(6,795)	(685,542)
Change In Net Position of Governmental Activities		$ 446,930

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2023

	Budget			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Taxes	$ 2,737,298	$ 2,737,298	$ 2,388,894	$ (348,404)
Licenses And Permits	110,500	110,500	80,258	(30,242)
Charges For Services	-	-	141,140	141,140
Fines And Forfeitures	400,000	400,000	391,047	(8,953)
Intergovernmental	168,955	168,955	199,826	30,871
Investment Earnings	500	500	339	(161)
Miscellaneous Income	4,000	4,000	14,743	10,743
Total Revenues	3,421,253	3,421,253	3,216,247	(205,006)
Expenditures				
General Government	698,304	698,304	739,811	(41,507)
Police	1,329,161	1,329,161	1,217,481	111,680
Fire	417,705	417,705	354,634	63,071
Streets	658,426	658,426	530,487	127,939
Culture And Recreation	75,457	75,457	70,457	5,000
Sanitation	250,000	250,000	243,062	6,938
Total Expenditures	3,429,053	3,429,053	3,155,932	273,121
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(7,800)	(7,800)	60,315	68,115
Other Financing Sources				
Transfers In	-	-	36,841	36,841
Proceeds From Disposal Of Capital Assets	7,800	7,800	-	(7,800)
Total Other Financing Sources	7,800	7,800	36,841	29,041
Net Change In Fund Balances	-	-	97,156	-
Fund Balances - Beginning	1,530,859	1,530,859	1,530,859	-
Fund Balances - Ending	$ 1,530,859	$ 1,530,859	$ 1,628,015	$ -

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Special Revenue American Rescue Plan Fund
For the Year Ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 422,121	$ 422,121
Investment Earnings	-	-	126	126
Total Revenues	-	-	422,247	422,247
Expenditures				
Current				
General Government	-	-	6,713	(6,713)
Police	-	-	7,135	(7,135)
Fire	-	-	47,420	(47,420)
Streets	-	-	5,120	(5,120)
Sewer and Drainage Improvements	-	-	153,661	(153,661)
Capital Outlay				
General Government	-	-	31,244	(31,244)
Fire	-	-	18,411	(18,411)
Culture and Recreation	-	-	22,982	(22,982)
Sewer and Drainage Improvements	-	-	129,435	(129,435)
Total Expenditures	-	-	422,121	(37,957)
Excess of Revenues Over Expenditures	-	-	126	126
Net Change in Fund Balance	-	-	126	126
Fund Balance - Beginning of Year	87	87	87	-
Fund Balance - End of Year	$ 87	$ 87	$ 213	$ 126

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Net Position
Proprietary Fund - Sewer Utility
September 30, 2023

	Sewer Utility
Assets	
Current Assets:	
Cash And Cash Equivalents	$ 900,570
Receivables, Net	291,810
Total Current Assets	1,192,380
Noncurrent Assets:	
Capital Assets:	
Construction in Progress	3,265
Lines And Improvements	327,108
Equipment	386,048
Less Accumulated Depreciation	(318,590)
Total Noncurrent Assets	397,831
Total Assets	1,590,211
Liabilities	
Current Liabilities:	
Accounts Payable	87,789
Total Currrent Liabilities	87,789
Total Liabilities	87,789
Net Position	
Investment In Capital Assets	397,831
Unrestricted	1,104,591
Total Net Position	$ 1,502,422

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund - Sewer Utility
For the Year Ended September 30, 2023

	Sewer Utility
Operating Revenues	
Charges For Services	$ 1,263,099
Total Operating Revenues	1,263,099
Operating Expenses	
Costs Of Sales And Services	880,501
Depreciation	26,558
Total Operating Expenses	907,059
Operating Income	356,040
Nonoperating Revenues	
Interest Revenue	80
Total Nonoperating Revenues	80
Income Before Capital Contributions and Transfers	356,120
Capital Contributions	129,435
Transfers Out	(36,841)
Change In Net Position	448,714
Total Net Position - Beginning	1,053,708
Total Net Position - Ending	$ 1,502,422

The accompanying notes are an integral part of this financial statement.

CITY OF ROSSVILLE, GEORGIA
Statement of Cash Flows
Proprietary Fund - Sewer Utility
For the Year Ended September 30, 2023

	Sewer Utility
Cash Flows From Operating Activities	
Receipts From Customers	$ 1,222,795
Payments To Suppliers	(907,857)
Net Cash Provided By Operating Activities	314,938
Cash Flows From Noncapital Financing Activities	
Transfers to Other Funds	(36,841)
Cash Flows From Capital and Related Financing Activities	
No Capital and Related Financing Activities	-
Cash Flows From Investing Activities	
Interest Earned	80
Net Cash Used In Investing Activities	80
Net Increase In Cash	278,177
Cash Balances - October 1, 2022	622,393
Cash Balances - September 30, 2023	$ 900,570
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities	
Operating Income	$ 356,040
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities:	
Depreciation Expense	26,558
(Increase)/Decrease In Accounts Receivable	(40,304)
Increase/(Decrease) In Accounts Payable	(27,356)
Net Cash Provided By Operating Activities	$ 314,938
Noncash Investing, Capital, and Financing Activities	
Acquisition of Equipment	$ (129,435)
Capital Contribution from SPLOST	129,435
Net Noncash Investing, Capital, and Financing Activities	$ -

The accompanying notes are an integral part of this financial statement.

Note 1. Summary of Significant Accounting Policies

The City of Rossville was incorporated in 1905 and operates under a Mayor/Council form of government. The City provides the following services: General and Administrative Services, Public Safety (Police and Fire), Public Utilities (Sewer), and Public Works (which includes Streets and Sanitation).

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

A. Reporting Entity

The financial statements of the reporting entity include those of the City (the primary government) and its component units. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. As required by generally accepted accounting principles, certain potential component units are considered for inclusion in the reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business type. Fiduciary funds are not included in the government-wide statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, permits and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

In the government-wide Statement of Net Position, governmental and business type activities are presented on a consolidated basis and reflect full accrual, economic resources basis, which includes long-term assets and receivables as well as long-term debt and obligations.

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

Fund financial statements emphasize major funds in either the governmental or business-type category. Non-major governmental funds (if any) are reported as a separate column in the fund financial statements.

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

The financial transactions of the City are recorded in individual funds which provide a separate set of self-balancing accounts that are comprised of assets, liabilities, fund equity, revenues and expenditures. The City applies all relevant FASB pronouncements and APB opinions issued on or prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City does not apply FASB pronouncements and APB opinions issued after November 30, 1989.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, non-exchange transactions are recognized in accordance with GASB Statement 33.

D. Fund Types and Major Funds

The City reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the receipts and disbursements of resources that are to be used to finance the acquisition and/or construction of capital assets.

The *T-SPLOST Fund* accounts for the receipts and disbursements of resources that are received from the imposition of the transportation special purpose local option sales tax that are to be used for maintaining and improving the City's transportation infrastructure.

The *Special Revenue American Rescue Plan Fund* accounts for the proceeds and use of the federal funds appropriated by the American Rescue Plan Act.

The City reports the following major proprietary fund:

The *Sewer Utility Fund* accounts for those operations of the City which involve sewage pumping stations and collection systems. A fee is charged to external users for the use of the system and the activity is intended to be self-supporting.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer enterprise fund are charges to customers for sales and services. The sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and unrestricted as needed.

E. Cash and Investments

The government'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, and must be by law insured or collateralized, and

investments, if any, are limited by law and bond ordinances, to federal and state securities and stated at fair value.

F. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balances which represent receivables and payables between governmental and business-type activities are reported as internal balances. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative charges between the General Fund and the Sewer Utility Fund. Elimination of these charges would distort the direct costs and revenues reported for the two funds.

Property tax receivables is presented net of uncollectible allowance and is comprised of all taxes unpaid from current and prior years.

G. Restricted Cash

The Capital Projects Fund, T-SPLOST Fund, the Special Revenue Confiscated Asset Fund, and the Special Revenue American Rescue Plan Fund contain demand and time deposits set aside for the purchase and/or renovation of capital assets or for law enforcement expenditures are classified as restricted on the balance sheet because their use is limited by applicable voter approved legislation for the sales tax which provides those funds.

H. Capital Assets

Capital assets that cost more than $1,000 with an estimated useful life of more than one year are capitalized and depreciated. Capital assets, including property, plant, vehicles, equipment, and infrastructure (streets, bridges, curbs and gutters, sidewalks, drainage and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date of acquisition. Depreciation is computed on the straight-line basis over the estimated useful life of the asset.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. Subscription based information technology arrangements (SBITAs) result in an intangible right-to-use subscription asset and a subscription liability on the Statement of Net Position.

An intangible right-to-use asset represents the City's right to use an underlying asset for the lease or subscription term. Lease and subscription obligations represent the City's liability to make lease and subscription payments arising from the lease or subscription

agreement. Intangible right-to-use assets, lease obligations and subscription liabilities are recognized based on the present value of lease or subscription payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease or subscription are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease or subscription term or useful life of the underlying asset.

I. Compensated Absences

Vested or accumulated vacation leave is recorded as an expense and a liability when incurred in the proprietary fund financial statements and as a liability in the governmental funds only in the government-wide financial statements.

J. Long-term Obligations

Long-term debt and other obligations are reported as a liability in the government-wide financial statements and the proprietary fund types in the fund financial statements.

K. Fund Equity

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

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

- *Nonspendable* – fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (for example, 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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- *Committed* – fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- *Assigned* – fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither

Council can delegate the authority to assign fund balance to management. There is no formal policy in regards to assigned fund balance.

- *Unassigned* – fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in General Fund. Negative unassigned fund balance may be reported in all funds.

When 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 fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned.

Net Position – represents the different between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any unspent borrowings for the acquisition, construction of capital assets. Net position may be reported as restricted or unrestricted.

L. Inventory

Inventory (where applicable) is valued at lower of cost (first-in, first-out) or market.

M. Tax Abatements

The City has adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires governments that enter into tax abatement agreements to disclose the following information; (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For the audit period, the adoption of this statement does not have a significant impact on the City's financial statements.

Note 2. Stewardship, Compliance and Accountability

Budgets

Georgia Law requires an annual balanced budget for the general fund, special revenue fund and a project length budget for each capital project fund. Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the City submit requests for appropriation to the City Clerk so that a budget may be prepared. The budget is prepared by fund, function (department), and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

No later than 45 days prior to the beginning of the fiscal year, the proposed budget is presented to the Mayor and Council for review. The Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Department heads may make transfers of appropriations within a department. The legal level of budgetary control is at the department level. Transfers of appropriations between departments must be approved by an affirmative vote of a majority of the Council, except for emergencies as defined by the charter and unanimously voted by Council.

For the fiscal year ended September 30, 2023, the General Fund exceeded budgeted expenditures in the general government department by $41,507. The City did not adopt a budget for the Special Revenue American Rescue Plan Fund as required by the Official Code of Georgia.

Note 3. Deposits and Investments

Cash includes amounts in demand and time deposits that must be by law insured or collateralized, and investments, if any, are limited by law and bond ordinances, to federal and state securities.

At year end the government's carrying amount of deposits in financial institutions was $4,443,265 and the bank balance was $4,581,840. The bank balance was covered by $250,000 federal depository insurance and the remaining $4,193,265 was collateralized with securities held by the pledging financial institution's trust department or agent in the government's name. This represents a category 2 level of risk.

Cash as of September 30, 2023 is as follows:

Statement of Net Position

Cash	$ 2,029,804
Restricted Cash	2,413,461
Cash on Hand	200
Total	$ 4,443,465

Note 4. Receivables

Receivables consist of unpaid property taxes and amounts due from customers for charges related to providing water/sewer services.

Receivables	General Fund	SPLOST Fund	Sewer Utility
Accounts	$ 42,395	$ -	$ 291,810
Taxes	513,753	-	-
Intergovernmental	-	128,841	-
Total	556,148	128,841	291,810
Less Allowance for Uncollectibles	-	-	-
Total Receivables	$ 556,148	$ 128,841	$ 291,810

Property Tax

Property tax is levied upon receipt of the digest from Walker County and based upon the assessed value on January 1. Taxes were billed October 31, 2022, and due by December 31, 2022. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien and penalties and interest begins to accrue. Assessed values are established by the Walker County Board of Tax Assessors and are currently calculated at 40% of market value. The assessed value of property at January 1, 2022 was $1,003,155.

Based on the 2022 millage levy of 10.96, a property owner would pay $10.96 per $1,000 of assessed valuation. Current tax collections of $946,860 were 94.39% of the tax levy.

All property taxes are recognized in compliance with NCGAI-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

Note 5. Interfund Receivables, Payables, and Transfers

Due To/From Other Funds:

The City had no interfund receivables or payables as of September 30, 2023.

Transfers and Payments:

Routine transfers and payments between funds are to subsidize operations, fund capital projects, pay for capital asset acquisition and to re-allocate special revenues. The City's interfund operating transfers at the fund level for the fiscal year ended September 30, 2023 were as follows:

Source Fund	Transfer Fund	Amount
Sewer Utility	General Fund	$ 36,841

In 2023, the American Rescue Plan Fund purchased $129,435 of water and sewer system improvements. These expenditures are presented as capital outlays at the fund level and transfers at the City-wide level.

Note 6. Capital Assets

The following is a summary of the primary government capital asset activity during the fiscal year:

Governmental Activities	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Nondepreciable Capital Assets				
Land	$ 208,581	$ -	$ -	$ 208,581
Construction In Progress	80,438	264,234	-	344,672
Total Nondepreciable Capital Assets	289,019	264,234	-	553,253
Depreciable Capital Assets				
Buildings and Improvements	2,757,947	53,704	-	2,811,651
Machinery and Equipment	4,029,062	330,051	(129,435)	4,229,678
Infrastructure	2,077,871	80,385	-	2,158,256
Total Depreciable Capital Assets	8,864,880	464,140	(129,435)	9,199,585
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,874,206)	(47,408)	-	(1,921,614)
Machinery and Equipment	(3,005,545)	(173,088)	-	(3,178,633)
Infrastructure	(726,213)	(51,982)	-	(778,195)
Total Accumulated Depreciation	(5,605,964)	(272,478)	-	(5,878,442)
Total Depreciable Capital Assets, Net	3,258,916	191,662	(129,435)	3,321,143
Total Capital Assets, Net	$ 3,547,935	$ 455,896	$ (129,435)	$ 3,874,396

Business-type Activities	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Nondepreciable Capital Assets				
Construction In Progress	$ 3,265	$ -	$ -	$ 3,265
Total Nondepreciable Capital Assets	3,265	-	-	3,265
Depreciable Capital Assets				
Lines and Extensions	314,518	-	6,402	320,920
Equipment	269,204	-	123,033	392,237
Total Depreciable Capital Assets	583,722	-	129,435	713,157
Less Accumulated Depreciation For:				
Lines and Extensions	(114,344)	(8,675)	-	(123,019)
Equipment	(177,688)	(17,883)	-	(195,571)
Total Accumulated Depreciation	(292,032)	(26,558)	-	(318,590)
Total Depreciable Capital Assets, Net	291,690	(26,558)	-	394,567
Total Capital Assets, Net	$ 294,955	$ (26,558)	$ -	$ 397,832

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

Governmental Activities:	
General Government	$ 29,957
Police	63,680
Fire	47,220
Public Works	124,265
Culture and Recreation	7,356
Total Depreciation Expense - Governmental Activities	$272,478
Business-type Activities:	
Sewer Utility	$ 26,558

The following estimated useful lives are used to compute depreciation (straight-line method):

Equipment	3-10 Years
Buildings	20-50 Years
Infrastructure	30 Years
System	20-75 Years

Note 7. Long-term Debt

Long-term debt activity for the fiscal year ended September 30, 2023 is as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	$ 31,024	$ 33,312	$ (26,517)	$ 37,819	$ 26,517
Total Long-term Liabilities	$ 31,024	$ 33,312	$ (26,517)	$ 37,819	$ 26,517

All City employees are located in the General Fund and therefore all compensated absences are liquidated within the General Fund.

Note 8. Pension Plan

Plan Description. The City has a non-contributory defined benefit plan covering all full time employees. The plan, the City of Rossville Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan. GMEBS policy direction and oversight for the fund is provided by a 15 member board comprised of elected and appointed officials from the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The authority to establish, amend or discontinue the plan remains with the City. The plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire at 65 years of age with 5 years of service. Early retirement is possible at age 55 with 10 years of service.

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

As of January 1, 2022, employee membership data related to the fiscal 2023 plan membership was as follows:

Retirees and beneficiaries currently receiving benefits	20
Terminated employees entitled to benefits but not yet receiving them	9
Vested active participants	11
Nonvested participants	11
Total	51

Funding Policy and Annual Contributions. The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section §47-20-10). According to the actuarial valuation for fiscal 2023 dated January 1, 2022, the estimated minimum annual contribution under these funding standards for the fiscal year ended September 30, 2023 was $96,608.

According to the annual plan valuation dated January 1, 2022, the recommended contribution to the plan for fiscal 2023 was $120,638 ($0 employee and $120,638 employer; 0% employee and 11.99% employer of expected covered payroll respectively), and for fiscal 2022 was $126,057 ($0 employee and $126,057 employer, 0% employee and 12.74% employer of expected covered payroll). Expected covered payroll for 2023 and 2022 was $989,108 and $972,782, respectively.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of September 30, 2021, along with the Total Pension Liability (TPL) and Fiduciary Net Position (FNP) used to calculate the NPL. These actuarial assumptions are based on the results of an actuarial measurement date of September 30, 2022.

Actuarial Assumptions: The total pension liability in the January 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	2.25%, plus service based merit increases
Investment Rate of Return	7.375%,
Cost of Living Adjustment	0.00%

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

Actuarial Methods:

Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Closed level dollar for remaining unfunded liability

Remaining Amortization Period	Varies with the bases, with a net effective amortization period of 11 years.
Asset Valuation Method	Sum of the actuarial value at the beginning of the year and the cash flow during year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Discount Rate: The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that employee 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 employee 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 active and inactive employees. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	45.00%	6.40%
International Equity	20.00%	6.80%
Real Estate	10.00%	3.90%
Global Fixed Income	5.00%	0.46%
Domestic Fixed Income	20.00%	0.40%
Cash	0.00%	
Total	100.00%	

Changes in Net Pension Liability

	(a) (TPL) Total Pension Liability	(b) (FPL) Fiduciary Net Position	(a)-(b) (NPL) Net Pension Liability
Balances at September 30, 2022	$ 2,382,171	$ 2,120,244	$ 261,927
Changes for the Year			
Service Cost	43,548	-	43,548
Interest	174,013	-	174,013
Differences Between Expected and Actual Experience	233,411	-	233,411
Contributions - Employer	-	126,057	(126,057)
Net Investment Income	-	(346,352)	346,352
Benefit Payments, Including Refunds of Employee Contributions	(132,446)	(132,446)	-
Administrative Expense	-	(7,480)	7,480
Other	-	-	-
Net Changes	318,526	(360,221)	678,747
Balances at September 30, 2023	$ 2,700,697	$ 1,760,023	$ 940,674

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

Sensitivity of the NPL to Changes in Discount Rate

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Total Net Pension Liability	$ 1,258,641	$ 940,674	$ 672,612

For the year ended September 30, 2023, the City recognized pension expense of $171,008. At September 30, 2023, the City reported deferred inflows and outflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 175,059	$ (2,343)
Pension Contributions for Future Periods	86,394	-
Net Difference Between Projected and Actual Earnings on pension plan investments.	228,777	-
Total as of September 30, 2023	$ 490,230	$ (2,343)

The City contributions subsequent to the measurement date of $86,394 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Amount
2024	$105,599
2025	94,097
2026	101,355
2027	100,442
2028 and After	-

The required Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions immediately follow the notes to the financial statements.

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. For the net pension liability measurement date of June 30, 2021 the State recognized $6,496 in pension expense on behalf of City employees. As of the measurement date, the State of Georgia's proportionate share of the net pension liability of the Peace Officers' Annuity and Benefit Fund that is associated with the City of Rossville was $73,101. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained.

The City's firefighters are covered by the Georgia Firefighter's Pension Fund. The City makes no contribution to this plan. Contributions are made to the plan on behalf of the City by the State of Georgia. For the net pension liability measurement date of June 30, 2021, the State contributed $3,431 to the fund on behalf of City employees. As of the measurement date, the State of Georgia's proportionate share of the net pension liability of the Georgia Firefighter's Pension Fund that is associated with the City of Rossville was $22,398. This plan is administered through the Georgia Firefighter's Pension Fund. Financial information concerning the City of Rossville's allocable amounts relative to the plan can be located at www.gfpf.org.

Note 9. Net Position Restrictions

Restrictions are used to indicate that a portion of the net position is not appropriable for expenditure or is legally segregated for a specific future use. The City uses the following restrictions:

Governmental Activities:

Restricted for Capital Projects – Created to segregate monies received from federal, state, or local sources that restrict use for specific capital projects only. These are accounted for in the Capital Projects Fund.

Restricted for Road Maintenance and Improvements – Created to segregate monies received from transportation special purpose local option sales tax (T-SPLOST) collections to be used for maintenance and improvement of the City's transportation infrastructure such as roads, streets, bridges, utility relocation, and property purchases. These are accounted for in the T-SPLOST Fund.

Restricted for Law Enforcement Activities - Created to segregate money received from sale or seizure of property acquired through confiscations. These are accounted for in the Seizure Fund.

Restricted for Federal Programs – Used to account for federal funds received subsequently spent for the American Rescue Plan

Business-type Activities:

As of September 30, 2023, there were no limits on the Sewer Utility Fund's net position that required any restrictions.

Note 10. Other Information

Vacation and Sick Leave

City employees are granted vacation and sick leave in varying amounts. At year end employees are paid for ½ of unused sick leave. Unused vacation leave, 48 hours maximum, can be carried forward by employees. Any amounts exceeding the 48 hour threshold are lost.

Note 11. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City 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, a public entity risk pool currently operating as a common risk management and insurance program 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 worker's 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.

During the past three years, the costs of any settlements have not exceeded insurance coverage.

Note 12. Joint Venture

The City of Rossville is a member of the Northwest Georgia Regional Commission (NWGRC). The NWGRC was created under the laws of the State of Georgia and cities and counties in the area served by the NWGRC are required to be members. The membership of the NWGRC includes 10 counties and 35 municipalities. The City has no equity interest in the NWGRC nor does the City materially contribute to the continued existence of the NWGRC. The Official Code of Georgia Annotated Section §50-8-39.1 states that in the event the NWGRC ceases operation, the membership can be assessed for any debt or obligation of the NWGRC. Separate financial statements may be obtained from: Northwest Georgia Regional Commission, P.O. Box 1793, Rome, Georgia 30162.

Note 13. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 14. Restricted Assets

As of September 30, 2023, the City's restricted asset account balances were comprised of the following:

Governmental Activities:

Cash and Receivable - Capital Projects	$ 1,219,486
Cash and Receivable - Road Maintenance and Improvements	272,581
Cash - American Rescue Plan	997,573
Cash - Law Enforcement	52,662
Total Restricted Asset Balances	$ 2,542,302

Note 15. Special Assessments

In May of 2020, Walker County voters approved a referendum to impose a special one percent sales and use tax in Walker County for a period of time not to exceed 24 calendar quarters. Actual collection of the tax began November 1, 2020. The City of Rossville's distributive share of the revenue is projected to be $4,549,600 and to be used for economic development and downtown revitalization, public safety communications equipment, public works equipment and transportation improvements, stormwater/sewer maintenance and repair, utility infrastructure improvements and improvements to the City library, recreation facilities, and historic area facilities.

Note 16. Other Post Retirement Benefits

The City does not offer any post retirement benefits other than the pension plan described in Note 8.

Note 17. Deferred Outflows/Inflows of Resources

In addition to assets, the Entity-wide Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents contributions to the pension plan and certain changes in pension plan components that are to be recognized as pension expense in future periods.

In addition to liabilities, the Entity-wide Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents certain changes in the calculation of the pension plan's value that are not recognized as City income for the fiscal year ended September 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSSVILLE, GEORGIA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Previous Ten Fiscal Periods

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 43,548	$ 41,121	$ 39,342	$ 36,406	$ 32,358	$ 36,153	$ 34,085	$ 40,055	$ 34,525	*
Interest	174,013	167,749	160,455	161,757	152,141	145,830	139,197	130,537	125,335	*
Benefit Changes	-	-	-	-	-	-	-	-	-	*
Differences Between Expected and Actual Experience	233,411	(7,030)	9,663	(55,807)	70,477	37,358	36,063	63,208	42,778	*
Changes of Assumptions	-	-	-	-	-	-	-	-	(17,473)	*
Benefit Payments, Including Refunds	(132,446)	(106,216)	(118,473)	(127,817)	(133,813)	(124,300)	(123,221)	(120,886)	(115,205)	*
Other Costs	-	-	-	(3,240)	-	24,231	-	-	-	
Net Change in Total Pension Liability	318,526	95,624	90,987	11,299	121,163	119,272	86,124	112,914	69,960	*
Total Pension Liability - Beginning	2,382,171	2,286,547	2,195,560	2,184,261	2,063,098	1,943,826	1,857,702	1,744,788	1,674,828	*
Total Pension Liability - Ending	$ 2,700,697	$ 2,382,171	$ 2,286,547	$ 2,195,560	$ 2,184,261	$ 2,063,098	$ 1,943,826	$ 1,857,702	$ 1,744,788	*
Plan Net Position										
Contributions - Employer	$ 126,057	$ 131,406	$ 107,532	$ 107,763	$ 100,078	$ 93,726	$ 87,517	$ 80,021	$ 71,994	*
Contributions - Member	-	-	-	-	-	-	-	-	-	*
Net Investment Income	(346,352)	412,525	150,578	45,321	141,503	191,533	131,814	15,565	129,563	*
Benefit Payments, Including Refunds	(132,446)	(106,216)	(118,473)	(127,817)	(133,813)	(124,300)	(123,221)	(120,886)	(115,205)	*
Administrative Expense	(7,480)	(8,438)	(7,553)	(7,418)	(8,018)	(8,716)	(4,284)	(5,057)	(4,010)	*
Other	-	-	-	-	-	-	-	-	-	*
Net Change in Plan Net Position	(360,221)	429,277	132,084	17,849	99,750	152,243	91,826	(30,357)	82,342	*
Plan Net Position - Beginning	2,120,244	1,690,967	1,558,883	1,541,034	1,441,284	1,289,041	1,197,215	1,227,572	1,145,230	*
Plan Net Position - Ending	$ 1,760,023	$ 2,120,244	$ 1,690,967	$ 1,558,883	$ 1,541,034	$ 1,441,284	$ 1,289,041	$ 1,197,215	$ 1,227,572	*
Net Pension Liability - Ending	$ 940,674	$ 261,927	$ 595,580	$ 636,677	$ 643,227	$ 621,814	$ 654,785	$ 660,487	$ 517,216	*
Total Pension Liability	$ 2,700,697	$ 2,382,171	$ 2,286,547	$ 2,195,560	$ 2,184,261	$ 2,063,098	$ 1,943,826	$ 1,857,702	$ 1,744,788	*
Plan Net Position	1,760,023	2,120,244	1,690,967	1,558,883	1,541,034	1,441,284	1,289,041	1,197,215	1,227,572	*
Net Pension Liability	940,674	261,927	595,580	636,677	643,227	621,814	654,785	660,487	517,216	*
Ratio of Plan Net Position to Total Pension Liability	65.17%	89.00%	73.95%	71.00%	70.55%	69.86%	66.31%	64.45%	70.36%	*
Covered Employee Payroll	$ 1,202,143	$ 989,108	$ 972,782	$ 967,928	$ 840,824	$ 758,303	$ 812,367	$ 774,630	$ 800,603	*
Net Pension Liability as a Percentage of Covered Employee Payroll	78.25%	26.48%	61.22%	65.78%	76.50%	82.00%	80.60%	85.26%	64.60%	*

This schedule is to be built prospectively. Historical information prior to 2015 is not required.

CITY OF ROSSVILLE, GEORGIA
Required Supplementary Information
Schedule of Contributions - Pension Plan
For the Previous Ten Fiscal Periods

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 120,638	$ 126,057	$ 121,630	$ 117,308	$ 107,763	$ 100,078	$ 93,726	$ 87,515	$ 80,021	*
Contributions in Relation to the Actuarially Determined Contribution	120,638	126,057	121,630	117,308	107,763	100,078	93,726	87,515	80,021	*
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*
Covered Employee Payroll	$ 989,108	$ 972,782	$ 967,928	$ 840,824	$ 758,303	$ 812,367	$ 774,630	$ 800,603	785,185	*
Contributions As a Percentage of Covered Employee Payroll	12.20%	12.96%	12.57%	13.95%	14.21%	12.32%	12.10%	10.93%	10.19%	*

* Historical information prior to implementation of GASB 67/68 not required.

Notes to Schedule:

Valuation Date: January 1, 2022

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Projected Unit Credit
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.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted if necessary to be within 20% of market value.
Salary Increases	2.25% plus age and service based merit increases
Net Investment Rate of Return	7.375% net pension plan investment expense, including inflation
Retirement Age	Normal - 65; Early - 55
Mortality	The mortality tables were projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

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BUDGETARY COMPARISONS

CITY OF ROSSVILLE, GEORGIA

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Projects Fund
From Inception and For the Year Ended September 30, 2023

	Acutal			
	Prior Years	Current Year	Total to Date	Project Authorization
Revenues				
Intergovernmental	$ 4,253,056	$ 778,196	$ 5,031,252	$ 8,226,425
Investment Earnings	10,459	90	10,549	-
Total Revenues	4,263,515	778,286	5,041,801	8,226,425
Expenditures				
Current:				
General Government	81,556	54,232	135,788	135,788
Police	47,944	9,312	57,256	57,256
Fire	38,338	-	38,338	35,806
Streets	152,951	7,261	160,212	160,212
Culture and Recreation	191,639	13,480	205,119	205,119
Sewer and Drainage Improvements	185,192	752	185,944	185,944
Capital Outlays:				
General Government	57,816	30,175	87,991	1,305,017
Police	634,179	143,084	777,263	741,526
Fire	690,091	2,083	692,174	690,091
Streets	897,367	126,393	1,023,760	2,908,021
Culture and Recreation	152,028	15,241	167,269	500,785
Sewer and Drainage Improvements	348,739	-	348,739	1,300,860
Debt Service:				
Principal	33,100	-	33,100	-
Interest	199	-	199	-
Total Expenditures	3,511,139	402,013	3,913,152	8,226,425
Excess of Revenues Over Expenditures	752,376	376,273	1,128,649	-
Other Financing Sources				
Transfers In	77,100	-	77,100	-
Proceeds From Disposal of Capital Assets	9,800	-	9,800	-
Total Other Financing Sources	86,900	-	86,900	-
Net Change in Fund Balance	$ 839,276	376,273	$ 1,215,549	$ -
Fund Balance - Beginning of Year		839,276		
Fund Balance - End of Year		$ 1,215,549		

CITY OF ROSSVILLE, GEORGIA

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - T-SPLOST Fund
From Inception and For the Year Ended September 30, 2023

	Acutal			
	Prior Years	Current Year	Total to Date	Project Authorization
Revenues				
Intergovernmental	$ 1,684,090	$ 3,788	$ 1,687,878	$ 1,575,000
Investment Earnings	535	39	574	-
Total Revenues	1,684,625	3,827	1,688,452	1,575,000
Expenditures				
Current:				
Streets	1,012,538	61,516	1,074,054	1,074,054
Capital Outlays:				
Streets	133,747	209,327	343,074	500,946
Total Expenditures	1,146,285	270,843	1,417,128	1,575,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	538,340	(267,016)	271,324	-
Net Change in Fund Balance	$ 538,340	(267,016)	$ 271,324	$ -
Fund Balance - Beginning of Year		538,340		
Fund Balance - End of Year		$ 271,324		

CITY OF ROSSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Special Revenue Seizure Fund
For the Year Ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Fines and Forfeitures	$ 47,323	$ 47,323	$ 9,160	$ (38,163)
Investment Earnings	-	-	5	5
Total Revenues	47,323	47,323	9,165	(38,158)
Expenditures				
Current - Police	47,323	47,323	3,826	43,497
Total Expenditures	47,323	47,323	3,826	43,497
Excess of Revenues Over Expenditures	-	-	5,339	5,339
Net Change in Fund Balance	-	-	5,339	5,339
Fund Balance - Beginning of Year	51,419	51,419	47,323	(4,096)
Fund Balance - End of Year	$ 51,419	$ 51,419	$ 52,662	$ 1,243

COMPLIANCE SECTION

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LLOYD WILLIAMSON
CHRISTIAN HATCH

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

To the Mayor and City Council
Rossville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Rossville, Georgia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Rossville, Georgia's basic financial statements and have issued our report thereon dated March 31, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Williamson and Company

Williamson and Company
Certified Public Accountants
March 31, 2024

CITY OF ROSSVILLE, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
Year Ended September 30, 2023

Project Description	Estimated Costs		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2020 SPLOST					
Acquisition, Construction, Renovation and Installation of Public Facilities	$ 500,000	$ 500,000	$ 98,628	$ 29,999	$ 128,627
Acquisition, Construction, Renovation of Sewer System and Storm Water System	850,000	850,000	20,310	752	21,062
Acquisition, Construction, Renovation and Installation of Recreation and Historical Facilities	409,600	409,600	50,184	20,407	70,591
Acquisition of Equipment for Fire and Police	550,000	550,000	157,188	154,478	311,666
Acquisition of Street Department Equipment and Transportation Improvements	1,370,000	1,370,000	297,710	161,607	459,317
Acquisition of Technology Equipment and Books for Library	60,000	60,000	5,727	34,290	40,017
Acquisition, Construction, Renovation and Installation of Economic Development Projects	810,000	810,000	86	480	566
Total	$ 4,549,600	$ 4,549,600	$ 629,833	$ 402,013	$ 1,031,846

These schedules of SPLOST expenditures are prepared on the modified accrual basis of accounting.

CITY OF ROSSVILLE, GEORGIA
Schedule of Transportation Special Purpose Local Option Sales Tax Expenditures
Year Ended September 30, 2023

Project Description	Estimated Costs		Expenditures		
	Original	Current	Prior Years	Current Year	Total
T-SPLOST					
Acquisition, Construction, Renovation and Installation of Street Department Facilities	$ 1,575,000	$ 1,575,000	$ 1,146,285	$ 270,843	$ 1,417,128
Total	$ 1,575,000	$ 1,575,000	$ 131,619	$ 270,843	$ 1,417,128

This schedule of T-SPLOST expenditures is prepared on the modified accrual basis of accounting.