CITY OF SPRINGFIELD, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Springfield, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Springfield, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Springfield, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Springfield, Georgia, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and American Rescue Plan Act 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 Springfield, 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 Springfield, 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 Springfield, 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 Springfield, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Contributions on page 39 and 40 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield, Georgia's basic financial statements. The schedule of projects paid with SPLOST proceeds and schedule of projects paid with TSPLOST proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of projects paid with SPLOST proceeds and schedule of projects paid with TSPLOST proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of water and system information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the City of Springfield, 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 the effectiveness of the City of Springfield, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Springfield, Georgia's internal control over financial reporting and compliance.

Lanier, Deal, Proctor + Bloser

Statesboro, Georgia
June 28, 2024

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 5,575,226	$ 6,865,909	$ 12,441,135	$ 114,971
Restricted cash and cash equivalents	105,647	157,023	262,670	-
Certificates of deposit	-	118,001	118,001	-
Receivables:				
Accounts	-	181,017	181,017	1,500
Taxes	409,805	-	409,805	-
Intergovernmental	325,546	-	325,546	-
Internal balances	17,070	(17,070)	-	-
Lease	-	-	-	51,948
Other	10,595	-	10,595	-
Prepaid items	43,822	14,672	58,494	-
Restricted Assets:				
Cash and cash equivalents	-	1,033,678	1,033,678	-
Capital assets:				
Nondepreciable capital assets	2,928,017	7,537,909	10,465,926	99,357
Depreciable capital assets, net	5,227,577	12,670,216	17,897,793	176,879
Total Assets	14,643,305	28,561,355	43,204,660	444,655
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	99,740	39,330	139,070	-
LIABILITIES				
Current Liabilities:				
Accounts payable	123,395	256,704	380,099	-
Claims payable	11,128	-	11,128	-
Accrued liabilities	68,332	12,073	80,405	-
Accrued interest payable	-	82,114	82,114	-
Unearned revenue	803,542	308,496	1,112,038	-
Compensated absences payable	34,615	8,743	43,358	-
Customer deposits	-	157,023	157,023	-
Revenue bonds payable	-	525,705	525,705	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	23,076	5,829	28,905	-
Revenue bonds payable (net of current portion)	-	8,816,526	8,816,526	-
Net pension liability	251,261	85,598	336,859	-
Total Liabilities	1,315,349	10,258,811	11,574,160	-
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	26,133	8,347	34,480	-
Unamortized premium on refunded bonds	-	27,149	27,149	-
Lease related	-	-	-	51,314
Total Deferred Inflows of Resources	26,133	35,496	61,629	51,314
NET POSITION				
Net investment in capital assets	8,155,594	10,865,894	19,021,488	276,236
Restricted for:				
Capital projects	2,850,515	612	2,851,127	-
Public safety	105,647	-	105,647	-
Debt service	-	1,033,066	1,033,066	-
Other	1,067	-	1,067	-
Unrestricted	2,288,740	6,406,806	8,695,546	117,105
Total Net Position	$ 13,401,563	$ 18,306,378	$ 31,707,941	$ 393,341

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit
Governmental Activities:								
General government	$ 585,495	$ 66,235	-	-	$ (519,260)		$ (519,260)	-
Judicial - Municipal court	92,500	-	-	-	(92,500)		(92,500)	-
Public safety	939,079	225,876	-	-	(713,203)		(713,203)	-
Public works	470,068	-	-	$ 1,978,987	1,508,919		1,508,919	-
Community development	225,277	36,031	-	-	(189,246)		(189,246)	-
Culture and recreation	91,916	-	-	-	(91,916)		(91,916)	-
Total Govermental Activities	2,404,335	328,142	-	1,978,987	(97,206)		(97,206)	-
Business-Type Activities:								
Water and Sewer	2,946,350	4,915,976	-	-		$ 1,969,626	1,969,626	-
Sanitation	141,260	192,921	-	-		51,661	51,661	-
Arts & Events	412,615	242,623	28,519	-		(141,473)	(141,473)	-
Total Business-Type Activities	3,500,225	5,351,520	28,519	-		1,879,814	1,879,814	-
Total Primary Government	$ 5,904,560	$ 5,679,662	$ 28,519	$ 1,978,987	(97,206)	1,879,814	1,782,608	-
Component Unit								
Downtown Development Authority	$ 13,480	$ 20,788	$ 500	$ -				$ 7,808
General Revenues								
Property taxes levied for:								
General purposes					753,838	-	753,838	-
Sales taxes					801,253	-	801,253	-
Insurance premium tax					239,673	-	239,673	-
Franchise taxes					247,794	-	247,794	-
Other taxes					162,564	-	162,564	-
Interest earned					1,768	9,066	10,834	1,859
Gain on sale of capital assets					4,690	3,851	8,541	-
Other					51,045	-	51,045	
Transfers					(1,511,191)	1,511,191	-	-
Total General Revenues and Transfers					751,434	1,524,108	2,275,542	1,859
Change in Net Position					654,228	3,403,922	4,058,150	9,667
Net Position, Beginning of Year					12,747,335	14,902,456	27,649,791	383,674
Net Position, End of Year					$ 13,401,563	$ 18,306,378	$ 31,707,941	$ 393,341

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	American Rescue Plan Act Fund	TSPLOST Capital Projects Fund	SPLOST Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,938,649	$ 763,624	$ 1,103,716	$ 1,705,142	$ 5,511,131
Restricted cash and cash equivalents	105,647	-	-	-	105,647
Receivables:					
Taxes	409,805	-	-	-	409,805
Intergovernmental	221,034	-	-	104,512	325,546
Interfund	29,950	-	-	-	29,950
Other	10,595	-	-	-	10,595
Prepaid items	43,822	-	-	-	43,822
TOTAL ASSETS	$ 2,759,502	$ 763,624	1,103,716	$ 1,809,654	$ 6,436,496
LIABILITIES					
Accounts payable	$ 60,540	-	$ 31,443	$ 31,412	$ 123,395
Accrued liabilities	68,332	-	-	-	68,332
Interfund payable	12,880	-	-	-	12,880
Unearned revenue	40,985	$ 762,557	-	-	803,542
TOTAL LIABILITIES	182,737	762,557	31,443	31,412	1,008,149
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	142,145	-	-	-	142,145
FUND BALANCES					
Nonspendable	43,822	-	-	-	43,822
Restricted	105,647	1,067	1,072,273	1,778,242	2,957,229
Unassigned	2,285,151	-	-	-	2,285,151
TOTAL FUND BALANCES	2,434,620	1,067	1,072,273	1,778,242	5,286,202
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,759,502	$ 763,624	1,103,716	$ 1,809,654	$ 6,436,496

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:			
Total Governmental Fund Balances			$ 5,286,202
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
	Cost	$ 10,540,867	
	Less accumulated depreciation	(2,385,273)	8,155,594
The internal service fund is used by management to charge the costs of the health insurance to individual funds. Certain assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			52,967
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:			
	Property taxes		142,145
Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds:			
	Deferred outflows of resources	99,740	
	Deferred inflows of resources	(26,133)	73,607
The City's net pension liability is not reported in the governmental funds but is in the statement of net position.			(251,261)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the funds.			(57,691)
Net Position Of Governmental Activities			$ 13,401,563

See accompanying notes to the basic financial statements.

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

	General	American Rescue Plan Act Fund	TSPLOST Capital Projects Fund	SPLOST Capital Projects Fund	Total Governmental Funds
REVENUES					
Taxes	$ 2,162,457	-	-	-	$ 2,162,457
Intergovernmental	160,239	$ 1,245,468	-	$ 568,711	1,974,418
Licenses and permits	102,266	-	-	-	102,266
Charges for services	40,157	-	-	-	40,157
Fines and forfeitures	185,719	-	-	-	185,719
Interest	1,768	766	$ 1,952	1,851	6,337
Other	51,045	-	-	-	51,045
Total revenues	2,703,651	1,246,234	1,952	570,562	4,522,399
EXPENDITURES					
Current:					
General government	569,048	-	-	-	569,048
Judicial	93,762	-	-	-	93,762
Public safety	867,625	-	-	-	867,625
Public works	640,664	-	-	-	640,664
Culture and recreation	71,320	-	-	-	71,320
Community development	228,899	-	-	-	228,899
Capital outlay:					
Public safety	-	-	-	23,697	23,697
Public works	-	-	1,311,745	342,182	1,653,927
Culture and recreation	-	-	-	90,507	90,507
Total expenditures	2,471,318	-	1,311,745	456,386	4,239,449
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	232,333	1,246,234	(1,309,793)	114,176	282,950
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	4,690	-	-	-	4,690
Transfers out	(70,672)	(1,245,468)	-	(195,051)	(1,511,191)
Total other financing sources (uses)	(65,982)	(1,245,468)	-	(195,051)	(1,506,501)
NET CHANGE IN FUND BALANCES	166,351	766	(1,309,793)	(80,875)	(1,223,551)
FUND BALANCES, JANUARY 1, 2023	2,268,269	301	2,382,066	1,859,117	6,509,753
FUND BALANCES, DECEMBER 31, 2023	$ 2,434,620	$ 1,067	$ 1,072,273	$ 1,778,242	$ 5,286,202

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES 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			$ (1,223,551)
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 as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
	Depreciation expense	$ (264,773)	
	Capital outlay	2,043,982	1,779,209
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
	Property taxes:		
	Unavailable revenue @ 12/31/23	142,145	
	Unavailable revenue @ 12/31/22	(99,480)	42,665
The internal service fund used by management to charge the costs of health insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.			52,967
The change in the net pension liability and pension related deferred outflows and deferred inflows is reported on the government-wide statement of activities but not in the governmental funds.			(17,284)
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Liability @ 12/31/23	(57,691)	
	Liability @ 12/31/22	77,913	20,222
Change In Net Position of Governmental Activities			$ 654,228

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	687,088	$ 742,465	$ 711,173	$ (31,292)
Sales	810,000	765,000	801,253	36,253
Franchise	219,390	240,000	247,794	7,794
Insurance premium	246,114	252,000	239,673	(12,327)
Alcoholic beverage	65,508	96,000	100,884	4,884
Other	44,033	56,500	61,680	5,180
Licenses and permits	170,300	149,640	102,266	(47,374)
Intergovernmental	476,742	476,742	160,239	(316,503)
Charges for services	500	40,500	40,157	(343)
Fines and forfeitures	126,168	163,955	185,719	21,764
Interest	488	1,800	1,768	(32)
Other	30,290	52,028	51,045	(983)
Total revenues	2,876,621	3,036,630	2,703,651	(332,979)
EXPENDITURES				
Current:				
General government	576,774	614,706	569,048	45,658
Judicial	97,265	97,265	93,762	3,503
Public safety	900,956	924,036	867,625	56,411
Public works	1,042,973	1,059,101	640,664	418,437
Culture and recreation	74,483	73,990	71,320	2,670
Community development	250,998	289,515	228,899	60,616
Total expenditures	2,943,449	3,058,613	2,471,318	587,295
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,828)	(21,983)	232,333	254,316
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	100,000	106,000	4,690	(101,310)
Transfers out	(33,172)	(70,729)	(70,672)	57
Total other financing sources (uses)	66,828	35,271	(65,982)	(101,253)
NET CHANGE IN FUND BALANCE	-	$ 13,288	166,351	$ 153,063
FUND BALANCE, JANUARY 1, 2023			2,268,269	
FUND BALANCE, DECEMBER 31, 2023			$ 2,434,620	

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 762,557	$ 1,151,003	$ 1,245,468	$ 94,465
Interest	240	766	766	-
Total revenues	762,797	1,151,769	1,246,234	94,465
OTHER FINANCING SOURCES (USES)				
Transfers out	(762,797)	(1,245,468)	(1,245,468)	-
Total other financing sources (uses)	(762,797)	(1,245,468)	(1,245,468)	-
NET CHANGE IN FUND BALANCE	$ -	$ (93,699)	766	$ 94,465
FUND BALANCE, JANUARY 1, 2023			301	
FUND BALANCE, DECEMBER 31, 2023			$ 1,067	

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

ASSETS	Water and Sewer	Sanitation	Arts and Events	Total	Governmental Activities - Internal Service Fund Employee Insurance Fund
Current Assets					
Cash and cash equivalents	$ 6,649,616	$ 195,168	$ 21,125	$ 6,865,909	$ 64,095
Restricted cash and cash equivalents	157,023	-	-	157,023	-
Certificates of deposit	118,001	-	-	118,001	-
Accounts receivable	162,370	17,179	1,468	181,017	-
Interfund receivable	12,880	11,005	-	23,885	-
Prepaid items	4,172	-	10,500	14,672	-
Total Current Assets	7,104,062	223,352	33,093	7,360,507	64,095
Noncurrent Assets					
Restricted Assets - Cash and cash equivalents	1,033,678	-	-	1,033,678	-
Capital Assets, net of accumulated depreciation	18,854,042	-	1,354,083	20,208,125	-
Total Noncurrent Assets	19,887,720	-	1,354,083	21,241,803	-
Total Assets	26,991,782	223,352	1,387,176	28,602,310	64,095
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions	38,094	-	1,236	39,330	-
LIABILITIES					
Current Liabilities					
Accounts payable	234,557	12,172	9,975	256,704	-
Claims payable	-	-	-	-	11,128
Accrued liabilities	9,067	-	3,006	12,073	-
Accrued interest payable	82,114	-	-	82,114	-
Customer deposits	157,023	-	-	157,023	-
Unearned revenue	292,882	-	15,614	308,496	-
Compensated absences payable - Current	8,743	-	-	8,743	-
Revenue bond payable - Current	525,705	-	-	525,705	-
Interfund payable	11,005	-	29,950	40,955	-
Total Current Liabilities	1,321,096	12,172	58,545	1,391,813	11,128
Long-term Liabilites					
Compensated absences payable (net of current portion)	5,829	-	-	5,829	-
Revenue bond payable (net of current portion)	8,816,526	-	-	8,816,526	-
Net pension liability	83,252	-	2,346	85,598	-
Total Long-term Liabilites	8,905,607	-	2,346	8,907,953	-
Total Liabilities	10,226,703	12,172	60,891	10,299,766	11,128
DEFERRED INFLOWS OF RESOURCES					
Unamortized premium on refunded bonds	27,149	-	-	27,149	-
Resources related to pensions	8,347	-	-	8,347	-
Total Deferred Inflows of Resources	35,496	-	-	35,496	-
NET POSITION					
Net investment in capital assets	9,511,811	-	1,354,083	10,865,894	-
Restricted for debt service	1,033,066	-	-	1,033,066	-
Restricted for capital projects	612	-	-	612	-
Unrestricted	6,222,188	211,180	(26,562)	6,406,806	52,967
Total Net Position	$ 16,767,677	$ 211,180	$ 1,327,521	$ 18,306,378	$ 52,967

See accompanying notes to the basic financial statements.

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

	Water and Sewer	Sanitation	Arts and Events	Total	Governmental Activities - Internal Service Fund Employee Insurance Fund
OPERATING REVENUES					
Water and sewer sales	$ 2,603,250	-	-	$ 2,603,250	-
Sanitation fees	-	$ 192,900	-	192,900	-
Premiums	-	-	-	-	$ 214,682
Impact fees	2,240,750	-	-	2,240,750	-
Late charges	71,976	21	-	71,997	-
Theater income	-	-	$ 242,623	242,623	-
Other income	-	-	28,519	28,519	-
Total operating revenues	4,915,976	192,921	271,142	5,380,039	214,682
OPERATING EXPENSES					
Salaries	364,639	-	69,967	434,606	-
Payroll taxes	28,640	-	5,400	34,040	-
Employee benefits/Uniforms	93,705	-	8,047	101,752	-
Utilities	170,253	-	26,365	196,618	-
Telephone	4,308	-	2,638	6,946	-
Contractual services	863,016	141,260	169,490	1,173,766	107,881
Professional services	219,502	-	-	219,502	-
Training	3,192	-	84	3,276	-
Travel	2,231	-	1,009	3,240	-
Dues and subscriptions	4,692	-	-	4,692	-
Insurance	2,842	-	-	2,842	-
Materials and supplies	52,924	-	34,175	87,099	-
Claims	-	-	-	-	54,557
Gasoline, oil, etc.	20,016	-	-	20,016	-
Repairs and maintenance	256,774	-	20,355	277,129	-
Bad debts	18,000	-	-	18,000	-
Depreciation	610,736	-	73,628	684,364	-
Other	718	-	1,457	2,175	-
Total operating expenses	2,716,188	141,260	412,615	3,270,063	162,438
OPERATING INCOME (LOSS)	2,199,788	51,661	(141,473)	2,109,976	52,244
NONOPERATING REVENUE (EXPENSE)					
Gain on disposal of capital assets	3,851	-	-	3,851	-
Bond issuance cost	(108,675)	-	-	(108,675)	-
Interest income	8,889	161	16	9,066	723
Interest expense	(121,487)	-	-	(121,487)	-
Total nonoperating revenue (expense)	(217,422)	161	16	(217,245)	723
INCOME (LOSS) BEFORE TRANSFERS	1,982,366	51,822	(141,457)	1,892,731	52,967
TRANSFERS IN (OUT)	1,440,519	-	70,672	1,511,191	-
CHANGE IN NET POSITION	3,422,885	51,822	(70,785)	3,403,922	52,967
NET POSITION, JANUARY 1, 2023	13,344,792	159,358	1,398,306	14,902,456	-
NET POSITION, DECEMBER 31, 2023	$ 16,767,677	$ 211,180	$ 1,327,521	$ 18,306,378	$ 52,967

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Water and Sewer	Sanitation	Arts and Events	Total	Governmental Activities - Internal Service Fund Employee Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 4,927,047	$ 192,951	$ 268,002	$ 5,388,000	-
Cash payments for employees	(488,517)	-	(81,471)	(569,988)	-
Cash payments for goods and services	(1,904,785)	(140,289)	(261,720)	(2,306,794)	-
Cash payments for claims and administrative fees	-	-	-	-	$ (151,310)
Cash received from internal charges	-	-	-	-	214,682
Net cash provided by (used by) operating activities	2,533,745	52,662	(75,189)	2,511,218	63,372
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from (to) other funds	(8,829)	(11,325)	29,950	9,796	-
Transfer in (out)	-	-	70,672	70,672	-
Net cash provided by (used by) noncapital financing activities	(8,829)	(11,325)	100,622	80,468	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(5,821,900)	-	(5,621)	(5,827,521)	-
Transfers in from other funds	1,440,519	-	-	1,440,519	-
Proceeds from disposal of capital assets	9,500	-	-	9,500	-
Proceeds from issuance of debt	5,000,000		-	5,000,000	-
Principal payments on bonds payable	(320,987)	-	-	(320,987)	-
Interest payments	(64,434)	-	-	(64,434)	-
Net cash provided by (used by) capital and related financing activities	242,698	-	(5,621)	237,077	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in certificates of deposit	(2,013)	-	-	(2,013)	-
Interest received	8,889	161	16	9,066	723
Net cash provided by (used by) investing activities	6,876	161	16	7,053	723
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,774,490	41,498	19,828	2,835,816	64,095
CASH AND CASH EQUIVALENTS, JANUARY 1, 2023	5,065,827	153,670	1,297	5,220,794	-
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2023	$ 7,840,317	$ 195,168	$ 21,125	$ 8,056,610	$ 64,095
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES					
Operating income (loss)	2,199,788	$ 51,661	$ (141,473)	$ 2,109,976	$ 52,244
Adjustments:					
Depreciation	610,736	-	73,628	684,364	-
(Increase) decrease in operating assets:					
Accounts receivable	37,861	30	(468)	37,423	-
Prepaid items	(4,172)	-	(7,910)	(12,082)	-
(Increase) decrease in deferred outflows of resources:					
Resources related to pensions	(8,665)	-	(1,236)	(9,901)	-
Increase (decrease) in operating liabilities:					
Accounts payable	(300,145)	971	1,763	(297,411)	-
Claims payable	-	-	-	-	11,128
Accrued liabilities	424	-	833	1,257	-
Customer deposits	10,120	-	-	10,120	-
Compensated absences payable	(9,739)	-	-	(9,739)	-
Unearned revenue	(18,910)	-	(2,672)	(21,582)	-
Net pension liability	61,858	-	2,346	64,204	-
Increase (decrease) in deferred inflows of resources:					
Resources related to pensions	(45,411)	-	-	(45,411)	-
Net cash provided by (used by) operating activities	$ 2,533,745	$ 52,662	$ (75,189)	$ 2,511,218	$ 63,372

See accompanying notes to the basic financial statements.

The City of Springfield, Georgia (the City) was incorporated under the provisions of Georgia law on August 19, 1912. The City operates under a Council-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets and lanes, sanitation, planning and zoning, water and sewer, and various administrative services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes, or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

A brief description of the City's discretely presented component unit follows:

Springfield Downtown Development Authority (the Authority) – The Springfield Downtown Development Authority was activated in 2016 to invigorate the local economy and social strength of the community, while maintaining the historic charm and financial viability of the City. The City appoints the members of the Authority's board and assists with its funding. There are no separate financial statements for the Authority.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, grants and the City's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental funds are reported in separate columns.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance.

The following are the City's major governmental funds:

> ***General Fund*** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.
>
> ***American Rescue Plan Act Fund –*** This fund accounts for all Local Fiscal Recovery Funds received by the City through the American Rescue Plan Act of 2021.
>
> ***SPLOST Capital Projects Fund*** – This fund accounts for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the City.
>
> ***T-SPLOST Capital Projects Fund*** – This fund accounts for the regional transportation special purpose local option sales tax proceeds received for transportation purposes within the City.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City has four enterprise funds. The City accounts for its water and sewer operations in the Water and Sewer fund and solid waste collection and disposal in the Sanitation Fund. The City accounts for the operations of the Mars Theatre through the Arts and Events Fund. The City's internal service fund accounts for the City's employee health insurance.

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis in accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The general fund reported an allowance for uncollectible taxes of $40,000. The water and sewer enterprise fund and the sanitation enterprise fund reported an allowance for uncollectibles of $90,000 and $8,000, respectively, at December 31, 2023.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable since this amount is not available for general appropriation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets – Cash and Cash Equivalents

Restricted cash includes amounts set aside for water and sewer capital projects and to meet the requirements of applicable bond covenants of the water and sewer revenue bond.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the City fund financial statements. Capital assets utilized by the proprietary fund are reported in the business-type activities column of the government-wide statement of net position and in the proprietary fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. For roads and bridges, the City has only capitalized infrastructure constructed after December 31, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Useful Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 years	7-10 years
Machinery and equipment	5-10 years	5-10 years
Furniture and fixtures	5 years	5 years
Vehicles	5-8 years	5-8 years
Infrastructure	3-10 years	40 years
Water system	-	40 years
Sewer collection system	-	40 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary fund reports the total compensated liability at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due."*

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of those funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are amortized over the life of the bonds using the effective interest method and bond issuance costs are expensed in the current period.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is resources related to pensions reported at the government-wide level for governmental and business-type activities and at the fund level for enterprise funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has an item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also has deferred inflows of resources related to its pension plan reported at the government-wide level for governmental and business-type activities and at the fund level for its proprietary funds. The City's component unit reports deferred inflows of resources related to leases on the government-wide statement of net position.

Fund Equity

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

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

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use 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 also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Committed
- Assigned
- Unassigned

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, and sanitation, and theater income for the Arts and Events Fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

Leases

Lessee - The City of Springfield recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements for noncancellable leases of equipment. The City of Springfield recognizes lease liabilities with an initial individual value of $10,000 or more.

At the commencement of a lease, the City of Springfield 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 how the City of Springfield determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City of Springfield 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 of Springfield generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City of Springfield is reasonably certain to exercise.

The City of Springfield monitors changes in circumstances that would require a remeasurement of a 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.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City of Springfield had no lease liabilities or right-to-use leased assets to report on December 31, 2023.

Lessor –The City of Springfield was not a lessor of any leases, but the Downtown Development Authority of Springfield is a lessor for noncancellable leases of buildings. The Downtown Development Authority of Springfield recognizes a lease receivable and a deferred inflow of resources in the government-wide statement of net position.

At the commencement of a lease, the Downtown Development Authority of Springfield initially measures the lease receivable at the present value of payments expected to be received during the lease term.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Downtown Development Authority of Springfield determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Downtown Development Authority of Springfield uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Downtown Development Authority of Springfield monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Estimates

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

Implementation of GASB 96

The City has implemented GASB Statement 96, "Subscription-Based Information Technology Arrangements." The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principles that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City had no subscription-based information technology arrangements to report at December 31, 2023.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
Budgetary Information

The City adopts an annual operating budget for the general fund, special revenue fund, and the capital projects funds. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk.

At December 31, 2023, the carrying amount of the City's deposits (checking and certificates of deposit) was $13,855,484 and the bank balance was $13,724,277. Of the bank balance, $432,096 was covered by federal depository insurance, and $13,292,181 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Discretely Presented Component Unit

At December 31, 2023, the carry amount of deposits for the Downtown Development Authority of Springfield was $114,971 and the bank balance was $114,971 which was covered by federal depository insurance.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed near the end of each year and are payable within sixty days. The Effingham County Tax Commissioner bills and collects the City's property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended December 31, 2023, property taxes were levied on August 8, 2023, and were due December 20, 2023.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Receivable Fund	Payable Fund	Amount
General Fund	Arts and Events	$ 29,950
Water and Sewer	General	12,880
Sanitation	Water and Sewer	11,005
		$ 53,835

Interfund balances at December 31, 2023 represent charges for services or reimbursable expenses. The City expects to repay all interfund balances within one year.

Interfund transfers of $70,672 were made from the general fund to the arts and events enterprise fund to help fund operations for the Mars Theatre. Interfund transfers of $1,245,468 from the American Rescue Plan Act special revenue fund and $195,051 from the SPLOST capital projects fund were made to the Water and Sewer fund to help fund water and sewer system improvements.

NOTE 7 – FUND BALANCES – GOVERNMENTAL FUNDS

As of December 31, 2023, fund balances are composed of the following:

	General Fund	American Rescue Plan Act Fund	TSPLOST Capital Projects Fund	SPLOST Capital Projects Fund	Total Governmental Funds
Nonspendable:					
Prepaid items	$ 43,822	-	-	-	$ 43,822
Restricted:					
Capital projects	-	-	$ 1,072,273	$ 1,778,242	2,850,515
Police	105,647	-	-	-	105,647
Pandemic relief	-	$ 1,067			1,067
Unassigned	2,285,151	-	-	-	2,285,151
Total fund balances	$ 2,434,620	$ 1,067	$ 1,072,273	$ 1,778,242	$ 5,286,202

NOTE 8 – CAPITAL ASSETS

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

	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,560,590	-	-	$2,560,590
Construction in progress	121,235	$ 367,427	$ 121,235	367,427
Total capital assets not being depreciated	2,681,825	367,427	121,235	2,928,017
Capital assets being depreciated:				
Buildings	1,750,740	-	-	1,750,740
Improvements other than buildings	683,443	-	-	683,443
Machinery and equipment	1,178,884	45,019	56,060	1,167,843
Infrastructure	2,258,053	1,752,771	-	4,010,824
Total capital assets being depreciated	5,871,120	1,797,790	56,060	7,612,850
Total capital assets	8,552,945	2,165,217	177,295	10,540,867
Accumulated depreciation:				
Buildings	342,343	42,613	-	384,956
Improvements other than buildings	448,373	36,982	-	485,355
Machinery and equipment	866,103	93,471	56,060	903,514
Infrastructure	519,741	91,707	-	611,448
Total accumulated depreciation	2,176,560	264,773	56,060	2,385,273
Governmental activities capital assets, net	$ 6,376,385	$ 1,900,444	$ 121,235	$8,155,594

Governmental activities depreciation expense:

General government	$ 25,455
Public safety	106,410
Streets	126,736
Recreation	6,172
Total governmental activities depreciation expense	$264,773

NOTE 8 – CAPITAL ASSETS (Continued)

The following table presents the changes in capital assets for the City's enterprise funds:

	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 2,511,889	$ 5,026,020	-	$ 7,537,909
Construction in progress	2,155,790	-	$ 2,155,790	-
Total capital assets not being depreciated	4,667,679	5,026,020	2,155,790	7,537,909
Capital assets being depreciated:				
Buildings	1,609,513	-	-	1,609,513
Improvements other than buildings	16,351,842	2,949,075	-	19,300,917
Machinery and equipment	1,338,734	8,217	$ 211,098	1,135,853
Total capital assets being depreciated	19,300,089	2,957,292	211,098	22,046,283
Total capital assets	23,967,768	7,983,312	2,366,888	29,584,192
Accumulated depreciation:				
Buildings	270,538	40,238	-	310,776
Improvements other than buildings	7,579,710	554,067	-	8,133,777
Machinery and equipment	1,046,903	90,059	205,448	931,514
Total accumulated depreciation	8,897,151	684,364	205,448	9,376,067
Business-type activities capital assets, net	$ 15,070,617	$ 7,298,948	$ 2,161,440	$ 20,208,125

The following table presents the changes in capital assets for the City's component unit:

	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023
Component unit - Springfield Downtown Development Authority:				
Capital assets not being depreciated:				
Land	$ 99,357	-	-	$ 99,357
Capital assets being depreciated:				
Buildings	210,573	-	-	210,573
Total capital assets	309,930	-	-	309,930
Accumulated depreciation:				
Buildings	28,430	5,264	-	33,694
Total accumulated depreciation	28,430	5,264	-	33,694
Business-type activities capital assets, net	$ 281,500	$ (5,264)	$ -	$ 276,236

NOTE 9 – LEASES

City as Lessor

The Development Authority of Springfield, as a lessor, has entered into lease agreements involving buildings. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the fiscal year was $17,547.

The future principal and interest payments expected to maturity are as follows:

Component Unit - Development Authority of Springfield			
Fiscal year	Principal	Interest	Total
2024	$ 15,462	$ 1,405	$ 16,867
2025	15,931	936	16,867
2026	6,412	565	6,977
2027	4,576	424	5,000
2028	4,713	287	5,000
2029	4,854	146	5,000
	$ 51,948	$ 3,763	$ 55,711

NOTE 10 – WATER AND SEWER REFUNDING REVENUE BONDS

Series 2021

In 2020, the City issued $5,486,000 in a City of Springfield Water and Sewer Refunding and Improvement Revenue Bond, Series 2020. The bond was issued to refund the outstanding Series 2012 Revenue Refunding Bonds and to provide funds needed to pay the cost of constructing additions and improvements to the City's water and sewer system.

The bond is secured by a lien on the revenues of the water and sewer system and the City is required to have a Revenue Fund in which all income and revenue of every nature derived from the ownership and operation of the water and sewer system is to be deposited. The City is also required to maintain a Bond Sinking Fund consisting of a Debt Service Account and a Debt Service Reserve Account, as well as a Renewal and Extension Fund that shall be held and used by the City for emergencies, current or future replacements and improvements, and certain other capital expenses. The Renewal and Extension fund may also be used for debt service to the extent that revenues are otherwise unavailable.

After all of the operating expenses of the system are paid from the Revenue Fund, amounts are paid into the Debt Service Account in the Bond Sinking Fund on or before the last business day of each month one-sixth of the principal and interest coming due on the next succeeding principal payment date.

The bond has an interest rate of 1.44 percent. The bond requires principal and interest payments payable semiannually on March 1 and September 1 each year.

NOTE 10 – WATER AND SEWER REFUNDING REVENUE BONDS (Continued)

Series 2023

In 2023, the City issued $5,108,675 in a City of Springfield Water and Sewer Revenue Bond, Series 2023. The bond was issued to provide funds needed to pay the cost of acquiring certain real property in order to construct and equip extensions, additions and improvements to the City's water and sewer system.

The bond is secured by a lien on the revenues of the water and sewer system and the City is required to have a Revenue Fund in which all income and revenue of every nature derived from the ownership and operation of the water and sewer system is to be deposited. The City is also required to maintain a Bond Sinking Fund consisting of a Debt Service Account and a Debt Service Reserve Account, as well as a Renewal and Extension Fund that shall be held and used by the City for emergencies, current or future replacements and improvements, and certain other capital expenses. The Renewal and Extension fund may also be used for debt service to the extent that revenues are otherwise unavailable.

After all of the operating expenses of the system are paid from the Revenue Fund, amounts are paid into the Debt Service Account in the Bond Sinking Fund on or before the last business day of each month one-sixth of the principal and interest coming due on the next succeeding principal payment date.

The bond has an interest rate of 4.73 percent. The bond requires principal and interest payments payable semiannually on March 1 and September 1 each year.

As of December 31, 2023, annual debt service requirements for the revenue bonds are as follows:

Year ending December 31	Principal	Interest	Total
2024	$ 525,705	$ 280,287	$ 805,992
2025	520,980	285,012	805,992
2026	534,880	271,112	805,992
2027	549,285	256,707	805,992
2028	564,218	241,774	805,992
2029-2033	3,065,221	964,740	4,029,961
2034-2038	3,581,942	448,017	4,029,959
	$ 9,342,231	$ 2,747,648	$ 12,089,879

NOTE 11 – CHANGES IN LONG-TERM DEBT

	Outstanding January 1, 2023	Additions	Reductions	Outstanding December 31, 2023	Amounts Due in One Year
Governmental Activities					
Compensated absences	$ 77,913	$ 1,074	$ 21,296	$ 57,691	$ 34,615
Business-Type Activities					
Revenue bonds payable	$ 4,554,543	$ 5,108,675	$ 320,987	$ 9,342,231	$ 525,705
Compensated absences	24,311	-	9,739	14,572	8,743
Total Business-Type Activities	$ 4,578,854	$ 5,108,675	$ 330,726	$ 9,356,803	$ 534,448

The compensated absences liability will be paid from the General Fund for governmental activities and from the Water and Sewer Fund for business-type activities. Principal and interest payments related to revenue bonds payable for the City's Water and Sewer System are financed from income derived from the operation of the Water and Sewer System.

NOTE 12 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City's defined benefit pension plan, the City of Springfield Retirement Plan (the "Plan"), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided

The Plan provides retirement benefits to eligible employees of the City. All regular employees meeting the eligibility requirements are covered under the plan. Elected or appointed members of the City and municipal legal officers are not eligible to participate in the plan. In order to be eligible for participation, regular employees must work a minimum of twenty hours per week for at least five months per year. Regular employees qualify for immediate participation in the plan and participation is mandatory for all eligible employees.

Plan participants are eligible to receive early retirement benefits at the age of fifty-five with the completion of ten years of total credited service. Normal retirement benefits may be received at the age of sixty-five with five years of total credited service.

Normal retirement benefits are calculated based on a flat percentage of 1.25 percent of final average earnings multiplied by years of total credited service as an eligible regular employee. The number of years of total credited service which may be used to calculate the benefit is not limited. Monthly benefits are paid at $1/12^{th}$ of the calculated amount. The same formula is used for all participants who are regular employees. Final average earnings are the annual average of earnings paid to a participant by the City for the five consecutive years of

NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)

credited service preceding the participant's most recent termination in which the participant's earnings were the highest.

Final average earnings for participants electing to receive early retirement benefits are reduced by a percentage ranging from 50 percent to 93 percent depending on the number of years benefits are received prior to normal retirement age.

Disability retirement benefits shall be computed in the same manner as the normal retirement benefit, based upon the participant's accrued benefit as of his disability retirement date. The minimum disability benefit will be no less than 20% of the participant's average monthly earnings for the twelve calendar month period immediately preceding his termination of employment as a result of a disability.

In-service death benefits are payable to the participant's pre-retirement beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the participant, had he elected a 100% joint and survivor benefit under the plan. In order to be eligible for this benefit, a participant must be eligible for early or normal retirement.

Employees Covered by Benefit Terms
At July 1, 2023, the most recent actuarial valuation, there were 53 participants as follows:

Active participants	23
Retirees and beneficiaries	11
Vested former employees	19
	53

Contributions
The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $63,172. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Net Pension Liability
The City's net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

NOTE 12 – EMPLOYEE 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 percent
Salary increases	Range of 3.25 to 8.5 percent, including inflation
Investment rate of return	7.375 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

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 to 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. The target allocation and best estimates of arithmetic real rates return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
	100%	

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 City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a)-(b)
Balance, March 31, 2022	$ 1,544,912	$ 1,416,131	$ 128,781
Changes for the year:			
Service cost	30,506	-	30,506
Interest	113,137	-	113,137
Contributions from the employer	-	67,412	(67,412)
Net investment income	-	(94,572)	94,572
Difference between expected and actual experience	27,535	-	27,535
Benefit payments, including refunds of employee contributions	(82,713)	(82,713)	-
Administrative expenses	-	(9,740)	9,740
Other	-	-	-
Net Changes	88,465	(119,613)	208,078
Balance, March 31, 2023	$ 1,633,377	$ 1,296,518	$ 336,859

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 one percentage point lower (6.375 percent) or one percentage point higher (8.375 percent) than the current rate:

	Discount Rate - 1% (6.375%)	Current Discount Rate (7.375%)	Discount Rate + 1% (8.375%)
City's net pension liability	$564,094	$336,859	$151,584

NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the City recognized pension expense of $85,460. 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
Employer contributions after measurement date	$ 44,463	-
Differences in expected and actual experience	40,017	$ (34,480)
Effects of changes in assumptions	-	-
Net differences between projected and actual net investment income	54,590	-
	$ 139,070	$ (34,480)

City contributions subsequent to the measurement date of $44,463 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31	
2024	$ 9,940
2025	(39,256)
2026	49,825
2027	39,618
	$ 60,127

NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2023 there was no pending litigation that would have a material effect on the financial statements.

NOTE 14 – EMPLOYEE INSURANCE FUND

As of April, 2023, the City established an employee insurance fund (an internal service fund) to cover all employee health claims. The City makes payments to this fund monthly based on estimated premiums provided by the third-party administrator to fund this program. Amounts are also withheld from employees by payroll deduction for dependent coverage and paid to the employee insurance fund. A third-party administrator pays all claims from funds held in the employee insurance fund's bank account. The City has a co-insurer for claims from one individual within one year exceeding $40,000 and has a maximum annual liability policy of $1,000,000.

The claims liability of $11,128 reported at December 31, 2023 represents known claims incurred on or prior to December 31, 2023 and an estimate for claims that have been incurred but not reported. Changes in the fund's claims liability are as follows:

Year Ended December 31	Claims Liability, Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Liability, End of Year
2023	$ -	$ 54,557	$ 43,429	$ 11,128

NOTE 15 – 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; workers' compensation claims; and natural disasters. The City carries commercial insurance to cover these risks.

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for establishing the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2023. No provisions have been made in the financial statements for the year ended December 31, 2023, for any estimate of potential unpaid claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (the Fund). As a participant in the Fund, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the Fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

NOTE 16 – JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (RC) and is required to pay annual dues thereto. During the year ended December 31, 2023, the City paid $3,516 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Regional Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Coastal Regional Commission of Georgia
1181 Coastal Drive SW
Darien, Georgia 31305

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2024 the date that the financial statements were available for issue. No subsequent events requiring disclosure in the financial statements were noted.

CITY OF SPRINGFIELD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SPRINGFIELD RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (1)	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
Total pension liability									
Service cost	$ 30,506	$ 32,036	$ 28,361	$ 26,222	$ 21,911	$ 23,853	$ 15,875	$ 24,505	$ 19,268
Interest	113,137	113,365	103,147	95,865	90,032	83,815	87,169	84,779	80,341
Differences between expected and actual experience	27,535	(68,961)	77,458	(4,420)	29,396	31,015	(86,872)	(17,268)	55,044
Changes of assumptions	-	-	-	74,404	-	20,522	-	-	(35,093)
Benefit payments, including refunds of employee contributions	(82,713)	(73,291)	(74,880)	(72,748)	(63,001)	(61,343)	(57,549)	(64,819)	(59,758)
Net change in total pension liability	88,465	3,149	134,086	119,323	78,338	97,862	(41,377)	27,197	59,802
Total pension liability-beginning	1,544,912	1,541,763	1,407,677	1,288,354	1,210,016	1,112,154	1,153,531	1,126,334	1,066,532
Total pension liability-ending (a)	$ 1,633,377	$ 1,544,912	$ 1,541,763	$ 1,407,677	$ 1,288,354	$ 1,210,016	$ 1,112,154	$ 1,153,531	$ 1,126,334
Plan fiduciary net position									
Contributions-employer	$ 67,412	$ 62,847	$ 56,522	$ 40,798	$ 38,500	$ 42,399	$ 48,743	$ 45,737	$ 42,481
Net investment income	(94,572)	82,475	428,440	(70,832)	37,552	119,723	109,811	2,380	80,911
Benefit payments, including refunds of employee contributions	(82,713)	(73,291)	(74,880)	(72,748)	(63,001)	(61,343)	(57,549)	(64,819)	(59,758)
Administrative expense	(9,740)	(9,381)	(9,150)	(9,911)	(9,515)	(9,390)	(9,776)	(6,915)	(6,339)
Net change in plan fiduciary net position	(119,613)	62,650	400,932	(112,693)	3,536	91,389	91,229	(23,617)	57,295
Plan fiduciary net position-beginning	1,416,131	1,353,481	952,549	1,065,242	1,061,706	970,317	879,088	902,705	845,410
Plan fiduciary net position-ending (b)	$ 1,296,518	$ 1,416,131	$ 1,353,481	$ 952,549	$ 1,065,242	$ 1,061,706	$ 970,317	$ 879,088	$ 902,705
Net pension liability-ending (a)-(b)	$ 336,859	$ 128,781	$ 188,282	$ 455,128	$ 223,112	$ 148,310	$ 141,837	$ 274,443	$ 223,629
Plan fiduciary net position as a percentage of the total pension liability	79.38%	91.66%	87.79%	67.67%	82.68%	87.74%	87.25%	76.21%	80.15%
Covered-employee payroll	$ 1,231,648	$ 968,121	$ 1,017,956	$ 895,916	$ 921,105	$ 755,032	$ 764,679	$ 686,655	$ 873,130
Net pension liability as a percentage of covered-employee payroll	27.35%	13.30%	18.50%	50.80%	24.22%	19.64%	18.55%	39.97%	25.61%

(1) Only fiscal years 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 were available. The City will continue to present information for years available until a full 10-year trend is compiled.

Notes to Schedule:

Changes of assumptions

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

Benefit changes

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

CITY OF SPRINGFIELD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SPRINGFIELD RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 70,122	$ 60,422	$ 49,700	$ 43,353	$ 36,882	$ 44,238	$ 50,244	$ 44,234
Contributions in relation to the actuarially determined contribution	*	70,122	60,422	49,700	43,353	36,882	44,238	50,244	44,234
Contribution deficiency (excess	*	-	-	-	-	-	-	-	-
Covered-employee payroll	*	$ 968,121	$ 1,017,956	$ 895,916	$ 921,105	$ 755,032	$ 764,679	$ 686,655	$ 873,130
Contributions as a percentage of covered-employee payroll	*	7.24%	5.94%	5.55%	4.71%	4.88%	5.79%	7.32%	5.07%

*2023 information will be determined after fiscal year end and will be included in the 2024 valuation report

Notes to Schedule:

Valuation Date	The actuarially determined contribution rate was determined as of July 1, 2023, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2024.

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 16 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 end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Retirement Age	See changes of assumptions in the Notes to Schedule of Changes in the Net Pension Liability (Asset)
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25

CITY OF SPRINGFIELD, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPLOST PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
2012 SPLOST						
Roads, streets and bridges	$ 1,047,600	$ 342,182	-	$ 342,182	$ 342,182	100%
Public buildings	104,760	104,760	$ 104,760	-	104,760	100%
Public safety projects	392,850	153,227	153,227	-	153,227	100%
Recreation projects	419,040	266,601	-	-	-	0%
Water and sewer projects	654,750	629,961	629,961	-	629,961	100%
Totals	$ 2,619,000	$ 1,496,731	$ 887,948	342,182	$ 1,230,130	82%
2017 SPLOST						
Roads, streets and bridges	$ 764,200	$ 764,200	$ 129,369	-	$ 129,369	17%
Public buildings	2,254,390	2,254,390	1,235,873	-	1,235,873	55%
Public safety projects	267,470	267,470	180,920	$ 23,697	204,617	77%
Recreation projects	267,470	267,470	-	90,507	90,507	34%
Water and sewer projects	267,470	267,470	40,041	195,051	235,092	88%
Totals	$ 3,821,000	$ 3,821,000	$ 1,586,203	309,255	$ 1,895,458	50%
	Total SPLOST expenditures			$ 651,437		

CITY OF SPRINGFIELD, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH TSPLOST PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
Street improvements	$ 2,475,000	$ 2,475,000	$ -	$ 1,311,745	$ 1,311,745	53%

Historical Demand Data

Water and Sewer Demand

The following table shows historical data of water and sewer demand for the last five years:

	Daily Water Production		Daily Sewage Treated	
Fiscal Year	Peak MGD	Average MGD	Peak MGD	Average MGD
2019	0.782	0.634	0.564	0.414
2020	0.787	0.635	0.860	0.381
2021	1.454	0.688	0.680	0.378
2022	1.885	0.778	0.477	0.361
2023	1.638	0.825	0.633	0.447

Historical Customer Data

Number of Customers of the System

The following table shows historical numbers of customers of the System for the last ten fiscal years:

Fiscal Year	Water Customers	Sewer Customers
2014	1,645	1,454
2015	1,714	1,546
2016	1,877	1,642
2017	1,973	1,735
2018	2,032	1,802
2019	2,073	1,843
2020	2,123	1,908
2021	2,055	2,005
2022	2,222	2,107
2023	2,527	2,413

Rates, Fees, and Charges

Current Water and Sewer Rate Schedule

Water and Sewer Residential and Commerical Customers Inside City Limits:

Usage	Water Rates
First 2,000 gallons	$12.13
2,000-5,000 gallons	$2.43 per thousand
5,000-20,000 gallons	$3.03 per thousand
Over 20,000 gallons	$3.34 per thousand

Usage	Sewer Rates
First 2,000 gallons	$18.92
Over 2,000 gallons	$3.78 per thousand

Water and Sewer Residential and Commercial Customers Outside City Limits:

Usage	Water Rates
First 2,000 gallons	$18.50
2,000-5,000 gallons	$3.25 per thousand
5,000-20,000 gallons	$4.50 per thousand
Over 20,000 gallons	$5.75 per thousand

Usage	Sewer Rates - Residential
First 2,000 gallons	$38.00
Over 2,000 gallons	$4.73 per thousand

Usage	Sewer Rates - Commerical
First 2,000 gallons	$38.00
2,001-19,999 gallons	$5.00 per thousand
20,000 - 49,999 gallons	$5.50 per thousand
Over 50,000 gallons	$6.00 per thousand

Impact Fees:

Water	$1,750
Sewer	$4,206

Meter Fees:

Size	Inside City Rate
3/4"	$650
Irrigation Meter	$750
1"	$800
2"	$1,559
4"	$4,738
6"	$6,887

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

To the City Council
City of Springfield, 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, the aggregate discretely presented component unit, and each major fund of City of Springfield, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Springfield, Georgia's basic financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lanier, Deal, Proctor + Bloser

Statesboro, Georgia
June 28, 2024