CITY OF SYLVANIA, GEORGIA

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Sylvania, Georgia
Annual Financial Report
For the Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Sylvania, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvania, 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 Sylvania, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Sylvania, 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 Sylvania, 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 Sylvania, 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 Sylvania, 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 management's discussion and analysis on pages 7-15, the budgetary comparison information on pages 53-55, the schedule of changes in net pension liability and related ratios and schedule of contributions on pages 56-57, and the schedule of funding progress information for postemployment benefits other than pensions on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sylvania, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of Hotel/Motel tax, the schedules of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds, the Community Development Block Grant Project Cost Schedule and Source and Application of Funds Schedule (pages 61 through 92) and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of Hotel/Motel tax, the schedules of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds, the Community Development Block Grant Project Cost Schedule and Source and Application of Funds Schedule, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of City of Sylvania, Georgia's internal control over financial reporting and 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 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 Sylvania, Georgia's internal control over financial reporting and compliance.

Caines, Hodges & Company, P.C.

June 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Sylvania, Georgia's (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2023. We discuss and analyze the City's financial performance within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by $21,961,080 (net position) for the calendar year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $12,301,854 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $2,260,885 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $7,398,341.

- The City's governmental funds reported total ending fund balance of $5,730,243 this year. This compares to the prior year ending fund balance of $2,932,410 showing an increase of $2,797,833 during the current year. Unassigned general fund balance of $3,431,715 for calendar year 2023 shows an increase of $2,477,154 from the prior year balance.

- At the end of the current calendar year, unassigned fund balance for the General Fund was $3,431,715 or 80% of total General Fund expenditures.

- Overall, the City's financial position has increased by approximately $1,638,806 due to an increase in utility revenues.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities,* which reports how the City's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by property taxes and sales taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and streets. Business-type activities include the water and sewer system, the electric system, the gas system and sanitation services.

The government-wide financial statements are presented on pages 16 & 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18-21 of this report.

Individual fund information for non-major governmental funds is found in combining and individual fund statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The four City proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for water and sewer, gas and electric utilities and sanitation services.

The basic enterprise fund financial statements are presented on pages 22-25 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning some of the City's budget presentations as well as some comparative information. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 58.

Financial Analysis of the City as a Whole

The City's net position at December 31, 2023, is $21,961,080. The following table provides a summary of the City's net position:

Summary of Net Assets

	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	$ 4,099,393	$ 10,823,277	$ 14,922,670	$ 1,490,975	$ 12,739,074	$ 14,230,049
Restricted assets	2,034,727		2,034,727	1,776,015	-	1,776,015
Advances to (from) other funds	221,787	(221,787)	-	275,200	(275,200)	-
Capital assets	3,451,922	11,245,904	14,697,826	3,202,785	10,895,843	14,098,628
Total assets	9,807,829	21,847,394	31,655,223	6,744,975	23,359,717	30,104,692
Deferred outflows of resources - pension	904,421	509,284	1,413,705	617,982	344,955	962,937
Liabilities:						
Current liabilities	745,178	4,810,951	5,556,129	680,529	4,728,175	5,408,704
Long-term liabilities	1,697,969	2,686,807	4,384,776	1,657,024	2,529,101	4,186,125
Total liabilities	2,443,147	7,497,758	9,940,905	2,337,553	7,257,276	9,594,829
Deferred inflows of resources - pension	746,554	420,389	1,166,943	738,371	412,155	1,150,526
Net position:						
Net investment in capital assets	3,213,230	9,088,642	12,301,872	3,075,762	8,901,026	11,976,788
Restricted	2,260,885		2,260,885	1,944,735	-	1,944,735
Unrestricted	2,048,434	5,349,907	7,398,341	(733,464)	7,134,215	6,400,751
Total net position	$ 7,522,549	$ 14,438,549	$ 21,961,098	$ 4,287,033	$ 16,035,241	$ 20,322,274

The City continues to maintain an adequate current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.50 to 1, which is an increase from 2022 due to an increase in cash and cash equivalents. For business-type activities, the current ratio is 2.25 to 1 which is a decrease from 2022 due to a decrease in cash and cash equivalents. For the City overall, the current ratio is 2.69 to 1.

The City reported positive balances in net position for governmental and business-type activities. Net position increased $3,235,516 for governmental activities and decreased $1,596,692 for business-type activities. The City's overall financial position has improved and stabilized. The City continues to be threatened financially due to the volatility in the energy market, which could result in future decreases in the operating profits of the electric and gas utilities.

Note that approximately 43% of the governmental activities' net position is invested in capital. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has invested approximately 63% of its net position in capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. Fifty-six percent of the City's total net position is included in capital assets.

The following table provides a comparative summary of the City's changes in net position:

Summary of Changes in Net Position

	2023				2022			
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Governmental Activities	Business-type Activities	Total	Percentage of Total
Revenues:								
Program:								
Charges for services	$ 241,908	$ 28,250,218	$ 28,492,126	89.4%	$ 205,528	$ 68,290,198	$ 68,495,726	96.4%
Operating grants and other	191,036	-	191,036	0.6%	580,775	-	580,775	0.8%
Capital grants and other	926,685	795,482	1,722,167	5.4%	545,244	322,993	868,237	1.2%
General:								
Taxes	1,188,070		1,188,070	3.7%	1,070,722		1,070,722	1.5%
Other	61,147	204,553	265,700	0.8%	92,936	(20,593)	72,343	0.1%
Total revenues	2,608,846	29,250,253	31,859,099	100%	2,495,205	68,592,598	71,087,803	100%
Program expenses:								
General government	665,529		665,529	2.2%	718,950		718,950	1.1%
Judicial	54,988		54,988	0.2%	50,161		50,161	0.1%
Public safety - fire	725,156		725,156	2.4%	669,434		669,434	1.0%
Public safety - police	1,244,299		1,244,299	4.1%	1,104,824		1,104,824	1.7%
Public safety - animal control	7,545		7,545	0.0%	5,682		5,682	0.0%
Public works - streets	730,730		730,730	2.4%	681,704		681,704	1.1%
Public works - garage	174,128		174,128	0.6%	198,410		198,410	0.3%
Public works - airport infrastructure			-		-		-	
Health and welfare	105,441		105,441	0.3%	125,448		125,448	0.2%
Culture and recreation	30,389		30,389	0.1%	10,301		10,301	0.0%
Housing and development	129,299		129,299	0.4%	95,269		95,269	0.1%
Interest	8,742		8,742	0.0%	4,222		4,222	0.0%
Water and sewer		2,198,327	2,198,327	7.3%		1,376,473	1,376,473	2.2%
Electric		22,719,249	22,719,249	75.2%		52,409,872	52,409,872	81.9%
Gas		892,476	892,476	3.0%		6,005,563	6,005,563	9.4%
Solid Waste		533,993	533,993	1.8%		537,073	537,073	0.8%
Total expenses	3,876,246	26,344,045	30,220,291	100%	3,664,405	60,328,981	63,993,386	100%
Excess (deficiency)	(1,267,400)	2,906,208	1,638,808		(1,169,200)	8,263,617	7,094,417	
Transfers	4,502,916	(4,502,916)	-		1,068,752	(1,068,752)	-	
Change in net position	3,235,516	(1,596,708)	1,638,808		(100,448)	7,194,865	7,094,417	
Beginning net position	4,287,033	16,035,241	20,322,274		$ 4,387,481	8,840,376	13,227,857	
Ending net position	$ 7,522,549	$ 14,438,533	$ 21,961,082		$ 4,287,033	$ 16,035,241	$ 20,322,274	

GOVERNMENTAL REVENUES

The City has a diversified revenue stream. The City is heavily reliant on property taxes to support governmental operations and capital. Property taxes provided only 17% of the City's total governmental revenues. Local option sales taxes are the second largest revenue source with approximately $338 thousand of revenues or 13% of the total. The insurance premium taxes generate $233,907 and $96,938 from alcohol taxes. Also, note that program revenues cover approximately 35% of governmental operating expenses. This means that the government's taxpayers, the City's other general governmental revenues, and transfers from business-type activities fund 65% of the governmental activities. As a result, the general economy and the City businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The police function spends about 32% of the governmental funds budget; the fire function spends about 19% of the governmental funds budget; and the general government function spends about 17% of the total governmental funds budget.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that has been placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	Net Cost of Services
General government	$ 665,529	$ 204,428
Judicial	54,988	54,988
Public safety - fire	725,156	712,395
Public safety - police	1,244,299	995,813
Public safety - animal control	7,545	7,545
Public works - streets	730,730	254,441
Public works - garage	174,128	174,128
Health and welfare	105,441	(47,450)
Cultural and recreation	30,389	22,464
Housing and development	129,299	129,123
Interest	8,742	8,742
Total	$ 3,876,246	$ 2,516,617

After reducing gross expenses by program revenues, the police function totals 40% of the net cost of services and the fire function totals 28% of these costs. Finally, the general government function covered 8% of its cost in program revenues.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for the utility funds were 59% below 2022 and operating expenses were 56% below 2022. Within the total business type activities of the City, these activities reported $1,942,242 in operating income compared to operating income of $7,998,048 in the prior year, which is a decrease of 76% from 2022.

After transfers in and out between other funds and non-operating revenues and expenses, these funds reported a decrease in net position of $1,596,708 in 2023 compared to net increase in net position of $7,194,865 in 2022. Each specific fund reported the following changes in net position:

	2023 Amounts	2022 Amounts
Water and sewer fund	$ 107,099	$ 784,660
Electric utility fund	(1,738,105)	6,410,122
Gas utility fund	46,365	1,384
Sanitation fund	(12,067)	(1,301)

The water and sewer fund has an operating loss for 2023 of $777,442, which is a decrease of $795,464 from 2022. During 2023, the revenues were slightly higher than the prior year. The 2023 expenses increased $825,233. The increase was due to an upgrade to the system by replacing all water meters.

The electric utility fund reported a decrease in revenues of 59% or $35 million. This decrease is due to a decrease in usage related to a large crypto-currency customer that the city no longer serves. Expenses reported a decrease of approximately 57% or approximately $29.7 million. The decrease in expenses relates to a decrease in electricity usage. The electricity utility transferred approximately $4.11 million to other funds. Transfers between the utility funds and the general fund are common since all operating cash (i.e., receipts and disbursements) are recorded and included in the general fund. The interfund transfer is a function of activity and is forced to balance based on cash activity in individual funds.

The gas utility fund operating revenue decreased in calendar year 2023 by approximately $4.8 million or 77% and operating expenses decreased approximately $5.11 million or 85%. Operating revenues and expenses decreased due to the loss of a large industrial customer. This fund transferred $497,885 to the other funds as explained above.

The solid waste collection fund operating revenue increased in calendar year 2023 by $4,978 and operating expenses decreased $3,080 or .06%.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $5,730,243. Of this year-end total, $3,431,715 is unassigned indicating availability for continuing City service requirements, and $1,787,771 is legally restricted for program purposes.

The total ending fund balances of governmental funds shows an increase of $2,797,833 compared to a decrease of $373,250 in the prior year amount. This increase is due to additional advances to other funds and interfund transfers.

Continued on next page.

Major Governmental Funds

The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased by approximately $2.49 million. In calendar year 2022, the fund balance increased by approximately $513 thousand.

Overall, general fund revenues were 19% above the 2022 revenues. Intergovernmental increased $129,179 due to additional grant funds. Total taxes increased by $136,635 from calendar 2022. General fund licenses and permits decreased by $8,377 when compared to calendar 2022. Fines and forfeitures increased $32,959 from calendar 2022 due to an increase in citations.

On the expenditure side, the 2023 expenditures increased $549,984 above the 2022 amount. The police and fire functions increased by $340,836 when compared to 2022. The street function's expenditures increased by 23% when compared to 2022.

The General Fund's ending fund balance increased 220%, and represents the equivalent of 84% of annual expenditures.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The analysis is presented above.

Budgetary Highlights

The General Fund –The City realized 128% of the final revenue budget. Intergovernmental revenues were above budget due to an increase in intergovernmental grants. Fines and forfeitures were above budget due to a higher number of citations written than budgeted. Investment earnings were higher than the budget due to better interest rates.

The City spent 106% of the appropriated budget.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2023, was $3,451,922 and $11,245,904 respectively. This represents an 8% increase in net investment for governmental-type and a 3% increase for business-type activities. The overall increase was approximately 4% for the City as a whole. See Note 7 for additional information about changes in capital assets during the calendar year and on hand at the end of the year. The following table provides a summary of capital asset activity.

Continued on next page.

	Capital Assets					
	Governmental Activities		Business - Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	$ 286,506	$ 286,506	$ 23,057	$ 23,057	$ 309,563	$ 309,563
Construction in progress					-	-
	286,506	286,506	23,057	23,057	309,563	309,563
Depreciable assets:						
Buildings	2,265,663	2,246,190			2,265,663	2,246,190
Land and building improvements	267,514	267,514			267,514	267,514
Machinery and equipment	921,086	836,256			921,086	836,256
Vehicles	1,354,056	1,280,260			1,354,056	1,280,260
Furniture and fixtures	98,983	98,983			98,983	98,983
Infrastructure	3,523,742	3,330,677			3,523,742	3,330,677
Rights to use leased asset	166,230	42,835			166,230	42,835
Water system			14,093,208	13,526,278	14,093,208	13,526,278
Electric system			5,573,064	5,327,899	5,573,064	5,327,899
Gas system			1,910,676	1,910,676	1,910,676	1,910,676
Solid waste operations			5,436,421	536,421	5,436,421	536,421
Total depreciable assets	8,597,274	8,102,715	27,013,369	21,301,274	35,610,643	29,403,989
Less accumulated depreciation	5,431,858	5,186,436	10,890,522	10,367,397	16,322,380	15,553,833
Book value - depreciable assets	3,165,416	2,916,279	16,122,847	10,933,877	19,288,263	13,850,156
Percentage depreciated	63%	64%	40%	49%	46%	53%
Book value - all assets	$ 3,451,922	$ 3,202,785	$ 16,145,904	$ 10,956,934	$ 19,597,826	$ 14,159,719

At December 31, 2023, the depreciable capital assets for governmental activities were 63% depreciated compared to 64% at December 31, 2022.

With the City's business type activities, 40% of the asset values were depreciated at December 31, 2023, compared to 49% at December 31, 2022.

Long-term Debt

At the end of the calendar year, the City had capital lease obligations outstanding of $128,978 for governmental activities and $171,193 outstanding for business-type activities. The business-type activities also owed $1,764,992 in GEFA notes payable.

During the year, the City retired $173,010 of outstanding capital lease obligations and GEFA notes payable. They incurred $411,163 in new capital lease obligations.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		%
	2023	2022	2023	2022	2023	2022	Change
Capital leases	$ 128,978	$ 107,393	$ 171,193	$ 210,069	$ 300,171	$ 317,462	-5%
Notes	-	-	1,764,992	1,509,548	1,764,992	1,509,548	17%
Total	$ 128,978	$ 107,393	$ 1,936,185	$ 1,719,617	$ 2,065,163	$ 1,827,010	13%

See Note 10 for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City is physically located in the southeastern portion of the State of Georgia and is perfectly centered between Augusta and Port of Savannah. The 2020 Decennial Census reported the City's estimated population as 2,634. The City is the county seat for Screven County, Georgia. In 2022, the County's median household income was $49,491 according to the US Census. In 2023, Screven County's unemployment rate was 5.2% and in Georgia, the unemployment rate was 3.2%.

Since the City relies primarily on property and sales taxes for its operating revenue, changes in the economy affect these revenue streams. Since sales taxes are an "elastic revenue stream" in a sluggish economy, the sales tax revenues are reduced immediately. Property taxes are considered "inelastic" in the short term; this revenue stream is more stable. Fortunately, the City, because of its revenue stream make-up, has been able to survive financially in a slow economy.

The City's electric utility fund sells an estimated 93% of its power to industrial customers, with 88% of total sales from one customer. In 2020, the City was able to pay off an outstanding balance with MEAG Power that will save the City interest and plans to increase reserves in order to help offset any future declines in the energy markets. In 2022 and 2023, due to increased electrical sales from crypto-currency operations the City was able to increase electrical reserves by over $6 million.

The County per capita income in 2022 was $28,356, as reported by the US Census. Per capita income is total personal income (including wages, dividends, interest, rent, and government payments) divided by the total population. It is commonly used as an indicator of the quality of consumer markets and the economic well-being of a community.

From an economic development perspective, the City is constantly trying to secure funding to replace the City's aging infrastructure. In 2022, the City was awarded a Community Development Block Grant for sewer line improvements totaling $750,000 and with help from the American Rescue Funds the City has focused on additional water and sewer infrastructure needs through 2023. In 2023, the City's downtown qualified through the Georgia Department of Community Affairs as a rural zone. With this designation, investments in the downtown allow for state tax credits which will aid in promoting our downtown. In 2021, the City, along with a grant from the federal government, completed a natural gas line expansion in the industrial park which included connecting Claxton Poultry's facility. The City along with the Downtown Development Authority has developed an incentive plan to encourage new businesses to locate in the City and for existing businesses to make capital investments. These incentives include waiving taxes and fees. Other industries leading job growth in the City include professional, scientific, management, and administration jobs.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City Manager at:

City of Sylvania
104 South Main Street
Sylvania, GA 30467

City of Sylvania, Georgia
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	$ 3,550,318	$ 1,753,147	$ 5,303,465	$ 92,026
Investments		4,951,170	4,951,170	
Receivables				
Accounts	176,358	3,700,725	3,877,083	
Property taxes	63,212		63,212	
Intergovernmental	6,236	382,278	388,514	
Notes	251,327		251,327	
Other	14,299		14,299	
Prepaid items	37,643	35,957	73,600	
Restricted assets - Cash	2,034,727		2,034,727	
Advances to (from) other funds	221,787	(221,787)	0	
Capital assets (Note 8)				
Nondepreciable capital assets	286,506	23,057	309,563	19,207
Depreciable capital assets, net	3,165,416	11,222,847	14,388,263	
Total assets	9,807,829	21,847,394	31,655,223	111,233
Deferred outflows of resources				
Pension:				
Difference between projected and actual earnings on plan investments	687,156	386,941	1,074,097	
Contributions after measurement date	217,265	122,343	339,608	
Total deferred outflows of resources	904,421	509,284	1,413,705	0
Liabilities				
Current liabilities				
Accounts payable	172,865	2,746,032	2,918,897	
Accrued salaries and wages	61,946	20,242	82,188	
Sales tax payable		9,142	9,142	
Accrued interest payable	2,651		2,651	
Unearned revenue	349,516		349,516	
Customer deposits payable		1,866,369	1,866,369	
Compensated absences payable	69,722	24,501	94,223	
Post-employment benefits payable	8,997	4,585	13,582	
Financed purchases payable	42,400	37,809	80,209	
Leases payable	37,081		37,081	
Notes payable		102,271	102,271	
Long-term liabilities (Note 11)				
Compensated absences payable (net of current portion)	121,944	56,951	178,895	
Net pension liability	1,114,437	627,548	1,741,985	
Post-employment benefits payable (net of current portion)	302,377	206,895	509,272	
Financed purchases payable (net of current portion)	86,578	133,384	219,962	
Leases payable (net of current portion)	72,633		72,633	
Notes payable (net of current portion)		1,662,029	1,662,029	
Total liabilities	2,443,147	7,497,758	9,940,905	0
Deferred inflows of resources				
Pension - difference between projected and actual experience	255,853	144,072	399,925	
Pension - difference between projected and actual earnings on plan investments	490,701	276,317	767,018	0
Total deferred inflows of resources	746,554	420,389	1,166,943	0
Net Position				
Net investment in capital assets (Note 15)	3,213,230	9,088,624	12,301,854	
Restricted for:				
Public safety - police	27,625		27,625	
Public works - streets	113,356		113,356	
Recreation	5,670		5,670	
Program purposes	2,114,234		2,114,234	111,233
Unrestricted	2,048,434	5,349,907	7,398,341	
Total net position	$ 7,522,549	$ 14,438,531	$ 21,961,080	$ 111,233

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

City of Sylvania, Georgia
Statement of Activities
For the Year Ended December 31, 2023

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary government								
Governmental activities								
General government	$ 665,529	$ 81,136		$ 379,965	$ (204,428)		$ (204,428)	
Judicial	54,988				(54,988)		(54,988)	
Public safety								
Police	1,244,299	128,936	$ 39,550	80,000	(995,813)		(995,813)	
Fire	725,156			12,761	(712,395)		(712,395)	
Animal control	7,545				(7,545)		(7,545)	
Public works								
Streets	730,730	25,255		451,034	(254,441)		(254,441)	
Garage	174,128				(174,128)		(174,128)	
Health and welfare	105,441	6,405	146,486		47,450		47,450	
Culture and recreation	30,389		5,000	2,925	(22,464)		(22,464)	
Housing and development	129,299	176			(129,123)		(129,123)	
Interest	8,742				(8,742)		(8,742)	
Total governmental activities	3,876,246	241,908	191,036	926,685	(2,516,617)	$ 0	(2,516,617)	
Business-type activities								
Water and sewer	2,198,327	1,392,441		795,482		(10,404)	(10,404)	
Electric utility	22,719,249	24,886,286				2,167,037	2,167,037	
Gas utility	892,476	1,436,726				544,250	544,250	
Solid waste collection	533,993	534,765				772	772	
Total business-type activities	26,344,045	28,250,218	0	795,482	0	2,701,655	2,701,655	
Total primary government	$ 30,220,291	$ 28,492,126	$ 191,036	$ 1,722,167	(2,516,617)	2,701,655	185,038	
Component Unit								
Downtown Development Authority of Sylvania	$ 2,547	$ 15,250						$ 12,703
General Revenues								
Property taxes levied for general government purposes					449,754		449,754	
Local option sales and use taxes					338,051		338,051	
Insurance premium taxes					233,907		233,907	
Alcohol taxes					96,938		96,938	
Hotel-motel taxes					34,056		34,056	
Franchise taxes					35,364		35,364	
Investment earnings (loss)					42,613	204,553	247,166	
Miscellaneous					18,534		18,534	
Total general revenues					1,249,217	204,553	1,453,770	0
Transfers					4,502,916	(4,502,916)	0	
Total general revenues and transfers					5,752,133	(4,298,363)	1,453,770	0
Change in net position					3,235,516	(1,596,708)	1,638,808	12,703
Net position beginning of year, as restated					4,287,033	16,035,239	20,322,272	98,530
Net position end of year					$ 7,522,549	$ 14,438,531	$ 21,961,080	$ 111,233

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

City of Sylvania, Georgia
Balance Sheet
Governmental Funds
December 31, 2023

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 3,550,318			$ 3,550,318
Restricted cash and cash equivalents	33,295	$ 520,933	$ 1,480,499	2,034,727
Receivables:				
Accounts	85,280		91,078	176,358
Property taxes	63,212			63,212
Intergovernmental	6,236			6,236
Notes		251,327		251,327
Other	14,299			14,299
Interfund balances	145,005	43,016	9,940	197,961
Prepaid items	37,643			37,643
Advances to other funds		221,787		221,787
Total assets	$ 3,935,288	$ 1,037,063	$ 1,581,517	$ 6,553,868
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 163,040		$ 9,825	$ 172,865
Accrued expenditures	61,946			61,946
Unearned revenue			349,516	349,516
Interfund balances	52,956		145,005	197,961
Total liabilities	277,942	$ 0	504,346	782,288
Deferred inflows of resources				
Property taxes	41,337			41,337
Total liabilities and deferred inflows of resources	319,279	0	504,346	823,625
Fund balances				
Nonspendable:				
Prepaid items	37,643			37,643
Advances to other funds		221,787		221,787
Notes receivable		251,327		251,327
Restricted for:				
Capital projects	113,356		1,057,745	1,171,101
Public safety	27,625		15,985	43,610
Recreation	5,670			5,670
Housing and development		563,949		563,949
Program purposes			3,441	3,441
Unassigned	3,431,715			3,431,715
Total fund balances	3,616,009	1,037,063	1,077,171	5,730,243
Total liabilities, deferred inflows of resources and fund balances	$ 3,935,288	$ 1,037,063	$ 1,581,517	$ 6,553,868

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

City of Sylvania, Georgia
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2023

Total governmental fund balances		$ 5,730,243
Amounts reported for governmental activities in the statement of net position are different because:		
Property taxes are deferred in the governmental funds because they are not available but they are reported as revenue in the statement of activities		41,337
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 8,883,781	
Less accumulated depreciation	(5,431,859)	3,451,922
The deferred outflows of resources below are not current assets or financial resources and the deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at December 31, 2023, are:		
Deferred outflows		904,421
Deferred inflows		(746,554)
Liabilities, including notes payable, compensated absences and post-employment benefits are not due and payable in the current period and therefore are not reported at the fund financial reporting level, however, these liabilities are reported at the government-wide reporting level:		
Financed purchases liability	(128,978)	
Lease liability	(109,714)	
Accrued interest payable	(2,651)	
Compensated absences payable	(191,666)	
Net pension obligation	(1,114,437)	
Post-employment benefits payable	(311,374)	(1,858,820)
Net position of governmental activities		$ 7,522,549

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

City of Sylvania, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 1,168,824		$ 34,056	$ 1,202,880
Intergovernmental	416,170		698,626	1,114,796
Licenses and permits	74,789			74,789
Charges for services	39,594			39,594
Fines and forfeitures	119,948		7,577	127,525
Investment earnings	29,246	$ 9,926	6,366	45,538
Miscellaneous	18,534			18,534
Total revenues	1,867,105	9,926	746,625	2,623,656
Expenditures				
Current:				
General government				
Legislative	22,590			22,590
Executive - Mayor	8,663			8,663
Executive - Manager	215,841			215,841
Financial administration	501,140			501,140
Elections	2,834			2,834
Purchase/contract services	5,330			5,330
Judicial	53,469			53,469
Public safety:				
Police	1,371,520		3,200	1,374,720
Fire	791,337			791,337
Animal control	7,545			7,545
Public works:				
Streets	785,259			785,259
Garage	205,075			205,075
Health and welfare	105,702			105,702
Culture and recreation	11,799			11,799
Housing and development:				
Economic development and assistance	66,794		21,285	88,079
Planning and development	39,417			39,417
Capital outlays			215,346	215,346
Debt service:				
Principal retirement	81,428			81,428
Interest and fiscal charges	6,262			6,262
Total expenditures	4,282,005	0	239,831	4,521,836
Excess (deficit) of revenues to expenditures	(2,414,900)	9,926	506,794	(1,898,180)
Other financing sources (uses)				
Proceeds from financed purchase contract	55,900			55,900
Proceeds from lease	137,197			137,197
Interfund transfers	4,708,441		(205,525)	4,502,916
Total other financing sources (uses)	4,901,538	0	(205,525)	4,696,013
Net change in fund balances	2,486,638	9,926	301,269	2,797,833
Fund balances beginning of year	1,129,371	1,027,137	775,902	2,932,410
Fund balances end of year	$ 3,616,009	$ 1,037,063	$ 1,077,171	$ 5,730,243

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

City of Sylvania, 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

Net changes in fund balances - total governmental funds		$ 2,797,833
Amounts reported for governmental activities in the statement of activities are different because		
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	$ (259,224)	
Capital outlay	371,164	111,940
Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 12/31/23	41,337	
Deferred at 12/31/22	(56,147)	(14,810)
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability at 12/31/23	(2,651)	
Liability at 12/31/22	171	(2,480)
The issuance of long-term debt (e.g., notes payable, financed purchases) provides current financial resources to the governmental funds, but the receipt of proceeds from long-term debt increases long-term liabilities in the statement of net position.		(55,900)
Repayment of financed purchases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		34,315
Repayment of lease liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		47,113
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability at 12/31/23	(191,666)	
Liability at 12/31/22	194,234	2,568
Net pension liability reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net pension liability		
Balance at 12/31/23	(1,114,437)	
Balance at 12/31/22	1,112,517	(1,920)
Deferred inflows/outflows of resources from pensions		
Balance at 12/31/23	157,867	
Balance at 12/31/22	120,389	278,256
Post-employment benefits reported in the statement of activities do not require the use of current financial resources.		
Liability at 12/31/23	(311,374)	
Liability at 12/31/22	349,975	38,601
Change in net position of governmental activities		$ 3,235,516

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

City of Sylvania, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electricity Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Assets					
Current assets					
Cash and cash equivalents	$ 79,760	$ 1,673,387			$ 1,753,147
Investments		4,951,170			4,951,170
Receivables					
Accounts	34,659	3,418,667	$ 218,472	$ 28,927	3,700,725
Intergovernmental	382,278				382,278
Prepaid insurance	25,485	8,110	2,362		35,957
Total current assets	522,182	10,051,334	220,834	28,927	10,823,277
Noncurrent assets					
Capital assets					
Nondepreciable capital assets	16,550			6,507	23,057
Depreciable capital assets, net	7,617,186	2,481,644	1,114,115	9,902	11,222,847
Total noncurrent assets	7,633,736	2,481,644	1,114,115	16,409	11,245,904
Total assets	8,155,918	12,532,978	1,334,949	45,336	22,069,181
Deferred outflows of resources					
Pension:					
Difference between projected and actual earnings on plan investments	148,568	181,746	56,627		386,941
Contributions after measurement date	46,974	57,465	17,904		122,343
Total deferred outflows of resources	195,542	239,211	74,531	0	509,284
Liabilities					
Current liabilities					
Accounts payable	483,547	2,155,629	63,523	43,333	2,746,032
Accrued payroll	3,699	11,411	5,132		20,242
Sales tax payable		9,142			9,142
Accrued interest payable	0	0			0
Customer deposits payable		1,866,369			1,866,369
Compensated absences payable	8,056	12,980	3,465		24,501
Post employment benefit payable		0	4,585		4,585
Financed purchases payable	8,365	29,444			37,809
Notes payable	102,271				102,271
Total current liabilities	605,938	4,084,975	76,705	43,333	4,810,951
Long-term liabilities (net of current portion):					
Compensated absences payable	35,535	8,653	12,763		56,951
Post-employment benefit payable	80,934	95,333	30,628		206,895
Net pension liability	240,951	294,759	91,838		627,548
Financed purchases payable	10,840	122,544			133,384
Notes payable	1,662,029				1,662,029
Advances from other funds			221,787		221,787
Total long-term liabilities	2,030,289	521,289	357,016	0	2,908,594
Total liabilities	2,636,227	4,606,264	433,721	43,333	7,719,545
Deferred inflows of resources					
Pension:					
Difference between expected and actual experience	55,317	67,671	21,084		144,072
Difference between projected and actual earnings on plan investments	106,093	129,786	40,438		276,317
Total deferred inflows of resources	161,410	197,457	61,522	0	420,389
Net Position					
Net investment in capital assets (Note 15)	5,850,231	2,329,656	892,328	16,409	9,088,624
Unrestricted	(296,408)	5,638,812	21,909	(14,406)	5,349,907
Total net position	$ 5,553,823	$ 7,968,468	$ 914,237	$ 2,003	$ 14,438,531

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

City of Sylvania, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electricity Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Operating revenues					
Charges for services	$ 1,382,528	$ 24,808,232	$ 1,436,726	$ 534,765	$ 28,162,251
Miscellaneous	9,913	78,054			87,967
Total operating revenues	1,392,441	24,886,286	1,436,726	534,765	28,250,218
Operating expenses					
Cost of sales		21,427,317	592,301		22,019,618
Salaries	152,192	388,703	143,215		684,110
Payroll taxes	10,363	28,993	10,929		50,285
Group insurance	29,767	79,378	23,245		132,390
Retirement and other post-employment benefits	(13,670)	(39,612)	(1,135)		(54,417)
Workers' compensation	2,886	5,810	3,156		11,852
Contract labor and services	498,963	24,705	562	526,498	1,050,728
Chemicals	19,347				19,347
Materials and supplies	52,980	278,927	5,726		337,633
Gas, oil, and tires	9,809	22,500	5,503	67	37,879
Uniforms and safety equipment	3,237	3,427	1,257		7,921
Vehicle repairs	5,887	23,342	5,359		34,588
Engineering and consulting	3,251	12,319			15,570
Postage	7,386	4,839	4,844		17,069
Communications	2,087	2,616	2,134		6,837
Insurance	61,304	24,454	6,960		92,718
Public utilities	151,324	12,523	754		164,601
Maintenance and testing	905,336	211,637	43,434		1,160,407
Bad debts	4,005	18,263	(630)		21,638
Other	10,707	12,329	10,640	1,492	35,168
Depreciation	252,722	173,282	30,094	5,936	462,034
Total operating expenses	2,169,883	22,715,752	888,348	533,993	26,307,976
Operating income (loss)	(777,442)	2,170,534	548,378	772	1,942,242
Non-operating revenues (expenses)					
Interest and fiscal charges	(28,444)	(3,497)	(4,128)		(36,069)
Grant proceeds	795,482		0		795,482
Gain on sale of assets			0	0	0
Investment earnings (loss)	612	203,941			204,553
Total non-operating revenues (expenses)	767,650	200,444	(4,128)	0	963,966
Income (loss) before transfers	(9,792)	2,370,978	544,250	772	2,906,208
Interfund transfers	116,891	(4,109,083)	(497,885)	(12,839)	(4,502,916)
Change in net position	107,099	(1,738,105)	46,365	(12,067)	(1,596,708)
Net position beginning of year	5,446,724	9,706,573	867,872	14,070	16,035,239
Net position end of year	$ 5,553,823	$ 7,968,468	$ 914,237	$ 2,003	$ 14,438,531

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

City of Sylvania, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electric Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Cash flows from operating activities					
Cash received from customers	$ 1,448,354	$ 27,188,681	$ 1,707,680	$ 541,369	$ 30,886,084
Cash payments to employees for personal services	(254,507)	(584,756)	(206,750)	0	(1,046,013)
Cash payments for goods and services	(1,725,956)	(23,312,276)	(945,504)	(528,530)	(26,512,266)
Net cash provided by (used for) operating activities	(532,109)	3,291,649	555,426	12,839	3,327,805
Cash flows from noncapital financing activities					
Interfund transfers	116,891	(4,109,083)	(497,885)	(12,839)	(4,502,916)
Cash flows from capital and related financing activities					
Grant proceeds	413,204				413,204
Principal paid on debt	246,649	(30,774)	(53,413)		162,462
Interest paid on debt	(30,922)	(6,561)	(4,128)		(41,611)
Payments for capital acquisitions	(182,393)	(245,165)	0		(427,558)
Net cash provided by (used for) capital and related financing activities	446,538	(282,500)	(57,541)	0	106,497
Cash flows from investing activities					
Investment earnings	612	203,941			204,553
Purchases of investments		(3,460,910)			(3,460,910)
Net cash provided by (used for) investing activities	612	(3,256,969)	0	0	(3,256,357)
Net increase (decrease) in cash and cash equivalents	31,932	(4,356,903)	0	0	(4,324,971)
Cash and cash equivalents beginning of year	47,828	6,030,290			6,078,118
Cash and cash equivalents end of year	$ 79,760	$ 1,673,387	$ 0	$ 0	$ 1,753,147

(continued)

City of Sylvania, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

(continued)

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electric Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Reconciliation of operating income to net cash provided by operating activities					
Operating income (loss)	$ (777,442)	$ 2,170,534	$ 548,378	$ 772	$ 1,942,242
Adjustments:					
Depreciation	252,722	173,282	30,094	5,936	462,034
Increase (decrease) in assets:					
Accounts receivable	55,913	1,115,564	270,954	6,604	1,449,035
Prepaid insurance	(15,151)	256	(127)		(15,022)
Increase (decrease) in liabilities:					
Accounts payable	24,818	(1,229,048)	(266,533)	(473)	(1,471,236)
Accrued payroll	26	142	1,423		1,591
Sales tax payable		(4,286)			(4,286)
Compensated absences payable	2,505	1,021	(2,901)	0	625
Customer deposits		1,186,831			1,186,831
Post-retirement benefit payable	(25,363)	(42,346)	(6,751)	0	(74,460)
Net pension liability	(50,137)	(80,301)	(19,111)		(149,549)
Net cash provided by (used for) operating activities	$ (532,109)	$ 3,291,649	$ 555,426	$ 12,839	$ 3,327,805

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

Note 1 - Reporting Entity

The City of Sylvania, Georgia (the City) was incorporated under the provisions of Georgia law March 1, 1963. 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, water and sewer, sanitation, various administrative services, and electric and gas utilities.

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 organizations, 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 may also 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 columns included on the government-wide financial statements identify the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

A brief description of the discretely presented component unit follows:

Downtown Development Authority of Sylvania (the Authority) - The Authority is a public corporation created in 1983. The primary purposes of the Authority are to promote revitalization and redevelopment of the central business district of the City and to develop trade, commerce, industry and employment opportunities. The City Council appoints all seven board members and assists with the Authority's funding. Separate financial statements are not issued at this time.

Note 2 - 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 of America (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 funds 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.

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.

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Note 2 - Summary of Significant Accounting Policies (continued)

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. The primary government and the component unit are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City and it's discretely presented component unit at year-end.

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 are 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 and enterprise funds are reported in separate columns of the fund statements.

Fund Accounting - The City uses funds to maintain 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 funds 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:

Note 2 - Summary of Significant Accounting Policies (continued)

The 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 Georgia.

The UDAG Fund - The UDAG (Urban Development Action Grant) fund accounts for grant proceeds received in the 1990's that is to be used as a revolving loan fund for development in and around the City of Sylvania.

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. The City's major enterprise funds are as follows:

Water and Sewer Fund - This fund is used to account for the construction of facilities and operation of activities involved in providing water and sewer services.

Electric Utility Fund - This fund is used to account for the construction of facilities and operation of activities involved in providing electric services.

Gas Utility Fund - This fund is used to account for the construction of facilities and operation of activities involved in providing gas services.

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 balance reports the sources (i.e., revenues and other financing resources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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 of 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 and outflows of resources, and in the presentation of expenses versus expenditures.

Note 2 - Summary of Significant Accounting Policies (continued)

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 (Note 7). 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.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

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.

Assets, Liabilities and Fund Equity

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 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

Note 2 - Summary of Significant Accounting Policies (continued)

Receivables
All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges, gas and electric charges and charges for sanitation services are accrued as receivables and revenue at December 31, 2023. The City reports utility receivables net of an allowance for uncollectible accounts.

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

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 non-spendable as this amount is not available for general appropriation.

Capital Assets
General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' 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, water lines and sewer lines. 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. The City has capitalized all infrastructure, including infrastructure acquired prior to the implementation of GASB Statement No. 34. The City's infrastructure includes assets acquired prior to June 30, 1980. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land 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	25-50 Years	40 Years
Land and building improvements	10-25 years	
Machinery and equipment	5-10 years	3-10 Years
Furniture and fixtures	5 years	
Vehicles	5-8 years	3-4 Years
Infrastructure	25-40 years	

Note 2 - Summary of Significant Accounting Policies (continued)

Asset Class	Estimated Useful Lives: Governmental Activities	Estimated Useful Lives: Business-type Activities
Right to use leased equipment	Lesser of 5 years or lease term	
Building and pump stations		40 Years
Sewer collection system		50 Years
Water tank and wells		10-50 Years
Water mains and hydrants		30-50 Years
Meters and regulators		20 Years
Lines, transformers and poles		10-50 Years
Gas mains		50 Years
Other		3-50 Years

At the inception of financed purchase contracts and leasing arrangements, at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments. The cost of assets acquired with the financed purchase contract or lease arrangement is capitalized and depreciated at the fund level for enterprise funds and at the government wide level for governmental activities and business-type activities.

Compensated Absences
Vacation and sick benefits are accrued as a liability as the benefits are earned if the employee's 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. Sick benefits are payable only at retirement on a limited basis.

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 total compensated absence liability at the fund level, if applicable. Governmental funds report 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 these 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. Leases are recognized as a liability in the governmental fund financial statements when due.

Bond Premiums, Discounts and Issuance Costs
On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

Debt issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

Note 2 - Summary of Significant Accounting Policies (continued)

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 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 constraint on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable fund balance - amounts that are not in spendable form (such as prepaid items) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. the City Council). To be reported as committed, amounts cannot be used for any other purposes unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City or by an official or body to which the City Council delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position Flow Assumptions - In order to report net position as a "restricted net position" and an "unrestricted net position" in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use "restricted net position" first before using "unrestricted net position."

Fund Balance Flow Assumptions - It is the City's policy to consider restricted fund balance to have been used before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use the fund balance in the following order: committed, assigned and then unassigned.

Net Position - Net position represents the difference between assets and liabilities. Net position component "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. This net position amount also is adjusted by any bond issuance deferral amounts. The net position is reported as restricted when there are limitations imposed on its 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. The balance of the net position is reported as unrestricted.

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 and sewer, electric, gas and solid waste programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2 - Summary of Significant Accounting Policies (continued)

Contribution 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 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. Repayments 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).

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 funds reported in the business type activities column are eliminated.

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.

Recent accounting Pronouncement Adopted in Current Year
In June 2017, GASB issued Statement No. 87, *Leases* . This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract.

Note 3 - Restatement of Prior Period

During 2023, the City determined that the balance of Downtown Development Authority (a component unity) cash in 2022 was reported incorrectly. The beginning net position of the Downtown Development Authority has been restated to reflect the correction, The effect of this correction was a $67,440 increase in net position.

Note 4 - Stewardship, Compliance and Accountability

Comparative Data
Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

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

The general and special revenue fund's budgets are adopted on a basis consistent with GAAP.

Budgetary Information, 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.

The City Manager may approve budgeted transfers within departments. All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations
Expenditures exceeded appropriations for the year ended December 31, 2023, in the following areas:

General Fund	
Financial administration	969
Police	178,317
Fire	66,763
Streets	106,433
Garage	3,739
Culture and recreation	1,373
Economic development and assistance	8,897
Hotel/Motel Tax Fund	
Interfund transfers	2,646
American Rescue Fund	
Interfund transfers	72,754
Confiscated Assets Fund	
Interfund transfers	2,200

Note 5 - Deposits and Investments

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. As of December 31, 2023, the City was not exposed to custodial credit risk.

Investments - Municipal Competitive Trust - At year end, proprietary fund investments were $4,951,170 which are held by Wells Fargo in the Municipal Competitive Trust. The Municipal Competitive Trust consists of pooled funds from the members of Municipal Electric Authority of Georgia (MEAG) and is invested in United States Government securities held in the name of the Municipal Competitive Trust and allocated to members based on shares of ownership in the trust. Investments are stated at fair values based on quoted market prices. The investments would be classified as uninsured and uncollateralized because the securities are held by Wells Fargo in the name of the Municipal Competitive Trust.

Note 6 - Receivables

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

Note 6 - Receivables (continued)

Receivables and payables 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 in the case of receivables, collectability.

Note 7 - Property Taxes

Property taxes are assessed based upon property values determined by the Screven County Assessor's Office at January 1, 2023. The levy date was August 15, 2023; the tax bills were mailed October 6, 2023; and were due December 20, 2023. The lien date will be June 21, 2024.

Note 8 - Capital Assets

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

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 286,506			$ 286,506
Depreciable capital assets				
Buildings	2,246,190	$ 19,473		2,265,663
Land and building improvements	267,514			267,514
Machinery and equipment	836,256	84,830		921,086
Vehicles	1,280,260	73,796		1,354,056
Furniture and fixtures	98,983			98,983
Infrastructure	3,330,677	193,065		3,523,742
Right to use leased assets	42,835	137,197	$ 13,802	166,230
Total depreciable capital assets	8,102,715	508,361	13,802	8,597,274
Total capital assets	8,389,221	508,361	13,802	8,883,780
Accumulated depreciation:				
Buildings	1,426,313	50,099		1,476,412
Land and building improvements	51,031	8,946		59,977
Machinery and equipment	593,431	42,553		635,984
Vehicles	1,048,198	77,643		1,125,841
Furniture and fixtures	92,309	1,357		93,666
Infrastructure	1,939,206	63,164		2,002,370
Right to use leased assets	35,948	15,462	13,802	37,608
Total accumulated depreciation	5,186,436	259,224	13,802	5,431,858
Governmental activities capital assets, net	$ 3,202,785	$ 249,137	$ 0	$ 3,451,922

Note 8 - Capital Assets (continued)

Governmental activities depreciation expense	
General government	$ 26,193
Judicial	1,519
Public safety - police	93,556
Public safety - fire	32,829
Public works - streets	76,936
Public works - garage	8,258
Recreation	18,590
Housing and development	1,343
Total governmental activities depreciation expense	$ 259,224

Capital asset activity for business-type activities for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Business-type activities:				
Water and sewer fund:				
Capital assets not being depreciated:				
Land and rights	$ 16,550			$ 16,550
Depreciable capital assets:				
Building and pump stations	5,880,589	$ 509,464		6,390,053
Sewer collection system	4,266,060			4,266,060
Water tank and wells	869,178			869,178
Water mains and hydrants	1,292,587			1,292,587
Meters	83,084			83,084
Vehicles	347,537			347,537
Other	787,243	57,466		844,709
Total depreciable capital assets	13,526,278	566,930	$ 0	14,093,208
Total capital assets	13,542,828	566,930	0	14,109,758
Accumulated depreciation:				
Building and pump stations	1,793,104	67,556		1,860,660
Sewer collection system	1,690,123	128,602		1,818,725
Water tank and wells	649,217	11,850		661,067
Water mains and hydrants	926,965	29,574		956,539
Meters	81,782	109		81,891
Vehicles	321,648	8,175		329,823
Other	760,461	6,856		767,317
Total accumulated depreciation	6,223,300	252,722	0	6,476,022
Water and sewer capital assets, net	$ 7,319,528	$ 314,208	$ 0	$ 7,633,736

Note 8 - Capital Assets (continued)

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Electric utility fund:				
Depreciable capital assets:				
Buildings	$ 474,045			$ 474,045
Meters	73,199			73,199
Lines, transformers and poles	3,496,912	$ 245,165		3,742,077
Vehicles	867,881			867,881
Machinery and equipment	415,862			415,862
Total capital assets	5,327,899	245,165	$ 0	5,573,064
Accumulated depreciation:				
Buildings	265,152	9,877		275,029
Meters	73,270			73,270
Lines, transformers and poles	1,579,551	77,625		1,657,176
Vehicles	641,104	56,781		697,885
Machinery and equipment	359,061	28,999		388,060
Total accumulated depreciation	2,918,138	173,282	0	3,091,420
Electric utility capital assets, net	$ 2,409,761	$ 71,883	$ 0	$ 2,481,644
Gas utility fund:				
Depreciable capital assets:				
Buildings	$ 2,509			$ 2,509
Gas mains	1,668,012	$		1,668,012
Meters and regulators	108,600			108,600
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total capital assets	1,910,676	$ 0	$ 0	1,910,676
Accumulated depreciation:				
Buildings	2,224	63		2,287
Gas mains	550,980	27,241		578,221
Meters and regulators	81,708	2,790		84,498
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total accumulated depreciation	766,467	30,094	0	796,561
Gas utility fund capital assets, net	$ 1,144,209	$ (30,094)	$ 0	$ 1,114,115
Solid Waste Collection fund				
Capital assets not being depreciated:				
Land and rights	$ 6,507			$ 6,507
Depreciable capital assets:				
Buildings	11,449			11,449
Vehicles	361,380			361,380
Machinery and equipment	163,592			163,592

Note 8 - Capital Assets (continued)

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Total depreciable capital assets	536,421	$ 0	$ 0	536,421
Total capital assets	542,928	0	0	542,928
Accumulated depreciation:				
Buildings	10,883	382		11,265
Vehicles	361,380			361,380
Machinery and equipment	148,320	5,554		153,874
Total accumulated depreciation	520,583	5,936	0	526,519
Solid waste collection fund capital assets, net	$ 22,345	$ (5,936)	$ 0	$ 16,409

Note 9 - Interfund Balances, Advances and Transfers

Interfund balances represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

General fund payable to the confiscated assets fund for revenues for the confiscated assets fund received into the general fund was $2,650 at December 31, 2023.

General fund payable to the UDAG fund for revenues for the UDAG fund received into the general fund was $43,016 at December 31, 2023.

General fund payable to the Hotel/Motel tax fund for Hotel/Motel taxes received into the general fund but not yet transferred to the Hotel/Motel tax fund was $7,290 at December 31, 2023.

2019 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $145,005 at December 31, 2023.

Advances to/from other funds represent loans made from one fund to another that are expected to be repaid within a time period greater than one year. The only advance outstanding at December 31, 2023, was $221,787 that was loaned from the UDAG fund to the gas utility fund for the construction of a gas line exension. This interfund loan will be repaid as revenues are received from new gas utility customers on the extension.

Interfund transfers for the year ended December 31, 2023, consisted of the following:

The hotel/motel tax fund transferred $12,771 to the general fund pursuant to provisions of state law.
The electric fund transferred $4,329,441 to the general fund to supplement its finances.
The natural gas fund (non-major) transferred $366,228 to the general fund to supplement its finances.
The American Rescue special revenue fund (non-major) transferred $72,754 to the water/sewer fund for the payment of qualified expenditures.
The 2019 SPLOST fund transferred $120,000 to the water and sewer fund for water and sewer capital additions.

Note 10- Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements of the City will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. This separate element, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. The differences between expected and actual experience related to pensions and the contributions made to the pension plan after the measurement date are the only items that qualify for reporting in this category.

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The portion of property taxes, grant revenues, and expense reimbursements from other entities that are not available for use (not received within 60 days subsequent to year end) are reported as deferred inflows of resources in the governmental funds balance sheet. This element is not present in the government-wide statement of net position. The changes in assumptions, the difference between expected and actual experience, and the difference between projected and actual earning on investments related to pensions are the only items that qualify for reporting in this category in the government-wide statement of net position for governmental activities.

Note 11 - Long-Term Liabilities

Governmental Financed Purchase Agreements
The City has entered into financed purchase contracts for vehicles and equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term. Financed purchase contract payments are reflected as debt service expenditures at the governmental fund reporting level. The cost of the assets purchased with the capital lease are capitalized and depreciated over the estimated useful life of the asset. Depreciation expense on capital assets purchased with capital leases is reported as a direct expense in the activity that utilizes the asset.

Financed purchase agreement with USDA requiring annual payments of $7,796. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $12,786 (cost of $84,941, less accumulated depreciation of $72,155). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 7,565	$ 231	$ 7,796

Financed purchase agreement with USDA requiring annual payments of $9,753. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $48,673 (cost of $97,347, less accumulated depreciation of $48,674). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 9,157	$ 596	$ 9,753
2025	9,351	402	9,753
2026	9,546	207	9,753
	$ 28,054	$ 1,205	$ 29,259

Note 11 - Long-Term Liabilities (continued)

Financed purchase agreement with USDA requiring annual payments of $3,386. The vehicle acquired by the contract is included in governmental activities general capital assets in the amount of $17,248 (cost of $34,498, less accumulated depreciation of $17,250). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 3,179	$ 207	$ 3,386
2025	3,247	139	3,386
2026	3,313	73	3,386
	$ 9,739	$ 419	$ 10,158

Financed purchase agreement with Georgia Municipal Association requiring quarterly payments of $3,205. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $45,113 (cost of $62,091, less accumulated depreciation of $16,978). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 12,074	$ 746	$ 12,820
2025	12,466	354	12,820
2026	3,180	25	3,205
	$ 27,720	$ 1,125	$ 28,845

Financed purchase agreement with USDA requiring annual payments of $12,382. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $57,314 (cost of $65,005, less accumulated depreciation of $7,691). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 10,425	$ 1,957	$ 12,382
2025	10,790	1,592	12,382
2026	11,168	1,214	12,382
2027	11,558	824	12,382
2028	11,959	423	12,382
	$ 55,900	$ 6,010	$ 61,910

Business-Type Activities

Financed purchase agreement with Georgia Municipal Association requiring quarterly payments of $2,220. The vehicle acquired by the contract is included in the water and sewer fund capital assets in the amount of $17,714 (cost of $40,877 less accumulated depreciation of $23,163). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Note 11 - Long-Term Liabilities (continued)

Year	Principal	Interest	Total
2024	$ 8,365	$ 517	$ 8,882
2025	8,637	245	8,882
2026	2,203	17	2,220
	$ 19,205	$ 779	$ 19,984

Financed purchase agreement with Georgia Municipal Association requiring quarterly payments of $2,558. The boom mower acquired by the contract is included in the electric utility fund capital assets in the amount of $19,672 (cost of $45,900 less accumulated depreciation of $26,228). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 7,509	$ 165	$ 7,674

Financed purchase agreement with Georgia Municipal Association in semi-annual payments of $13,532. The bucket truck acquired by the contract is included in the electric utility fund capital assets in the amount of $165,212 (cost of $173,473 less accumulated depreciation of $8,261). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this contract as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 21,935	$ 5,130	$ 27,065
2025	22,749	4,314	27,063
2026	23,598	3,466	27,064
2027	24,477	2,587	27,064
2028	25,424	1,640	27,064
2029	26,296	768	27,064
	$ 144,479	$ 17,905	$ 162,384

GEFA 2015 Loan – Contract CWSRF 14-017 - payable to Georgia Environmental Finance Authority in equal monthly installments of $8,624 including interest at 2.03% beginning June 1, 2016 and ending May 1, 2036. The purpose of this loan was to upgrade the sewer system. Annual debt service requirements to amortize the loan outstanding as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 79,572	$ 103,490	$ 183,062
2025	81,202	103,490	184,692
2026	82,866	103,490	186,356
2027	84,564	103,490	188,054
2028	86,297	103,490	189,787
2029-2033	458,744	517,451	976,195
2034-2037	302,968	315,541	618,509
Total	$ 1,176,213	$ 1,350,444	$ 2,526,657

Note 11 - Long-Term Liabilities (continued)

GEFA 2017 Loan – Contract 2016L07WQ - payable to Georgia Environmental Finance Authority in equal monthly installments of $2,264 including interest at 1.90% beginning December 1, 2017, and ending November 1, 2032. The purpose of this loan was to upgrade the sewer system. Annual debt service requirements to amortize the loan outstanding as of December 31, 2023, follow:

Year	Principal	Interest	Total
2024	$ 22,699	$ 4,464	$ 27,163
2025	23,134	4,029	27,163
2026	23,578	3,586	27,164
2027	24,030	3,134	27,164
2028	24,490	2,674	27,164
2029-2033	115,585	6,145	121,730
Total	$ 233,516	$ 24,032	$ 257,548

GEFA 2023 Loan – Contract DW2021008 - This loan is still in the construction phase and is subject to interest-only payments until the project is completed. The applicable interest rate to this contract is .07%. The proceeds of the loan are to be used for water/sewer system infrastructure improvements. Upon completion of project construction, the loan will be paid in equal monthly installments over fifteen years. The ending loan balance upon completion is anticipated to be $488,050. At December 31, 2023, the outstanding loan balance was $355,263.

Leases - The County has entered into various lease agreements for the rights to use various pieces of office equipment. As the arrangements meet the criteria of a lease under GASB Statement No. 87, adopted in the current year (see Note 1 and Note 3), they are required to be recorded as intangible right-to-lease assets and lease liabilities. The right to use assets are amortized over the shorter of the lease terms or the useful life of the underlying assets and the City is not taking ownership of the underlying assets. All of the lease terms are 5 years, The imputed interest rates range from 1.96% to 3.72%, with payments made monthly or quarterly. The following is a schedule of lease payments to maturity as of December 31, 2023:

Year	Principal	Interest	Total
2024	$ 37,081	$ 3,632	$ 40,713
2025	36,749	2,466	41,681
2026	35,884	1,255	37,139
Total	$ 109,714	$ 7,353	$ 119,533

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2023:

Governmental Activities	Outstanding 12/31/2022	Additions	Reductions	Outstanding 12/31/2023	Amounts Due in One Year
Financed purchase contracts	$ 107,393	$ 55,900	$ 34,315	$ 128,978	$ 42,400
Other leases	19,630	137,197	47,113	109,714	37,081
Compensated absences	194,234	104,321	106,889	191,666	69,722
Post-employment benefits	349,975		38,601	311,374	8,997
Net pension liability	1,112,517	1,920		1,114,437	
Total Government-Type Activities	$ 1,783,749	$ 299,338	$ 226,918	$ 1,856,169	$ 158,200

Note 11 - Long-Term Liabilities (continued)

Governmental Activities	Outstanding 12/31/2022	Additions	Reductions	Outstanding 12/31/2023	Amounts Due in One Year
Business-Type Activities					
Notes payable -					
Water and sewer fund	$ 1,509,548	$ 355,263	$ 99,819	$ 1,764,992	
Financed purchase contracts:					
Water and sewer fund	27,307		8,102	19,205	$ 8,365
Electric utility fund	182,762		30,774	151,988	29,444
Compensated absences	80,827	37,495	36,870	81,452	24,501
Post-employment benefits	285,940		74,460	211,480	4,585
Net pension liability	621,002	6,546		627,548	
Total Business-Type Activities	$ 2,707,386	$ 399,304	$ 250,025	$ 2,856,665	$ 66,895

The governmental activities capital lease payable is being financed through future general fund expendable available financial sources as they become due. The business-type activities capital lease payable is financed from income derived from the respective utility funds. Principal and interest payments related to the City's GEFA loans are financed from the income derived from the operation of the water and sewer system.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In 2023, compensated absences were liquidated through the general fund, water and sewer fund, electric utility fund, gas utility fund and solid waste collection fund.

The post-employment benefits liability will be paid from the fund from which the employees' salaries are paid. In 2023, post-employment benefit liabilities were liquidated through the general fund, electric utility fund and solid waste collection fund.

The total interest expense for the year ended December 31, 2023, was $8,742 for governmental-type activities and $36,069 for business-type activities, all of which was charged to operations.

Note 12 - Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description - Prior to July 1, 2017, all full-time city employees were eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and an adoption agreement executed by City Council. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street SW, Atlanta, Georgia, 30303. Employees hired after June 30, 2017, are not eligible to participate in this plan but are eligible for the City's defined contribution plan. See Note 13.

Benefits Provided - GMEBS provides retirement, disability benefits and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with 5 years of total service are eligible to retire at age 55.

Note 12 - Defined Benefit Pension Plan

Employees Covered - At December 31, 2023, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	37
Active employees	30
Total	102

Contributions - The City's employee's participation is noncontributory. The City is subject to minimum standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following the notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The City's contributions to the plan were $452,810 for the year ended December 31, 2023.

Net Pension Liability

The City's net pension liability (NPL) for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of March 31, 2023, using an annual actuarial valuation as of July 1, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	July 1, 2023
Measurement date	March 31, 2023
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 ten 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.
Discount rate	7.375%
Inflation rate	2.25%
Net investment rate of return	7.375%
Projected salary increase	2.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The underlying mortality assumptions and all other 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, through June 30, 2019. Further details of the experience study can be obtained by contacting the Georgia Municipal Association.

Note 12 - Defined Benefit Pension Plan (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
Total	100%	

Changes in Net Pension Liability

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ Asset
Balances as of March 31, 2022	$ 9,364,257	$ 7,630,738	$ 1,733,519
Changes for the year:			
Service cost	70,715		70,715
Interest	677,713		677,713
Differences between expected and actual experience	(799,848)		(799,848)
Contributions - employer		474,526	(474,526)
Net investment income		(514,190)	514,190
Benefit payments	(491,273)	(491,273)	0
Administrative expense		(20,222)	20,222
Net changes	(542,693)	(551,159)	8,466
Balances as of March 31, 2023	$ 8,821,564	$ 7,079,579	$ 1,741,985

Note 12 - Defined Benefit Pension Plan (continued)

Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease	Current Discount Rate	1% Increase
$ 2,753,914	$ 1,741,985	$ 884,922

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the City recognized pension expense of $26,928. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	(399,925)
Pension contributions subsequent to measurement date	339,608	
Net difference between projected and actual earnings on pension plan investments	1,074,097	$ (767,018)
Changes of assumptions		
Total	$ 1,413,705	$ (1,166,943)

$339,608 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31:	
2024	$ (391,300)
2025	(150,087)
2026	233,422
2027	215,119
	$ (92,846)

Note 13 - Defined Contribution Plan

The City has a 457(b) defined contribution plan, established in 2017, which is administered by the Georgia Municipal Association. The City does not contribute to the plan or act in a fiduciary capacity, and individual participants determine investment decisions. The City employees contributed $42,190 in 2023.

For employees hired after June 30, 2017, the City established a 401(a) defined contribution plan which is administered by the Georgia Municipal Association. The City makes a basic contribution to the 401(a) plan in the amount of 3% of qualified compensation. In addition, the City matches participant contributions on a 1:1 ratio up to 2% of compensation. The employee-elected deferrals are deposited in the 457(b) plan, while the City's basic and matching contributions are deposited in the 401(a) plan. Employee and employer contributions to this plan were $22,717 and $27,419, respectively, in 2023.

Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Participants are 100% vested in the 401(a) plan after 5 years of eligible employment. Prior to that date participants are 0% vested (cliff vesting).

Note 14 - Postemployment Benefits Other Than Pensions

Plan Description - The City has established a plan that allows for all full-time city employees that are 62 years old and older with 20 years of service to retire with the City providing health insurance until age 65 through the City's group health insurance plan, which covers both active and retired members. Benefit provisions were established by approval of City Council. The plan is a single-employer defined benefit plan administered by the City and is operated in conjunction with the City's health insurance plan. The plan does not issue a publicly available report.

Funding Policy - The City contributes the full amount of the current-year premiums for eligible retired plan members. The City is financing the postemployment benefits on a pay-as-you-go basis. The City had retired employees affecting 2023. One employee ceased receiving benefits during 2023. For 2023, the City recognized negative benefit expense of $103,477.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	$ (122,554)
Interest on net OPEB obligation	19,077
Annual OPEB cost	(103,477)
Contributions made	9,584
Decrease in net OPEB obligation	(113,061)
Net OPEB obligation, beginning of year	635,915
Net OPEB obligation, end of year	$ 522,854

Methods and Assumptions - The City has under 100 plan members as defined by GASB Statement 75 - *Accounting and Financial Reporting by Employers for Post Employment Benefits other Than Pensions* and, therefore, has elected to use the alternative measurement method allowed by the statement. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, which is consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:
Retirement age for active employees - Based on the historical average retirement age from the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Turnover - Based on historical turnover data for the City, all employees reaching 20 years of employment are assumed to remain employed with the City until age 62.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on actual historical increase for the City. A rate of 12 percent annual increase was used.

Health insurance premiums - January 2024 individual health insurance costs per employee for active employees were used as the basis for calculation of the present value of total benefits to be paid.

Note 14 - Postemployment Benefits Other Than Pensions (continued)

Based on a tax-exempt, high-quality municipal bond rate the City has used a discount rate of 3 percent.

Trend information - The City's annual OPEB cost , the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended	*OPEB Cost*	*OPEB Cost*	*Contribtuion*	*% of ARC*	*OPEB*
12/31/2013	66,778	66,778	9,358	14.01%	324,260
12/31/2014	5,497	5,497	14,875	270.60%	314,882
12/31/2015	179,281	179,281	20,419	11.39%	473,744
12/31/2016	9,319	9,319	19,023	204.13%	464,040
12/31/2017	(62,048)	(62,048)	11,183	-18.02%	390,809
12/31/2018	164,555	164,555	13,922	8.46%	541,442
12/31/2019	(39,404)	(39,404)	23,752	-60.28%	478,286
12/31/2020	53,619	53,619	18,448	34.41%	513,457
12/31/2021	(19,639)	(19,639)	10,798	-54.98%	483,020
12/31/2022	162,479	162,479	9,584	5.90%	635,915
12/31/2023	(103,477)	(103,477)	9,584	-9.26%	522,854

Funded Status and Funding Progress - The funded status and progress of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/2013	0	324,260	0	324,260	699,962	46.33%
12/31/2014	0	314,882	0	314,882	523,052	60.20%
12/31/2015	0	473,744	0	473,744	618,890	76.55%
12/31/2016	0	464,040	0	464,040	817,519	56.76%
12/31/2017	0	390,809	0	390,809	811,436	48.16%
12/31/2018	0	541,442	0	541,442	643,651	84.12%
12/31/2019	0	478,286	0	478,286	661,483	72.31%
12/31/2020	0	513,457	0	513,457	522,266	98.31%
12/31/2022	0	483,020	0	483,020	647,212	74.63%
12/31/2022	0	635,915	0	635,915	748,285	84.98%
12/31/2023	0	522,854	0	522,854	778,654	67.15%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about retirement age, future employment, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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Note 15 - Net Investment in Capital Assets

The "net investment in capital assets" amount as reported on the government-wide statement of net position as of December 31, 2023, is as follows:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 8,883,780	$ 22,136,426
Less accumulated depreciation	5,431,858	10,890,522
Book value	3,451,922	11,245,904
Less capital related debt	238,692	2,157,280
	$ 3,213,230	$ 9,088,624

Note 16 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions; and workers compensation for which the City carries the following insurance coverages.

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 estimating 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.

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Note 17 - MEAG Power Contract

In 1976, the City along with 45 other cities and one county (the Participants), all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia (MEAG), a public corporation and instrumentality of the State of Georgia. Under the terms of the agreement, MEAG agrees to provide, and the Participants are obligated to purchase, all of their bulk power supply requirements for a period not to exceed 50 years. In 2004, the Participants unanimously voted to extend the contract with MEAG an additional 50 years. The Participants have agreed to purchase all their future power and energy requirements in excess of that received by the Participants through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each Participant has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At December 31, 2023, the outstanding debt of MEAG was approximately $10.6 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $97 million at December 31, 2023.

In 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the Trust), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created a fund, the Flexible Operating Trust Account, in which the City participates. This account is available to the City for withdrawal without restriction. This account has a balance of $4,951,170 at December 31, 2023, and is included as a current investment in the electric utility fund.

Note 18 - Contingent Liabilities

Federal and State Grant Audits - The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

Contractual Obligation - The City, through its cooperative participation in MEAG, is contractually obligated to purchase additional energy that will be available from MEAG's additional future ownership in Plant Vogtle. This contractual obligation, based on management's estimates, will not materially affect the City's financial position. Management's estimates are based in part on increased industrial energy sales projected and the City's ability to increase consumer rates to cover energy cost increases.

Because the General Fund of the City relies heavily on the operating profits of the Utility Funds, the general fund financial position would be materially effected, should management's projections not be realized.

At December 31, 2023, the City also had contractual commitments of approximately $900,000 for water and sewer construction projects.

Note 18 - Contingent Liabilities

Economic Dependency - The City's electric utility fund received approximately 65% of its sales revenue from its industrial customers, with approximately 60% of total sales to one customer. Should the gross profit from these industrial customers materially decrease, the City's financial position would be materially affected in the future. Additionally, the City purchases substantially all of the electricity it sells from MEAG and purchases all of the gas it sells from Municipal Gas Authority of Georgia.

Note 19 - Joint Ventures

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 (CRC) and is required to pay annual dues thereto. Membership in a CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a CRC. Separate financial statements may be obtained from CRC, 127 F Street, Brunswick, Georgia 31520.

Note 20 - Related Organizations

The Housing Authority of the City of Sylvania, Georgia (the Housing Authority) is considered a related organization. The Housing Authority is a legally separate entity having a board composed of members appointed primarily by the City of Waynesboro, Georgia. The City appoints one member to the board. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority is a related organization.

Note 21 Subsequent Events

Subsequent events have been evaluated by management through June 21, 2024.

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City of Sylvania, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Original Budget	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	$ 1,032,750	$ 1,032,750	$ 1,168,824	$ 136,074
Intergovernmental	193,000	193,000	416,170	223,170
Licenses and permits	70,830	70,830	74,789	3,959
Charges for services	34,500	34,500	39,594	5,094
Fines and forfeitures	97,000	97,000	119,948	22,948
Investment earnings	5,000	5,000	29,246	24,246
Miscellaneous	21,000	21,000	18,534	(2,466)
Total revenues	1,454,080	1,454,080	1,867,105	413,025
Expenditures				
Current:				
General government:				
Legislative	24,600	24,600	22,590	2,010
Executive - Mayor	9,070	9,070	8,663	407
Executive - Manager	239,750	239,750	215,841	23,909
Financial administration	506,455	506,455	507,424	(969)
Elections	4,500	4,500	2,834	1,666
Purchase/contractual services	8,400	8,400	5,330	3,070
Judicial	66,820	66,820	55,068	11,752
Public safety:				
Police	1,253,600	1,253,600	1,431,917	(178,317)
Fire	729,960	727,960	794,723	(66,763)
Animal control	11,365	11,365	7,545	3,820
Public works:				
Streets	694,850	694,850	801,283	(106,433)
Garage	206,050	206,050	205,075	975
Health and welfare - nutrition program	121,665	121,665	105,702	15,963
Culture and recreation	82,870	82,870	11,799	71,071
Housing and development				
Economic development and assistance	69,000	59,000	66,794	(7,794)
Planning and development	30,000	42,000	39,417	2,583
Total expenditures	4,058,955	4,058,955	4,282,005	(223,050)
Deficit of revenues to expenditures	(2,604,875)	(2,604,875)	(2,414,900)	189,975
Other financing sources				
Proceeds from financed purchase contract	56,000	56,000	55,900	(100)
Proceeds from lease			137,197	137,197
Proceeds from sale of assets	10,000	10,000		(10,000)
Interfund transfers	2,481,875	2,481,875	4,708,441	2,226,566
Total other financing sources	2,547,875	2,547,875	4,901,538	2,353,663
Net change in fund balances	$ (57,000)	$ (57,000)	2,486,638	$ 2,543,638
Fund balances beginning of year			1,129,371	
Fund balances end of year			$ 3,616,009	

See the accompanying notes to the required supplementary information.

City of Sylvania, Georgia
UDAG Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 7,000	$ 9,926	$ 2,926
Expenditures	0	0	0
Net change in fund balance	$ 7,000	9,926	$ 2,926
Fund balances beginning of year		1,027,137	
Fund balances end of year		$ 1,037,063	

Note 1 - Budgetary Information

The City adopts an annual operating budget for the general fund, each special revenue fund, each capital projects fund and the debt service fund.

All budgets are adopted on a basis consistent with GAAP.

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.

The City Manager may approve budget transfers within departments. Any changes to a fund total or departmental appropriation within a fund requires approval of the City Council. During the year, there was one budget revision.

All unexpended annual appropriations lapse at year-end.

On the budgetary basis, debt service expenditures (i.e. $87,690) are budgeted within the functions but are reported as separate character classifications on the GAAP basis. The reconciliation to the Schedule of Revenue, Expenditures and Changes in Fund Balance is as follows:

	Financial Statement	Budgetary Adjustment	Budget
General government - Finance administration			
Judicial	$ 501,140	$ 6,284	$ 507,424
Public safety:	53,469	1,599	55,068
Police	1,371,520	60,397	1,431,917
Fire	791,337	3,386	794,723
Public works - Streets	785,259	16,024	801,283
Debt service:			
Principal	81,428	(81,428)	0
Interest and fiscal charges	6,262	(6,262)	0
	$ 3,590,415	$ 0	$ 3,590,415

City of Sylvania, Georgia
Schedule of Changes in the Net Pension Liability and Related Ratios
Defined Benefit Pension Plan
For the Year Ended December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	$ 70,715	$ 71,172	$ 69,339	$ 82,827	$ 74,159	$ 91,216	$ 89,693	$ 115,252	$ 101,131
Interest	677,713	645,729	613,302	583,328	549,385	474,552	455,175	435,093	396,159
Difference between expected and actual experience	(799,848)	194,757	216,876	(52,471)	197,804	282,358	(43,149)	(52,580)	292,465
Changes in assumptions				360,718					(60,862)
Benefit payments, including refunds of employee contributions	(491,273)	(463,740)	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Other						594,128			
Net change in total pension liability	(542,693)	447,918	439,930	588,670	452,169	1,182,381	258,207	263,992	509,619
Total pension liability - beginning	9,364,257	8,916,339	8,476,409	7,887,739	7,435,570	6,253,189	5,994,982	5,730,990	5,221,371
Total pension liability - ending	$ 8,821,564	$ 9,364,257	$ 8,916,339	$ 8,476,409	$ 7,887,739	$ 7,435,570	$ 6,253,189	$ 5,994,982	$ 5,730,990
Plan fiduciary net position									
Contributions - employer	$ 474,526	$ 484,640	$ 298,910	$ 397,601	$ 337,158	$ 271,675	$ 323,014	$ 303,069	$ 300,670
Net investment income	(514,190)	438,823	2,285,867	(383,172)	191,734	591,131	526,921	11,277	360,329
Benefit payments, including refunds of employee contributions	(491,273)	(463,740)	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Administrative expense	(20,222)	(19,139)	(19,137)	(20,927)	(19,989)	(19,772)	(21,328)	(14,786)	(13,703)
Net change in fiduciary net position	(551,159)	440,584	2,106,053	(392,230)	139,724	583,161	585,095	65,787	428,022
Plan fiduciary net position - beginning	7,630,738	7,190,154	5,084,101	5,476,331	5,336,607	4,753,446	4,168,351	4,102,564	3,674,542
Plan fiduciary net position - ending	$ 7,079,579	$ 7,630,738	$ 7,190,154	$ 5,084,101	$ 5,476,331	$ 5,336,607	$ 4,753,446	$ 4,168,351	$ 4,102,564
Net pension liability - ending	$ 1,741,985	$ 1,733,519	$ 1,726,185	$ 3,392,308	$ 2,411,408	$ 2,098,963	$ 1,499,743	$ 1,826,631	$ 1,628,426
Plan fiduciary net position as a percentage of total pension liability	80.25%	81.49%	80.64%	59.98%	69.43%	71.77%	76.02%	69.53%	71.59%
Covered employee payroll	1,583,683	1,700,853	1,705,482	1,714,629	2,284,018	2,089,977	2,213,025	2,267,939	2,373,473
Net position liability as a percentage of covered-employee payroll	110.00%	101.92%	101.21%	197.85%	105.58%	100.43%	67.77%	80.54%	68.61%

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

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

The City implemented GASB 68 for the fiscal year ended December 31, 2015. In time, this schedule will present the required ten years of data.

City of Sylvania, Georgia
Schedule of Contributions
Defined Benefit Pension Plan
For the Year Ended December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 453,717	$ 427,906	$ 418,066	$ 390,385	$ 287,473	$ 298,350	$ 329,802	$ 294,158
Contributions in relation to actuarially determined contribution	*	$ 489,376	$ 417,086	$ 343,227	$ 390,385 **	$ 287,473 **	$ 325,834 **	$ 303,393 **	$ 319,395 **
Contribution deficiency (excess)	*	$ (35,659)	$ 10,820	$ 74,839	$ 0	$ 0	$ (27,484)	$ 26,409	$ (25,237)
Covered-employee payroll	*	$ 1,700,853	$ 1,705,482	$ 1,714,629	$ 2,284,018 ***	$ 2,089,977 ***	$ 2,213,025 ***	$ 2,267,939 ***	$ 2,373,473 ***
Contributions as a percentage of covered-employee payroll	*	28.77%	24.46%	20.02%	17.09%	13.75%	14.72%	13.38%	13.46%

Notes to Schedule of Contributions

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

** Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of noncompliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

*** Covered payroll is based on data collected as of February 28, of each respective year for the actuarial valuations for the respective years.

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 twelve 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.
Inflation	2.25%
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%
Retirement age	Retirement rates are adjusted to closely reflect actual experience
Mortality rates	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The City implemented GASB 68 for the fiscal year ended December 31, 2015. In time this schedule will present the required ten years of data.

City of Sylvania, Georgia
Schedule of Funding Progress
Postemployment Benefits Other Than Pensions (Health Insurance)
For the Year Ended December 31, 2023

As of the most recent valuation date, December 31, 2023, the funded status of the Plan was as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL/(UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
12/31/2013	0	324,260	324,260	0.00%	699,962	46.33%
12/31/2014	0	314,882	314,882	0.00%	523,052	60.20%
12/31/2015	0	473,744	473,744	0.00%	618,890	76.55%
12/31/2016	0	464,040	464,040	0.00%	817,519	56.76%
12/31/2017	0	390,809	390,809	0.00%	811,436	48.16%
12/31/2018	0	541,442	541,442	0.00%	643,651	84.12%
12/31/2019	0	478,286	478,286	0.00%	661,483	72.31%
12/31/2020	0	513,457	513,457	0.00%	522,266	98.31%
12/31/2021	0	483,020	483,020	0.00%	647,212	74.63%
12/31/2022	0	635,915	635,915	0.00%	748,285	84.98%
12/31/2023	0	522,854	522,854	0.00%	778,654	67.15%

The assumptions used in the preparation of the above schedule are disclosed in Note 14 to the financial statements.

City of Sylvania, Georgia
General Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 3,550,318	$ 1,007,699
Restricted cash and cash equivalents	33,295	28,340
Receivables:		
Accounts	85,280	87,083
Intergovernmental	6,236	
Property taxes	63,212	70,011
Other	14,299	14,648
Interfund balances	145,005	116,304
Prepaid items	37,643	33,114
Total assets	$ 3,935,288	$ 1,357,199
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 163,040	$ 67,248
Accrued expenditures	61,946	58,767
Interfund balances	52,956	45,666
Total liabilities	277,942	171,681
Deferred inflows of resources - property taxes	41,337	56,147
Total liabilities and deferred inflows of resources	319,279	227,828
Fund balances		
Nonspendable - prepaid items	37,643	33,114
Restricted for		
Capital projects	113,356	113,356
Public safety - police	27,625	22,670
Recreation	5,670	5,670
Unassigned	3,431,715	954,561
Total fund balances	3,616,009	1,129,371
Total liabilities, deferred inflows of resources and fund balances	$ 3,935,288	$ 1,357,199

City of Sylvania, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Taxes	$ 1,168,824	$ 1,032,189
Intergovernmental	416,170	286,991
Licenses and permits	74,789	83,166
Charges for services	39,594	31,454
Fines and forfeitures	119,948	86,989
Investment earnings	29,246	17,503
Miscellaneous	18,534	36,063
Total revenues	1,867,105	1,574,355
Expenditures		
Current:		
General government		
Legislative	22,590	23,381
Executive - Mayor	8,663	7,952
Executive - Manager	215,841	222,989
Financial administration	501,140	475,055
Elections	2,834	
Purchase/contract services	5,330	23,129
Judicial	53,469	48,643
Public safety		
Police	1,371,520	1,141,489
Fire	791,337	680,532
Animal control	7,545	5,682
Public works:		
Streets	785,259	640,729
Garage	205,075	201,539
Health and welfare - nutrition program	105,702	124,433
Culture and recreation	11,799	14,243
Housing and development:		
Economic development and assistance	66,794	76,297
Planning and development	39,417	
Debt service:		
Principal retirement	81,428	41,706
Interest and fiscal charges	6,262	4,222
Total expenditures	4,282,005	3,732,021
Deficit of revenues to expenditures	(2,414,900)	(2,157,666)
Other financing sources		
Proceeds from financed purchase contract	55,900	
Proceeds from lease	137,197	
Proceeds from sale of assets		23,996
Interfund transfers	4,708,441	1,620,787
Total other financing sources	4,901,538	1,644,783
Net change in fund balances	2,486,638	(512,883)
Fund balances beginning of year	1,129,371	1,642,254
Fund balances end of year	$ 3,616,009	$ 1,129,371

City of Sylvania, Georgia
UDAG Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 520,933	$ 504,353
Receivables - notes	251,327	204,568
Interfund balances	43,016	43,016
Advances to gas utility fund	221,787	275,200
Total assets	$ 1,037,063	$ 1,027,137
Liabilities and Fund Balances		
Fund Balances		
Nonspendable:		
Advances to gas utility fund	$ 221,787	$ 275,200
Notes receivable	251,327	204,568
Restricted for housing and development	563,949	547,369
Total fund balances	$ 1,037,063	$ 1,027,137

City of Sylvania, Georgia
UDAG Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Investment earnings	$ 9,926	$ 13,440
Expenditures	0	0
Net change in fund balance	9,926	13,440
Fund balances beginning of year	1,027,137	1,013,697
Fund balances end of year	$ 1,037,063	$ 1,027,137

City of Sylvania, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Restricted cash and cash equivalents	$ 366,292	$ 1,114,207	$ 1,480,499
Accounts receivable	2,535	88,543	91,078
Interfund balance	9,940		9,940
Total assets	$ 378,767	$ 1,202,750	$ 1,581,517
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 9,825		$ 9,825
Unearned revenue	349,516		349,516
Interfund balances		$ 145,005	145,005
Total liabilities	359,341	145,005	504,346
Fund Balances			
Restricted for:			
Capital projects		1,057,745	1,057,745
Public safety	15,985		15,985
Program purposes	3,441		3,441
Total fund balances	19,426	1,057,745	1,077,171
Total liabilities and fund balances	$ 378,767	$ 1,202,750	$ 1,581,517

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - By Fund Type
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 34,056		$ 34,056
Intergovernmental	72,754	$ 625,872	698,626
Fines and forfeitures	7,577		7,577
Investment earnings	3,441	2,925	6,366
Total revenues	117,828	628,797	746,625
Expenditures			
Current:			
Public safety - police	3,200		3,200
Housing and development - economic development and assistance	21,285		21,285
Capital outlays		215,346	215,346
Total expenditures	24,485	215,346	239,831
Excess of revenues to expenditures	93,343	413,451	506,794
Other financing uses			
Transfer to:			
General fund	(12,771)		(12,771)
Water and sewer fund	(72,754)	(120,000)	(192,754)
Total other financing uses	(85,525)	(120,000)	(205,525)
Net change in fund balances	7,818	293,451	301,269
Fund balances beginning of year	11,608	764,294	775,902
Fund balances end of year	$ 19,426	$ 1,057,745	$ 1,077,171

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Assets				
Restricted cash and cash equivalents		$ 352,957	$ 13,335	$ 366,292
Accounts receivable	$ 2,535			2,535
Interfund balance	7,290		2,650	9,940
Total assets	$ 9,825	$ 352,957	$ 15,985	$ 378,767
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 9,825			$ 9,825
Unearned revenue		$ 349,516		349,516
Total liabilities	9,825	349,516	$ 0	359,341
Fund Balances				
Restricted for public safety			15,985	15,985
Restricted for program purposes		3,441		3,441
Total fund balances	0	3,441	15,985	19,426
Total liabilities and fund balances	$ 9,825	$ 352,957	$ 15,985	$ 378,767

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	$ 34,056			$ 34,056
Intergovernmental		$ 72,754		72,754
Fines and forfeitures			$ 7,577	7,577
Investment earnings		3,441		3,441
Total revenues	34,056	76,195	7,577	117,828
Expenditures				
Current:				
Public safety - police			3,200	3,200
Housing and development - economic	21,285			21,285
Total expenditures	21,285	0	3,200	24,485
Excess of revenues to expenditures	12,771	76,195	4,377	93,343
Other financing uses				
Interfund transfers to:				
General fund	(12,771)			(12,771)
Water and sewer fund		(72,754)		(72,754)
Total other financing uses	(12,771)	(72,754)	0	(85,525)
Net change in fund balances	0	3,441	4,377	7,818
Fund balances beginning of year		0	11,608	11,608
Fund balances end of year	$ 0	$ 3,441	$ 15,985	$ 19,426

City of Sylvania
Hotel/Motel Tax Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Accounts receivable	$ 2,535	$ 2,348
Interfund balance	7,290	
Total assets	$ 9,825	$ 2,348
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 9,825	$ 2,348

City of Sylvania, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Taxes	$ 27,000	$ 34,056	$ 7,056	$ 29,019
Expenditures				
Current:				
Housing and development	16,875	21,285	4,410	17,629
Excess of revenues to expenditures	10,125	12,771	11,466	11,390
Other financing uses				
Interfund transfers	(10,125)	(12,771)	(2,646)	(11,390)
Net change in fund balance	$ 0	0	$ 8,820	0
Fund balances beginning of year		0		0
Fund balances end of year		$ 0		$ 0

City of Sylvania
American Rescue Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 352,957	$ 425,270
Liabilities and Fund Balances		
Liabilities		
Accounts payable		$ 3,000
Unearned revenue	$ 349,516	422,270
Total liabilities	349,516	425,270
Fund Balances		
Restricted for program purposes	3,441	0
Total liabilities and fund balances	$ 352,957	$ 425,270

City of Sylvania, Georgia
American Rescue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental		$ 72,754	$ 72,754	451,139
Investment earnings		3,441	3,441	1,934
Total revenues	$ 0	76,195	76,195	453,073
Other financing uses				
Interfund transfers		(72,754)	(72,754)	(453,745)
Net change in fund balance		3,441	3,441	(672)
Fund balances beginning of year		0		672
Fund balances end of year		$ 3,441		0

City of Sylvania
Confiscated Assets Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 13,335	$ 8,958
Interfund balance	2,650	2,650
Total assets	$ 15,985	$ 11,608
Liabilities and Fund Balances		
Restricted for public safety	$ 15,985	$ 11,608

City of Sylvania, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fines and forfeitures	$ 1,000	$ 7,577	$ 6,577	3,919
Expenditures				
Current:				
Public safety - police	1,000	3,200	(2,200)	$ 0
Net change in fund balance	$ 0	4,377	$ 4,377	3,919
Fund balances beginning of year		11,608		7,689
Fund balances end of year		$ 15,985		$ 11,608

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023

	2019 SPLOST Fund	2022 TSPLOST Fund	Total Nonmajor Capital Projects Funds
Assets			
Restricted cash and cash equivalents	$ 771,487	$ 342,720	$ 1,114,207
Accounts receivable	57,448	31,095	88,543
Total assets	$ 828,935	$ 373,815	$ 1,202,750
Liabilities and Fund Balances			
Liabilities			
Interfund balance	$ 145,005		$ 145,005
Fund Balances			
Restricted for capital projects	683,930	$ 373,815	1,057,745
Total liabilities and fund balances	$ 828,935	$ 373,815	$ 1,202,750

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023

	2019 SPLOST Fund	TSPLOST Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$ 307,211	$ 318,661	$ 625,872
Investment earnings	2,031	894	2,925
Total revenues	309,242	319,555	628,797
Expenditures			
Capital outlays:			
Public works - streets	97,275		97,275
Public works - streets	93,071	25,000	118,071
Total expenditures	190,346	25,000	215,346
Excess of revenues to expenditures	118,896	294,555	413,451
Other financing uses			
Transfers to water and sewer fund	(120,000)		(120,000)
Net change in fund balances	(1,104)	294,555	293,451
Fund balances beginning of year	685,034	79,260	764,294
Fund balances end of year	$ 683,930	$ 373,815	$ 1,057,745

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 771,487	$ 678,866
Accounts receivable	57,448	41,978
Total assets	$ 828,935	$ 720,844
Liabilities and Fund Balances		
Liabilities		
Interfund balances	$ 145,005	$ 35,810
Fund Balances		
Restricted for capital projects	683,930	685,034
Total liabilities and fund balances	$ 828,935	$ 720,844

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Intergovernmental	$ 307,211	$ 308,462
Investment earnings	2,031	
Total revenues	309,242	308,462
Expenditures		
Capital outlays:		
Public safety - fire	97,275	
Public works - streets	93,071	18,910
Total expenditures	190,346	18,910
Excess of revenues to expenditures	118,896	289,552
Other financing uses		
Transfers to water and sewer fund	(120,000)	(86,900)
Net change in fund balance	(1,104)	202,652
Fund balances beginning of year	685,034	482,382
Fund balances end of year	$ 683,930	$ 685,034

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 0	$ 80,494
Liabilities and Fund Balances		
Liabilities		
Interfund balances	$ 0	$ 80,494
Fund Balances		
Restricted for capital projects	0	0
Total liabilities and fund balances	$ 0	$ 80,494

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Investment earnings		$ 167
Expenditures		
Capital outlays - culture and recreation		79,873
Total expenditures	$ 0	79,873
Net change in fund balance	0	(79,706)
Fund balances beginning of year	0	79,706
Fund balances end of year	$ 0	$ 0

City of Sylvania
TSPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 342,720	$ 49,734
Accounts receivable	31,095	29,526
Total assets	$ 373,815	$ 79,260
Fund Balance		
Restricted for capital projects	373,815	79,260

City of Sylvania
TSPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Intergovernmental	$ 318,661	$ 79,260
Investment earnings	894	
Total revenues	319,555	79,260
Expenditures		
Capital outlays - Public works - streets	25,000	0
Excess of revenues to expenditures	294,555	79,260
Other financing uses		
Transfers to water and sewer fund	0	0
Net change in fund balance	294,555	79,260
Fund balances beginning of year	79,260	0
Fund balances end of year	$ 373,815	$ 79,260

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 79,760	$ 47,828
Receivables:		
Accounts	34,659	90,571
Intergovernmental	382,278	
Prepaid insurance	25,485	10,334
Total current assets	522,182	148,733
Noncurrent assets		
Capital assets		
Nondepreciable capital asset	16,550	16,550
Depreciable capital assets, net	7,617,186	7,302,978
Total noncurrent assets	7,633,736	7,319,528
Total assets	8,155,918	7,468,261
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience		22,694
Difference between projected and actual earnings on plan investments	148,568	57,774
Contributions after measurement date	46,974	48,328
Total deferred outflows of resources	195,542	128,796
Liabilities		
Current liabilities		
Accounts payable	483,547	74,192
Accrued payroll	3,699	3,673
Accrued interest payable		2,478
Compensated absences payable	8,056	8,243
Financed purchases payable	8,365	8,102
Notes payable	102,271	99,820
Total current liabilities	605,938	196,508
Long-term liabilities		
Compensated absences payable (net of current portion)	35,535	32,843
Post-employment benefit payable	80,934	106,297
Net pension liability	240,951	231,865
Financed purchases payable (net of current portion)	10,840	19,205
Notes payable (net of current portion)	1,662,029	1,409,728
Total long-term liabilities	2,030,289	1,799,938
Total liabilities	2,636,227	1,996,446
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	55,317	0
Difference between projected and actual earnings on plan investments	106,093	153,887
Total deferred inflows of resources	161,410	153,887
Net position		
Net investment in capital assets	5,850,231	5,782,673
Unrestricted	(296,408)	(335,949)
Total net position	$ 5,553,823	$ 5,446,724

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenues		
Charges for services	$ 1,382,528	$ 1,353,191
Miscellaneous	9,913	10,481
Total operating revenues	1,392,441	1,363,672
Operating expenses		
Salaries	152,192	140,512
Social security	10,363	10,601
Group insurance	29,767	26,823
Retirement and other post-employment benefits	(13,670)	55,158
Workers' compensation	2,886	7,759
Contract services	498,963	415,902
Chemicals	19,347	13,856
Materials and supplies	52,980	40,548
Gas, oil, and tires	9,809	11,785
Uniforms and safety equipment	3,237	3,157
Vehicle repairs	5,887	6,776
Engineering and consulting	3,251	743
Postage	7,386	4,279
Communications	2,087	2,087
Insurance	61,304	60,513
Public utilities	151,324	166,921
Maintenance and testing	905,336	129,412
Bad debts	4,005	3,646
Other	10,707	3,412
Depreciation	252,722	240,760
Total operating expenses	2,169,883	1,344,650
Operating income	(777,442)	19,022
Non-operating revenues (expenses)		
Interest and fiscal charges	(28,444)	(31,823)
Grant proceeds	795,482	263,503
Investment earnings	612	27
Total non-operating revenues	767,650	231,707
Income (loss) before transfers	(9,792)	250,729
Interfund transfers	116,891	533,931
Change in net position	107,099	784,660
Net position beginning of year	5,446,724	4,662,064
Net position end of year	$ 5,553,823	$ 5,446,724

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 1,673,387	$ 6,030,290
Investments	4,951,170	1,490,260
Accounts receivable	3,418,667	4,534,231
Prepaid insurance	8,110	8,366
Total current assets	10,051,334	12,063,147
Noncurrent assets		
Capital assets:		
Depreciable capital assets, net	2,481,644	2,409,761
Total assets	12,532,978	14,472,908
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience		29,437
Difference between projected and actual earnings on plan investments	181,746	74,941
Contributions after measurement date	57,465	62,689
Total deferred outflows of resources	239,211	167,067
Liabilities		
Current liabilities		
Accounts payable	2,155,629	3,384,677
Accrued payroll	11,411	11,269
Sales tax payable	9,142	13,428
Accrued interest payable		3,064
Customer deposits payable	1,866,369	679,538
Compensated absences payable	12,980	12,367
Post employment benefits payable		11,712
Financed purchases payable	29,444	30,772
Total current liabilities	4,084,975	4,146,827
Long-term liabilities		
Compensated absences payable (net of current portion)	8,653	8,245
Post-employment benefit payable (net of current portion)	95,333	125,967
Net pension liability	294,759	300,760
Financed purchases payable (net of current portion)	122,544	151,990
Total long-term liabilities	521,289	586,962
Total liabilities	4,606,264	4,733,789
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	67,671	
Difference between projected and actual earnings on plan investments	129,786	199,613
Total deferred inflows of resources	197,457	199,613
Net Position		
Net investment in capital assets	2,329,656	2,226,999
Unrestricted	5,638,812	7,479,574
Total net position	$ 7,968,468	$ 9,706,573

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues		
Charges for services	$ 24,808,232	$ 60,120,732
Miscellaneous	78,054	9,603
Total operating revenues	24,886,286	60,130,335
Operating expenses		
Cost of sales	21,427,317	51,222,764
Salaries	388,703	292,210
Social security	28,993	25,525
Group insurance	79,378	52,594
Retirement and other post-employment benefits	(39,612)	105,373
Workers' compensation	5,810	15,811
Contract labor and services	24,705	10,044
Materials and supplies	278,927	132,819
Gas, oil, and tires	22,500	23,895
Uniforms and safety equipment	3,427	2,105
Vehicle repairs	23,342	25,290
Engineering and consulting	12,319	7,000
Postage	4,839	2,023
Communications	2,616	2,883
Insurance	24,454	20,311
Public utilities	12,523	12,096
Maintenance and testing	211,637	274,476
Bad debts	18,263	15,852
Other	12,329	16,831
Depreciation	173,282	144,962
Total operating expenses	22,715,752	52,404,864
Operating income	2,170,534	7,725,471
Non-operating revenues (expenses)		
Interest and fiscal charges	(3,497)	(5,008)
Investment loss	203,941	(29,017)
Total non-operating revenues (expenses)	200,444	(34,025)
Income before transfers	2,370,978	7,691,446
Interfund transfers	(4,109,083)	(1,281,324)
Change in net position	(1,738,105)	6,410,122
Net position beginning of year	9,706,573	3,296,451
Net position end of year	$ 7,968,468	$ 9,706,573

City of Sylvania, Georgia
Gas Utility Fund
Comparative Schedule of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Accounts receivable	$ 218,472	$ 489,426
Prepaid insurance	2,362	2,235
Total current assets	220,834	491,661
Noncurrent assets		
Capital assets		
Depreciable capital assets, net	1,114,115	1,144,209
Total assets	1,334,949	1,635,870
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience		8,650
Difference between projected and actual earnings on plan investments	56,627	22,021
Contributions after measurement date	17,904	18,421
Total deferred outflows of resources	74,531	49,092
Liabilities		
Current liabilities		
Accounts payable	63,523	330,056
Accrued payroll	5,132	3,709
Compensated absences payable	3,465	4,296
Post-employment benefit payable	4,585	2,546
Total current liabilities	76,705	340,607
Long-term liabilities		
Compensated absences payable (net of current portion)	12,763	14,833
Post-employment benefit payable (net of current portion)	30,628	39,418
Net pension liability	91,838	88,377
Advance from UDAG fund	221,787	275,200
Total long-term liabilities	357,016	417,828
Total liabilities	433,721	758,435
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	21,084	
Difference between projected and actual earnings on plan investments	40,438	58,655
Total deferred inflows of resources	61,522	58,655
Net Position		
Net investment in capital assets	892,328	869,009
Unrestricted	21,909	(1,137)
Total net position	$ 914,237	$ 867,872

Gas Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues		
Charges for services	$ 1,436,726	$ 6,266,404
Operating expenses		
Cost of sales	592,301	5,705,659
Salaries	143,215	124,720
Social security	10,929	9,348
Group insurance	23,245	15,991
Retirement and other post-employment benefits	(1,135)	48,737
Workers' compensation	3,156	3,625
Contract services	562	2,761
Materials and supplies	5,726	5,797
Gas, oil, and tires	5,503	5,382
Uniforms and safety equipment	1,257	2,227
Vehicle repairs	5,359	1,672
Postage	4,844	2,041
Communications	2,134	2,496
Insurance	6,960	4,360
Public utilities	754	1,217
Repairs, maintenance and testing	43,434	32,634
Bad debts	(630)	4,355
Other	10,640	3,489
Depreciation	30,094	29,052
Total operating expenses	888,348	6,005,563
Operating income	548,378	260,841
Non-operating revenues (expenses)		
Grant proceeds		59,490
Gain on sale of assets		1,435
Interest expense	(4,128)	
Total non-operating revenues (expenses)	(4,128)	60,925
Income before transfers	544,250	321,766
Interfund transfers	(497,885)	(320,382)
Change in net position	46,365	1,384
Net position beginning of year	867,872	866,488
Net position end of year	$ 914,237	$ 867,872

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Accounts receivable	$ 28,927	$ 35,533
Noncurrent assets		
Capital assets		
Nondepreciable capital assets	6,507	6,507
Depreciable capital assets, net	9,902	15,838
Total noncurrent assets	16,409	22,345
Total assets	45,336	57,878
Liabilities		
Current liabilities		
Accounts payable	43,333	43,806
Net position		
Net investment in capital assets	16,409	22,345
Unrestricted	(14,406)	(8,273)
Total net position	$ 2,003	$ 14,072

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues		
Charges for services	$ 534,765	$ 529,787
Operating expenses		
Social security		
Retirement and other post-employment benefits		(32,134)
Contract services	526,498	539,675
Gas, oil, and tires	67	20
Bad debts	1,492	2,026
Depreciation	5,936	27,486
Total operating expenses	533,993	537,073
Operating income (loss)	772	(7,286)
Non-operating revenues		
Gain on sale of assets	0	6,962
Income (loss) before transfers	772	(324)
Interfund transfers	(12,839)	(977)
Change in net position	(12,067)	(1,301)
Net position beginning of year	14,070	15,373
Net position end of year	$ 2,003	$ 14,072

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2023

In accordance with O.C.G.A. 48-13-51, the City of Sylvania levies a 8% tax on hotel/motel lodging and disburses collected funds to the Screven County Chamber of Commerce and the Sylvania Downtown Development authority to use for the promotion of tourism and transfers up to 3 cents of each 8 cents collected to the general fund.

This schedule provides information on the amount of Hotel/Motel tax cash receipts and the amount of such receipts which were disbursed or contractually committed to be disbursed to the Screven County Chamber of Commerce and the Sylvania Downtown Development Authority.

Revenues and expenditures for the year ended December 31, 2023, were as follows.

	Amount	Amount as a percentage of revenue
Hotel/Motel tax cash receipts	$ 34,056	
Expenditures to:		
Screven County Chamber of Commerce	$ 14,899	
Sylvania Downtown Development Authority	6,386	
Transfers to general fund	12,771	
	$ 34,056	100.00%

City of Sylvania, Georgia
Schedules of Projects Constructed with
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2023

2019 SPLOST	Original Estimated Cost	Revised Estimated Cost	Actual Cost Prior Years	Actual Cost Current Year	Actual Cost Total	Estimated Percentage Complete
Retire GEFA debt			$ 115,327		$ 115,327	
Public safety equipment			104,622		104,622	
Street paving, drainage, sidewalks curbs and gutters			92,625	$ 25,000	117,625	
Downtown capital infrastructure			8,000		8,000	
Retire GEFA debt; street paving, drainage, sidewalks, curbs and gutters; heavy equipment and vehicles; public safety equipment; public parks improvements; downtown capital infrastructure	$ 1,299,978	$ 1,299,978	$ 320,574	$ 25,000	$ 345,574	26.58%

CITY OF SYLVANIA, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
EMPLOYMENT INCENTIVE PROGRAM
PROJECT COST SCHEDULE
GRANT AWARD NUMBER: 22p-x-124-2-6312
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (if applicable)
Water facilities	P-03J-01	$ 142,516			$ 0	NA
Engineering - water facilities	T-03J-01	17,101	$ 12,803	$ 396	13,199	NA
Engineering - sewer facilities	T-03J-02	57,387	43,040		43,040	NA
Sewer facilities	P-03J-02	487,698	285,565	15,030	300,595	NA
Street improvements	P-03K-01	24,833		3,750	3,750	NA
Administration	A-21A-00	46,566	31,044		31,044	NA
		$ 776,101	$ 372,452	$ 19,176	$ 391,628	

CITY OF SYLVANIA, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
EMPLOYMENT INCENTIVE PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
GRANT AWARD NUMBER: 22p-x-124-2-6312
FOR THE YEAR ENDED DECEMBER 31, 2023

Total Fiscal Year 2022 CDBG Funds Awarded to Recipient	$ 776,101
Total Amount Drawdown by Recipient from DCA	372,452
Funds Still Available	$ 403,649
CDBG Funds Expended by Recipient	372,452
Amount of Fiscal Year 2022 CDBG Funds held by Recipient	$ 0

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Programs for the Aging Cluster			
Department of Health and Human Services/Central Savannah River Area Regional Commission through Georgia Department of Human Services			
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	Georgia Department of Human Services, 22-0547	$ 36,843
Nutrition Services Incentive Program	93.053	Georgia Department of Human Services, 22-0547	6,436
Total Programs for the Aging Cluster			**43,279**
Other Programs			
Department of Agriculture			
Community Facilities Loans and Grants	10.766		**105,900**
Environmental Protection Agency			
Drinking Water State Revolving Fund	66.468	Georgia Environmental Finance Authority, DW2021008	**710,526**
Department of Transportation			
Highway Planning and Construction	20.205	Georgia Governors Office of Highway Safety, 2023	**30,000**
Department of Housing and Urban Development			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Georgia Department of Community Affairs,Georgia Community Development Block Grant Program, 22p-x-124-2-6312	**425,328**
Department of the Treasury			
Public Safety and Community Violence Reduction Grant	21.027	Georgia Governors Office of Planning and Budget,GA-0013938	**39,550**
Total expenditures of federal awards			$ **1,354,583**

NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Sylvania, Georgia (the City) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2 - Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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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 Mayor and Council
City of Sylvania, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Sylvania, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Sylvania, Georgia's basic financial statements, and have issued our report thereon dated June 21, 2024.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Sylvania, Georgia's internal control over financial reporting (internal control) as a basis for designing 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 Sylvania, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Sylvania, Georgia's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Sylvania, 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 financial statements. 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.

Caines, Hodges & Company, P.C.

June 21, 2024

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

To the Mayor and City Council
City of Sylvania, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sylvania, Georgia's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Management's Responsibility for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Caines, Hodges & Company, P.C.

June 21, 2024

City of Sylvania, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 1 - Summary of Auditor's Reports

Financial Statements

Type of auditors' report issued			Unmodified
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiencies identified not considered to be material	____ yes	X none reported	
Noncompliance material to financial statements noted?	____ yes	X no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiencies identified not considered to be material	____ yes	X none reported	
Type of auditors' report on compliance for major programs			Unmodified
Any audit findings disclosed that are required to be reported in accordance with Unfirom Guidance?	____ yes	X no	

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
66.468	Environmental Protection Agency/Drinking Water State Revolving Fund

Dollar threshold to distinguish between Type A and Type B programs		$ 750,000
Auditee qualified as low-risk auditee?	____ yes	X no

Section II - Financial Statement Findings
None

Section III - Federal Award Findings and Questioned Costs
None

City of Sylvania, Georgia
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

Auditor Reference Number	Disposition of prior audit findings
No prior year audit findings	