CITY OF SYLVANIA, GEORGIA

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Sylvania, Georgia
Annual Financial Report
For the Year Ended December 31, 2024

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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, 2024, 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, 2024, 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 54-55, the schedule of changes in net pension liability and related ratios and schedule of contributions on pages 51-53, and the schedule of funding progress information for postemployment benefits other than pensions on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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 57 through 89) 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 24, 2025, 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 24, 2025

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, 2024. 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 $29,706,496 (net position) for the calendar year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $14,416,903 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 $2,209,495 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $13,080,098.

- The City's governmental funds reported total ending fund balance of $2,935,549 this year. This compares to the prior year ending fund balance of $5,856,595 showing a decrease of $2,921,046 during the current year. Unassigned general fund balance of $687,569 for calendar year 2024 shows a decrease of $2,744,146 from the prior year balance.

- At the end of the current calendar year, unassigned fund balance for the General Fund was $687,569 or 16% of total General Fund expenditures.

- Overall, the City's financial position has increased by approximately $7,964,501 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 19 & 20 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 21-24 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 25-28 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 29 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 60.

Financial Analysis of the City as a Whole

The City's net position at December 31, 2024, is $29,706,496. The following table provides a summary of the City's net position:

Summary of Net Assets

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	$ 1,669,984	$ 25,240,052	$ 26,910,036	$ 4,099,393	$ 10,823,277	$ 14,922,670
Restricted assets	1,742,222		1,742,222	2,034,727	-	2,034,727
Advances to (from) other funds	169,975	(169,975)	-	221,787	(221,787)	-
Capital assets	4,046,115	12,668,080	16,714,195	3,451,922	11,245,904	14,697,826
Total assets	7,628,296	37,738,157	45,366,453	9,807,829	21,847,394	31,655,223
Deferred outflows of resources - pension	670,132	398,173	1,068,305	904,421	509,284	1,413,705
Liabilities:						
Current liabilities	459,985	11,334,014	11,793,999	745,178	4,810,951	5,556,129
Long-term liabilities	1,238,460	2,480,839	3,719,299	1,697,969	2,686,807	4,384,776
Total liabilities	1,698,445	13,814,853	15,513,298	2,443,147	7,497,758	9,940,905
Deferred inflows of resources - pension	872,355	342,609	1,214,964	746,554	420,389	1,166,943
Net position:						
Net investment in capital assets	3,883,853	10,533,050	14,416,903	3,213,230	9,088,624	12,301,854
Restricted	2,209,495		2,209,495	2,260,885	-	2,260,885
Unrestricted	(365,720)	13,445,818	13,080,098	2,048,434	5,349,907	7,398,341
Total net position	$ 5,727,628	$ 23,978,868	$ 29,706,496	$ 7,522,549	$ 14,438,531	$ 21,961,080

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 3.63 to 1, which is a decrease from 2023 due to a decrease cash and cash equivalents. For business-type activities, the current ratio is 2.23 to 1 which is a decrease from 2023 due to an increase in current liabilities. For the City overall, the current ratio is 2.28 to 1.

The City reported positive balances in net position for governmental and business-type activities. Net position decreased $1,794,921 for governmental activities and increased $9,540,337 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 68% 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 44% of its net position in capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 49% 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

	2024				2023			
	Governmental Activities	**Business-type Activities**	**Total**	**Percentage of Total**	**Governmental Activities**	**Business-type Activities**	**Total**	**Percentage of Total**
Revenues:								
Program:								
Charges for services	$ 221,090	$ 41,508,246	$ 41,729,336	90.5%	$ 241,908	$ 28,250,218	$ 28,492,126	89.4%
Operating grants and other	86,182		86,182	0.2%	191,036	-	191,036	0.6%
Capital grants and other	976,705	1,588,818	2,565,523	5.6%	926,685	795,482	1,722,167	5.4%
General:								
Taxes	1,077,312		1,077,312	2.3%	1,188,070		1,188,070	3.7%
Other	179,313	493,750	673,063	1.5%	61,147	204,553	265,700	0.8%
Total revenues	2,540,602	43,590,814	46,131,416	100%	2,608,846	29,250,253	31,859,099	100%
Program expenses:								
General government	581,062		581,062	1.5%	665,529		665,529	2.2%
Judicial	53,984		53,984	0.1%	54,988		54,988	0.2%
Public safety - fire	616,781		616,781	1.6%	725,156		725,156	2.4%
Public safety - police	1,334,163		1,334,163	3.5%	1,244,299		1,244,299	4.1%
Public safety - animal control	10,121		10,121	0.0%	7,545		7,545	0.0%
Public works - streets	972,817		972,817	2.5%	730,730		730,730	2.4%
Public works - garage	152,691		152,691	0.4%	174,128		174,128	0.6%
Public works - airport infrastructure	-		-				-	
Health and welfare	146,129		146,129	0.4%	105,441		105,441	0.3%
Culture and recreation	31,071		31,071	0.1%	30,389		30,389	0.1%
Housing and development	139,414		139,414	0.4%	129,299		129,299	0.4%
Interest	43,861		43,861	0.1%	8,742		8,742	0.0%
Water and sewer		1,932,273	1,932,273	5.1%		2,198,327	2,198,327	7.3%
Electric		30,778,328	30,778,328	80.6%		22,719,249	22,719,249	75.2%
Gas		783,781	783,781	2.1%		892,476	892,476	3.0%
Solid Waste		590,439	590,439	1.5%		533,993	533,993	1.8%
Total expenses	4,082,094	34,084,821	38,166,915	100%	3,876,246	26,344,045	30,220,291	100%
Excess (deficiency)	(1,541,492)	9,505,993	7,964,501		(1,267,400)	2,906,208	1,638,808	
Transfers	(379,781)	379,781	-		4,502,916	(4,502,916)	-	
Change in net position	(1,921,273)	9,885,774	7,964,501		3,235,516	(1,596,708)	1,638,808	
Beginning net position	7,648,901	14,093,094	21,741,995		$ 4,287,033	16,035,239	20,322,272	
Ending net position	$ 5,727,628	$ 23,978,868	$ 29,706,496		$ 7,522,549	$ 14,438,531	$ 21,961,080	

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 12.4% of the City's total governmental revenues. Local option sales taxes are the second largest revenue source with approximately $364 thousand of revenues or 14.3% of the total. The insurance premium taxes generate $251,495 and $94,727 from alcohol taxes. Also, note that program revenues cover approximately 31% 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 69% 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 33% of the governmental funds budget; the fire function spends about 15% of the governmental funds budget; and the general government function spends about 14% 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	$ 581,062	$ 16,810
Judicial	53,984	53,984
Public safety - fire	616,781	604,020
Public safety - police	1,334,163	1,244,629
Public safety - animal control	10,121	10,121
Public works - streets	972,817	460,943
Public works - garage	152,691	152,691
Health and welfare	146,129	55,597
Cultural and recreation	31,071	16,287
Housing and development	139,414	139,174
Interest	43,861	43,861
Total	$ 4,082,094	$ 2,798,117

After reducing gross expenses by program revenues, the police function totals 45% of the net cost of services and the fire function totals 22% of these costs. Finally, the general government function is 0.6% of net cost of services.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for the utility funds were 47% above 2023 and operating expenses were 29% above 2023. Within the total business type activities of the City, these activities reported $7,461,228 in operating income compared to operating income of $1,942,242 in the prior year, which is an increase of 284% from 2023.

After transfers in and out between other funds and non-operating revenues and expenses, these funds reported an increase in net position of $9,885,774 in 2024 compared to net decrease in net position of $1,596,708 in 2023. Each specific fund reported the following changes in net position:

	2024 Amounts	2023 Amounts
Water and sewer fund	$ 1,256,598	$ 107,099
Electric utility fund	9,060,064	(1,738,105)
Gas utility fund	(417,112)	46,365
Sanitation fund	(13,776)	(12,067)

The water and sewer fund has an operating loss for 2024 of $523,450, which is $253,992 less than the loss recorded in 2023. During 2024, the revenues were $9,226 lower than the prior year. The 2024 expenses also decreased $263,218. This fund transferred $770,889 to the 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 electric utility fund reported an increase in revenues of 55% or $13,748,806. This increase is driven by higher electric usage from a large cryptocurrency customer that expanded operations over the past year. Expenses reported an increase of approximately 35% or approximately $8,058,660. The increase in expenses relates to the increase in electricity usage. The electricity utility transferred approximately $158,869 to other funds.

The gas utility fund operating revenue decreased in calendar year 2024 by approximately $212,965 or 19% and operating expenses decreased approximately $112,846 or 13%. Operating revenues and expenses decreased due to the loss of a large industrial customer and a billing error that was corrected.

The solid waste collection fund operating revenue increased in calendar year 2024 by $65,771 and operating expenses also increased $56,446 or 10.6%.

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 $2,935,549. Of this year-end total, $687,569 is unassigned indicating availability for continuing City service requirements, and $2,247,980 is legally restricted for program purposes.

The total ending fund balances of governmental funds shows a decrease of $2,794,694 compared to an increase of $2,797,833 in the prior year amount. This decrease 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 decreased by approximately $2.7 million. In calendar year 2023, the fund balance increased by approximately $2.49 million.

Overall, general fund revenues were 14% below the 2023 revenues. Intergovernmental decreased $189,562 from 2023 due to grant funding that expired in 2023. Total taxes decreased by $128,070 from calendar 2023. General fund licenses and permits increased slightly when compared to calendar 2023. Fines and forfeitures decreased $26,223 from calendar 2023 due to a decrease in citations. Investment earnings increased by $81,550 or 278% from the prior year.

On the expenditure side, the 2024 expenditures increased $96,905 above the 2023 amount. The police and fire functions decreased by $268,303 when compared to 2023. The street function's expenditures increased by $360,959 or 46% when compared to 2023 due to natural disaster clean up and capital outlay projects.

The General Fund's ending fund balance decreased by $2,739,089 or 76%, and represents the equivalent of 20% 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 101% of the final revenue budget. Intergovernmental revenues were slightly above budgeted amounts for the year. License and permit revenues exceeded budgeted projections. Investment earnings were also higher than the budget due to higher interest rates.

The City spent 96% 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, 2024, was $3,759,609 and $12,645,023 respectively. This represents a 9% increase in net investment for governmental-type and a 12% increase for business-type activities. The overall increase was approximately 11.6% for the City as a whole. See Note 8 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	
	2024	2023	2024	2023	2024	2023
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	2,265,663			2,265,663	2,265,663
Land and building improvements	282,514	267,514			282,514	267,514
Machinery and equipment	1,000,972	921,086			1,000,972	921,086
Vehicles	1,381,826	1,354,056			1,381,826	1,354,056
Furniture and fixtures	98,983	98,983			98,983	98,983
Infrastructure	4,200,769	3,523,742			4,200,769	3,523,742
Rights to use leased asset	166,230	166,230			166,230	166,230
Water system			15,772,217	14,093,208	15,772,217	14,093,208
Electric system			5,561,568	5,573,064	5,561,568	5,573,064
Gas system			1,894,815	1,910,676	1,894,815	1,910,676
Solid waste operations			536,421	536,421	536,421	536,421
Total depreciable assets	9,396,957	8,597,274	23,765,021	22,113,369	33,161,978	30,710,643
Less accumulated depreciation	5,637,348	5,431,858	11,119,998	10,890,522	16,757,346	16,322,380
Book value - depreciable assets	3,759,609	3,165,416	12,645,023	11,222,847	16,404,632	14,388,263
Percentage depreciated	60%	63%	47%	49%	51%	53%
Book value - all assets	$ 4,046,115	$ 3,451,922	$ 12,668,080	$ 11,245,904	$ 16,714,195	$ 14,697,826

At December 31, 2024, the depreciable capital assets for governmental activities were 60% depreciated compared to 63% at December 31, 2023.

With the City's business type activities, 47% of the asset values were depreciated at December 31, 2024, compared to 49% at December 31, 2023.

Long-term Debt

At the end of the calendar year, the City had capital lease obligations outstanding of $89,630 for governmental activities and $175,980 outstanding for business-type activities. The business-type activities also owed $1,789,075 in GEFA notes payable.

During the year, the City retired $186,704 of outstanding capital lease obligations and GEFA notes payable. They incurred $176,226 in new capital lease obligations.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		%
	2024	2023	2024	2023	2024	2023	Change
Capital leases	$ 89,630	$ 128,978	$ 175,980	$ 171,193	$ 265,610	$ 300,171	-12%
Notes	-	-	1,789,075	1,764,992	1,789,075	1,764,992	1%
Total	$ 89,630	$ 128,978	$ 1,965,055	$ 1,936,185	$ 2,054,685	$ 2,065,163	-1%

See Note 11 for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City of Sylvania is located in the southeastern region of Georgia, strategically positioned between Augusta and the Port of Savannah. As of the 2020 Decennial Census, the City's population was 2,634. Sylvania serves as the county seat of Screven County. In 2024, the U.S. Census reported the County's median household income at $53,017. The 2024 unemployment rate in Screven County was 3.8%, just slightly higher than the statewide rate of 3.6%.

The City's operating revenue is primarily derived from property and sales taxes. Sales taxes, as an elastic revenue source, are highly sensitive to economic fluctuations—declining quickly in downturns. In contrast, property taxes tend to be more stable and inelastic in the short term. This balanced revenue mix has enabled the City to maintain financial stability, even during periods of economic slowdown.

The City also operates its own electric utility, with approximately 94% of power sales going to industrial customers—91% of which are attributable to two users. In 2020, the City retired a long-standing debt with MEAG Power, resulting in substantial interest savings and allowing the City to begin building reserves to buffer against potential downturns in the energy market. In recent years, the rise of crypto-currency operations has contributed to an increase in electric utility revenues and reserves.

According to the U.S. Census, Screven County's per capita income in 2023 was $29,121. This measure—based on total personal income from all sources—serves as an indicator of consumer market quality and the overall economic health of the community.

On the economic development front, the City is actively pursuing funding opportunities to replace aging infrastructure and enhance public utilities. In 2022, Sylvania received a $750,000 Community Development Block Grant to upgrade sewer lines. Through 2024, the City has leveraged American Rescue Plan funds to address additional water and sewer needs. In 2024, an additional $1 million was awarded for continued sewer improvements.

In 2023, Sylvania's downtown was designated as a Georgia Rural Zone by the Department of Community Affairs. This designation enables investors to access state tax credits for qualifying projects, incentivizing revitalization and private investment. The City also completed a federally funded natural gas expansion in 2021, connecting Claxton Poultry in the industrial park.

To support small business development and attract new enterprises, the City and its Downtown Development Authority have implemented a robust incentive program. This includes tax abatements and waived fees for qualifying businesses that establish or expand within City limits.

In 2024, Sylvania secured over $12 million in funding from the Governor's Office of Planning and Budget to upgrade its wastewater treatment facility—an essential investment in public health, environmental sustainability, and long-term growth capacity.

Sylvania continues to see job growth in sectors such as professional services, scientific research, management, and administrative support. These emerging industries, combined with targeted infrastructure improvements and business incentives, are helping to shape a more resilient and diverse local economy.

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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	$ 5,835,495	$ 8,096,413	$ 13,931,908	$ 77,406
Investments		6,351,519	6,351,519	
Receivables				
Accounts	191,058	5,138,331	5,329,389	
Property taxes	74,308		74,308	
Intergovernmental	309,442	611,625	921,067	
Notes	205,169		205,169	
Other	16,027		16,027	
Prepaid items	38,485	42,164	80,649	
Internal balances	(5,000,000)	5,000,000	0	
Restricted assets - Cash	1,742,222		1,742,222	
Advances to (from) other funds	169,975	(169,975)	0	
Capital assets (Note 8)				
Nondepreciable capital assets	286,506	23,057	309,563	19,207
Depreciable capital assets, net	3,759,609	12,645,023	16,404,632	18,445
Total assets	7,628,296	37,738,157	45,366,453	115,058
Deferred outflows of resources				
Pension:				
Difference between expected and actual experience	61,153	36,336	97,489	
Difference between projected and actual earnings on plan investments	427,785	254,178	681,963	
Contributions after measurement date	181,194	107,659	288,853	
Total deferred outflows of resources	670,132	398,173	1,068,305	0
Liabilities				
Current liabilities				
Accounts payable	130,562	3,496,926	3,627,488	
Accrued salaries and wages	77,801	24,642	102,443	
Sales tax payable		133,553	133,553	
Accrued interest payable	2,028		2,028	
Unearned revenue	91,148		91,148	
Customer deposits payable		3,051,218	3,051,218	
Compensated absences payable	82,111	28,034	110,145	
Post-employment benefits payable	3,732	8,958	12,690	
Financed purchases payable	35,854	47,158	83,012	
Leases payable	36,749		36,749	
Notes payable		104,336	104,336	
Unearned revenue		4,439,189	4,439,189	
Long-term liabilities (Note 11)				
Compensated absences payable (net of current portion)	136,687	55,584	192,271	
Net pension liability	690,993	410,569	1,101,562	
Post-employment benefits payable (net of current portion)	321,121	201,125	522,246	
Financed purchases payable (net of current portion)	53,776	128,822	182,598	
Leases payable (net of current portion)	35,883		35,883	
Notes payable (net of current portion)		1,684,739	1,684,739	
Total liabilities	1,698,445	13,814,853	15,513,298	0
Deferred inflows of resources				
Intergovernmental	295,739		295,739	
Pension - difference between projected and actual earnings on plan investments	576,616	342,609	919,225	0
Total deferred inflows of resources	872,355	342,609	1,214,964	0
Net Position				
Net investment in capital assets (Note 15)	3,883,853	10,533,050	14,416,903	
Restricted for:				
Public safety - police	31,840		31,840	
Public works - streets	113,356		113,356	
Recreation	5,670		5,670	
Program purposes	2,058,629		2,058,629	115,058
Unrestricted	(365,720)	13,445,818	13,080,098	
Total net position	$ 5,727,628	$ 23,978,868	$ 29,706,496	$ 115,058

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

City of Sylvania, Georgia
Statement of Activities
For the Year Ended December 31, 2024

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	$ 581,062	$ 88,765		$ 475,487	$ (16,810)		$ (16,810)	
Judicial	53,984				(53,984)		(53,984)	
Public safety								
Police	1,334,163	102,295		(12,761)	(1,244,629)		(1,244,629)	
Fire	616,781			12,761	(604,020)		(604,020)	
Animal control	10,121				(10,121)		(10,121)	
Public works								
Streets	972,817	25,440		486,434	(460,943)		(460,943)	
Garage	152,691				(152,691)		(152,691)	
Health and welfare	146,129	4,350	$ 86,182		(55,597)		(55,597)	
Culture and recreation	31,071			14,784	(16,287)		(16,287)	
Housing and development	139,414	240			(139,174)		(139,174)	
Interest	43,861				(43,861)		(43,861)	
Total governmental activities	4,082,094	221,090	86,182	976,705	(2,798,117)	$ 0	(2,798,117)	
Business-type activities								
Water and sewer	1,932,273	1,383,215		1,032,165		483,107	483,107	
Electric utility	30,778,328	38,635,092		556,653		8,413,417	8,413,417	
Gas utility	783,781	889,403				105,622	105,622	
Solid waste collection	590,439	600,536				10,097	10,097	
Total business-type activities	34,084,821	41,508,246	0	1,588,818	0	9,012,243	9,012,243	
Total primary government	$ 38,166,915	$ 41,729,336	$ 86,182	$ 2,565,523	(2,798,117)	9,012,243	6,214,126	
Component Unit								
Downtown Development Authority of Sylvania	$ 3,647	$ 7,472						$ 3,825
		General Revenues						
		Property taxes levied for general government purposes			315,471		315,471	
		Local option sales and use taxes			363,937		363,937	
		Insurance premium taxes			251,495		251,495	
		Alcohol taxes			94,727		94,727	
		Hotel-motel taxes			26,512		26,512	
		Franchise taxes			25,170		25,170	
		Investment earnings (loss)			146,950	488,705	635,655	
		Gain on sale of capital assets			15,374		15,374	
		Miscellaneous			16,989	5,045	22,034	
		Total general revenues			1,256,625	493,750	1,750,375	0
		Transfers			(379,781)	379,781	0	
		Total general revenues and transfers			876,844	873,531	1,750,375	0
		Change in net position			(1,921,273)	9,885,774	7,964,501	3,825
		Net position beginning of year, as restated			7,648,901	14,093,094	21,741,995	111,233
		Net position end of year			$ 5,727,628	$ 23,978,868	$ 29,706,496	$ 115,058

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

City of Sylvania, Georgia
Balance Sheet
Governmental Funds
December 31, 2024

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 5,835,495			$ 5,835,495
Restricted cash and cash equivalents	37,510	$ 694,000	$ 1,010,712	1,742,222
Receivables:				
Accounts	62,434		128,624	191,058
Property taxes	74,308			74,308
Intergovernmental	309,442			309,442
Notes		205,169		205,169
Other	16,027			16,027
Interfund balances	2,136		1,100	3,236
Prepaid items	38,485			38,485
Advances to other funds		169,975		169,975
Total assets	$ 6,375,837	$ 1,069,144	$ 1,140,436	$ 8,585,417
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 106,819		$ 23,743	$ 130,562
Accrued expenditures	77,801			77,801
Unearned revenue			91,148	91,148
Interfund balances	5,001,100		2,136	5,003,236
Total liabilities	5,185,720	$ 0	117,027	5,302,747
Deferred inflows of resources				
Intergovernmental	261,815		33,924	295,739
Property taxes	51,382			51,382
Total deferred inflows of resources	313,197	0	33,924	347,121
Total liabilities and deferred inflows of resources	5,498,917	0	150,951	5,649,868
Fund balances				
Nonspendable:				
Prepaid items	38,485			38,485
Advances to other funds		169,975		169,975
Restricted for:				
Capital projects	113,356		965,667	1,079,023
Public safety	31,840		23,818	55,658
Recreation	5,670			5,670
Housing and development		899,169		899,169
Unassigned	687,569			687,569
Total fund balances	876,920	1,069,144	989,485	2,935,549
Total liabilities, deferred inflows of resources and fund balances	$ 6,375,837	$ 1,069,144	$ 1,140,436	$ 8,585,417

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, 2024

Total governmental fund balances		$ 2,935,549
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		51,382
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	$ 9,654,431	
Less accumulated depreciation	(5,608,316)	4,046,115
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, 2024, are:		
Deferred outflows		670,132
Deferred inflows		(576,616)
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	(89,630)	
Lease liability	(72,632)	
Accrued interest payable	(2,028)	
Compensated absences payable	(218,798)	
Net pension obligation	(690,993)	
Post-employment benefits payable	(324,853)	(1,398,934)
Net position of governmental activities		$ 5,727,628

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, 2024

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 1,040,754		$ 26,512	$ 1,067,266
Intergovernmental	226,608		821,496	1,048,104
Licenses and permits	80,789			80,789
Charges for services	38,743			38,743
Fines and forfeitures	93,725		7,833	101,558
Investment earnings	110,801	$ 32,081	18,852	161,734
Miscellaneous	16,989			16,989
Total revenues	1,608,409	32,081	874,693	2,515,183
Expenditures				
Current:				
General government				
Legislative	34,740			34,740
Executive - Mayor	10,411			10,411
Executive - Manager	194,103			194,103
Financial administration	472,004			472,004
Purchase/contract services	3,424			3,424
Judicial	55,565			55,565
Public safety:				
Police	1,128,837			1,128,837
Fire	765,717			765,717
Animal control	9,850			9,850
Public works:				
Streets	1,146,218			1,146,218
Garage	196,596			196,596
Health and welfare	145,273			145,273
Culture and recreation	12,481			12,481
Housing and development:				
Economic development and assistance	41,350		16,570	57,920
Planning and development	78,509			78,509
Capital outlays			676,342	676,342
Debt service:				
Principal retirement	80,014			80,014
Interest and fiscal charges	3,818			3,818
Total expenditures	4,378,910	0	692,912	5,071,822
Excess (deficit) of revenues to expenditures	(2,770,501)	32,081	181,781	(2,556,639)
Other financing sources (uses)				
Proceeds from sale of assets	15,374			15,374
Interfund transfers	16,038		(395,819)	(379,781)
Total other financing sources (uses)	31,412	0	(395,819)	(364,407)
Net change in fund balances	(2,739,089)	32,081	(214,038)	(2,921,046)
Fund balances beginning of year, as restated	3,616,009	1,037,063	1,203,523	5,856,595
Fund balances end of year	$ 876,920	$ 1,069,144	$ 989,485	$ 2,935,549

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, 2024

Net changes in fund balances - total governmental funds		$ (2,921,046)
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	$ (317,087)	
Capital outlay	911,280	594,193
Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 12/31/24	51,382	
Deferred at 12/31/23	(41,337)	10,045
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 12/31/24	(2,028)	
Liability at 12/31/23	2,651	623
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.		39,348
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.		37,082
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 12/31/24	(218,798)	
Liability at 12/31/23	191,666	(27,132)
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 12/31/24	(690,993)	
Balance at 12/31/23	1,114,437	423,444
Deferred inflows/outflows of resources from pensions		
Balance at 12/31/24	93,516	
Balance at 12/31/23	(157,867)	(64,351)
Post-employment benefits reported in the statement of activities do not require the use of current financial resources.		
Liability at 12/31/24	(324,853)	
Liability at 12/31/23	311,374	(13,479)
Change in net position of governmental activities		$ (1,921,273)

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

City of Sylvania, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2024

	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	$ 53,339	$ 8,043,074			$ 8,096,413
Investments		6,351,519			6,351,519
Receivables					
Accounts	57,139	4,847,689	$ 209,688	$ 23,815	5,138,331
Intergovernmental	54,972	556,653			611,625
Interfund balance	4,052	5,018,747			5,022,799
Prepaid insurance	32,249	7,656	2,259		42,164
Total current assets	201,751	24,825,338	211,947	23,815	25,262,851
Noncurrent assets					
Capital assets					
Nondepreciable capital assets	16,550			6,507	23,057
Depreciable capital assets, net	9,177,730	2,371,517	1,091,612	4,164	12,645,023
Total noncurrent assets	9,194,280	2,371,517	1,091,612	10,671	12,668,080
Total assets	9,396,031	27,196,855	1,303,559	34,486	37,930,931
Deferred outflows of resources					
Pension:					
Difference between expected and actual experience	15,202	17,160	3,974		36,336
Difference between projected and actual earnings on plan investments	106,338	120,040	27,800		254,178
Contributions after measurement date	45,040	50,844	11,775		107,659
Total deferred outflows of resources	166,580	188,044	43,549	0	398,173
Liabilities					
Current liabilities					
Accounts payable	499,332	2,789,081	162,253	46,260	3,496,926
Accrued payroll	6,643	12,917	5,082		24,642
Sales tax payable		133,553			133,553
Accrued interest payable					0
Customer deposits payable		3,051,218			3,051,218
Compensated absences payable	10,256	14,101	3,677		28,034
Post employment benefit payable	2,986	2,986	2,986		8,958
Financed purchases payable	8,637	38,521			47,158
Notes payable	104,336				104,336
Interfund balance	7,346		15,453		22,799
Unearned revenue		3,729,811	709,378		4,439,189
Total current liabilities	639,536	9,772,188	898,829	46,260	11,356,813
Long-term liabilities (net of current portion):					
Compensated absences payable	30,523	9,400	15,661		55,584
Post-employment benefit payable	80,089	92,459	28,577		201,125
Net pension liability	171,766	193,898	44,905		410,569
Financed purchases payable	2,203	126,619			128,822
Notes payable	1,684,739				1,684,739
Advances from other funds			169,975		169,975
Total long-term liabilities	1,969,320	422,376	259,118	0	2,650,814
Total liabilities	2,608,856	10,194,564	1,157,947	46,260	14,007,627
Deferred inflows of resources					
Pension - Difference between projected and actual earnings on plan investments	143,334	161,803	37,472		342,609
Net Position					
Net investment in capital assets (Note 15)	7,394,365	2,206,377	921,637	10,671	10,533,050
Unrestricted	(583,944)	14,822,155	(769,948)	(22,445)	13,445,818
Total net position	$ 6,810,421	$ 17,028,532	$ 151,689	$ (11,774)	$ 23,978,868

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, 2024

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electricity Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Operating revenues					
Charges for services	$ 1,365,383	$ 38,601,173	$ 889,403	$ 600,536	$ 41,456,495
Miscellaneous	17,832	33,919			51,751
Total operating revenues	1,383,215	38,635,092	889,403	600,536	41,508,246
Operating expenses					
Cost of sales		28,981,074	439,227		29,420,301
Salaries	180,132	431,855	145,102		757,089
Payroll taxes	13,405	33,452	9,492		56,349
Group insurance	27,317	58,407	16,160		101,884
Retirement and other post-employment benefits	(11,116)	(25,825)	(30,854)		(67,795)
Workers' compensation	7,938	13,231	90,000		111,169
Contract labor and services	454,931	276,063	2,248	580,770	1,314,012
Chemicals	24,655				24,655
Materials and supplies	76,421	504,137	15,682		596,240
Gas, oil, and tires	10,621	25,498	4,150		40,269
Uniforms and safety equipment	3,347	2,773	80		6,200
Vehicle repairs	24,289	35,748	8,045		68,082
Engineering and consulting	0	2,094			2,094
Postage	6,880	4,700	4,710	383	16,673
Communications	2,744	3,707	2,284		8,735
Insurance	80,895	24,749	7,063		112,707
Public utilities	130,029	12,293	794		143,116
Maintenance and testing	576,138	204,077	9,010		789,225
Bad debts	831	718	(2,276)		(727)
Other	7,110	19,030	24,422	3,548	54,110
Depreciation	290,098	166,631	30,163	5,738	492,630
Total operating expenses	1,906,665	30,774,412	775,502	590,439	34,047,018
Operating income (loss)	(523,450)	7,860,680	113,901	10,097	7,461,228
Non-operating revenues (expenses)					
Interest and fiscal charges	(25,608)	(3,916)	(8,279)		(37,803)
Grant proceeds	1,032,165	556,653			1,588,818
Gain on sale of assets		1,675	3,370		5,045
Investment earnings	2,602	486,103			488,705
Total non-operating revenues (expenses)	1,009,159	1,040,515	(4,909)		2,044,765
Income before transfers	485,709	8,901,195	108,992	10,097	9,505,993
Interfund transfers	770,889	158,869	(526,104)	(23,873)	379,781
Change in net position	1,256,598	9,060,064	(417,112)	(13,776)	9,885,774
Net position beginning of year, as restated	5,553,823	7,968,468	568,801	2,002	14,093,094
Net position end of year	$ 6,810,421	$ 17,028,532	$ 151,689	$ (11,774)	$ 23,978,868

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, 2024

	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	$ 1,360,735	$ 42,120,730	$ 1,262,128	$ 605,647	$ 45,349,240
Cash payments to employees for personal services	(273,702)	(592,982)	(270,491)		(1,137,175)
Cash payments for goods and services	(1,000,855)	(29,338,344)	(416,605)	(581,774)	(31,337,578)
Net cash provided by operating activities	86,178	12,189,404	575,032	23,873	12,874,487
Cash flows from noncapital financing activities					
Grant proceeds	471,087				471,087
Interfund balances	3,294	(5,018,747)			(5,015,453)
Interfund transfers	650,889	158,869	(526,104)	(23,873)	259,781
Net cash provided by (used for) noncapital financing activities	1,125,270	(4,859,878)	(526,104)	(23,873)	(4,284,585)
Cash flows from capital and related financing activities					
Transfers from SPLOST Capital Projects Fund	120,000				120,000
Grant proceeds	888,384				888,384
Proceeds from debt issuance	128,074	48,844			176,918
Principal paid on debt	(111,664)	(35,692)	(36,359)		(183,715)
Interest paid on debt	(25,608)	(3,916)	(8,279)		(37,803)
Payments for capital acquisitions	(2,239,657)	(56,504)	0		(2,296,161)
Net cash used for capital and related financing activities	(1,240,471)	(47,268)	(44,638)	0	(1,332,377)
Cash flows from investing activities					
Investment earnings	2,602	486,103			488,705
Purchases of investments		(1,400,349)	(7,660)		(1,408,009)
Proceeds from sale of assets		1,675	3,370		5,045
Net cash provided by (used for) investing activities	2,602	(912,571)	(4,290)	0	(914,259)
Net increase (decrease) in cash and cash equivalents	(26,421)	6,369,687	0	0	6,343,266
Cash and cash equivalents beginning of year	79,760	1,673,387			1,753,147
Cash and cash equivalents end of year	$ 53,339	$ 8,043,074	$ 0	$ 0	$ 8,096,413

(continued)

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, 2024

(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)	$ (523,450)	$ 7,860,680	$ 113,901	$ 10,097	$ 7,461,228
Adjustments:					
Depreciation	290,098	166,631	30,163	5,738	492,630
Increase (decrease) in assets:					
Accounts receivable	(22,480)	(1,429,022)	8,784	5,111	(1,437,607)
Prepaid insurance	(6,764)	454	103		(6,207)
Increase (decrease) in liabilities:					
Accounts payable	404,800	633,452	98,731	2,927	1,139,910
Accrued payroll	2,944	1,506	(50)		4,400
Sales tax payable		124,411			124,411
Compensated absences payable	(2,812)	1,868	3,110		2,166
Customer deposits		1,184,849			1,184,849
Unearned revenue		3,729,811	363,941		4,093,752
Post-retirement benefit payable	2,141	112	(3,650)		(1,397)
Net pension liability	(58,299)	(85,348)	(40,001)		(183,648)
Net cash provided by operating activities	$ 86,178	$ 12,189,404	$ 575,032	$ 23,873	$ 12,874,487

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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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:

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.

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:

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

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Note 2 - Summary of Significant Accounting Policies (continued)

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

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, 2024. The City reports utility receivables net of an allowance for uncollectible accounts.

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2024, 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 (or lower according to management's discretion). 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	Component Unit
Buildings	25-50 Years	40 Years	
Land and building improvements	10-25 years		
Machinery and equipment	5-10 years	3-10 Years	5-10 years
Furniture and fixtures	5 years		
Vehicles	5-8 years	3-4 Years	
Infrastructure	25-40 years		
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	

Note 2 - Summary of Significant Accounting Policies (continued)

Asset Class	Estimated Useful Lives		
	Governmental Activities	Business-type Activities	Component Unit
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.

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:

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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).

Note 2 - Summary of Significant Accounting Policies (continued)

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

Note 3 - Restatement of Prior Period

During 2024, the City determined that it had overbilled a gas utility customer in prior years. The beginning net position of the gas utility fund has been restated to reflect the correction. The effect of this correction was a $345,437 reduction of beginning net position. Also during 2024, the City determined that unearned revenue the American Rescue fund was overstated in 2023. The beginning fund balance of of other (nonmajor) governmental funds has been restated to reflect the correction. The effect of this correction was a $126,352 increase in beginning fund balance.

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.

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.

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, 2024, the City was not exposed to custodial credit risk.

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Note 5 - Deposits and Investments

Investments - Municipal Competitive Trust - At year end, proprietary fund investments were $6,351,519 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, 2024, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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, 2024. The levy date was August 20, 2024; the tax bills were mailed September 22, 2024; and were due December 20, 2024.

Note 8 - Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2024, was follows:

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 286,506			$ 286,506
Depreciable capital assets				
Buildings	2,265,663			2,265,663
Land and building improvements	267,514	$ 15,000		282,514
Machinery and equipment	921,086	79,886		1,000,972
Vehicles	1,354,056	139,367	$ 111,597	1,381,826
Furniture and fixtures	98,983			98,983
Infrastructure	3,523,742	677,027		4,200,769
Right to use leased assets	166,230			166,230
Total depreciable capital assets	8,597,274	911,280	111,597	9,396,957
Total capital assets	8,883,780	911,280	111,597	9,683,463

Note 8 - Capital Assets (continued)

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
Accumulated depreciation:				
Buildings	1,476,412	50,358		1,526,770
Land and building improvements	59,977	9,217		69,194
Machinery and equipment	635,984	61,305		697,289
Vehicles	1,125,841	78,545	111,597	1,092,789
Furniture and fixtures	93,666	1,357		95,023
Infrastructure	2,002,370	82,006		2,084,376
Right to use leased assets	37,608	34,299		71,907
Total accumulated depreciation	5,431,858	317,087	111,597	5,637,348
Governmental activities capital assets, net	$ 3,451,922	$ 594,193	$ 0	$ 4,046,115

Governmental activities depreciation expense	
General government	$ 21,083
Public safety - police	129,533
Public safety - fire	42,439
Public works - streets	95,841
Public works - garage	8,258
Recreation	18,590
Housing and development	1,343
Total governmental activities depreciation expense	$ 317,087

Capital asset activity for business-type activities for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
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	6,390,053	$ 511,683		6,901,736
Sewer collection system	4,266,060	672,826		4,938,886
Water tank and wells	869,178			869,178
Water mains and hydrants	1,292,587	48,728	$ 88,549	1,252,766
Meters	83,084	255,968	83,084	255,968
Vehicles	347,537			347,537
Other	844,709	361,437		1,206,146
Total depreciable capital assets	14,093,208	1,850,642	171,633	15,772,217
Total capital assets	14,109,758	1,850,642	171,633	15,788,767
Accumulated depreciation:				
Building and pump stations	1,860,660	68,233		1,928,893
Sewer collection system	1,818,725	147,230		1,965,955
Water tank and wells	661,067	11,850	88,549	584,368

Note 8 - Capital Assets (continued)

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
Water mains and hydrants	956,539	32,452	83,084	905,907
Meters	81,891	7,592		89,483
Vehicles	329,823	8,175		337,998
Other	767,317	14,566		781,883
Total accumulated depreciation	6,476,022	290,098	171,633	6,594,487
Water and sewer capital assets, net	$ 7,633,736	$ 1,560,544	$ 0	$ 9,194,280
Electric utility fund:				
Depreciable capital assets:				
Buildings	$ 474,045			$ 474,045
Meters	73,199			73,199
Lines, transformers and poles	3,742,077			3,742,077
Vehicles	867,881	$ 48,844	$ 68,000	848,725
Machinery and equipment	415,862	7,660		423,522
Total capital assets	5,573,064	56,504	68,000	5,561,568
Accumulated depreciation:				
Buildings	275,029	9,649		284,678
Meters	73,270		68,000	5,270
Lines, transformers and poles	1,657,176	98,128		1,755,304
Vehicles	697,885	47,453		745,338
Machinery and equipment	388,060	11,401		399,461
Total accumulated depreciation	3,091,420	166,631	68,000	3,190,051
Electric utility capital assets, net	$ 2,481,644	$ (110,127)	$ 0	$ 2,371,517
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		$ 23,521	60,405
Machinery and equipment	47,629	$ 7,660		55,289
Total capital assets	1,910,676	7,660	23,521	1,894,815
Accumulated depreciation:				
Buildings	2,287	63		2,350
Gas mains	578,221	26,991		605,212
Meters and regulators	84,498	2,790		87,288
Vehicles	83,926		23,521	60,405
Machinery and equipment	47,629	319		47,948
Total accumulated depreciation	796,561	30,163	23,521	803,203
Gas utility fund capital assets, net	$ 1,114,115	$ (22,503)	$ 0	$ 1,091,612

Note 8 - Capital Assets (continued)

	Balance 12/31/2023	Additions	Deductions	Balance 12/31/2024
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
Total depreciable capital assets	536,421	$ 0	$ 0	536,421
Total capital assets	542,928	0	0	542,928
Accumulated depreciation:				
Buildings	11,265	184		11,449
Vehicles	361,380			361,380
Machinery and equipment	153,874	5,554		159,428
Total accumulated depreciation	526,519	5,738	0	532,257
Solid waste collection fund capital assets, net	$ 16,409	$ (5,738)	$ 0	$ 10,671
Component unit:				
Nondepreciable capital assets				
Land	$ 19,207			$ 19,207
Depreciable capital assets:				
Equipment		$ 21,225		21,225
Total capital assets	19,207	21,225	$ 0	40,432
Accumulated depreciation:				
Equipment		2,780		2,780
Water and sewer capital assets, net	$ 19,207	$ 18,445	$ 0	$ 37,652

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 $1,100 at December 31, 2024.

General fund payable to the electric utility fund for amount transferred at year end to cover impending expenditures was $5,000,000 at December 31, 2024.

Hotel/Motel tax fund payable to the general fund for amounts due to the general fund but not yet remitted was $2,136 at December 31, 2024.

Note 9 - Interfund Balances, Advances and Transfers (continued)

Water and sewer fund payable to the electric utility fund for payments by the electric utility fund for expenditures of the water and sewer fund was $7,346.

Gas utility fund fund payable to the water and sewer fund for payments by the water and sewer fund for expenditures of the gas utility fund was $4,052.

Gas utility fund fund payable to the electric utility fund for payments by the electric utility fund for expenditures of the gas utility fund was $11,401.

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, 2024, was $169,975 that was loaned from the UDAG fund to the gas utility fund for the construction of a gas line extension. 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, 2024, consisted of the following:

The hotel/motel tax fund transferred $9,942 to the general fund pursuant to provisions of state law.
The gas utility fund transferred $6,096 to the general fund to supplement its finances.
The 2019 SPLOST fund transferred $120,000 to the water and sewer fund for water and sewer capital additions.
The American Rescue special revenue fund (non-major) transferred $265,877 to the water/sewer fund for the payment of qualified expenditures.
The gas utility fund transferred $385,012 to the water and sewer fund to supplement its finances.
The gas utility fund transferred $134,996 to the electric utility fund to supplement its finances.
The solid waste collection fund transferred $23,873 to the electric utility fund to supplement its finances.

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.

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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 financed purchase contract 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 financed purchased contracts are capitalized and depreciated over the estimated useful life of the asset. Depreciation expense on capital assets purchased with financed purchase contracts 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 $0 (cost of $84,941, less accumulated depreciation of $84,941). This agreement was paid off during 2024.

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 $29,203 (cost of $97,347, less accumulated depreciation of $68,144). 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, 2024, follow:

Year	Principal	Interest	Total
2025	$ 9,351	$ 402	$ 9,753
2026	9,544	209	9,753
	$ 18,895	$ 611	$ 19,506

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 $10,348 (cost of $34,498, less accumulated depreciation of $24,150). 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, 2024, follow:

Year	Principal	Interest	Total
2025	$ 3,247	$ 139	$ 3,386
2026	3,313	73	3,386
	$ 6,560	$ 212	$ 6,772

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 $38,904 (cost of $62,091, less accumulated depreciation of $23,187). 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, 2024, follow:

Year	Principal	Interest	Total
2025	$ 12,466	$ 354	$ 12,820
2026	6,234	176	6,410
	$ 18,700	$ 530	$ 19,230

Note 11 - Long-Term Liabilities (continued)

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 $44,313 (cost of $65,005, less accumulated depreciation of $20,692). 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, 2024, follow:

Year	Principal	Interest	Total
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
	$ 45,475	$ 4,053	$ 49,528

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 $9,539 (cost of $40,877 less accumulated depreciation of $31,338). 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, 2024, follow:

Year	Principal	Interest	Total
2025	$ 8,637	$ 245	$ 8,882
2026	2,203	17	2,220
	$ 10,840	$ 262	$ 11,102

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 $13,115 (cost of $45,900 less accumulated depreciation of $32,785). This agreement was paid off during 2024.

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 $115,648 (cost of $173,473 less accumulated depreciation of $57,825). 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, 2024, follow:

Year	Principal	Interest	Total
2025	$ 22,750	$ 4,353	$ 27,103
2026	23,598	3,505	27,103
2027	24,477	2,626	27,103
2028	25,424	1,679	27,103
2029	26,298	805	27,103
	$ 122,547	$ 12,968	$ 135,515

Financed purchase agreement with Georgia Municipal Association in monthly payments of $1,478. The truck acquired by the contract is included in the electric utility fund capital assets in the amount of $45,355 (cost of $48,844 less accumulated depreciation of $3,489). 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, 2024, follow:

Note 11 - Long-Term Liabilities (continued)

Year	Principal	Interest	Total
2025	$ 15,771	$ 1,963	$ 17,734
2026	16,667	1,067	17,734
2027	10,155	188	10,343
Total	$ 42,593	$ 3,218	$ 45,811

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, 2024, follow:

Year	Principal	Interest	Total
2025	$ 81,202	$ 22,288	$ 103,490
2026	82,866	20,624	103,490
2027	84,564	18,926	103,490
2028	86,297	17,193	103,490
2029	88,065	15,425	103,490
2030-2034	468,143	49,308	517,451
2035-2037	203,471	8,580	212,051
Total	$ 1,094,608	$ 152,344	$ 1,246,952

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, 2024, follow:

Year	Principal	Interest	Total
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	24,960	2,024	26,984
2030-2033	90,938	3,628	94,566
Total	$ 211,130	$ 19,075	$ 230,205

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, 2024, the outstanding loan balance was $483,337.

Note 11 - Long-Term Liabilities (continued)

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, 2024:

Year	Principal	Interest	Total
2025	$ 36,749	$ 2,466	$ 39,215
2026	35,883	1,255	37,138
Total	$ 72,632	$ 3,721	$ 76,353

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2024:

Governmental Activities	Outstanding 12/31/2023	Additions	Reductions	Outstanding 12/31/2024	Amounts Due in One Year
Financed purchase contracts	$ 128,978		$ 39,348	$ 89,630	$ 35,854
Other leases	109,714		37,082	72,632	36,749
Compensated absences	191,666	$ 112,168	85,036	218,798	82,111
Post-employment benefits	311,374	22,476	8,997	324,853	3,732
Net pension liability	1,114,437		423,444	690,993	
Total Government-Type Activities	$ 1,856,169	$ 134,644	$ 593,907	$ 1,396,906	$ 158,446
Business-Type Activities					
Notes payable -					
Water and sewer fund	$ 1,764,992	$ 127,382	$ 103,299	$ 1,789,075	$ 104,336
Financed purchase contracts:					
Water and sewer fund	19,205		8,365	10,840	8,637
Electric utility fund	151,988	48,844	35,692	165,140	38,521
Compensated absences	81,452	37,272	35,106	83,618	28,034
Post-employment benefits	211,480	7,600	8,997	210,083	8,958
Net pension liability	627,548		216,979	410,569	
Total Business-Type Activities	$ 2,856,665	$ 221,098	$ 408,438	$ 2,669,325	$ 188,486

The governmental activities financed purchase contracts are being financed through future general fund expendable available financial sources as they become due. The business-type activities financed purchase contracts are 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 2024, 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 2024, post-employment benefit liabilities were liquidated through the general fund, electric utility fund and solid waste collection fund.

Note 12 - Defined Benefit Pension Plan

The total interest expense for the year ended December 31, 2024, was $2,961 for governmental-type activities and $37,803 for business-type activities, all of which was charged to operations.

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.

Employees Covered - At December 31, 2024, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	34
Active employees	28
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 $315,111 for the year ended December 31, 2024.

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, 2024, using an annual actuarial valuation as of July 1, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	July 1, 2024
Measurement date	March 31, 2024
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.

Note 12 - Defined Benefit Pension Plan (continued)

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, 2024, 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.

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, 2024, (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%	6.91%
International equity	20%	7.21%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
Cash	0%	
Total	100%	

Changes in Net Pension Liability

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

Note 12 - Defined Benefit Pension Plan (continued)

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ Asset
Balances as of March 31, 2023	$ 8,821,564	$ 7,079,579	$ 1,741,985
Changes for the year:			
Service cost	62,839		62,839
Interest	636,670		636,670
Differences between expected and actual experience	194,979		194,979
Contributions - employer		365,867	(365,867)
Net investment income		1,186,071	(1,186,071)
Benefit payments	(503,188)	(503,188)	0
Administrative expense		(17,027)	17,027
Net changes	391,300	1,031,723	(640,423)
Balances as of March 31, 2024	$ 9,212,864	$ 8,111,302	$ 1,101,562

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

1% Decrease	Current Discount Rate	1% Increase
$ 2,127,502	$ 1,101,562	$ 229,024

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

For the year ended December 31, 2024, the City recognized pension expense of negative $227,629. At December 31, 2024, 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	$ 97,489	
Pension contributions subsequent to measurement date	288,853	
Net difference between projected and actual earnings on pension plan investments	681,963	$ (919,225)
Total	$ 1,068,305	$ (919,225)

$288,853 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:	
2025	$ (391,300)
2026	(150,087)
2027	233,422
2028	168,192
	$ (139,773)

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 $45,430 in 2024.

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 $24,900 and $33,610, respectively, in 2024.

Plan provisions and contribution requirements are established and amended by a resolution of City Council. Participants are 100% vested in the 401(a) plan after 5 years of eligible employment, prior to which 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 2024. One employee ceased receiving benefits during 2024. For 2024, the City recognized negative benefit expense of $21,666.

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	$	5,980
Interest on net OPEB obligation		15,686
Annual OPEB cost		21,666
Contributions made		9,584
Decrease in net OPEB obligation		12,082
Net OPEB obligation, beginning of year		522,854
Net OPEB obligation, end of year	$	534,936

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Note 14 - Postemployment Benefits Other Than Pensions (continued)

Methods and Assumptions - The City, having under 100 plan members as defined by GASB Statement 75 - *Accounting and Financial Reporting by Employers for Post Employment Benefits other Than Pensions*, 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 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.

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	21,666	21,666	9,584	44.24%	647,997
12/31/2024	9,584	9,584	12,082	126.06%	645,499

The remainder of this page is intentionally left blank.

Note 14 - Postemployment Benefits Other Than Pensions (continued)

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%
12/31/2024	0	534,936	0	534,936	850,515	62.90%

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.

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, 2024, is as follows:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 9,683,463	$ 23,788,078
Less accumulated depreciation	5,637,348	11,119,998
Book value	4,046,115	12,668,080
Less capital related debt	162,262	2,135,030
	$ 3,883,853	$ 10,533,050

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.

Note 16 - Risk Management (continued)

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, 2024. No provisions have been made in the financial statements for the year ended December 31, 2024, for any estimate of potential unpaid claims.

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

Note 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 $98 million at December 31, 2024.

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 $6,351,519 at December 31, 2024, 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.

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 24, 2025.

City of Sylvania, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	$ 1,126,720	$ 1,126,720	$ 1,040,754	$ (85,966)
Intergovernmental	194,400	194,400	226,608	32,208
Licenses and permits	72,500	72,500	80,789	8,289
Charges for services	37,400	37,400	38,743	1,343
Fines and forfeitures	118,000	118,000	93,725	(24,275)
Investment earnings	20,000	20,000	110,801	90,801
Miscellaneous	21,000	21,000	16,989	(4,011)
Total revenues	1,590,020	1,590,020	1,608,409	18,389
Expenditures				
Current:				
General government:				
Legislative	24,710	34,740	34,740	0
Executive - Mayor	9,070	10,411	10,411	0
Executive - Manager	235,550	235,550	194,103	41,447
Financial administration	493,000	493,000	476,305	16,695
Purchase/contractual services	18,550	18,550	3,424	15,126
Judicial	67,560	67,560	57,164	10,396
Public safety:				
Police	1,249,150	1,249,150	1,197,154	51,996
Fire	771,410	771,410	765,717	5,693
Animal control	11,275	11,275	9,850	1,425
Public works:				
Streets	730,800	1,155,833	1,155,833	0
Garage	198,200	198,200	196,596	1,604
Health and welfare - nutrition program	129,635	145,273	145,273	0
Culture and recreation	16,370	16,370	12,481	3,889
Housing and development				
Economic development and assistance	55,985	55,985	41,350	14,635
Planning and development	102,600	102,600	78,509	24,091
Total expenditures	4,113,865	4,565,907	4,378,910	186,997
Deficit of revenues to expenditures	(2,523,845)	(2,975,887)	(2,770,501)	205,386
Other financing sources				
Proceeds from sale of assets	10,000	10,000	15,374	5,374
Interfund transfers	2,356,245	2,356,245	16,038	(2,340,207)
Total other financing sources	2,366,245	2,366,245	31,412	(2,334,833)
Net change in fund balances	$ (157,600)	$ (609,642)	(2,739,089)	$ (2,129,447)
Fund balances beginning of year			3,616,009	
Fund balances end of year			$ 876,920	

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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment earnings	$ 11,700	$ 32,081	$ 32,081	$ 0
Expenditures	0	0	0	0
Net change in fund balance	$ 11,700	$ 32,081	32,081	$ 0
Fund balances beginning of year			1,037,063	
Fund balances end of year			$ 1,069,144	

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. $83,832) 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	$ 472,004	$ 4,301	$ 476,305
Public safety - police	1,128,837	68,317	1,197,154
Public works - Streets	1,146,218	9,615	1,155,833
Judicial	55,565	1,599	57,164
Debt service:			
Principal	80,014	(80,014)	0
Interest and fiscal charges	3,818	(3,818)	0
	$ 2,886,456	$ 0	$ 2,886,456

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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 62,839	$ 70,715	$ 71,172	$ 69,339	$ 82,827	$ 74,159	$ 91,216	$ 89,693	$ 115,252	$ 101,131
Interest	636,670	677,713	645,729	613,302	583,328	549,385	474,552	455,175	435,093	396,159
Difference between expected and actual experience	194,979	(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	(503,188)	(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	391,300	(542,693)	447,918	439,930	588,670	452,169	1,182,381	258,207	263,992	509,619
Total pension liability - beginning	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	5,221,371
Total pension liability - ending	$ 9,212,864	$ 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	$ 365,867	$ 474,526	$ 484,640	$ 298,910	$ 397,601	$ 337,158	$ 271,675	$ 323,014	$ 303,069	$ 300,670
Net investment income	1,186,071	(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	(503,188)	(491,273)	(463,740)	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Administrative expense	(17,027)	(20,222)	(19,139)	(19,137)	(20,927)	(19,989)	(19,772)	(21,328)	(14,786)	(13,703)
Net change in fiduciary net position	1,031,723	(551,159)	440,584	2,106,053	(392,230)	139,724	583,161	585,095	65,787	428,022
Plan fiduciary net position - beginning	7,079,579	7,630,738	7,190,154	5,084,101	5,476,331	5,336,607	4,753,446	4,168,351	4,102,564	3,674,542
Plan fiduciary net position - ending	$ 8,111,302	$ 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	$ 1,101,562	$ 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	88.04%	80.25%	81.49%	80.64%	59.98%	69.43%	71.77%	76.02%	69.53%	71.59%
Covered employee payroll	1,569,489	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	70.19%	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.

City of Sylvania, Georgia
Schedule of Contributions
Defined Benefit Pension Plan
For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 452,810	$ 453,717	$ 427,906	$ 418,066	$ 390,385	$ 287,473	$ 298,350	$ 329,802	$ 294,158
Contributions in relation to actuarially determined contribution	*	$ 452,810	$ 489,376	$ 417,086	$ 343,227	$ 390,385 **	$ 287,473 **	$ 325,834 **	$ 303,393 **	$ 319,395 **
Contribution deficiency (excess)	*	$ 0	$ (35,659)	$ 10,820	$ 74,839	$ 0	$ 0	$ (27,484)	$ 26,409	$ (25,237)
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 ***
Contributions as a percentage of covered-employee payroll	*	28.59%	28.77%	24.46%	20.02%	17.09%	13.75%	14.72%	13.38%	13.46%

Notes to Schedule of Contributions

* 2024 information will be determined after fiscal year end and will be included in the 2025 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, 2024, 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, 2025.

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

City of Sylvania, Georgia
Schedule of Funding Progress
Postemployment Benefits Other Than Pensions (Health Insurance)
For the Year Ended December 31, 2024

As of the most recent valuation date, December 31, 2024, 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%
12/31/2024	0	534,936	534,936	0.00%	850,515	62.90%

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, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 5,835,495	$ 3,550,318
Restricted cash and cash equivalents	37,510	33,295
Receivables:		
Accounts	62,434	85,280
Intergovernmental	309,442	6,236
Property taxes	74,308	63,212
Other	16,027	14,299
Interfund balances	2,136	145,005
Prepaid items	38,485	37,643
Total assets	$ 6,375,837	$ 3,935,288
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 106,819	$ 163,040
Accrued expenditures	77,801	61,946
Interfund balances	5,001,100	52,956
Total liabilities	5,185,720	277,942
Deferred inflows of resources		
Intergovernmental	261,815	
Property taxes	51,382	41,337
Total deferred inflows of resources	313,197	41,337
Total liabilities and deferred inflows of resources	5,498,917	319,279
Fund balances		
Nonspendable - prepaid items	38,485	37,643
Restricted for		
Capital projects	113,356	113,356
Public safety - police	31,840	27,625
Recreation	5,670	5,670
Unassigned	687,569	3,431,715
Total fund balances	876,920	3,616,009
Total liabilities, deferred inflows of resources and fund balances	$ 6,375,837	$ 3,935,288

City of Sylvania, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Taxes	$ 1,040,754	$ 1,168,824
Intergovernmental	226,608	416,170
Licenses and permits	80,789	74,789
Charges for services	38,743	39,594
Fines and forfeitures	93,725	119,948
Investment earnings	110,801	29,246
Miscellaneous	16,989	18,534
Total revenues	1,608,409	1,867,105
Expenditures		
Current:		
General government		
Legislative	34,740	22,590
Executive - Mayor	10,411	8,663
Executive - Manager	194,103	215,841
Financial administration	472,004	501,140
Elections		2,834
Purchase/contract services	3,424	5,330
Judicial	55,565	53,469
Public safety		
Police	1,128,837	1,371,520
Fire	765,717	791,337
Animal control	9,850	7,545
Public works:		
Streets	1,146,218	785,259
Garage	196,596	205,075
Health and welfare - nutrition program	145,273	105,702
Culture and recreation	12,481	11,799
Housing and development:		
Economic development and assistance	41,350	66,794
Planning and development	78,509	39,417
Debt service:		
Principal retirement	80,014	81,428
Interest and fiscal charges	3,818	6,262
Total expenditures	4,378,910	4,282,005
Deficit of revenues to expenditures	(2,770,501)	(2,414,900)
Other financing sources		
Proceeds from financed purchase contract		55,900
Proceeds from lease		137,197
Proceeds from sale of assets	15,374	
Interfund transfers	16,038	4,708,441
Total other financing sources	31,412	4,901,538
Net change in fund balances	(2,739,089)	2,486,638
Fund balances beginning of year	3,616,009	1,129,371
Fund balances end of year	$ 876,920	$ 3,616,009

City of Sylvania, Georgia
UDAG Fund
Comparative Balance Sheet
December 31, 2024 and 2023

	2024	2023
Assets		
Restricted cash and cash equivalents	$ 694,000	$ 520,933
Receivables - notes	205,169	251,327
Interfund balances		43,016
Advances to gas utility fund	169,975	221,787
Total assets	$ 1,069,144	$ 1,037,063
Liabilities and Fund Balances		
Fund Balances		
Nonspendable:		
Advances to gas utility fund	$ 169,975	$ 221,787
Notes receivable		251,327
Restricted for housing and development	899,169	563,949
Total fund balances	$ 1,069,144	$ 1,037,063

City of Sylvania, Georgia
UDAG Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Investment earnings	$ 32,081	$ 9,926
Expenditures	0	0
Net change in fund balance	32,081	9,926
Fund balances beginning of year	1,037,063	1,027,137
Fund balances end of year	$ 1,069,144	$ 1,037,063

City of Sylvania, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Restricted cash and cash equivalents	$ 113,866	$ 896,846	$ 1,010,712
Accounts receivable	2,136	126,488	128,624
Interfund balance	1,100		1,100
Total assets	$ 117,102	$ 1,023,334	$ 1,140,436
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable		$ 23,743	$ 23,743
Unearned revenue	$ 91,148		91,148
Interfund balance	2,136		2,136
Total liabilities	93,284	23,743	117,027
Deferred Inflows of Resources			
Intergovernmental		33,924	33,924
Total liabilities and deferred inflows of resources	93,284	57,667	150,951
Fund Balances			
Restricted for:			
Capital projects		965,667	965,667
Public safety	23,818		23,818
Total fund balances	23,818	965,667	989,485
Total liabilities, deferred inflows of resources and fund balances	$ 117,102	$ 1,023,334	$ 1,140,436

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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 26,512		$ 26,512
Intergovernmental	132,016	$ 689,480	821,496
Fines and forfeitures	7,833		7,833
Investment earnings	4,068	14,784	18,852
Total revenues	170,429	704,264	874,693
Expenditures			
Current:			
Housing and development - economic development and assistance	16,570		16,570
Capital outlays		676,342	676,342
Total expenditures	16,570	676,342	692,912
Excess of revenues to expenditures	153,859	27,922	181,781
Other financing uses			
Transfer to:			
General fund	(9,942)		(9,942)
Water and sewer fund	(265,877)	(120,000)	(385,877)
Total other financing uses	(275,819)	(120,000)	(395,819)
Net change in fund balances	(121,960)	(92,078)	(214,038)
Fund balances beginning of year	145,778	1,057,745	1,203,523
Fund balances end of year	$ 23,818	$ 965,667	$ 989,485

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Assets				
Restricted cash and cash equivalents		$ 91,148	$ 22,718	$ 113,866
Accounts receivable	$ 2,136			2,136
Interfund balance	0		1,100	1,100
Total assets	$ 2,136	$ 91,148	$ 23,818	$ 117,102
Liabilities and Fund Balances				
Liabilities				
Unearned revenue		$ 91,148		$ 91,148
Interfund balance	$ 2,136			2,136
Total liabilities	2,136	91,148	$ 0	93,284
Fund Balances				
Restricted for public safety			23,818	23,818
Total liabilities and fund balances	$ 2,136	$ 91,148	$ 23,818	$ 117,102

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	$ 26,512			$ 26,512
Intergovernmental		$ 132,016		132,016
Fines and forfeitures			$ 7,833	7,833
Investment earnings		4,068		4,068
Total revenues	26,512	136,084	7,833	170,429
Expenditures				
Current:				
Housing and development - economic	16,570			16,570
Excess of revenues to expenditures	9,942	136,084	7,833	153,859
Other financing uses				
Interfund transfers to:				
General fund	(9,942)			(9,942)
Water and sewer fund		(265,877)		(265,877)
Total other financing uses	(9,942)	(265,877)	0	(275,819)
Net change in fund balances	0	(129,793)	7,833	(121,960)
Fund balances beginning of year		129,793	15,985	145,778
Fund balances end of year	$ 0	$ 0	$ 23,818	$ 23,818

City of Sylvania
Hotel/Motel Tax Fund
Comparative Balance Sheet
December 31, 2024 and 2023

	2024	2023
Assets		
Accounts receivable	$ 2,136	$ 2,535
Interfund balance		7,290
Total assets	$ 2,136	$ 9,825
Liabilities and Fund Balances		
Liabilities		
Accounts payable		$ 9,825
Interfund balance	$ 2,136	
	$ 2,136	$ 9,825

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 32,000	$ 26,512	$ 26,512	$ 0	$ 34,056
Expenditures					
Current:					
Housing and development	32,000	16,570	16,570	0	21,285
Excess of revenues to expenditures	0	9,942	9,942	0	12,771
Other financing uses					
Interfund transfers		9,942	(9,942)	0	(12,771)
Net change in fund balance	$ 0	$ 19,884	0	$ 0	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, 2024 and 2023

	2024	2023 (Restated)
Assets		
Restricted cash and cash equivalents	$ 91,148	$ 352,957
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	$ 91,148	$ 223,164
Total liabilities	91,148	223,164
Fund Balances		
Restricted for program purposes	0	129,793
Total liabilities and fund balances	$ 91,148	$ 352,957

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023 (Restated)
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Intergovernmental	$ 3,000	$ 132,016	$ 132,016	$ 0	$ 127,603
Investment earnings		4,068	4,068	0	3,441
Total revenues	3,000	136,084	136,084	0	131,044
Other financing uses					
Interfund transfers	76,000	(265,877)	(265,877)	0	(72,754)
Net change in fund balance	$ 79,000	$ (129,793)	(129,793)	0	58,290
Fund balances beginning of year			129,793		71,503
Fund balances end of year			$ 0		$ 129,793

City of Sylvania
Confiscated Assets Fund
Comparative Balance Sheet
December 31, 2024 and 2023

	2024	2023
Assets		
Restricted cash and cash equivalents	$ 22,718	$ 13,335
Interfund balance	1,100	2,650
Total assets	$ 23,818	$ 15,985
Liabilities and Fund Balances		
Restricted for public safety	$ 23,818	$ 15,985

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Fines and forfeitures	$ 6,000	7,833	$ 7,833	$ 0	$ 7,577
Expenditures					
Current:					
Public safety - police	6,000			0	3,200
Net change in fund balance	$ 0	$ 7,833	7,833	$ 0	4,377
Fund balances beginning of year			15,985		11,608
Fund balances end of year			$ 23,818		$ 15,985

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	2019 SPLOST Fund	2022 TSPLOST Fund	Total Nonmajor Capital Projects Funds
Assets			
Restricted cash and cash equivalents	$ 553,125	$ 343,721	$ 896,846
Accounts receivable	92,706	33,782	126,488
Total assets	$ 645,831	$ 377,503	$ 1,023,334
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 23,743		$ 23,743
Deferred Inflows of Resources			
Intergovernmental	33,924		33,924
Total liabilities and deferred inflows of resources	57,667	$ 0	57,667
Fund Balances			
Restricted for capital projects	588,164	377,503	965,667
Total liabilities, deferred inflows of resources and fund balances	$ 645,831	$ 377,503	$ 1,023,334

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024

	2019 SPLOST Fund	TSPLOST Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$ 343,471	$ 346,009	$ 689,480
Investment earnings	10,114	4,670	14,784
Total revenues	353,585	350,679	704,264
Expenditures			
Capital outlays:			
Public works - streets	225,466		225,466
Public works - streets	103,885	346,991	450,876
Total expenditures	329,351	346,991	676,342
Excess of revenues to expenditures	24,234	3,688	27,922
Other financing uses			
Transfers to water and sewer fund	(120,000)		(120,000)
Net change in fund balances	(95,766)	3,688	(92,078)
Fund balances beginning of year	683,930	373,815	1,057,745
Fund balances end of year	$ 588,164	$ 377,503	$ 965,667

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2024 and 2023

	2024	2023
Assets		
Restricted cash and cash equivalents	$ 553,125	$ 771,487
Accounts receivable	92,706	57,448
Total assets	$ 645,831	$ 828,935
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 23,743	
Interfund balances		$ 145,005
Total liabilities	23,743	145,005
Deferred Inflows of Resources - Intergovernmental	33,924	
Total liabilities and deferred inflows of resources	57,667	145,005
Fund Balances		
Restricted for capital projects	588,164	683,930
Total liabilities and fund balances	$ 645,831	$ 828,935

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Intergovernmental	$ 343,471	$ 307,211
Investment earnings	10,114	2,031
Total revenues	353,585	309,242
Expenditures		
Capital outlays:		
Public safety - fire	225,466	97,275
Public works - streets	103,885	93,071
Total expenditures	329,351	190,346
Excess of revenues to expenditures	24,234	118,896
Other financing uses		
Transfers to water and sewer fund	(120,000)	(120,000)
Net change in fund balance	(95,766)	(1,104)
Fund balances beginning of year	683,930	685,034
Fund balances end of year	$ 588,164	$ 683,930

City of Sylvania
TSPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2024 and 2023

	2024	2023
Assets		
Restricted cash and cash equivalents	$ 343,721	$ 342,720
Accounts receivable	33,782	31,095
Total assets	$ 377,503	$ 373,815
Fund Balance		
Restricted for capital projects	$ 377,503	$ 373,815

City of Sylvania
TSPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Intergovernmental	$ 346,009	$ 318,661
Investment earnings	4,670	894
Total revenues	350,679	319,555
Expenditures		
Capital outlays - Public works - streets	346,991	25,000
Net change in fund balance	3,688	294,555
Fund balances beginning of year	373,815	79,260
Fund balances end of year	$ 377,503	$ 373,815

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Net Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 53,339	$ 79,760
Receivables:		
Accounts	57,139	34,659
Intergovernmental	54,972	382,278
Interfund balance	4,052	
Prepaid insurance	32,249	25,485
Total current assets	201,751	522,182
Noncurrent assets		
Capital assets		
Nondepreciable capital asset	16,550	16,550
Depreciable capital assets, net	9,177,730	7,617,186
Total noncurrent assets	9,194,280	7,633,736
Total assets	9,396,031	8,155,918
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	15,202	
Difference between projected and actual earnings on plan investments	106,338	148,568
Contributions after measurement date	45,040	46,974
Total deferred outflows of resources	166,580	195,542
Liabilities		
Current liabilities		
Accounts payable	499,332	483,547
Accrued payroll	6,643	3,699
Compensated absences payable	10,256	8,056
Post-employment benefit payable	2,986	
Financed purchases payable	8,637	8,365
Notes payable	104,336	102,271
Interfund balances	7,346	
Total current liabilities	639,536	605,938
Long-term liabilities		
Compensated absences payable (net of current portion)	30,523	35,535
Post-employment benefit payable (net of current portion)	80,089	80,934
Net pension liability	171,766	240,951
Financed purchases payable (net of current portion)	2,203	10,840
Notes payable (net of current portion)	1,684,739	1,662,029
Total long-term liabilities	1,969,320	2,030,289
Total liabilities	2,608,856	2,636,227
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	-	55,317
Difference between projected and actual earnings on plan investments	143,334	106,093
Total deferred inflows of resources	143,334	161,410
Net position		
Net investment in capital assets	7,394,365	5,850,231
Unrestricted	(583,944)	(296,408)
Total net position	$ 6,810,421	$ 5,553,823

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, 2024 and 2023

	2024	2023
Operating Revenues		
Charges for services	$ 1,365,383	$ 1,382,528
Miscellaneous	17,832	9,913
Total operating revenues	1,383,215	1,392,441
Operating expenses		
Salaries	180,132	152,192
Social security	13,405	10,363
Group insurance	27,317	29,767
Retirement and other post-employment benefits	(11,116)	(13,670)
Workers' compensation	7,938	2,886
Contract services	454,931	498,963
Chemicals	24,655	19,347
Materials and supplies	76,421	52,980
Gas, oil, and tires	10,621	9,809
Uniforms and safety equipment	3,347	3,237
Vehicle repairs	24,289	5,887
Engineering and consulting		3,251
Postage	6,880	7,386
Communications	2,744	2,087
Insurance	80,895	61,304
Public utilities	130,029	151,324
Maintenance and testing	576,138	905,336
Bad debts	831	4,005
Other	7,110	10,707
Depreciation	290,098	252,722
Total operating expenses	1,906,665	2,169,883
Operating income	(523,450)	(777,442)
Non-operating revenues (expenses)		
Interest and fiscal charges	(25,608)	(28,444)
Grant proceeds	1,032,165	795,482
Investment earnings	2,602	612
Total non-operating revenues	1,009,159	767,650
Income (loss) before transfers	485,709	(9,792)
Interfund transfers	770,889	116,891
Change in net position	1,256,598	107,099
Net position beginning of year	5,553,823	5,446,724
Net position end of year	$ 6,810,421	$ 5,553,823

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Net Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 8,043,074	$ 1,673,387
Investments	6,351,519	4,951,170
Accounts receivable	4,847,689	3,418,667
Intergovernmental receivable	556,653	
Prepaid insurance	7,656	8,110
Interfund balances	5,018,747	
Total current assets	24,825,338	10,051,334
Noncurrent assets		
Capital assets:		
Depreciable capital assets, net	2,371,517	2,481,644
Total assets	27,196,855	12,532,978
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	17,160	
Difference between projected and actual earnings on plan investments	120,040	181,746
Contributions after measurement date	50,844	57,465
Total deferred outflows of resources	188,044	239,211
Liabilities		
Current liabilities		
Accounts payable	2,789,081	2,155,629
Accrued payroll	12,917	11,411
Sales tax payable	133,553	9,142
Customer deposits payable	3,051,218	1,866,369
Compensated absences payable	14,101	12,980
Post employment benefits payable	2,986	
Financed purchases payable	38,521	29,444
Unearned revenue	3,729,811	
Total current liabilities	9,772,188	4,084,975
Long-term liabilities		
Compensated absences payable (net of current portion)	9,400	8,653
Post-employment benefit payable (net of current portion)	92,459	95,333
Net pension liability	193,898	294,759
Financed purchases payable (net of current portion)	126,619	122,544
Total long-term liabilities	422,376	521,289
Total liabilities	10,194,564	4,606,264
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience		67,671
Difference between projected and actual earnings on plan investments	161,803	129,786
Total deferred inflows of resources	161,803	197,457
Net Position		
Net investment in capital assets	2,206,377	2,329,656
Unrestricted	14,822,155	5,638,812
Total net position	$ 17,028,532	$ 7,968,468

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating revenues		
Charges for services	$ 38,601,173	$ 24,808,232
Miscellaneous	33,919	78,054
Total operating revenues	38,635,092	24,886,286
Operating expenses		
Cost of sales	28,981,074	21,427,317
Salaries	431,855	388,703
Social security	33,452	28,993
Group insurance	58,407	79,378
Retirement and other post-employment benefits	(25,825)	(39,612)
Workers' compensation	13,231	5,810
Contract labor and services	276,063	24,705
Materials and supplies	504,137	278,927
Gas, oil, and tires	25,498	22,500
Uniforms and safety equipment	2,773	3,427
Vehicle repairs	35,748	23,342
Engineering and consulting	2,094	12,319
Postage	4,700	4,839
Communications	3,707	2,616
Insurance	24,749	24,454
Public utilities	12,293	12,523
Maintenance and testing	204,077	211,637
Bad debts	718	18,263
Other	19,030	12,329
Depreciation	166,631	173,282
Total operating expenses	30,774,412	22,715,752
Operating income	7,860,680	2,170,534
Non-operating revenues (expenses)		
Grant revenue	556,653	
Interest and fiscal charges	(3,916)	(3,497)
Gain on sale of assets	1,675	
Investment loss	486,103	203,941
Total non-operating revenues (expenses)	1,040,515	200,444
Income before transfers	8,901,195	2,370,978
Interfund transfers	158,869	(4,109,083)
Change in net position	9,060,064	(1,738,105)
Net position beginning of year	7,968,468	9,706,573
Net position end of year	$ 17,028,532	$ 7,968,468

City of Sylvania, Georgia
Gas Utility Fund
Comparative Schedule of Net Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Accounts receivable	$ 209,688	$ 218,472
Prepaid insurance	2,259	2,362
Total current assets	211,947	220,834
Noncurrent assets		
Capital assets		
Depreciable capital assets, net	1,091,612	1,114,115
Total assets	1,303,559	1,334,949
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	3,974	
Difference between projected and actual earnings on plan investments	27,800	56,627
Contributions after measurement date	11,775	17,904
Total deferred outflows of resources	43,549	74,531
Liabilities		
Current liabilities		
Accounts payable	162,253	63,522
Accrued payroll	5,082	5,132
Compensated absences payable	3,677	3,465
Post-employment benefit payable	2,986	4,585
Unearned revenue	709,378	345,437
Interfund balances	15,453	
Total current liabilities	898,829	422,141
Long-term liabilities		
Compensated absences payable (net of current portion)	15,661	12,763
Post-employment benefit payable (net of current portion)	28,577	30,628
Net pension liability	44,905	91,838
Advance from UDAG fund	169,975	221,787
Total long-term liabilities	259,118	357,016
Total liabilities	1,157,947	779,157
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience		21,084
Difference between projected and actual earnings on plan investments	37,472	40,438
Total deferred inflows of resources	37,472	61,522
Net Position		
Net investment in capital assets	921,637	892,328
Unrestricted	(769,948)	(323,527)
Total net position	$ 151,689	$ 568,801

Gas Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2024 and 2023

	2024	2023, as restated
Operating revenues		
Charges for services	$ 889,403	$ 1,102,368
Operating expenses		
Cost of sales	439,227	592,301
Salaries	145,102	143,215
Social security	9,492	10,929
Group insurance	16,160	23,245
Retirement and other post-employment benefits	(30,854)	(1,135)
Workers' compensation	90,000	3,156
Contract services	2,248	562
Materials and supplies	15,682	5,726
Gas, oil, and tires	4,150	5,503
Uniforms and safety equipment	80	1,257
Vehicle repairs	8,045	5,359
Postage	4,710	4,844
Communications	2,284	2,134
Insurance	7,063	6,960
Public utilities	794	754
Repairs, maintenance and testing	9,010	43,434
Bad debts	(2,276)	(630)
Other	24,422	10,640
Depreciation	30,163	30,094
Total operating expenses	775,502	888,348
Operating income	113,901	214,020
Non-operating revenues (expenses)		
Gain on sale of assets	3,370	
Interest expense	(8,279)	(4,128)
Total non-operating revenues (expenses)	(4,909)	(4,128)
Income before transfers	108,992	209,892
Interfund transfers	(526,104)	(497,885)
Change in net position	(417,112)	(287,993)
Net position beginning of year	568,801	856,794
Net position end of year	$ 151,689	$ 568,801

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Net Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Accounts receivable	$ 23,815	$ 28,927
Noncurrent assets		
Capital assets		
Nondepreciable capital assets	6,507	6,507
Depreciable capital assets, net	4,164	9,902
Total noncurrent assets	10,671	16,409
Total assets	34,486	45,336
Liabilities		
Current liabilities		
Accounts payable	46,260	43,333
Net position		
Net investment in capital assets	10,671	16,409
Unrestricted	(22,445)	(14,406)
Total net position	$ (11,774)	$ 2,003

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, 2024 and 2023

	2024	2023
Operating revenues		
Charges for services	$ 600,536	$ 534,765
Operating expenses		
Contract services	580,770	526,498
Gas, oil, and tires		67
Bad debts	3,548	1,492
Depreciation	5,738	5,936
Postage	383	
Total operating expenses	590,439	533,993
Operating income (loss)	10,097	772
Interfund transfers	(23,873)	(12,839)
Change in net position	(13,776)	(12,067)
Net position beginning of year	2,002	14,070
Net position end of year	$ (11,774)	$ 2,003

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024, were as follows.

	Amount	Amount as a percentage of revenue
Hotel/Motel tax cash receipts	$ 26,512	
Expenditures to:		
Screven County Chamber of Commerce	$ 11,599	
Sylvania Downtown Development Authority	4,971	
Transfers to general fund	9,942	
	$ 26,512	100.00%

City of Sylvania, Georgia
Schedules of Projects Constructed with
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2024

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	$ 449,351	541,976	
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	$ 449,351	$ 769,925	59.23%

City of Sylvania, Georgia
Schedule of Projects Constructed with
Transportation Special Purpose Local Option Sales Tax Proceeds
For the Years Ended December 31, 2024

	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total	Estimated Percent Complete
Road projects and equipment	$ 1,685,059	$ 1,685,089	$ 25,000	346,991	$ 371,991	22.08%

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, 2024

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	$ 142,516	$ 101,859	$ 244,375	NA
Engineering - water facilities	T-03J-01	17,101	17,101	496	17,597	NA
Engineering - sewer facilities	T-03J-02	57,387	57,387		57,387	NA
Sewer facilities	P-03J-02	487,698	487,698	49,624	537,322	NA
Street improvements	P-03K-01	24,833	24,833	209,159	233,992	NA
Administration	A-21A-00	46,566	46,566		46,566	NA
		$ 776,101	$ 776,101	$ 361,138	$ 1,137,239	

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, 2024

Total Fiscal Year 2022 CDBG Funds Awarded to Recipient	$ 776,101
Total Amount Drawdown by Recipient from DCA	776,101
Funds Still Available	$ 0
CDBG Funds Expended by Recipient	$ 776,101
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, 2024

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, 24-0547	$ 38,427
Nutrition Services Incentive Program	93.053	Georgia Department of Human Services, 24-0547	3,297
Total Programs for the Aging Cluster			**41,724**
Other Programs			
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	**343,013**
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds (COVID-19)	21.027	Georgia Governor's Office of Planning and Budget	**693,094**
Environmental Protection Agency			
Drinking Water State Revolving Fund	66.468	Georgia Environmental Finance Authority, DW2021008	**256,148**
Department Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Georgia Emergency Management Agency	**814,617**
Total expenditures of federal awards			$ **2,148,596**

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, 2024, 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 24, 2025.

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 24, 2025

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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, 2024. 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, 2024.

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 24, 2025

City of Sylvania, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

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 no	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 no	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 programs:

CFDA Number	Name of Federal Program or Cluster
97.036	Department of Homeland Security/Disaster Grants - Public Assistance (Presidentially Declared Disasters)
14.228	Department of Housing and Urban Development/Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

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, 2024

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