CITY OF WARRENTON, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2023

CITY OF WARRENTON, GEORGIA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Warrenton
Warrenton, Georgia

Report on the Audit of the Financial Statements

Adverse and Unmodified 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 Warrenton, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Warrenton, Georgia's basic financial statements as listed in the table of contents.

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Adverse
General Fund	Unmodified
CDBG 2020 Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Warrenton, Georgia as of December 31, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and Aggregate Remaining Fund Information

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

Basis for Adverse and Unmodified 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 Warrenton, Georgia 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the City of Warrenton, Georgia's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the City's primary government unless the City of Warrenton, Georgia also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City of Warrenton, Georgia has not issued such reporting entity financial statements. The effects of not including the City of Warrenton, Georgia's legally separate component unit have not been determined.

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 Warrenton, 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 risk 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 Warrenton, 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 Warrenton, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension liability (asset) and related ratios – retirement plan, and the schedule of contributions – retirement plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warrenton, Georgia's basic financial statements. The accompanying schedule of revenues, expenditures, and changes in fund balance – budget (budgetary basis) and actual – general fund by object, the combining and individual nonmajor governmental fund financial statements, schedules of community development block grant project costs and source and application of funds (cash basis), schedule of special purpose local option sales tax, schedule of water sewer utility fund activities, and 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 schedule of revenues, expenditures, and changes in fund balance – budget (budgetary basis) and actual – general fund by object, the combining and individual nonmajor governmental fund financial statements, schedules of community development block grant project costs and source and application of funds (cash basis), schedule of special purpose local option sales tax, schedule of water sewer utility fund activities, and 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 November 22, 2024 on our consideration of the City of Warrenton Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Warrenton, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warrenton, Georgia's internal control over financial reporting and compliance.

Thomson, Georgia
November 22, 2024

BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,929,278	$ 147,917	$ 2,077,195
Restricted cash and cash equivalents	-	414,384	414,384
Receivables			
Taxes-net	500,166	-	500,166
Accounts-net	19,393	167,786	187,179
Leases-current	4,003	-	4,003
Leases-long term	7,639	-	7,639
Intergovernmental	153,394	-	153,394
Internal balances	808,946	(808,946)	-
Net pension asset	157,290	-	157,290
Capital assets			
Land and other nondepreciable assets	3,119,887	58,965	3,178,852
Depreciable assets, net of accumulated depreciation	1,808,707	15,576,105	17,384,812
Total assets	8,508,703	15,556,211	24,064,914
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension plan	66,901	-	66,901
LIABILITIES			
Accounts payable	43,519	87,361	130,880
Construction payables	9,978	59,136	69,114
Accrued liabilites	11,398	19,015	30,413
Intergovernmental payables	93,243	-	93,243
Unclaimed funds	6,532	-	6,532
Unearned revenue-Grant	142,249	-	142,249
Customer deposits	-	128,778	128,778
Noncurrent liabilities			
Due within one year	-	203,492	203,492
Due in more than one year	-	5,570,604	5,570,604
Total liabilities	306,919	6,068,386	6,375,305
DEFERRED INFLOWS OF RESOURCES			
Leases receivable	10,134	-	10,134
Deferred inflows related to pension plan	17,008	-	17,008
Total deferred inflows of resources	27,142	-	27,142
NET POSITION			
Net investment in capital assets	4,918,616	9,801,838	14,720,454
Restricted for:			
Public works	480,337	-	480,337
Housing and development	70	-	70
Debt service	-	414,384	414,384
Unrestricted	2,842,520	(728,397)	2,114,123
Total net position	$ 8,241,543	$ 9,487,825	$ 17,729,368

The notes to the financial statements are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government							
Governmental activities:							
General government	$ 338,049	$ 19,914	$ -	$ -	$ (318,135)	$ -	$ (318,135)
Public safety	654,075	198,815	-	-	(455,260)	-	(455,260)
Public works	808,513	194,103	-	607,442	(6,968)	-	(6,968)
Housing and development	-	-	-	411,270	411,270	-	411,270
Culture and recreation	98,141	-	20,804	-	(77,337)	-	(77,337)
Total governmental activities	1,898,778	412,832	20,804	1,018,712	(446,430)	-	(446,430)
Business-type activities							
Water Sewer Fund	1,782,900	1,317,603	-	-	-	(465,297)	(465,297)
Total primary government	$ 3,681,678	$ 1,730,435	$ 20,804	$ 1,018,712	(446,430)	(465,297)	(911,727)
General revenues							
Property taxes					514,611	-	514,611
Motor vehicle taxes					12,910	-	12,910
Motor vehicle title advalorem taxes					45,981	-	45,981
Mobile home taxes					6,329	-	6,329
Sales taxes					373,480	-	373,480
Franchise taxes					114,217	-	114,217
Insurance premium tax					154,342	-	154,342
Alcoholic beverage taxes					35,992	-	35,992
Intangible and transfer taxes					927	-	927
FIFA taxes					1,479	-	1,479
Payment in lieu of taxes					10,200	-	10,200
Interest income					17,417	986	18,403
Other revenues					26,903	-	26,903
Transfers					(268,806)	268,806	-
Total general revenues and transfers					1,045,982	269,792	1,315,774
Change in net position					599,552	(195,505)	404,047
Net position, beginning of year					7,641,991	9,683,330	17,325,321
Net position, end of year					$ 8,241,543	$ 9,487,825	$ 17,729,368

The notes to the financial statements are an integral part of this statement.

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

	General Fund	CDBG 2020 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,527,596	$ 156	$ 401,526	$ 1,929,278
Receivables (net of allowance for uncollectibles)				
Taxes	500,166	-	-	500,166
Accounts	19,393	-	-	19,393
Lease-current	4,003	-	-	4,003
Lease-long term	7,639	-	-	7,639
Intergovernmental receivables	64,463	9,978	78,953	153,394
Interfund receivables	855,474	-	-	855,474
Total assets	$ 2,978,734	$ 10,134	$ 480,479	$ 3,469,347
LIABILITIES				
Accounts payable	$ 43,519	$ 9,978	$ -	$ 53,497
Accrued liabilities	11,398	-	-	11,398
Intergovernmental payables	93,243	-	-	93,243
Interfund payables	46,300	86	142	46,528
Unclaimed funds	6,532	-	-	6,532
Unearned revenue-Grant	142,249	-	-	142,249
Total liabilities	343,241	10,064	142	353,447
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows lease	10,134	-	-	10,134
Unavailable revenue-property taxes	72,039	-	-	72,039
Total deferred inflows of resources	82,173	-	-	82,173
FUND BALANCES				
Restricted for:				
Public works	-	-	480,337	480,337
Housing and development	-	70	-	70
Unassigned	2,553,320	-	-	2,553,320
Total fund balances	2,553,320	70	480,337	3,033,727
Total liabilities, deferred inflows of resources, and fund balances	$ 2,978,734	$ 10,134	$ 480,479	$ 3,469,347

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENTON, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total fund balances - governmental funds	$ 3,033,727
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. These assets consist of:	
Land	728,000
Buildings and improvements	992,129
Machinery and equipment	808,174
Vehicles	471,752
Infrastructure	1,434,862
Construction in progress	2,391,887
Accumulated depreciation	(1,898,210)
Total capital assets, net of accumulated depreciation-governmental activities	4,928,594
Some assets are not financial resources and, therefore, are not reported as assets in the governmental funds. These assets consist of:	
Net pension asset	157,290
Deferred outflows of resources are not current assets or financial resources and, therefore, are not reported in the funds. Deferred outflows of resources consist of:	
Deferred outflows related to pension plan	66,901
Some revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavialable in the funds. These revenues consist of:	
Property taxes	72,039
Deferred inflows of resources are not current liabilities or financial resources and, therefore, are not reported in the funds. Deferred inflows of resources consist of:	
Deferred outflows related to pension plan	(17,008)
Net position of governmental activities	$ 8,241,543

The notes to the financial statements are an integral part of this statement.

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

	General Fund	CDBG 2020 Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,218,263	$ -	$ 71,949	$ 1,290,212
Licenses and permits	36,245	-	-	36,245
Intergovernmental	531,067	289,545	229,104	1,049,716
Charges for services	157,858	-	-	157,858
Fines and forfeitures	198,815	-	-	198,815
Rents	19,914	-	-	19,914
Interest income	17,417	-	-	17,417
Other	26,903	-	-	26,903
Total revenues	2,206,482	289,545	301,053	2,797,080
EXPENDITURES				
Current				
General government	328,476	-	-	328,476
Public safety	624,809	-	-	624,809
Public works	823,168	-	-	823,168
Culture and recreation	140,512	-	-	140,512
Housing and development	59,808	-	-	59,808
Capital outlay				
General government	-	-	25	25
Housing and development	-	289,545	66,734	356,279
Public safety	-	-	31,984	31,984
Public works	-	-	115,190	115,190
Total expenditures	1,976,773	289,545	213,933	2,480,251
Excess of revenues over expenditures	229,709	-	87,120	316,829
OTHER FINANCING SOURCES (USES)				
Transfers out	(118,046)	-	(150,759)	(268,805)
Total other financing sources (uses)	(118,046)	-	(150,759)	(268,805)
NET CHANGE IN FUND BALANCES	111,663	-	(63,639)	48,024
FUND BALANCES, BEGINNING OF YEAR	2,441,657	70	543,976	2,985,703
FUND BALANCES, END OF YEAR	$ 2,553,320	$ 70	$ 480,337	$ 3,033,727

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENTON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds		$ 48,024
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlay are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. For the current year, these amounts were:		
Capital outlays	672,951	
Depreciation expense	(98,815)	
Excess of capital outlays over depreciation expense and book value of capital assets sold		574,136
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Changes in these amounts are as follows:		
Unearned revenues increased by this amount in 2023		(29,944)
Net change in revenues not providing current financial resources		(29,944)
Some expense reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net pension asset and liability, deferred inflows and outflows related to pension increased by this in 2023		7,336
Net change in expenses not requiring the use of current financial resources		7,336
Change in net position of governmental activities		$ 599,552

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 1,093,315	$ 1,093,315	$ 1,218,263	$ 124,948
Licenses and permits	25,000	25,000	36,245	11,245
Intergovernmental	10,899	10,899	531,067	520,168
Charges for services	162,000	162,000	157,858	(4,142)
Fines and forfeitures	225,000	225,000	198,815	(26,185)
Rents	11,500	11,500	19,914	8,414
Interest	-	-	17,417	17,417
Other	2,600	2,600	26,903	24,303
Total revenues	1,530,314	1,530,314	2,206,482	676,168
EXPENDITURES				
Current				
General government	386,544	386,544	328,476	(58,068)
Public safety	661,972	661,972	624,809	(37,163)
Public works	414,452	414,452	823,168	408,716
Culture and recreation	67,346	67,346	140,512	73,166
Housing and development	-	-	59,808	59,808
Total expenditures	1,530,314	1,530,314	1,976,773	446,459
Excess of revenues over expenditures	-	-	229,709	229,709
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(118,046)	(118,046)
Total othner financing sources (uses)	-	-	(118,046)	(118,046)
NET CHANGE IN FUND BALANCES	$ -	$ -	111,663	$ 111,663
FUND BALANCE				
Beginning of year			2,441,657	
End of year			$ 2,553,320	

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

	Business-type Activities-Enterprise Fund Water Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	$ 147,917
Interfund receivables	46,300
Accounts receivable-net	167,786
Total current assets	362,003
Noncurrent assets	
Restricted cash and cash equivalents	414,384
Capital assets	
Land and other nondepreciable assets	58,965
Depreciable assets, net of accumulated depreciation	15,576,105
Total capital assets, net of accumulated depreciation	15,635,070
Total noncurrent assets	16,049,454
Total assets	16,411,457
LIABILITIES	
Current liabilities	
Account payable	87,361
Construction payable	59,136
Accrued liabilities	19,015
Customer deposits	128,778
Interfund payables	855,246
Current portion of notes payable	53,853
Current portion of revenue bonds payable	149,639
Total current liabilities	1,353,028
Noncurrent liabilities	
Notes payable	221,987
Revenue bonds payable	5,348,617
Total noncurrent liabilities	5,570,604
Total liabilities	6,923,632
NET POSITION	
Net investment in capital assets	9,801,838
Restricted for debt service	414,384
Unrestricted	(728,397)
Total net position	$ 9,487,825

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities-Enterprise Fund Water Sewer Fund
OPERATING REVENUES	
Charges for services	$ 1,317,603
Total operating revenues	1,317,603
OPERATING EXPENSES	
Personnel services	405,724
Professional fees	40,186
Repairs and maintenance	228,323
Chemicals and supplies	138,117
Other purchased services	49,739
Utilities and communications	120,222
Bad debts (recoveries)	(3,664)
Depreciation	651,468
Total operating expenses	1,630,115
Operating loss	(312,512)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	986
Interest expense	(152,785)
Total non-operating revenues (expenses)	(151,799)
Loss before capital contribution	(464,311)
CAPITAL CONTRIBUTION	268,806
Change in net position	(195,505)
Net position, beginning of year	9,683,330
Net position, end of year	$ 9,487,825

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities-Enterprise Fund Water Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 1,329,557
Payments to suppliers and others	(489,629)
Payments to employees	(350,930)
Net cash provided by operating activities	488,998
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,074)
Principal payments on long-term debt	(196,979)
Interest paid	(154,662)
Net cash used by capital and related financing activities	(352,715)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	986
Net cash provided by investing activities	986
Net increase in cash and cash equivalents	137,269
Cash and cash equivalents, beginning of year	425,032
Cash and cash equivalents, end of year	$ 562,301
CASH PER STATEMENT OF NET POSITION	
Cash	$ 147,917
Restricted cash-noncurrent	414,384
	$ 562,301

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENTON, GEORGIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities-Enterprise Fund Water Sewer Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (312,512)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	651,468
Repairs and maintenance-noncash	14,394
(Increase) decrease in current assets	
Accounts receivable	(11,943)
Increase (decrease) in current liabilities	
Accounts payable	72,564
Accrued liabilities	(577)
Interfund payables	66,501
Customer deposits	9,103
Total adjustments	801,510
Net cash provided by operating activities	$ 488,998
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Capital asset purchases/maintenance funded by SPLOST capital projects funds	$ 150,759
Capital asset purchases/maintenance funded by General Fund grant funds	118,047
Total noncash investing, capital, and financing activities	$ 268,806

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The financial statements of the City of Warrenton, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

The accompanying summary of the City's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report.

B. The Financial Reporting Entity

The City was created on December 8, 1810, and operates under a City Council and Mayor form of government and provides the following services: public safety, public works, housing and development, culture and recreation, water and sewer utility, and general and administrative services.

As required by generally accepted accounting principles, these financial statements should present the City (the primary government), its component unit, and other related organizations. The component unit should be included in the City's reporting entity because of the significance of its operational or financial relationship with the City. A component unit is a legally separate organization for which the City is financially accountable. The City is deemed to be financially accountable for an organization if the City appoints a voting majority of the organization's board and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens, on the primary government.

Downtown Development Authority - The Downtown Development Authority is a legally separate entity, its board members are appointed by the City, and the City is able to impose its will on the Downtown Development Authority. The purpose of the Downtown Development Authority is to revitalize and redevelop the central business districts of the municipal corporations of the State of Georgia. Therefore, the Downtown Development Authority's provision of services is not limited entirely, or almost entirely, to the City nor does it only benefit the City.

The Downtown Development Authority has been determined to be a component unit of the City but has not been audited since May 31, 2022 and is not presented herein as a component unit. The Downtown Development Authority last issued separate audited financial statements as of and for the year ended May 31, 2022. That report may be obtained by writing to Downtown Development Authority, P.O. Box 27, Warrenton, GA 30828.

The City was not financially accountable for nor did the City exercise significant influence over any other organizations. Accordingly, there are no other component units to be included in the financial statements for the year ended December 31, 2023.

C. Basic Financial Statements

The basic financial statements consist of the following:

Government-wide financial statements
Fund financial statements
Notes to the basic financial statements

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide financial statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and the different business-type activities. Direct expenses are those that are specifically associated with the program or function of the City's governmental activities. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements - The fund financial statements provide information about the City's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public works, housing and development, culture and recreation, debt service, and capital asset acquisition.

CDBG 2020 Fund – This fund is a capital project fund and was established to account for proceeds from a CDBG grant to be used for major street infrastructure and housing improvements.

The City reports the following major enterprise fund:

Water Sewer Fund – The Water Sewer Fund is used to account for the operations of the City's water sewer utility.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Sewer Fund are charges to customers for sales and services. Operating expenses for enterprise funds include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the City reports the following other fund types:

Other Capital Project Funds – Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

E. Budgets and Budgetary Data

Annual appropriated budgets are adopted by the Mayor and City Council for the General Fund on a total revenues and total expenditures basis.

The 2023 annual appropriated budget for the City's General Fund was adopted on December 6, 2022. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Under Georgia law, appropriations lapse at year-end.

The General Fund budget is prepared using the modified accrual basis of accounting on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and character (personnel services, maintenance and operations, capital outlay, debt service) which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval.

Project length budgets are adopted for all capital project funds. Major capital projects are under contract with independent contractors that are exclusively responsible for the progress of the construction projects. Accordingly, budgetary statements are not presented for the City's capital projects funds.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrance Accounting

The City does not utilize encumbrance accounting, under which purchase orders and contracts are recorded in order to reserve that portion of the applicable appropriation.

G. Assets, Liabilities, and Fund Equity

Cash and Investments

The City‘s cash and equivalents are comprised of cash on hand, demand deposits, and short-term investments purchased with maturities of three months or less.

Nonparticipating interest-earning investment contracts (investments whose value is not affected by interest rates or other market changes), including savings accounts, certificates of deposit, repurchase agreements, money market investments (short-term, highly liquid debt instruments including commercial paper, banker’s acceptances and U. S. Treasury and agency obligations) and participating interest-bearing investment contracts, that have a remaining maturity, at purchase, of one year or less are reported at cost or amortized cost assuming their fair value has not been impacted by changes in the credit worthiness of the issuer or similar factors. All other investments are reported at fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The City uses the allowance method for recording bad debts. The allowance for bad debt reserves for amounts owed from customers that have purchased services from the City and is determined by analysis of the year-end receivable balances for those accounts which the City believes will not be collected based on past history.

Estimated unbilled revenues from the Water Sewer Fund are recorded at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings for the month following the close of the fiscal year.

Prepayments

Expenditures for insurance and similar services extending over more than one accounting period are allocated between accounting periods.

Inventories

Inventories of supplies for all governmental funds are recorded at cost using the purchases method, whereby inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. Inventories of the proprietary funds are recorded at the lower of cost or market on a first-in, first-out basis. There were no material amounts for supply inventories in the City’s governmental funds and proprietary funds for December 31, 2023.

Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables and payables on the balance sheet of the fund financial statements and as “internal balances” on the Statement of Net Position in the government-wide financial statements. Internal balances are eliminated in the government-wide financial statements.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets - Primary Government

Capital assets, which include land, buildings and improvements, machinery and equipment, vehicles, infrastructure, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets such as machinery and equipment and vehicles are defined as assets with a cost of $1,000 or more. Computers and weapons are considered capital assets regardless of cost. Infrastructure assets include City-owned roads, curbs, sidewalks and drainage. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to June 30, 1980 is not reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlay for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40-50
Furniture and fixtures	5 - 7
Machinery and equipment	5-15
Vehicles	4 - 7
Utility systems	10-75
Infrastructure	25-75

Compensated Absences

It is the City's policy for employees not to accumulate earned but unused vacation and sick pay benefits. These benefits must be used in the year earned.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary funds Statement of Net Position in the government-wide financial statements and proprietary funds financial statements.

Leases

Lessor

The City is a lessor for a noncancellable lease of real property. The City recognizes a lease receivable asset and a deferred inflow of resources in the government-wide Statement of Net Position and on the governmental funds Balance Sheet.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and variable payments that are fixed in substance that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require remeasurement of its leases and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports employer contributions to its pension plan made subsequent to the Plan's measurement date and other deferred outflows of resources related to its pension plan in this category on the government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred outflows of resources related to its pension plan and lease receivable in this category on the government-wide Statement of Net Position. The City reports the lease receivable and unavailable revenue-property taxes in this category on the governmental funds Balance Sheet.

Net Position (Government-Wide Financial Statements)

The City's net position is classified as follows:

Net investment in capital assets: This represents the City's total investment in capital assets, net of debt and construction payables related to those capital assets.

Restricted: This represents the net amount of assets subject to constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

Unrestricted: This represents the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in any other category of net position.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Governmental Funds Financial Statements)

The City requires the following actions to be taken for fund balance to be classified as "restricted", "committed", or "assigned":

Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers (i.e. grants, creditors), constitutionally, or through enabling legislation (i.e. legislation that creates a new revenue source and restricts its use). These restrictions may be changed or lifted only with the consent of the resource providers.

Committed - amounts that can be used only for the specific purpose determined by a formal action of City Council. Such commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally. The formal action must be taken before year-end, although the amount may not be determined until the subsequent period.

Assigned - amounts intended to be used by the City for specific purposes. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

The City also uses "nonspendable" in its fund financial statements to classify fund balance amounts that are legally or contractually required and cannot be spent, or "unassigned", which represents amounts not included in the other fund balance categories.

The City's policy for the order of expenditure of funds by fund classification is as follows: Future qualifying expenditures will first reduce restricted fund balance, followed by a reduction of unrestricted fund balance starting first with "committed", then "assigned", then "unassigned" as applicable when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used.

Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

General Fund

Actual revenues and other financing sources (uses) exceeded the budget by $ 676,168, whereas actual expenditures and financing uses were $ 564,505 more than appropriated amounts, resulting in a net increase in fund balance of $ 111,663. Expenditures for public works, culture and recreation, and housing and development exceeded appropriated amounts by $ 408,716, $ 73,166, and $ 59,808, respectively. These overages were funded by excess intergovernmental revenues and available fund balance. Expenditures for all other City departments and functions were under appropriated amounts.

SPLOST 2017-2012 Capital Projects Fund

Expenditures and transfers out exceeded revenues by $ 182,768 and was funded with available fund balance and cash reserves.

(Continued)

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

T-SPLOST Fund

Expenditures exceeded revenues by $ 12,666 and was funded with available fund balance and cash reserves.

Water Sewer Fund

The Water Sewer Fund is reporting a loss of $ 464,311 before capital contributions. This loss includes depreciation expense totaling $ 651,468 which is a non cash operating expense. Capital contributions totaled $ 268,806 resulting in an overall decrease in net position of $ 195,505 for the year ended December 31, 2023.

The vast majority of Water Sewer Fund net position is comprised of its net investment in capital assets and restricted funds held for debt service. These components of net position exceed total net position resulting in a deficit balance in unrestricted net position of $ 728,397.

NOTE 3 – CASH DEPOSITS AND TEMPORARY INVESTMENTS

Statues authorize the City to make direct investments in obligations of the U.S. Government or State of Georgia, obligations fully insured or guaranteed by the U.S. Government, repurchase agreements and certificates of deposit that are secured by direct obligations of the U.S. Government or the State of Georgia.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to the City or the City will not be able to recover collateral securities in the possession of an outside party. State statutes require all deposits (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

The carrying amount of the City's deposits with financial institutions was $ 2,491,579 and the bank balance was $ 2,662,435 at December 31, 2023. All of the City's deposits were insured or collateralized.

Insurance and collateralization of the City's deposits as of December 31, 2023 is as follows:

Amount insured by FDIC	$	250,000
Amount collateralized through the Georgia Secure Deposit Program administered by the Geogia Office of the State Treasurer		2,412,435
Total bank balance	$	2,662,435

(Continued)

NOTE 3 – CASH DEPOSITS AND TEMPORARY INVESTMENTS (CONTINUED)

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State statutes authorize the City to make direct investments in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivision of the State of Georgia.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not invest in certificates of deposit with maturities greater than 365 days from date of purchase.

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the City will not be able to recover the fair value of its investments or collateral securities in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Concentration of credit risk is the risk that the City will place no limit on the amount they invest in any one issuer. At December 31, 2023, no single issue investment exceeded 5% of total investments.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable are reported net of an allowance for uncollectible accounts on the face of the financial statements. Components of net accounts receivable as of December 31, 2023 are as follows:

	Governmental Activities	Business-type Activities	Total
Accounts receivable-billed and unbilled	$ 43,238	$ 284,210	$ 327,448
Less allowance for uncollectible accounts	(23,845)	(116,424)	(140,269)
Accounts receivable-net	$ 19,393	$ 167,786	$ 187,179

NOTE 5 – PROPERTY TAXES

Property taxes were levied on October 3, 2023 and were due on February 15, 2023. Property taxes became a lien on the first day of the levy year. Unpaid property taxes received within 60 days of year-end are recognized and recorded as revenue (considered measurable and available), and property taxes unpaid 60 days after year-end are recorded as unavailable revenue. An allowance is established for uncollectible amounts

A summary of the 2023 tax levy follows:

2023 net millage rate	19.2020
Taxable digest	$ 27,278,784
Gross tax levy	$ 763,806
Less sales tax rollback	(239,999)
Net property taxes	$ 523,807
Property taxes receivable	$ 435,111
Less allowance for uncollectible amounts	(30,000)
Net property taxes receivable	$ 405,111
Unavailable property tax revenue	$ 72,039

NOTE 6 – LEASE RECEIVABLE

General Fund

On September 1, 2022, the City entered into an agreement to lease the Learning Center building to the CSRA Economic Authority, Inc. The City receives monthly payments, paid in advance, comprising the principal and interest components of the payment. The initial lease term is for 5 years. As the lease does not contain a stated interest rate, the City has used an incremental borrowing rate of 3.39% as the discount rate for the lease. For the year ended December 31, 2023, the monthly lease payments received were $ 1,500. The City recognized lease income of $ 1,290 and interest income of $ 210 in 2023 related to the lease. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized over the lease term that ends August 31, 2027. The balance of this deferred inflow of resources was $ 10,134 as of December 31, 2023. Activity for the lease receivable for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
Governmental Activities					
Learning Center building	$ 12,932	$ -	$ (1,290)	$ 11,642	$ 4,003
Total Leases receivable	$ 12,932	$ -	$ (1,290)	$ 11,642	$ 4,003

NOTE 7 – CAPITAL ASSETS

Governmental capital asset activity for the year-ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 728,000	$ -	$ -	$ 728,000
Construction in progress	1,975,801	416,086	-	2,391,887
Total capital assets not being depreciated	2,703,801	416,086	-	3,119,887
Capital assets being depreciated				
Building and improvements	992,104	25	-	992,129
Machinery and equipment	758,163	50,011	-	808,174
Vehicles	428,570	43,182	-	471,752
Infrastructure	1,271,215	163,647	-	1,434,862
Total capital assets being depreciated	3,450,052	256,865	-	3,706,917
Less accumulated depreciation				
Buildings and improvements	(609,018)	(16,224)	-	(625,242)
Machinery and equipment	(646,430)	(24,154)	-	(670,584)
Vehicles	(327,158)	(32,099)	-	(359,257)
Infrastructure	(216,789)	(26,338)	-	(243,127)
Total accumulated depreciation	(1,799,395)	(98,815)	-	(1,898,210)
Net capital assets being depreciated	1,650,657	158,050	-	1,808,707
Governmental activities capital assets-net	$ 4,354,458	$ 574,136	$ -	$ 4,928,594

The City records all expenditures related to capital projects as construction in progress until the project is completed. Depreciation expense for the year ended December 31, 2023 was charged to governmental functions as follows:

General government	$ 16,909
Public safety	31,067
Public works	45,000
Culture and recreation	5,839
	$ 98,815

(Continued)

NOTE 7 – CAPITAL ASSETS (Continued)

Business-type capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Business-type Activities				
Capital assets, not being depreciated				
Land and easements	$ 6,640	$ -	$ -	$ 6,640
Construction in progress	-	52,325	-	52,325
Total capital assets not being depreciated	6,640	52,325	-	58,965
Capital assets, being depreciated				
Buildings and improvements	32,333	-	-	32,333
Machinery and equipment	966,578	23,287	-	989,865
Vehicles	177,700	98,970	-	276,670
Utility systems	23,782,254	93,740	-	23,875,994
Total capital assets being depreciated	24,958,865	215,997	-	25,174,862
Less accumulated depreciation				
Buildings	(10,191)	(1,100)	-	(11,291)
Machinery and equipment	(745,717)	(59,947)	-	(805,664)
Vehicles	(150,713)	(20,692)	-	(171,405)
Utility systems	(8,040,668)	(569,729)	-	(8,610,397)
Total accumulated depreciation	(8,947,289)	(651,468)	-	(9,598,757)
Net capital assets being depreciated	16,011,576	(435,471)	-	15,576,105
Business-type activities capital assets-net	$ 16,018,216	$ (383,146)	$ -	$ 15,635,070

Depreciation expense on capital assets of the business-type activities was $ 651,468 for the year ended December 31, 2023.

NOTE 8 – CONTINGENT LIABILITIES

Federal and State Grants

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Litigation

The City is subject to possible legal actions in the nature of claims for damages to persons and property, civil rights violations, and other similar types of actions arising in the course of normal City operations. In the opinion of City management, after consultation with legal counsel, the ultimate outcome of these possible legal actions will not have a material impact on the financial position of the City.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Due from/to other funds

Receivable Fund	Payable Fund	Amount
General Fund	Water Sewer Fund	$ 855,474
Water Sewer Fund	General Fund	(46,300)
General Fund	CDBG 2019 Capital Project Fund	(57)
General Fund	CDBG 2020 Capital Project Fund	(86)
General Fund	CDBG 2021 Capital Project Fund	(85)
		$ 808,946

The Water Sewer Fund bills and collects charges for sanitation services and remits the collections to the General Fund. In addition, the General Fund pays various operating expenses of the Water Sewer Fund when cash flows of the Water Sewer Fund are not sufficient. The $ 855,474 due to the General Fund represents the cumulative balance of unremitted sanitation fees and other amounts provided to fund Water Sewer operations, including $ 3,700 for interim funding to begin construction on the Water Sewer Fund's GEFA Water Systems Improvement Project.

The General Fund obligated $ 46,300 of ARPA grant funds to the Water Sewer Fund for a major sewer repair project.

The General Fund provided $ 57, net of bank fees, of interim funding to open a bank account for the CDBG 2019 Capital Project Fund.

The General Fund provided $ 86, net of bank fees, of interim funding to open a bank account for the CDBG 2020 Capital Project Fund.

The General Fund provided $ 85, net of bank fees, of interim funding to open a bank account for the CDBG 2021 Capital Project Fund.

Interfund transfers

Transfers In	Transfers Out	Amount
Water Sewer Fund	General Fund	$ 118,047
Water Sewer Fund	SPLOST 2017-2022 Fund	150,759
		$ 268,806

The General Fund provided $ 118,047 in funding from ARPA funds for Water Sewer Fund capital outlay expenditures and maintenance.

The SPLOST 2017-2022 Capital Project Fund provided $ 150,759 in funding for Water Sewer Fund capital outlay expenditures and maintenance.

NOTE 10 – NET POSITION

Net position of the government-wide and proprietary fund financial statements represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Reported amounts for net investment in capital assets and restricted net position as of December 31, 2023 are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Primary government	$ 4,928,594	$ 15,635,070
Less construction payables	(9,978)	(59,136)
Less notes payable	-	(275,840)
Less revenue bonds payable	-	(5,498,256)
Total net investment in capital assets	$ 4,918,616	$ 9,801,838
Restricted for:		
Public works		
SPLOST Capital Project Funds (2)	$ 399,096	
LMIG Capital Project Fund	38	
TSPLOST Capital Project Fund	81,203	
Total public works	$ 480,337	
Housing and development		
CDBG 2020 Capital Project Fund	$ 70	
Total public works	$ 70	
		$ 414,384
Total debt service		$ 414,384

NOTE 11 – RELATED ORGANIZATIONS

CSRA Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. During the year ended December 31, 2023, the City paid $ 1,998 in such dues. Membership in a RC is required by OCGA Section 50-8-34 that provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. Separate financial statements may be obtained from:

CSRA Regional Commission
3626 Walton Way Ext. #300
Augusta, GA 30909

Housing Authority

The Housing Authority of the City of Warrenton, Georgia is considered a related organization based upon the criteria in GASB Statement No. 14. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City. 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, the Housing Authority of the City of Warrenton, Georgia is a related organization and not a component unit.

NOTE 12 – LONG-TERM DEBT

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

	Balance 12/31/2022	Increases	Decreases	Balance 12/31/2023	Due within One year
Business -type Activities					
Direct borrowings and direct placements	$ 328,180	$ -	$ (52,340)	$ 275,840	$ 53,853
Revenue bonds payable	5,642,895	-	(144,639)	5,498,256	149,639
Total debt-business-type activities	$ 5,971,075	$ -	$ (196,979)	$ 5,774,096	$ 203,492

The following summarizes long-term debt outstanding at December 31, 2023:

	Original Principal	Interest Rate	Final Maturity	Outstanding Balance	Due Within One Year
Business-type Activities					
Note payable, GEFA CWSRF 09-056	$ 600,000	3.000%	2026	$ 131,089	$ 46,424
Note payable, GEFA DW2019010	168,500	1.940%	2040	144,751	7,429
Bonds payable, USDA 1988 Series	605,000	5.000%	2028	155,000	28,000
Bonds payable, USDA 2010 Series	2,541,000	4.000%	2050	2,078,108	45,165
Bonds payable, USDA 2016 Series	3,784,000	1.625%	2056	3,265,148	76,474
Total-business-type activities	$ 7,698,500			$ 5,774,096	$ 203,492

Annual requirements to fully amortize the outstanding notes payable and bonds as of December 31, 2023 are as follows:

	Business-type Activities			
	Notes from Direct Borrowings and Direct Placements		Bonds	
Year ending December 31,	Principal	Interest	Principal	Interest
2024	$ 53,853	$ 6,040	$ 149,639	$ 142,539
2025	55,411	4,483	153,731	138,047
2026	44,552	2,911	158,919	133,409
2027	7,874	2,297	164,205	128,573
2028	8,028	2,143	168,594	123,534
2029 thru 2033	42,560	8,297	727,649	554,491
2034 thru 2038	46,892	3,966	830,001	452,139
2039 thru 2043	16,670	284	950,028	332,112
2044 thru 2048	-	-	1,091,218	190,922
2049 thru 2053	-	-	771,238	57,355
2054 thru 2056	-	-	333,034	7,418
	$ 275,840	$ 30,421	$ 5,498,256	$ 2,260,539

Notes Payable

GEFA CWSRF 09-056 – The City issued a note payable to the Georgia Environmental Finance Authority (GEFA) for construction of water system improvements in the original amount of $ 600,000. Repayment terms require 180 monthly payments of $ 4,143, including principal and interest at 3.00%. Final payment on this loan is due September 2026. The note is secured with the City's full faith and credit and revenue-raising power (including its taxing power).

(Continued)

NOTE 12 – LONG-TERM DEBT (Continued)

GEFA 20-DW2019010 – On August 1, 2020 the City issued a note payable to the Georgia Environmental Finance Authority (GEFA) for construction of water system improvements in the original amount of $ 168,500. Repayment terms require 239 monthly payments of $ 848, including principal and interest at 1.94%. Final payment on this loan is due August 2040. The note is secured with the City's full faith and credit and revenue-raising power (including its taxing power).

Revenue Bonds Payable

Series 1988 Bonds – On January 31, 1989 the City issued Series 1988 Bonds for financing water and sewer improvements. The principal issue was $ 605,000 with a stated interest rate of 5.00% per annum. Terms of the issue call for annual payments averaging $ 35,805 per year, including principal and interest. The final payment is due January 2028. The bonds are redeemable at par.

Series 2010 Bonds – On July 26, 2010 the City issued Series 2010 Bonds for financing water and sewer improvements. The principal issue was $ 2,541,000 with a stated interest rate of 4.00% per annum. Terms of the issue call for a maximum of 480 equal monthly payments of $ 10,622, including principal and interest. The final payment is due July 2050. The bonds are redeemable at par.

Series 2016 Bonds – On September 8, 2016 the City issued Series 2016 Bonds for refinancing an interim construction loan from F&M Bank and financing the construction of wastewater treatment facilities. The principal issue was $ 3,784,000 with a stated interest rate of 1.625% per annum. Terms of the issue call for a maximum of 480 equal monthly payments of $ 10,747, including principal and interest. The final payment is due September 2056. The bonds are redeemable at par.

Bond Covenants

The Series 1988, 2010, and 2016 Bonds (the "Bonds") are held by the USDA Rural Development and are secured by liens on the revenues of the Water Sewer Fund and are expected to be paid with resources of the Water Sewer Fund. The bond resolution requires several funds and accounts to facilitate the operation of the System and provide for servicing the bond obligations.

Revenue Fund – The Revenue Fund is used as the depository for all revenues derived from the ownership and operation of the System. Costs of operating, maintaining, and repairing the System are paid from the Revenue Fund. Operating costs include salaries and wages, employee benefits and other compensation, the payment of contractual obligations incurred pertaining to the operation of the System, costs of material and supplies, cost of purchasing water, rentals of leased property, real or personal, insurance premiums, audit fees, and such other charges for the purpose of operating, maintaining and repairing the System in accordance with sound business practices. The net revenues remaining in the Revenue Fund after payment of operating costs, which do not include a provision for depreciation, interest, and amortization, are pledged to the payment of principal and interest on the Bonds.

Reserve Fund – The City is to maintain a special trust fund apart from all other funds of the City designated the "Reserve Fund". Commencing in the month of the first payment date and continuing from month to month thereafter the City is to deposit into the Reserve Fund an amount equal to ten percent (10%) of the principal and interest payment due on each Series. Such monthly payments are to continue until there is established and maintained a debt service reserve equal to the highest principal and interest payments coming due for the bonds outstanding in any bond year. Moneys in the Reserve Fund shall be used solely to pay the principal and interest on the Bonds falling due in any year in which a default would occur absent this reserve.

(Continued)

NOTE 12 – LONG-TERM DEBT (Continued)

Short-Lived Assets Reserve Fund – The City is to maintain a special trust fund designated the "Short-Lived Assets Reserve Fund". Beginning on the anniversary of the first payment date for the Series 2016 Bonds, and continuing annually thereafter, the City is to deposit an annual sum of $ 20,960 into the Short-Lived Assets Reserve Fund until a balance of $ 314,400 has been accumulated. Funds held in this fund are to be used solely to replace equipment and other short-lived assets of the System. Payments to this fund will recommence should withdrawals cause the balance to fall below $ 314,400. Deposits required to have been made to the Short-Lived Assets Reserve Fund as of December 31, 2023 totaled $ 146,720.

Renewal and Extension Fund – The Series 1988 Bonds established a "Renewal and Extension Fund" into which excess funds would be deposited until a balance of $ 25,000 was accumulated. The Series 2016 Bonds amended the Renewal and Extension Fund requirements to allow the City to determine, at its discretion, an amount that is reasonable and prudent to retain in the Revenue Fund and to determine an amount that is reasonable and prudent to retain in the Renewal and Extension Fund. No discretionary amounts to be retained in the Revenue Fund or Renewal and Extension Fund have been established as of December 31, 2023.

Funds held in the Renewal and Extension Fund, if any, can only be used for the purpose of meeting an emergency having a major effect upon the System caused by some extraordinary occurrence or making replacements, additions, extensions and improvements to the System deemed by the City to be reasonable and in the best interest of the City and the holders of the Bonds.

The maximum balance to be funded, the required balance as of December 31, 2023, and the amount restricted as of December 31, 2023 for the Reserve Funds are as follows:

Funds to be Maintained	Maximum Balance to be Funded	Required Balance 12/31/2023	Amount Restricted 12/31/2023
Reserve Funds			
Series 1988	$ 36,500	$ 36,500	
Series 2010	127,464	127,464	
Series 2016	128,964	93,525	
Total reserve funds	292,928	257,489	
Short-Lived Assets Reserve Fund	314,400	146,720	
Renewal and Extension Fund	Discretionary	-	
Total	$ 607,328	$ 404,209	$ 414,384

Water Sewer Rate Covenants

Covenants in the GEFA and USDA agreements require that the City maintain a schedule of rates, tolls, fees and charges sufficient to produce net revenues to meet certain debt service requirements. The stipulated fixed charges coverage ratio for GEFA is 1.05 of the annual debt service requirement for all outstanding long-term debt of the Water Sewer Fund. The ratio for USDA is 1.20 of the annual debt service requirement for Rural Utility System (RUS) debt outstanding. Failure to adopt adequate rates can result in legal action compelling the City to revise its rates to meet the requirements of these covenants.

(Continued)

NOTE 12 – LONG-TERM DEBT (Continued)

The computation of the required ratios for the year ended December 31, 2023 are as follows:

			Computed Ratio	Required Ratio
GEFA Fixed Charges Coverage Ratio				
Income available for fixed charges	$	339,942	0.97	1.05
Fixed charges (all long-term debt)	$	351,371		
USDA Fixed Charges Coverage Ratio				
Income available for fixed charges	$	339,942	1.17	1.20
Fixed charges (RUS bonds payable)	$	291,478		

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City manages its business risks through commercial insurance coverage. The risks borne by the City are general liability, surety, and workers compensation.

The City has joined together with other municipalities in the state as a member of the Georgia Municipal Association (GMA) Self-Insured Workmen's Compensation Fund (the "Fund"). The City is obligated to pay all contributions and assessments as prescribed by the Fund, to cooperate with the Fund's agents and attorneys, to follow loss reduction policies established by the Fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the Fund being required to pay any claim of loss. The City is also to allow the Fund's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of the loss protection furnished by the Fund.

The Fund is to defend and protect the members of the Fund against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Fund is to pay all costs assessed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The general liability aggregate limit is $ 3,000,000, with a personal injury limit of $ 1,000,000. The employee blanket bond is $ 10,000. Workers compensation coverage is $ 100,000 for bodily injury for each occurrence, with a policy limit of $ 1,000,000. The workers compensation coverage is a participant in the Georgia Municipal Association Risk Pool, where in the City shares in the risk of any pro-rata losses incurred by the Pool.

During the year ended December 31, 2023, the City paid no material claims. The City is not aware of any claims that the City is liable for (up to the $ 1,000 deductible) which were outstanding and unpaid at December 31, 2023. No provision has been made in the December 31, 2023 financial statements for any estimate of potential unpaid claims.

NOTE 14 – RETIREMENT PLAN

Plan Description

The City of Warrenton Retirement Plan (the "Plan"), is a defined benefit pension plan affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). Contributions made by the City are pooled with contributions made by other members of GMEBS for investment purposes; the City does not own any securities on its own. There are no employer or related party securities or loans included in plan assets. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, The Burgess Building, 201 Pryor Street, SW, Atlanta, GA 30303, or by calling (404) 688-0472.

The City originally established the Plan October 1, 1970. On January 1, 2003 the City executed an agreement adopting the GMEBS Master Plan and Joint Trust Agreement (the "Adoption Agreement"). The Adoption Agreement establishes the types of benefits available under the Plan and the City's obligation to contribute to the Plan. The City has the right to amend any or all elections in the Adoption Agreement. The amendment must be approved by GMEBS, cannot reduce any previously accrued benefits of the participants or beneficiaries, cannot authorize or permit any part of the Trust Fund to be diverted to any purpose other than for the exclusive benefit of participants and their beneficiaries, and cannot deprive any participant or beneficiary of any rights or benefits irrevocably vested under the Plan.

GMEBS can amend the Master Plan or the elective provisions of the Adoption Agreement in its sole discretion as Trustee of the Plan. Any amendment by GMEBS must be approved by the City as the adopting employer. The City cannot amend the Master Plan or the Joint Trust Agreement.

Benefits Provided

As provided by State law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the Plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All full-time employees of the City, working at least thirty hours per week, are eligible to participate immediately. Elected officials are also eligible to participate in the Plan. Benefits are fully vested after ten years of service. Normal retirement age is 65 with a minimum of five years of service, and early retirement is age 55 with a minimum of ten years total credited service. Monthly benefits are based on (a) the average annual earnings paid to a participant during any consecutive five year period preceding actual date of retirement in which the earnings were highest and (b) total years of service.

As of July 1, 2023, the last valuation date, there were 58 participants consisting of the following:

Retired participants and beneficiaries currently receiving benefits	19
Terminated vested participants entitled to but not yet receiving benefits	15
Active participants-vested	14
Active participants-not vested	10
Total number of participants	58

Contributions

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). GMEBS has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable State funding standards. Employees do not contribute to the Plan.

(Continued)

NOTE 14 – RETIREMENT PLAN (Continued)

For 2023, the City's contribution to the Plan totaled $ 10,825, or 1.68% of covered-employee payroll, $ 644,975. This contribution was equal to the recommended annual contribution determined as part of the July 1, 2022 actuarial valuation.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of March 31, 2023.

Actuarial Assumptions. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Net investment rate of return	7.375%, on going basis, based on long-term expected rate of return on pension plan investments
Projected salary increases	2.25%, plus service based merit increases
Inflation	2.25%
Social security wage base increase	2.25%
Cost of living adjustments	0.00%

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

Mortality rates for the July 1, 2023 valuation were based on the following:

Healthy Retirees and Beneficiaries-Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

Disabled Participants-Sex-distinct Pri-2012 head-count weighted Disable Retiree Mortality Table with rates multiplied by1.25.

Active Participants, Terminated Vested Participants, and Deferred Beneficiaries-Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45.00%	6.40%
International equity	20.00%	6.80%
Domestic fixed income	20.00%	0.40%
Real estate	10.00%	3.90%
Global fixed income	5.00%	0.46%
Cash	0.00%	0.00%
Total	100.00%	

(Continued)

NOTE 14 – RETIREMENT PLAN (Continued)

Discount Rate. The discount rate used to measure the total pension liability (asset) was 7.375%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability (asset).

Changes in the Net Pension Liability (Asset) of the City. The changes in the components of the net pension liability (asset) of the City for the year ended December 31, 2023 were as follows:

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (Asset) (NPL) (a) - (b)
Balances at March 31, 2022	$ 1,077,064	$ 1,428,084	$ (351,020)
Changes for the year:			
Service cost	15,312	-	15,312
Interest	78,751	-	78,751
Differences between expected and actual experience	3,135	-	3,135
Contributions-employer	-	9,911	(9,911)
Net investment income	-	(96,328)	96,328
Benefit payments, including refunds of employee contributions	(49,127)	(49,127)	-
Administrative expense	-	(10,115)	10,115
Other	-	-	-
Net changes	48,071	(145,659)	193,730
Balances at March 31, 2023	$ 1,125,135	$ 1,282,425	$ (157,290)

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

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's Net Pension Liability (Asset)	$ (30,152)	$ (157,290)	$ (265,231)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2023 and the current sharing pattern of costs between employer and employee.

(Continued)

NOTE 14 – RETIREMENT PLAN (Continued)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued GMEBS financial report.

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

For the year ended December 31, 2023, the City recognized pension expense of $ 3,489. The City reported the following deferred outflows of resources and deferred inflows of resources related to pensions as of December 31, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	$ 9,021	$ -
Difference between expected and actual experience	2,975	17,008
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	54,905	-
Total	$ 66,901	$ 17,008

Contributions made subsequent to the measurement date totaling $ 9,021 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2024.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ending December 31,				
	2024	2025	2026	2027	Total
Fiscal Year Outflows					
Demographic	$ 1,930	$ 1,045	$ -	$ -	$ 2,975
Investment	1,012	(29,382)	43,309	39,966	54,905
Total	$ 2,942	$ (28,337)	$ 43,309	$ 39,966	$ 57,880
Fiscal Year Inflows					
Demographic	$ 8,504	$ 8,504	$ -	$ -	$ 17,008
Total	$ 8,504	$ 8,504	$ -	$ -	$ 17,008

Changes in Methods and Assumptions

There were no changes in methods or assumptions from the prior valuation.

Benefit Changes

There were no benefit changes from the prior valuation.

NOTE 15 – COMMITMENTS AND SUBSEQUENT EVENTS

Commitments

CDBG Grant 2019

The City was awarded a Community Development Block Grant in August 2019 totaling $ 963,526. Proceeds from this grant and additional funding to be provided by the City, totaling $ 61,000, will be used to fund phase 1 of the Shoals Street infrastructure and housing improvements. This will include a roadway and drainage system, clearance activities, and housing rehabilitation and reconstruction. As of December 31, 2023 the City had incurred $ 1,017,124 of expenditures pertaining to this project which is included in construction in progress in the Statement of Net Position.

CDBG Grant 2020

The City was awarded a Community Development Block Grant in October 2020 totaling $ 1,000,000. Proceeds from this grant and additional funding to be provided by the City, totaling $ 65,250, will be used for flood and drainage improvements and neighborhood revitalization activities including housing reconstruction (3 units), housing rehabilitation (3 units) and clearance of property (4 units). As of December 31, 2023 the City had incurred $ 1,012,916 of expenditures pertaining to this project which is included in construction in progress in the Statement of Net Position.

CDBG Grant 2021

The City was awarded a Community Development Block Grant in October 2021 totaling $ 1,000,000. Proceeds from this grant and additional funding to be provided by the City, totaling $ 67,000, will be used for flood and drainage improvements and neighborhood revitalization activities including housing reconstruction (3 units), housing rehabilitation (3 units) and clearance of property (4 units). As of December 31, 2023 the City had incurred $ 362,277 of expenditures pertaining to this project which is included in construction in progress in the Statement of Net Position.

Coronavirus Local Fiscal Recovery Funds

On July 21, 2021 and August 22, 2022 the City received a total of $ 642,310 from the State of Georgia Governor's Office of Planning and Budget. These funds represent the City's distributive share of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) awarded to States by the U.S. Department of Treasury as part of the American Rescue Plan Act (ARPA). As of December 31, 2023, $ 500,061 of these grant funds had been expended. The remaining unspent funds, totaling $ 142,249, are considered unearned revenue and is so reported in the financial statements. The performance period for this award begins with the date hereof and ends on December 31, 2026.

The four broad categories in which these funds can be used are as follows:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.

- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers.

- For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.

- To make necessary investments in water, sewer, or broadband infrastructure.

(Continued)

NOTE 15 – COMMITMENTS AND SUBSEQUENT EVENTS (Continued)

CHIP Grant

On July 5, 2022, the City was awarded a Community Home Investment Program (CHIP) grant totaling $ 400,000. Proceeds from this grant will be used to fund rehabilitation and new construction assistance to qualifying homeowners. The duration of the agreement is three years beginning September 1, 2022 and ending August 31, 2025. The City is currently accepting applications for this program and no funds have been expended under this grant as of the report date.

GEFA Loan

On February 29, 2024, the City was awarded a Georgia Environmental Finance Authority (GEFA) loan from the Drinking Water State Revolving Loan Fund in the amount of $ 791,100. Proceeds from this loan will be used to fund improvements of TTHM reduction system, rehabilitation of pump stations, upgrades to telemetry equipment, and related appurtenances. Contingent upon the award and terms of the Drinking Water State Revolving Fund capitalization grant from the U.S. Environmental Protection Agency, the loan is eligible to receive principal forgiveness in the amount of $ 711,990 if all loan funds are drawn. Preliminary engineering has been completed and bids have been requested on this project as of the report date.

CDBG Grant 2024

The City was awarded a Community Development Block Grant on October 7, 2024 totaling $ 1,250,000. Proceeds from this grant and additional funding to be provided by the City, totaling $ 85,000, will be used for street improvements, flood and drainage facilities, pedestrian walkways and neighborhood revitalization activities including housing rehabilitation and reconstruction. As of December 31, 2023 the City had not incurred any expenditures related to this project.

As of December 31, 2023, amounts spent to date and the estimated remaining commitments on these projects are as follows:

Project Description	Total Commitment	Spent To Date	Remaining Commitment
2019 CDBG multi-activity grant	$ 1,024,526	$ 1,017,124	$ 7,402
2020 CDBG multi-activity grant	1,065,250	1,012,916	52,334
2021 CDBG multi-activity grant	1,067,000	362,277	704,723
ARPA funds	642,310	500,061	142,249
2022 CHIP grant	400,000	-	400,000
2023 GEFA water system improvements	791,100	52,325	738,775
2024 CDBG multi-activity grant	1,335,000	-	1,335,000
	$ 6,325,186	$ 2,944,703	$ 3,380,483

Subsequent Events

In preparing the financial statements, the City's management has evaluated events and transactions for potential recognition or disclosure through November 22, 2024 the date the financial statements were available for issuance.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARRENTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
RETIREMENT PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	$ 15,312	$ 16,991	$ 17,672	$ 17,061	$ 16,032	$ 16,807	$ 15,649	$ 15,853	$ 15,572
Interest	78,751	77,866	74,139	69,790	66,704	61,248	60,442	56,990	53,852
Differences between expected and actual experience	3,135	(34,017)	3,538	25,458	4,908	41,084	(20,090)	16,666	16,075
Benefit payments, including refunds of employee contributions	(49,127)	(45,200)	(43,055)	(43,961)	(51,100)	(45,609)	(45,598)	(44,336)	(1,245)
Other	-	-	-	5,329	-	12,283	-	-	(43,197)
Net change in total pension liability	48,071	15,640	52,294	73,677	36,544	85,813	10,403	45,173	41,057
Total pension liability, beginning	1,077,064	1,061,424	1,009,130	935,453	898,909	813,096	802,693	757,520	716,463
Total pension liability, ending (a)	1,125,135	1,077,064	1,061,424	1,009,130	935,453	898,909	813,096	802,693	757,520
Plan Fiduciary Net Position									
Contributions-employer	9,911	35,342	14,291	10,240	10,250	10,139	9,989	8,343	8,090
Net investment income	(96,328)	83,198	433,537	(72,196)	38,580	124,911	116,554	2,463	89,463
Benefit payments, including refunds of employee contributions	(49,127)	(45,200)	(43,055)	(43,961)	(51,100)	(45,609)	(45,598)	(44,336)	(43,197)
Administrative expenses	(10,115)	(9,887)	(9,521)	(10,389)	(10,101)	(10,044)	(10,271)	(7,234)	(7,005)
Net change in fiduciary net position	(145,659)	63,453	395,252	(116,306)	(12,371)	79,397	70,674	(40,764)	47,351
Plan fiduciary net position, beginning	1,428,084	1,364,631	969,379	1,085,685	1,098,056	1,018,659	947,985	988,749	941,398
Plan fiduciary net position, ending (b)	1,282,425	1,428,084	1,364,631	969,379	1,085,685	1,098,056	1,018,659	947,985	988,749
Net pension liability (asset), ending (a)-(b)	$ (157,290)	$ (351,020)	$ (303,207)	$ 39,751	$ (150,232)	$ (199,147)	$ (205,563)	$ (145,292)	$ (231,229)
Plan's fiduciary net position as a percentage of the total pension liability (asset)	113.98%	132.59%	128.57%	96.06%	116.06%	122.15%	125.28%	118.10%	130.52%
Covered employee payroll	$ 644,975	$ 589,911	$ 647,873	$ 639,492	$ 574,648	$ 504,792	$ 507,503	$ 474,258	$ 487,455
Net pension liability (asset) as a percentage of covered payroll	-24.39%	-59.50%	-46.80%	6.22%	-26.14%	-39.45%	-40.50%	-30.64%	-47.44%

Notes to the Schedule:

(1) Historical information prior to the implementation of GASB Statement Nos. 67/68 is not required. The schedule will present 10 years of information as it is accumulated.

CITY OF WARRENTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
RETIREMENT PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 10,825	$ 10,811	$ 39,167	$ 10,351	$ 10,203	$ 10,261	$ 10,097	$ 9,953	$ 7,807
Contributions in relation to the actuarially determined contribution	10,825	10,811	39,167	10,351	10,203	10,261	10,097	9,953	7,807
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 644,975	$ 589,911	$ 647,873	$ 639,492	$ 574,648	$ 504,792	$ 507,503	$ 474,258	$ 487,455
Contributions as a percentage of covered employee payroll	1.68%	1.83%	6.05%	1.62%	1.78%	2.03%	1.99%	2.10%	1.60%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2023
Cost Method	Projected Unit Credit
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted if necessary, to be within 20% of market value.
Assumed Rate of Return	7.375%
Projected Salary Increases	2.25%
Cost of Living Adjustments	0.00%
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A

(2) Historical information prior to the implementation of GASB Statement Nos. 67/68 is not required. The schedule will present 10 years of information as it is accumulated.

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COMBINING FUND STATEMENTS

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GENERAL FUND

The General Fund is used to account for resources traditionally associated with the City that are not required legally, or by sound financial management to be accounted for in another fund.

CITY OF WARRENTON, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes				
Real property tax	$ 432,839	$ 432,839	$ 535,884	$ 103,045
Motor vehicle taxes	6,792	6,792	12,910	6,118
Mobile home tax	7,144	7,144	6,329	(815)
Title advalorem tax	45,000	45,000	45,981	981
Real estate transfer tax	750	750	306	(444)
Intangible tax	2,200	2,200	621	(1,579)
Ad Valorem true up	4,000	4,000	-	(4,000)
Gas tax relief	-	-	1,309	1,309
Franchise tax	92,000	92,000	114,217	22,217
Excise local option sales tax	50,000	50,000	25,420	(24,580)
Excise SPLOST	21,000	21,000	10,950	(10,050)
Local option sales tax	250,000	250,000	263,852	13,852
Alcoholic beverage tax	36,000	36,000	35,992	(8)
Insurance premium tax	142,335	142,335	154,342	12,007
General property tax	1,000	1,000	8,671	7,671
Fifa	1,000	1,000	1,479	479
Railroad equipment tax	1,255	1,255	-	(1,255)
Total taxes	1,093,315	1,093,315	1,218,263	124,948
Licenses and Permits				
General business license	25,000	25,000	36,245	11,245
Total licenses and permits	25,000	25,000	36,245	11,245
Intergovernmental				
Payment in lieu of taxes	10,899	10,899	10,201	(698)
Federal and State grants	-	-	520,866	520,866
Total intergovernmental	10,899	10,899	531,067	520,168
Charges for Services				
Sanitation fees	162,000	162,000	157,858	(4,142)
Total charges for services	162,000	162,000	157,858	(4,142)
Fines and Forfeitures				
Seized property	-	-	219	219
Municipal court fines	225,000	225,000	198,596	(26,404)
Total fines and forfeitures	225,000	225,000	198,815	(26,185)
Use of Money and Property				
Rents	11,500	11,500	19,914	8,414
Total Use of money and property	11,500	11,500	19,914	8,414
Investment Earnings				
Interest income	-	-	17,417	17,417
Total Investment Earnings	-	-	17,417	17,417
Other				
Miscellaneous	2,600	2,600	26,903	24,303
Total other	2,600	2,600	26,903	24,303
Total revenues	1,530,314	1,530,314	2,206,482	676,168

(Continued)

CITY OF WARRENTON, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
EXPENDITURES				
General government				
Mayor and City Council	6,513	6,513	5,383	(1,130)
Elections	10,000	10,000	177	(9,823)
General administration	370,031	370,031	322,916	(47,115)
Total general government	386,544	386,544	328,476	(58,068)
Public safety				
Police	611,051	611,051	602,341	(8,710)
Corrections	17,000	17,000	4,240	(12,760)
Fire	33,921	33,921	18,228	(15,693)
Total public safety	661,972	661,972	624,809	(37,163)
Public works				
Streets	218,125	218,125	308,306	90,181
Sanitation	196,327	196,327	210,362	14,035
Telecommuications (broadband)	-	-	304,500	304,500
Total public works	414,452	414,452	823,168	408,716
Culture and Recreation				
Recreation	67,346	67,346	140,512	73,166
Total culture and recreation	67,346	67,346	140,512	73,166
Housing and Development				
Housing	-	-	59,808	59,808
Total housing and development	-	-	59,808	59,808
Total expenditures	1,530,314	1,530,314	1,976,773	446,459
Excess of revenues over expenditures	-	-	229,709	229,709
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(118,046)	(118,046)
Total othner financing sources (uses)	-	-	(118,046)	(118,046)
NET CHANGE IN FUND BALANCES	$ -	$ -	111,663	$ 111,663
FUND BALANCE				
Beginning of year			2,441,657	
End of year			$ 2,553,320	

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NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

SPLOST 2017-2022 Fund - This fund was established to account for proceeds from the Special Purpose Local Option Sales Tax to provide funding for capital projects related to water and sewer, roads, streets, and bridges, emergency services, and inert landfill and solid waste.

SPLOST 2022-2027 Fund - This fund was established to account for proceeds from the Special Purpose Local Option Sales Tax to provide funding for capital projects related to water and sewer and emergency services.

T-SPLOST Fund - This fund was established to account for proceeds from the Transportation Investment Act special purpose local option sales tax to provide funding for road and street maintenance, paving, and other related costs.

LMIG Fund - This fund was established to account for grant proceeds from the State DOT for the funding of road and street paving.

CDBG 2021 Fund - This fund was established to account for proceeds from a CDBG grant to be used for flood and drainage improvements and neighborhood revitalization activities

CDBG 2019 Fund - This fund was established to account for proceeds from a CDBG grant to be used for flood and drainage improvements and neighborhood revitalization activities.

CITY OF WARRENTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Capital Project Funds						Total Nonmajor Governmental Funds
	SPLOST 2017-2022 Fund	SPLOST 2022-2027 Fund	T-SPLOST Fund	LMIG Fund	CDBG 2021 Fund	CDBG 2019 Fund	
ASSETS							
Cash and cash equivalents	$ 197,764	$ 139,683	$ 63,899	$ 38	$ 85	$ 57	$ 401,526
Intergovernmental receivables	-	61,649	17,304	-	-	-	78,953
Total assets	$ 197,764	$ 201,332	$ 81,203	$ 38	$ 85	$ 57	$ 480,479
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interfund payables	-	-	-	-	85	57	142
Total liabilities	-	-	-	-	85	57	142
FUND BALANCES							
Restricted for:							
Public works	197,764	201,332	81,203	38	-	-	480,337
Total fund balances	197,764	201,332	81,203	38	-	-	480,337
Total liabilities and fund balances	$ 197,764	$ 201,332	$ 81,203	$ 38	$ 85	$ 57	$ 480,479

CITY OF WARRENTON, GEORGIA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital Projects Funds						Total Nonmajor Governmental Funds
	SPLOST 2017-2022 Fund	SPLOST 2022-2027 Fund	T-SPLOST Fund	LMIG Fund	CDBG 2021 Fund	CDBG 2019 Fund	
REVENUES							
Taxes	$ -	$ -	$ 71,949	$ -	$ -	$ -	$ 71,949
Intergovernmental	-	131,795	-	30,575	66,734	-	229,104
Total revenues	-	131,795	71,949	30,575	66,734	-	301,053
EXPENDITURES							
Capital outlay							
General government	25	-	-	-	-	-	25
Housing and development	-	-	-	-	66,734	-	66,734
Public safety	31,984	-	-	-	-	-	31,984
Public works	-	-	84,615	30,575	-	-	115,190
Total expenditures	32,009	-	84,615	30,575	66,734	-	213,933
Excess (deficiency) of revenues over (under) expenditures	(32,009)	131,795	(12,666)	-	-	-	87,120
OTHER FINANCING USES							
Transfers out	(150,759)	-	-	-	-	-	(150,759)
Total other financing uses	(150,759)	-	-	-	-	-	(150,759)
NET CHANGE IN FUND BALANCES	(182,768)	131,795	(12,666)	-	-	-	(63,639)
FUND BALANCES, BEGINNING OF YEAR	380,532	69,537	93,869	38	-	-	543,976
FUND BALANCES, END OF YEAR	$ 197,764	$ 201,332	$ 81,203	$ 38	$ -	$ -	$ 480,337

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OTHER SUPPLEMENTARY INFORMATION

CITY OF WARRENTON, GEORGIA
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
PROJECT COSTS AND SOURCE AND APPLICATION OF FUNDS (CASH BASIS)
GRANT NUMBER 19b-x-149-2-6096
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Activity	Latest Approved Budget CDBG Funds	Accumulated Expenditures To Date CDBG Funds	Accumulated Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs (Explain)
Project Costs					
Grant Number 19b-x-149-2-6096					
Acquisition	$ 24,000	$ 34,210	$ 378	$ 34,588	none
Engineering	11,372	17,372	1,000	18,372	none
Flood/Drainage	596,163	511,453	49,220	560,673	none
Clearance	64,800	45,780	-	45,780	none
Rehabilitation	18,854	15,745	-	15,745	none
Reconstruction	185,687	277,913	500	278,413	none
Administration	62,650	61,053	2,500	63,553	none
	$ 963,526	$ 963,526	$ 53,598	$ 1,017,124	
Source of other funds: local match					

Source and Application of Funds	
Grant Number 19b-x-149-2-6096	
Total program year 2019 funds allocated to recipient	$ 963,526
Less total program year 2019 funds drawn by recipient	963,526
Funds still available from program year 2019 resources	$ -
Total program year 2019 funds drawn and received by recipient	$ 963,526
Less funds applied and expended to program year 2019 costs	963,526
Total program year 2019 funds held by recipient	$ -

Notes to the Schedule:

(1) The Schedule of Community Development Block Grants Project Costs and Source and Application of Funds is presented on the cash basis of accounting. Therefore, some amounts reported in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements which are presented on the accrual/modified accrual basis of accounting.

CITY OF WARRENTON, GEORGIA
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
PROJECT COSTS AND SOURCE AND APPLICATION OF FUNDS (CASH BASIS)
GRANT NUMBER 20b-x-149-2-6167
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Activity	Latest Approved Budget CDBG Funds	Accumulated Expenditures To Date CDBG Funds	Accumulated Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs (Explain)
Project Costs					
Grant Number 20b-x-149-2-6167					
Acquisition	$ 40,000	$ 9,816	$ -	$ 9,816	none
Clearance	50,000	-	-	-	none
Street Improvements	121,170	-	-	-	none
Flood & Drainage	337,251	307,125	-	307,125	none
Pedestrian Walkways	113,280	-	-	-	none
Rehabilitation of Private Properties	111,014	-	-	-	none
Reconstruction of Private Properties	167,285	542,789	4,000	546,789	none
Administration	60,000	58,957	78,252	137,209	none
	$ 1,000,000	$ 918,687	$ 82,252	$ 1,000,939	

Source of other funds: local match

Source and Application of Funds	
Grant Number 20b-x-149-2-6167	
Total program year 2020 funds allocated to recipient	$ 1,000,000
Less total program year 2020 funds drawn by recipient	918,687
Funds still available from program year 2020 resources	$ 81,313
Total program year 2020 funds drawn and received by recipient	$ 918,687
Less funds applied and expended to program year 2020 costs	918,687
Total program year 2020 funds held by recipient	$ -

Notes to the Schedule:

(1) The Schedule of Community Development Block Grants Project Costs and Source and Application of Funds is presented on the cash basis of accounting. Therefore, some amounts reported in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements which are presented on the accrual/modified accrual basis of accounting.

CITY OF WARRENTON, GEORGIA
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
PROJECT COSTS AND SOURCE AND APPLICATION OF FUNDS (CASH BASIS)
GRANT NUMBER 21b-x-149-2-6236
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Activity	Latest Approved Budget CDBG Funds	Accumulated Expenditures To Date CDBG Funds	Accumulated Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs (Explain)
Project Costs					
Grant Number 21b-x-149-2-6236					
Acquisition	$ 15,000	$ -	$ -	$ -	none
Construction	495,069	-	-	-	none
Contingencies	80,031	-	-	-	none
Reconstruction	207,430	280,926	-	280,926	none
Rehabilitation	78,882	-	-	-	none
Demolition	20,000	-	-	-	none
Engineering	11,908	-	34,661	34,661	none
Others	24,680	-	-	-	none
Administration	67,000	46,690	-	46,690	none
	$ 1,000,000	$ 327,616	$ 34,661	$ 362,277	

Source of other funds: local match

Source and Application of Funds	
Grant Number 21b-x-149-2-6236	
Total program year 2021 funds allocated to recipient	$ 1,000,000
Less total program year 2021 funds drawn by recipient	327,616
Funds still available from program year 2021 resources	$ 672,384
Total program year 2021 funds drawn and received by recipient	$ 327,616
Less funds applied and expended to program year 2021 costs	327,616
Total program year 2021 funds held by recipient	$ -

Notes to the Schedule:

(1) The Schedule of Community Development Block Grants Project Costs and Source and Application of Funds is presented on the cash basis of accounting. Therefore, some amounts reported in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements which are presented on the accrual/modified accrual basis of accounting.

CITY OF WARRENTON, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2023

Projects:	Original Estimated Cost	Prior Years	Current Year	Total To Date	Estimated Percentage of Completion
SPLOST 2017 - 2022					
Water sewer projects	$ 374,400	$ 152,925	$ 150,759	$ 303,684	81.11%
Roads, streets, and bridges	11,520	27,739	-	27,739	240.79%
Emergency services projects	70,720	-	31,984	-	0.00%
Inert landfill/solid waste	230,400	-	-	-	0.00%
	$ 687,040	$ 180,664	$ 182,743	$ 331,423	
SPLOST 2022 - 2027					
Water sewer projects	$ 374,400	$ -	$ -	$ -	0.00%
Emergency services projects	160,000	-	-	-	0.00%
	$ 534,400	$ -	$ -	$ -	

CITY OF WARRENTON, GEORGIA
SCHEDULE OF WATER SEWER FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Water Activities	Sewer Activities	Business-type Activities-Enterprise Fund Water Sewer Fund
OPERATING REVENUES			
Charges for services	$ 779,170	$ 538,433	$ 1,317,603
Total operating revenues	779,170	538,433	1,317,603
OPERATING EXPENSES			
Personnel services	238,947	166,777	405,724
Professional fees	21,699	18,487	40,186
Repairs and maintenance	168,268	60,055	228,323
Chemicals and supplies	93,350	44,767	138,117
Other purchased services	29,293	20,446	49,739
Utilities and communications	51,031	69,191	120,222
Bad debts	(2,158)	(1,506)	(3,664)
Depreciation	383,676	267,792	651,468
Total operating expenses	984,106	646,009	1,630,115
Operating loss	(204,936)	(107,576)	(312,512)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	581	405	986
Interest expense	(89,982)	(62,803)	(152,785)
Total non-operating revenues (expenses)	(89,401)	(62,398)	(151,799)
Loss before capital contributions	(294,337)	(169,974)	(464,311)
CAPITAL CONTRIBUTIONS	268,806	-	268,806
Change in net position	$ (25,531)	$ (169,974)	$ (195,505)

COMPLIANCE AND SINGLE AUDIT SECTION

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Pass-through programs from:			
State of Georgia Department of Community Affairs			
Community Development Block Grant	14.218	20b-x-149-2-6167	$ 289,545
Pass-through programs from:			
State of Georgia Department of Community Affairs			
Community Development Block Grant	14.218	21b-x-149-2-6236	66,734
Total U.S. Department of Housing and Urban Development			356,279
U.S. Department of Treasury			
Pass-through programs from:			
Georgia Governor's Office of Planning and Budget			
COVID-19 Coronavirus State and Local Recovery Funds	21.027	-	500,062
Total U.S. Department of Treasury			500,062
Total Federal Funds Expended			$ 856,341

CITY OF WARRENTON, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Warrenton, Georgia and is presented on the modified 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 - NONCASH AWARDS

The City of Warrenton, Georgia did not receive any noncash federal awards during the year ended December 31, 2023.

NOTE 3 - INDIRECT COST RATE

The City of Warrenton, Georgia has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE)

The City of Warrenton, Georgia did not receive any donated personal protective equipment (PPE) from federal sources during the year ended December 31, 2023.

BARMORE HAMMOND
CERTIFIED PUBLIC ACCOUNTANTS
LIMITED LIABILITY PARTNERSHIP

Benjamin B. Barmore, CPA, PC
W. Lee Hammond, CPA, PC

W. G. Bullock Building
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Thomson, Georgia 30824

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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*

Honorable Mayor and Members of City Council
City of Warrenton
Warrenton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Warrenton, Georgia's basic financial statements, and have issued our report thereon dated November 22, 2024.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Warrenton, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001 and 2023-002.

City of Warrenton, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Warrenton, Georgia's response to findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Warrenton, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Thomson, Georgia
November 22, 2024

BARMORE HAMMOND
CERTIFIED PUBLIC ACCOUNTANTS
LIMITED LIABILITY PARTNERSHIP

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

Honorable Mayor and Members of City Council
City of Warrenton
Warrenton, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Warrenton, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Warrenton, Georgia's major federal programs for the year ended December 31, 2023. The City of Warrenton, Georgia'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 of Warrenton, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City of Warrenton, Georgia 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 of Warrenton, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management 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 of Warrenton, Georgia's federal programs.

Auditor's Responsibilities 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 of Warrenton, Georgia'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 of Warrenton, Georgia'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 of Warrenton, Georgia'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 of Warrenton, Georgia'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 of Warrenton, Georgia'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 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.

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.



Thomson, Georgia
November 22, 2024

CITY OF WARRENTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:			
Governmental activities, business-type activities, General Fund, CDBG 2020 Fund, and agregate remaining fund information			Unmodified
Discretely presented component unit			Adverse
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	_X_ No	
Significant deficiency(ies) identified?	____ Yes	_X_ None reported	
Noncompliance material to financial statements noted?	_X_ Yes	____ No	

Federal Awards

Type of auditor's report issued on compliance for major federal programs:			Unmodified
Internal control over major federal programs:			
Material weakness(es) identified?	____ Yes	_X_ No	
Significant deficiency(ies) identified?	____ Yes	_X_ None reported	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	_X_ No	

Identification of major program:

CFDA Number	Program/Cluster Name
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used 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

ITEM 2023-001: GEFA AND USDA WATER SEWER RATE COVENANTS NOT MET

Condition: The fixed charges coverage ratio of 1.05 stipulated in the GEFA loan agreement and the ratio of net revenues to debt service requirement of 1.20 stipulated in the 2016 Bond Ordinance were not met for the year ended December 31, 2023.

Criteria: The City is to maintain a schedule of rates, tolls, fees and charges for the services, facilities and commodities furnished by the Water Sewer System sufficient to produce net revenues at least equal to 1.05 of the GEFA debt service requirements and 1.20 for the USDA debt service requirements.

Cause: The schedule of rates, tolls, fees and charges for services were not sufficient to produce net revenues equal to the required ratios.

Effect: The required ratios were not met for the year ended December 31, 2023 and the City was not in compliance with its rate covenants.

(Continued)

SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

Recommendation: We recommend that the City review its water sewer rates to determine if they are adequate to fund operation of the System and meet its debt service requirements. In addition, the City should review expenses being charged to the System to insure they are proper.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the auditor's finding that the rate covenants were not met in the current year. Management continues to consult with its engineer regarding the City's current rate structure, expected cost of operating and maintaining the System, and other factors that could impact the net revenues of the System. City Council approved a 4.5% rate increase that was effective April 1, 2022. Management has been proactive in adjusting rates in an effort to comply with the required ratios and will continue to evaluate rates on a periodic basis and adjust them accordingly.

ITEM 2023-002: DOWNTOWN DEVELOPMENT AUTHORITY NOT INCLUDED IN REPORTING ENTITY

Condition: The Downtown Development Authority, a component unit of the City of Warrenton, Georgia, is not discretely presented in the City's December 31, 2023 financial statements in accordance with generally accepted accounting principles.

Criteria: The State of Georgia Department of Audit and Accounts has determined that the Downtown Development Authority is a component unit of the City and should be discretely presented in the City's annual financial statements as part of the reporting entity.

Cause: The Downtown Development Authority was not audited and has not issued separate financial statements for the year ended May 31, 2023. Accordingly, no financial information is available for inclusion in the City's December 31, 2023 financial statements.

Effect: The omission of the Downtown Development Authority from the reporting entity's financial statements presents a "scope limitation" resulting in an adverse opinion with regard to the discretely presented component unit.

Recommendation: We recommend that the City and Downtown Development Authority review the Downtown Development Authority Law and the adopted By-Laws of the Downtown Development Authority and provide for audited financial statements of the Downtown Development Authority for inclusion in the City's annual financial statements.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the auditor's finding that the Downtown Development Authority is a component unit of the City and should be included in the reporting entity's financial statements. Management has had discussions with the Downtown Development Authority regarding the lack of audited financial statements. The City and Downtown Development Authority will continue discussions in an effort to resolve this finding.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

CITY OF WARRENTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II. FINANCIAL STATEMENT FINDINGS

ITEM 2022-001: GEFA AND USDA WATER SEWER RATE COVENANTS NOT MET

Condition: The fixed charges coverage ratio of 1.05 stipulated in the GEFA loan agreement and the ratio of net revenues to debt service requirement of 1.20 stipulated in the 2016 Bond Ordinance were not met for the year ended December 31, 2022.

Recommendation: We recommended that the City review its water sewer rates to determine if they are adequate to fund operation of the System and meet its debt service requirements. In addition, the City should review expenses being charged to the System to insure they are proper.

Current Status: The City Council approved a rate increase of 4.5% that was effective April 1, 2022. Management continues to consult with its engineer regarding the City's current rate structure, expected cost of operating and maintaining the System, and other factors that could impact the net revenues of the System.

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