CITY OF WAYNESBORO, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	3
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	17
Statement of Net Position - Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Notes to the Financial Statements	21
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios	44
Schedule of Contributions	45
Supplementary Information:	
Non-Major Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	47

Nonmajor Capital Projects Funds:
Combining Balance Sheet 48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 49
Nonmajor Special Revenue Funds:
Combining Balance Sheet 50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 51
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hotel/Motel Tax Fund 52
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Confiscated Assets Fund 53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Family Connection Fund 54
Community Development Block Grant - Source and Application of Funds Schedule 55
Community Development Block Grant - Project Cost Schedule 56
Schedule of Projects Paid with Special Sales Tax Proceeds 57

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* 58
Schedule of Findings 60

LANIER, DEAL, PROCTOR & BLOSER

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
RICHARD N. DEAL II, CPA

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Waynesboro, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, 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 Waynesboro, Georgia's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Waynesboro, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, 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 Waynesboro, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 through 10 and other required supplementary information, 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waynesboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, CDBG source and application of funds schedule, CDBG project cost schedule, and schedule of projects paid with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, CDBG source and application of funds schedule, CDBG project cost schedule, and schedule of projects paid with special sales tax proceeds 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 September 25, 2024 on our consideration of the City of Waynesboro, 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 Waynesboro, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Waynesboro, Georgia's internal control over financial reporting and compliance.

Lanier, Deal, Proctor + Bloser

Statesboro, Georgia
September 25, 2024

This discussion and analysis is intended to be an easily readable analysis of the City of Waynesboro, Georgia's (the City's) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Overview of the Financial Statements

The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. *The fund financial statements* present financial information for the City's major funds. The *notes to financial statements* provide additional information concerning the City's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

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

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

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The *Statement of Activities* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

> *Governmental activities* - Most of the City's basic services are reported here, including the police, fire, community development, information services and general administration. These activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, and charges for services.
>
> *Business-type activities* - Business-type activities include the City's water and sewer system, gas system, and solid waste activities. These activities are supported by charges to the users of the activities.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund Financial Statements

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

Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

The City has two kinds of funds:

Governmental Funds: The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances of spendable resources available at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 13 through 16 of this report.

The City maintains two major and six nonmajor governmental funds. The City's major governmental funds are the General Fund and the SPLOST IV Fund. The City's nonmajor governmental funds are the Hotel/Motel Tax Fund, Confiscated Assets Fund, Family Connection Grant, the 2018 CHIP fund, the 2021 CDBG Fund and the TIA SPLOST Fund.

Proprietary Funds: The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 18 through 20 of this report. The City maintains three enterprise funds: Water and Sewer, Gas, and Solid Waste.

Notes to the Basic Financial Statements

The notes to the financial statements explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes begin on page 21 of this report.

Budgetary Presentations

A budgetary comparison statement is included as "basic financial statements" for the General Fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented as supplementary financial information of this report beginning on page 46.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $36,156,074, as compared to $34,081,744 at December 31, 2022. The following table provides a summary of the City's net position.

	Governmental Activities	Business-type Activities	Total
Net Position			
Net investment in capital assets	$ 14,543,183	$ 16,848,890	$ 31,392,073
Restricted for:			
Roads and capital projects	1,202,808	-	1,202,808
Public safety	32,055	-	32,055
Debt service	-	62,803	62,803
Unrestricted	2,558,253	908,082	3,466,335
Total Net Position	$ 18,336,299	$ 17,819,775	$ 36,156,074

The current ratio is used to measure an entity's ability to meet current obligations. The City of Waynesboro, Georgia has a 3.75 to 1 ratio for governmental activities. The current ratio for business-type activities is 1.30 to 1, as compared to 1.31 to 1 at December 31, 2022.

The City reported positive balances in net positions for both governmental and business-type activities. Analyzing the net position of governmental and business-type activities separately, the business-type activities net position is $17,819,775. The table below focuses on the net position and revenues and expenses of the City's governmental and business-type activities. Net position decreased by $1,471,514 for governmental activities and increased by $3,545,844 for business-type activities. The City's overall financial position improved during the year ended December 31, 2023.

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

	Governmental Activities	Business-type Activities	Total
Total revenues	$ 8,267,720	$ 5,339,383	$ 13,607,103
Total expenses	6,813,189	4,719,584	11,532,773
Changes in net position before transfers	1,454,531	619,799	2,074,330
Transfers	(2,926,045)	2,926,045	-
Change in net position	(1,471,514)	3,545,844	2,074,330
Net position, beginning of year	19,807,813	14,273,931	34,081,744
Net position, end of year	$ 18,336,299	$ 17,819,775	$ 36,156,074

Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 43.4% of governmental revenues. Note that program revenues made up 36.7% of the City's total revenues.

Governmental Expenses

The above table presents the total expenses of the City with the statement of activities on page 12 showing the amounts within he departments. Public safety, water and sewer, and gas were the most costly. Public safety made up 28.1% of the City's total expenses, while water and sewer and gas made up 28.0% and 7.5%, respectively.

There was an excess of $1,454,531 in governmental activities and an excess of $619,799 in business-type activities. Transfers to (from) governmental activities resulted in a total deficit in governmental activities of $1,471,514 and a net excess in business-type activities of $3,545,844. The total change in net position was $2,074,330. As stated earlier, the financial position of the City improved in the year ended December 31, 2023.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of $3,670,008. Of this year-end total, $1,202,808 is restricted for capital projects and $32,055 for other uses. The unassigned portion of governmental fund balances was $2,370,943. The total ending fund balances of governmental funds shows a decrease of $2,582,809, or a 41.3% decrease.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported an ending fund balance of $2,516,485. Of this total, $53,946 is restricted for use under state grants or community development programs, and $27,394 is restricted for public safety. The remaining balance of $2,370,943 is unassigned. The total ending fund balance of the general fund shows a decrease of $599,349. The decrease in the current year was a result of the decrease in property tax proceeds during the year caused by property tax billing occurring later in the year.

Total revenues of the General Fund were $4,365,887, a decrease of 11.3% from fiscal year 2022. This decrease was primarily due to the property tax digest being prepared in 2024 causing property tax bills to be mailed after year end.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues for the proprietary funds were $5,314,632, a decrease of 7.5% over fiscal year 2022. After considering expenditures, the net income (loss) of these funds before capital contributions and transfers is $619,799.

Budgetary Highlights

Revenues in the General Fund were $4,365,887. This decrease resulted primarily from property tax billings being late and not collected within the first 60 days of the year.

Expenditures in the General Fund of $6,043,238 were for the operation of the various departments, including administration, public safety, public works, and community development. These expenses directly impact our community, ensuring their safety, comfort, and well-being. The expenditures include but are not limited to delinquent property tax

collection, the purchase of two police vehicles, security upgrades, and maintenance and operation of streets, stormwater, sidewalks, curbs and gutters.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, as of December 31, 2023, was $36,429,167 as follows:

	Governmental Activities	Business-type Activities	Total
Land	$ 178,289	$ 113,317	$ 291,606
Construction in progress	191,635	3,915,731	4,107,366
Buildings and improvements	16,566,410	32,384,662	48,951,072
Machinery and equipment	5,183,666	6,850,413	12,034,079
Accumulated depreciation			
Buildings and improvements	(3,415,665)	(18,234,549)	(21,650,214)
Machinery and equipment	(3,902,111)	(3,402,631)	(7,304,742)
Total	$ 14,802,224	$ 21,626,943	$ 36,429,167

For more information on the changes in capital assets, see Note 7.

Debt Outstanding

As of December 31, 2023, the City had total outstanding long-term debt of $5,146,065 as follows:

	Governmental Activities	Business-type Activities	Total
Notes payable	$ 259,041	$ 673,053	$ 932,094
Revenue bonds payable	-	4,105,000	4,105,000
Compensated absences	73,068	35,903	108,971
Total	$ 332,109	$ 4,813,956	$ 5,146,065

During the year ended December 31, 2023, the City issued long-term debt totaling $419,722. The City retired $884,587 of existing debt.

For more information on the City's long-term debt, see Notes 8-10.

Economic Conditions Affecting the City

Construction at Alvin Vogtle Electric Generating Plant is completed. Plant Vogtle consists of 4 units and is the biggest clean energy producer in the United States, with a projected annual electricity production of over 30 million megawatt hours. Southern Nuclear manages the plant with co-owners Georgia Power, Oglethorpe Power, MEAG Power, and Dalton Utilities. Plant Vogtle has provided billions of dollars for Georgia and local communities. The site employs more than 1,600 people, but the plant employed more than 9,000 people during peak construction. Since the construction was completed, the surrounding area's economy has been impacted.

The unprecedented global crisis of the COVID-19 pandemic profoundly affected the world economy. The resulting inflation surge made it increasingly difficult for small municipalities to meet the needs of their residents and address infrastructure requirements. With the cost of supplies tripling and no corresponding increase in revenue, our community faced significant financial strain.

Although poverty is a significant issue in the community, Waynesboro's unemployment rate has increased over the last few years to 4.8%, which may have been related to the completion of units 3 and 4 at Plant Vogtle.

The City of Waynesboro is steadfast in its commitment to improving its financial position. Elected officials and staff are diligently working to increase net position and reduce outstanding debt. The City will continue to use and refine the budget models and practices from previous years that have led to these fund balance improvements.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City at 615 N Liberty Street, Waynesboro, Georgia 30830.

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 3,334,063	$ 1,263,498	$ 4,597,561	$ 3,255
Restricted cash and cash equivalents	-	62,803	62,803	-
Receivables:				
Accounts	16,752	211,016	227,768	-
Taxes	2,293,252	-	2,293,252	-
Intergovernmental	463,413	-	463,413	-
Internal balances	(11,519)	11,519	-	-
Prepaid items	64,202	-	64,202	-
Capital assets:				
Nondepreciable capital assets	369,924	4,029,048	4,398,972	20,772
Depreciable capital assets, net	14,432,300	17,597,895	32,030,195	-
Total Assets	20,962,387	23,175,779	44,138,166	24,027
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	366,305	92,588	458,893	-
LIABILITIES				
Current Liabilities:				
Accounts payable	1,460,338	252,751	1,713,089	-
Accrued interest payable	-	8,652	8,652	-
Accrued salaries	55,123	13,612	68,735	-
Other accrued liabilities	1,655	69,336	70,991	-
Compensated absences payable	14,614	7,181	21,795	-
Funds held for others	6,313	-	6,313	-
Notes payable	106,176	195,312	301,488	-
Bonds payable	-	645,000	645,000	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	58,454	28,722	87,176	-
Notes payable (net of current portion)	152,865	477,741	630,606	-
Bonds payable (net of current portion)	-	3,460,000	3,460,000	-
Net pension liability	1,066,378	287,267	1,353,645	-
Total Liabilities	2,921,916	5,445,574	8,367,490	-
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	70,477	3,018	73,495	-
NET POSITION				
Net investment in capital assets	14,543,183	16,848,890	31,392,073	20,772
Restricted for:				
Roads and capital projects	1,202,808	-	1,202,808	-
Public safety	32,055	-	32,055	-
Debt service	-	62,803	62,803	-
Unrestricted	2,558,253	908,082	3,466,335	3,255
Total Net Position	$ 18,336,299	$ 17,819,775	$ 36,156,074	$ 24,027

See accompanying notes to the basic financial statements.

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

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit
Governmental Activities:								
General government	$ 1,563,198	$ 81,463	-	-	$ (1,481,735)	-	$ (1,481,735)	-
Judicial - Municipal court	36,596	-	-	-	(36,596)		(36,596)	-
Public safety	2,972,990	179,029	-	-	(2,793,961)	-	(2,793,961)	-
Public works	1,536,326	900	-	$ 2,089,195	553,769	-	553,769	-
Health and welfare	54,217	-	$ 54,217	-	-	-	-	-
Housing and development	598,724	-	1,957	630,976	34,209	-	34,209	-
Interest	51,138	-	-	-	(51,138)	-	(51,138)	-
Total Govermental Activities	6,813,189	261,392	56,174	2,720,171	(3,775,452)	-	(3,775,452)	-
Business-Type Activities:								
Water and Sewer	2,960,905	2,743,443	-	-	-	$ (217,462)	(217,462)	-
Natural Gas	791,544	1,292,745	-	-	-	501,201	501,201	-
Solid Waste	967,135	1,278,444	-	-	-	311,309	311,309	-
Total Business-Type Activities	4,719,584	5,314,632	-	-	-	595,048	595,048	-
Total Primary Government	$ 10,565,638	$ 4,297,580	$ 56,174	$ 2,720,171	(3,775,452)	595,048	(3,180,404)	-
Component Unit								
Downtown Development Authority	$ 1,040	$ -	$ 14,240	$ -				$ 13,200
		General Revenues						
		Property taxes levied for:						
		General purposes			1,829,791	-	1,829,791	-
		Sales taxes			1,377,021	-	1,377,021	-
		Insurance premium tax			514,383	-	514,383	-
		Franchise taxes			424,168	-	424,168	-
		Other taxes			807,295	-	807,295	-
		Interest earned			45,121	24,751	69,872	-
		Gain on sale of capital assets			178,310	-	-	-
		Other			53,894	-	53,894	-
		Total General Revenues			5,229,983	24,751	5,076,424	-
		Transfers			(2,926,045)	2,926,045	-	-
		Total General Revenues and Transfers			2,303,938	2,950,796	5,254,734	-
		Change in Net Position			(1,471,514)	3,545,844	2,074,330	13,200
		Net Position, Beginning of Year			19,807,813	14,273,931	34,081,744	10,827
		Net Position, End of Year			$ 18,336,299	$ 17,819,775	$ 36,156,074	$ 24,027

See accompanying notes to the basic financial statements.

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

	General	SPLOST IV Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,319,661	$ 1,595,384	$ 419,018	$ 3,334,063
Receivables:				
Taxes	2,293,252	-	-	2,293,252
Accounts	-	-	16,752	16,752
Intergovernmental	168,565	81,234	213,614	463,413
Interfund	-	-	78,589	78,589
Prepaid items	64,202	-	-	64,202
TOTAL ASSETS	$ 3,845,680	$ 1,676,618	$ 727,973	$ 6,250,271
LIABILITIES				
Accounts payable	$ 227,102	$ 952,316	$ 280,920	$ 1,460,338
Accrued salaries	55,123	-	-	55,123
Other accrued liabilities	1,655	-	-	1,655
Interfund payable	78,589	11,519	-	90,108
Funds held for others	-	-	6,313	6,313
TOTAL LIABILITIES	362,469	963,835	287,233	1,613,537
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	966,726	-	-	966,726
FUND BALANCES				
Nonspendable	64,202	-	-	64,202
Restricted for public safety	27,394	-	4,661	32,055
Restricted for capital projects	53,946	712,783	436,079	1,202,808
Unassigned	2,370,943	-	-	2,370,943
TOTAL FUND BALANCES	2,516,485	712,783	440,740	3,670,008
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,845,680	$ 1,676,618	$ 727,973	$ 6,250,271

See accompanying notes to the basic financial statements.

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

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 3,670,008
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 22,120,000	
Less accumulated depreciation	(7,317,776)	14,802,224
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes		966,726
Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds:		
Deferred outflows of revenues	366,305	
Deferred inflows of revenues	(70,477)	295,828
The City's net pension liability is not reported in the governmental funds but is in the statement of net position.		(1,066,378)
Notes payable are not due and payable in the current period and, therefore, are not reported in the funds		(259,041)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the funds		(73,068)
Net Position Of Governmental Activities		$ 18,336,299

See accompanying notes to the basic financial statements.

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

	General	SPLOST IV Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 3,989,128	-	$ 271,533	$ 4,260,661
Intergovernmental	14,425	$ 1,756,650	926,870	2,697,945
Licenses and permits	81,463	-	-	81,463
Charges for services	900	-	-	900
Fines and forfeitures	179,029	-	-	179,029
Interest	45,091	68,509	7,964	121,564
Contributions	1,957	-	-	1,957
Other	53,894	-	-	53,894
Total revenues	4,365,887	1,825,159	1,206,367	7,397,413
EXPENDITURES				
Current:				
General government	1,487,372	-	-	1,487,372
Judicial	36,596	-	-	36,596
Public safety	2,971,952	-	-	2,971,952
Public works	1,137,959	-	-	1,137,959
Health and welfare	-	-	54,217	54,217
Housing and development	304,406	-	108,614	413,020
Capital outlay:				
Public works	-	849,745	3,431	853,176
Housing and development	-	-	154,520	154,520
Debt service:				
Principal	97,565	-	-	97,565
Interest	7,388	43,750	-	51,138
Total expenditures	6,043,238	893,495	320,782	7,257,515
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,677,351)	931,664	885,585	139,898
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	203,338	-	-	203,338
Transfers in	874,664	476,476	-	1,351,140
Transfers out	-	(3,630,689)	(646,496)	(4,277,185)
Total other financing sources (uses)	1,078,002	(3,154,213)	(646,496)	(2,722,707)
NET CHANGE IN FUND BALANCES	(599,349)	(2,222,549)	239,089	(2,582,809)
FUND BALANCES, JANUARY 1, 2023	3,115,834	2,935,332	201,651	6,252,817
FUND BALANCES, DECEMBER 31, 2023	$ 2,516,485	$ 712,783	$ 440,740	$ 3,670,008

See accompanying notes to the basic financial statements.

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

Amounts reported for governmental activities in the statement of activities are different because:

Net Change In Fund Balances - Total Governmental Funds			$ (2,582,809)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.			
	Depreciation expense	$ (672,195)	
	Capital outlay	1,003,713	331,518
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			(25,028)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
	Property taxes:		
	Unavailable revenue @ 12/31/23	966,726	
	Unavailable revenue @ 12/31/22	(274,729)	691,997
Repayment of notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net postion.			97,565
The change in the net pension liability and pension related deferred outflows and deferred inflows is reported on the gevernment-wide statement of activities but not in the governmental funds.			11,491
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Liability @ 12/31/23	(73,068)	
	Liability @ 12/31/22	76,820	3,752
Change In Net Position of Governmental Activities			$ (1,471,514)

See accompanying notes to the basic financial statements.

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

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	$ 1,719,000	$ 1,137,794	$ (581,206)
Motor vehicle	160,000	184,451	24,451
Mobile home	2,000	2,292	292
Franchise	383,000	424,168	41,168
Sales and use	1,550,000	1,377,021	(172,979)
Alcoholic beverage	175,000	162,374	(12,626)
Business and occupation	80,000	116,578	36,578
Insurance premium	460,000	514,383	54,383
Financial institution	27,000	31,399	4,399
Other	45,000	38,668	(6,332)
Licenses and permits	65,000	81,463	16,463
Intergovernmental	15,000	14,425	(575)
Charges for services	-	900	900
Fines and forfeitures	268,000	179,029	(88,971)
Interest	4,000	45,091	41,091
Contributions	10,000	1,957	(8,043)
Other	52,000	53,894	1,894
Total revenues	5,015,000	4,365,887	(649,113)
EXPENDITURES			
Current:			
General government	1,369,700	1,487,372	(117,672)
Judicial	30,000	36,596	(6,596)
Public safety	2,946,200	2,971,952	(25,752)
Public works	1,108,100	1,137,959	(29,859)
Housing and development	374,700	304,406	70,294
Debt service:			
Principal	100,000	97,565	2,435
Interest	17,600	7,388	10,212
Total expenditures	5,946,300	6,043,238	(96,938)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(931,300)	(1,677,351)	(746,051)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	2,000	203,338	201,338
Transfers in	929,300	874,664	(54,636)
Total other financing sources (uses)	931,300	1,078,002	146,702
NET CHANGE IN FUND BALANCE	$ -	(599,349)	$ (599,349)
FUND BALANCE, JANUARY 1, 2023		3,115,834	
FUND BALANCE, DECEMBER 31, 2023		$ 2,516,485	

See accompanying notes to the basic financial statements.

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

ASSETS	Water and Sewer	Natural Gas	Solid Waste	Total
Current Assets				
Cash and cash equivalents	$ 1,263,498	-	-	$ 1,263,498
Restricted cash and cash equivalents	62,803	-	-	62,803
Accounts receivable	128,216	$ 37,109	$ 45,691	211,016
Interfund receivable	-	11,519	-	11,519
Total Current Assets	1,454,517	48,628	45,691	1,548,836
Capital Assets				
Nondepreciable assets	3,813,831	3,000	212,217	4,029,048
Depreciable assets (net of depreciation)	16,369,644	342,766	885,485	17,597,895
Total Capital Assets	20,183,475	345,766	1,097,702	21,626,943
Total Assets	21,637,992	394,394	1,143,393	23,175,779
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	44,605	15,498	32,485	92,588
LIABILITIES				
Current Liabilities				
Accounts payable	115,726	115,450	21,575	252,751
Accrued salaries	6,342	1,696	5,574	13,612
Accrued interest payable	8,313	-	339	8,652
Compensated absences payable	4,724	972	1,485	7,181
Other accrued liabilities	20,362	37,066	11,908	69,336
Notes payable	-	30,089	165,223	195,312
Revenue bonds payable	645,000	-	-	645,000
Total Current Liabilities	800,467	185,273	206,104	1,191,844
Long-term Liabilites				
Compensated absences payable (net of current portion)	18,898	3,886	5,938	28,722
Notes payable (net of current portion)	-	77,789	399,952	477,741
Revenue bonds payable (net of current portion)	3,460,000	-	-	3,460,000
Net pension liability	139,468	45,986	101,813	287,267
Total Long-term Liabilites	3,618,366	127,661	507,703	4,253,730
Total Liabilities	4,418,833	312,934	713,807	5,445,574
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	-	3,018	-	3,018
NET POSITION				
Net investment in capital assets	16,078,475	237,888	532,527	16,848,890
Restricted for debt service	62,803	-	-	62,803
Unrestricted	1,122,486	(143,948)	(70,456)	908,082
Total Net Position	$ 17,263,764	$ 93,940	$ 462,071	$ 17,819,775

See accompanying notes to the basic financial statements.

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

	Water and Sewer	Natural Gas	Solid Waste	Total
OPERATING REVENUES				
Charges for services	$ 2,650,496	$ 1,258,750	$ 1,249,133	$ 5,158,379
Tap fees	12,500	-	-	12,500
Penalties	78,081	30,867	29,311	138,259
Recovery of bad debts	2,366	-	-	2,366
Other	-	3,128	-	3,128
Total operating revenues	2,743,443	1,292,745	1,278,444	5,314,632
OPERATING EXPENSES				
Salaries	337,833	105,210	277,608	720,651
Employee benefits	102,533	40,617	107,615	250,765
Utilities	287,799	3,687	5,759	297,245
Communications	29,311	5,638	1,798	36,747
Contractual services	740,262	37,770	6,739	784,771
Gas purchases	-	443,873	-	443,873
Landfill fees	-	-	215,053	215,053
Materials and supplies	154,689	1,040	34,317	190,046
Gasoline, oil, etc.	26,086	6,309	24,208	56,603
Repairs and maintenance	157,030	67,904	71,024	295,958
Depreciation	873,471	39,818	87,382	1,000,671
Travel and training	12,454	1,971	-	14,425
Other expenses	125,652	33,377	122,491	281,520
Total operating expenses	2,847,120	787,214	953,994	4,588,328
OPERATING INCOME (LOSS)	(103,677)	505,531	324,450	726,304
NONOPERATING REVENUE (EXPENSE)				
Interest income	24,751	-	-	24,751
Interest and loan fees	(113,785)	(4,330)	(13,141)	(131,256)
Total nonoperating revenue (expense)	(89,034)	(4,330)	(13,141)	(106,505)
INCOME (LOSS) BEFORE TRANSFERS	(192,711)	501,201	311,309	619,799
Transfers in	3,435,692	1,334	230,799	3,667,825
Transfers out	(57,329)	(415,954)	(268,497)	(741,780)
CHANGE IN NET POSITION	3,185,652	86,581	273,611	3,545,844
NET POSITION, JANUARY 1, 2023	14,078,112	7,359	188,460	14,273,931
NET POSITION, DECEMBER 31, 2023	$ 17,263,764	$ 93,940	$ 462,071	$ 17,819,775

See accompanying notes to the basic financial statements.

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

	Water and Sewer	Natural Gas	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 2,713,908	$ 1,319,424	$ 1,284,543	$ 5,317,875
Cash payments for employees	(438,645)	(146,134)	(380,380)	(965,159)
Cash payments for goods and services	(1,450,344)	(725,285)	(501,296)	(2,676,925)
Net cash provided by (used by) operating activities	824,919	448,005	402,867	1,675,791
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net transfers in (out)	(21,527)	(414,620)	(268,497)	(704,644)
Net cash provided by (used by) noncapital financing activities	(21,527)	(414,620)	(268,497)	(704,644)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(3,458,221)	-	(643,783)	(4,102,004)
Transfers in from capital projects fund	3,399,890	-	230,799	3,630,689
Principal payments on bonds payable	(630,000)	-	-	(630,000)
Proceeds from note payable	-	-	419,722	419,722
Payments on notes payable	-	(29,055)	(127,967)	(157,022)
Interest and loan fees paid	(115,060)	(4,330)	(13,141)	(132,531)
Net cash provided by (used by) capital and related financing activities	(803,391)	(33,385)	(134,370)	(971,146)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	24,751	-	-	24,751
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,752	-	-	24,752
CASH AND CASH EQUIVALENTS, JANUARY 1, 2023	1,301,549	-	-	1,301,549
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2023	$ 1,326,301	$ -	$ -	$ 1,326,301
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES				
Operating income (loss)	$ (103,677)	$ 505,531	$ 324,450	$ 726,304
Adjustments:				
Depreciation	873,471	39,818	87,382	1,000,671
(Increase) decrease in operating assets:				
Accounts receivable	(30,990)	31,133	5,049	5,192
(Increase) decrease in deferred outflows of resources related to pensions	(11,194)	(3,478)	(9,156)	(23,828)
Increase (decrease) in operating liabilities:				
Accounts payable	82,939	(123,716)	(19,907)	(60,684)
Other accrued liabilities	1,455	(4,454)	1,050	(1,949)
Accrued salaries	75	(243)	838	670
Compensated absences payable	(344)	141	1,008	805
Net pension liability	46,128	14,332	37,729	98,189
Increase (decrease) in deferred inflows of resources related to pensions	(32,944)	(11,059)	(25,576)	(69,579)
Net cash provided by (used by) operating activities	$ 824,919	$ 448,005	$ 402,867	$ 1,675,791

See accompanying notes to the basic financial statements.

The City of Waynesboro, Georgia was incorporated in 1803 under the laws of the State of Georgia. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, water and sewer, natural gas, and general administrative services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1-A. Reporting Entity

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

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

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

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

Waynesboro Downtown Development Authority (the Authority) – The Authority works to promote the economic development and revitalization of the downtown area. The City Council appoints the board members and is legally obligated or has otherwise assumed financial responsibility for the organization. Therefore, the Authority is fiscally dependent on the City. Complete financial statements for the Authority can be obtained directly from the Waynesboro Downtown Development Authority at 628 Myrick Street, Waynesboro, Georgia 30830.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-B. Basis of Presentation

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major individual governmental funds and enterprise funds are reported in separate columns with a composite column for non-major funds.

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

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

> ***General Fund*** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.
>
> ***SPLOST IV Capital Projects Funds*** – This capital projects fund accounts for the special purpose local option sales tax collected to be used for various capital improvements within the City.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City has three enterprise funds. The City accounts for its water and sewer operations within the Water and Sewer fund, its natural gas operations within the Natural Gas Fund, and its solid waste operations within the Solid Waste Fund.

1-C. Measurement Focus

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-C. Measurement Focus (continued)

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

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

1-D. Basis of Accounting

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-D. Basis of Accounting (continued)

to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

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

1-E. Assets, Liabilities, Deferred Outflows and Deferred Inflows of Resources, and Fund Equity

Cash, Cash Equivalents, and Investments

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

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

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

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

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The general fund reported an allowance for uncollectible taxes of $158,967. The water and sewer enterprise fund, the natural gas enterprise fund, and the solid waste enterprise fund reported allowances for uncollectibles of $133,270, $41,087, and $70,910, respectively, at December 31, 2023.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

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

Prepaid Items

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

Restricted Assets – Cash and Cash Equivalents

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of $10,000 for infrastructure, and a capitalization threshold of $5,000 for other capital assets. The City's infrastructure consists of streets, bridges, storm sewers, sidewalks, traffic islands, street lights, traffic signals, and street signs. For streets, the City has only capitalized infrastructure constructed after July 1, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Life
Buildings and improvements	40-50 years
Machinery and equipment	5-10 years
Office furnishings and equipment	5-7 years
Vehicles	5-7 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Unpaid accumulated sick leave does not vest and is not paid upon termination.

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

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

Accrued Liabilities and Long-term Obligations

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

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

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses

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

Interfund Activity

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

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

Estimates

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

Implementation of GASB 96

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

All budgets are adopted on a basis consistent with GAAP.

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

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations for the following departments within the general fund:

General government	$ 117,672
Judicial	6,596
Public safety	25,752
Public works	29,859

These overexpenditures were funded primarily by underexpenditures in other departments and available fund balance.

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues over amounts budgeted.

	Overexpenditures
Hotel/Motel Tax	$ 38,614
Family Connection Grant	1,717

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require collateral at 110% of pledged deposits to be held in the Government's name by the trust department.

At December 31, 2023, the carrying amount of the City's deposits was $4,660,364 and the bank balance was $5,258,707. Of the bank balance, $500,000 was covered by federal depository insurance, and $4,758,707 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Discretely Presented Component Unit
At December 31, 2023, the carrying amount of deposits for the Waynesboro Downtown Development Authority was $3,255 and the bank balance was $3,255 which was covered by federal depository insurance.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of the day the taxes become delinquent. Property taxes are billed near the end of each year and are payable within sixty days. The City bills and collects its own property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended December 31, 2023, property taxes were levied on December 28, 2023 and were due on March 17, 2024.

NOTE 5 – RECEIVABLES

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

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

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Receivable Fund	Payable Fund	Amount
Hotel Motel Tax	General	$ 78,589
Natural Gas	SPLOST IV	11,519
		$ 90,108

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

A summary of transfers for the year ended December 31, 2023 is as follows:

	Transfer to:					
Transfers From:	General Fund	SPLOST IV Fund	Water and Sewer Fund	Solid Waste Fund	Natural Gas Fund	Total
Water and Sewer Fund	$ 57,329	-	-	-	-	$ 57,329
Natural Gas Fund	401,804	-	$ 14,150	-	-	415,954
Solid Waste Fund	245,511	-	21,652	-	$ 1,334	268,497
Hotel Motel Tax Fund	170,020	-	-	-	-	170,020
2021 CDBG Fund	-	$ 476,476	-	-	-	476,476
SPLOST IV Fund	-	-	3,399,890	$ 230,799	-	3,630,689
	$ 874,664	$ 476,476	$ 3,435,692	$ 230,799	$ 1,334	$ 5,018,965

NOTE 6 – INTERFUND BALANCES AND TRANSFERS (Continued)

For the year ended December 31, 2023, the Hotel Motel Tax special revenue fund transferred $170,020 to the General Fund for taxes collected in excess of the amount required by law to be used for tourism. The Water and Sewer, Natural Gas, and Solid Waste enterprise funds transferred $57,329, $401,804 and $245,511 to the general fund to repay accrued expenses. The Natural Gas and Solid Waste enterprise funds transferred $14,150 and $21,652 to the Water and Sewer fund to repay accrued expenses. The Solid Waste enterprise fund transferred $1,334 to the Natural Gas fund to repay accrued expenses. The SPLOST IV capital projects fund transferred $3,899,890 to the Water and Sewer enterprise fund and $230,799 to the Solid Waste enterprise fund for purchase of capital assets. The 2021 CDBG capital projects fund transferred $476,476 to the SPLOST IV capital projects fund to cover its portion of project expenses.

NOTE 7 – CAPITAL ASSETS

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

	Balance 12/31/22	Additions	Deductions	Balance 12/31/23
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 178,289	-	-	$ 178,289
Construction in progress	191,635	-	-	191,635
Total capital assets not being depreciated:	369,924	-	-	369,924
Capital assets being depreciated:				
Buildings and improvements	15,819,770	$ 746,640	-	16,566,410
Machinery and equipment	5,136,505	257,073	$ 209,912	5,183,666
Total capital assets being depreciated	20,956,275	1,003,713	209,912	21,750,076
Total capital assets	21,326,199	1,003,713	209,912	22,120,000
Accumulated depreciation:				
Buildings and improvements	3,031,891	383,774	-	3,415,665
Machinery and equipment	3,798,574	288,421	184,884	3,902,111
Total accumulated depreciation	6,830,465	672,195	184,884	7,317,776
Governmental activities capital assets, net	$ 14,495,734	$ 331,518	$ 25,028	$ 14,802,224

Governmental activities depreciation expense:

General government	$ 87,289
Public safety	161,230
Public works	391,712
Housing and development	31,964
Total governmental activities depreciation expense	$ 672,195

NOTE 7 – CAPITAL ASSETS (Continued)

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

	Balance 12/31/22	Additions	Deductions	Balance 12/31/23
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 113,317	-	$ -	$ 113,317
Construction in progress	440,493	$ 3,475,238	-	3,915,731
Total capital assets not being depreciated	553,810	3,475,238	-	4,029,048
Capital assets being depreciated:				
Buildings and improvements	32,333,970	50,692	-	32,384,662
Machinery and equipment	6,274,339	576,074	-	6,850,413
Total capital assets being depreciated	38,608,309	626,766	-	39,235,075
Total capital assets	39,162,119	4,102,004	-	43,264,123
Accumulated depreciation:				
Buildings and improvements	17,518,612	715,937	-	18,234,549
Machinery and equipment	3,117,897	284,734	-	3,402,631
Total accumulated depreciation	20,636,509	1,000,671	-	21,637,180
Business-type activities capital assets, net	$ 18,525,610	$ 3,101,333	$ -	$ 21,626,943

Business-type activities depreciation expense:

Water and Sewer Fund	$ 873,471
Natural Gas Fund	39,818
Solid Waste Fund	87,382
Total business-type activities depreciation expense	$ 1,000,671

NOTE 8 – NOTES PAYABLE

Notes payable at December 31, 2023 consisted of the following:

	Governmental Activities	Business-type Activities
Note payable to Truist Bank for a fire truck, payable in annual installments of $34,294, including interest at 3.55% through February, 2026.	$ 71,417	
Note payable to Georgia Municipal Association for a street sweeper, payable in annual installments of $77,082, including interest at 2.07% through June, 2026.	187,624	
Note payable to Municipal Gas Authority of Georgia for upgrades to natural gas station, payable in annual installments of $33,385, including interest at 3.50% through May, 2027.		107,878
Note payable to Truist Bank for a solid waste vehicle, payable in annual installments of $37,676, including interest at 3.84% through August, 2024.		24,759
Note payable to Truist Bank for a solid waste vehicle, payable in annual installments of $64,553, including interest at 2.09% through May, 2026.		152,000
Note payable to Georgia Municipal Association for a solid waste vehicle, payable in annual installments of $93,311, including interest at 4.20% through July, 2028.		388,416
	$ 259,041	$ 673,053

NOTE 8 – NOTES PAYABLE (Continued)

As of December 31, 2023, annual debt service requirements to maturity are as follows:

Year ending	Governmental Activities			Business-Type Activities		
December 31	Principal	Interest	Total	Principal	Interest	Total
2024	$ 106,176	$ 5,199	$ 111,375	$ 195,312	$ 21,044	$ 216,356
2025	108,885	2,490	111,375	176,292	14,956	191,248
2026	43,980	245	44,225	144,387	9,205	153,592
2027	-	-	-	103,382	4,421	107,803
2028	-	-	-	53,680	754	54,434
	$ 259,041	$ 7,934	$ 266,975	$ 673,053	$ 50,380	$ 723,433

NOTE 9 – BONDS PAYABLE

Business-type Activities

In December, 2016, the City issued revenue bonds in the amount of $7,835,000. The City issued the Series 2016 Combined Public Utility System Refunding Revenue Bonds to advance refinance existing loans and bonds payable. The outstanding bonds as of December 31, 2023 were $4,105,000.

The bonds are payable from the net revenues of the water and sewer system and are not general obligations of the City. The City has pledged future water and sewer customer revenues, net of specified operating expenses to repay the bonds. The revenue bonds have an interest rate of 2.43%. The bonds require principal payments each December 1 and interest is payable semiannually on June 1 and December 1 each year.

Annual debt service requirements to amortize all obligations outstanding, as of December 31, 2023 follow:

Year ending December 31	Principal	Interest	Total
2024	$ 645,000	$ 99,752	$ 744,752
2025	660,000	84,078	744,078
2026	675,000	68,040	743,040
2027	690,000	51,638	741,638
2028	710,000	34,870	744,870
2029	725,000	17,618	742,618
	$4,105,000	$355,996	$4,460,996

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Outstanding December 31, 2022	Additions	Reductions	Outstanding December 31, 2023	Amounts Due in One Year
Governmental Activities					
Notes payable	$ 356,606	$ -	$ 97,565	$ 259,041	$ 106,176
Compensated absences	76,820	-	3,752	73,068	14,614
	$ 433,426	$ -	$ 101,317	$ 332,109	$ 120,790
Business-Type Activities					
Notes payable	$ 410,353	$ 419,722	$ 157,022	$ 673,053	$ 195,312
Revenue bonds payable	4,735,000	-	630,000	4,105,000	645,000
Compensated absences	35,098	805	-	35,903	7,181
Total Business-Type Activities	$ 5,180,451	$ 420,527	$ 787,022	$ 4,813,956	$ 847,493

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

NOTE 11 – EMPLOYEE RETIREMENT PLAN

Plan Description

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

Benefits Provided

All full-time City employees are immediately eligible to participate in the Plan. Benefits are fully vested after 10 years of service. Plan participants are eligible to receive early retirement benefits at the age of fifty-five with the completion of ten years of total credited service. Normal retirement benefits may be received at the age of sixty-five with five years of total credited service.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

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

For participants electing to receive early retirement benefits, the benefit will be reduced on an actuarially equivalent basis to account for early commencement of benefits.

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

Employees Covered by Benefit Terms

At March 31, 2023, the date of the most recent actuarial valuation, there were 133 participants as follows:

Active participants	62
Retirees and beneficiaries	49
Terminated plan members entitled to but not yet receiving benefits	22
Total	133

Contributions

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $194,531. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Net Pension Liability

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

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	2.25 percent plus service based merit increases
Investment rate of return	7.375 percent

Mortality rates were based on the Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Discount Rate

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

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a)-(b)
Balance, March 31, 2022	$ 5,227,634	$ 4,342,470	$ 885,164
Changes for the year:			
Service cost	102,438	-	102,438
Interest	383,015	-	383,015
Contributions from the employer	-	245,894	(245,894)
Net investment income	-	(288,721)	288,721
Difference between expected and actual experience	(73,372)	-	(73,372)
Benefit payments, including refunds of employee contributions	(273,299)	(273,299)	-
Administrative expenses	-	(13,573)	13,573
Net Changes	138,782	(329,699)	468,481
Balance, March 31, 2023	$ 5,366,416	$ 4,012,771	$ 1,353,645

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.375 percent) or one percentage point higher (8.375 percent) than the current rate:

	Discount Rate - 1% (6.375%)	Current Discount Rate (7.375%)	Discount Rate + 1% (8.375%)
City's net pension liability	$ 2,034,811	$ 1,353,645	$ 784,079

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 $241,334. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions after measurement date	$ 186,032	-
Differences in expected and actual experience	100,713	$ (72,519)
Effects of changes in assumptions	-	(976)
Net differences between projected and actual net investment income	172,148	-
	$ 458,893	$ (73,495)

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

City contributions subsequent to the measurement date of $186,032 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	
2024	$ 30,651
2025	(66,126)
2026	113,348
2027	121,493
	$ 199,366

NOTE 12 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by Nationwide Retirement Solutions. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or an unforeseeable emergency. All of the amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefits of participants and their beneficiaries. As a result, the deferred compensation investments are not included in the City's financial statements.

NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

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

NOTE 14 – RISK MANAGEMENT

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

NOTE 14 – RISK MANAGEMENT (continued)

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

NOTE 15 – HOTEL-MOTEL LODING TAX

The City has levied a 5% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires all lodging taxed levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The City's policy is to remit a portion of the taxes levied to the Waynesboro/Burke County Chamber of Commerce to promote tourism. The Chamber has certified that the funds received from the City were used for, or planned to be used for, the intended purpose as outlined within the Official Code of Georgia. A summary of the transactions for the year ended December 31, 2023 is as follows:

Lodging tax receipts	$ 271,533	
Expended for community development/promotion	$ 108,614	40%

NOTE 16 – JOINT VENTURE

Under Georgia law, the City, in conjunction with the thirteen counties and forty-one cities in east Georgia known as the Central Savannah River Area (CSRA), is a member of the CSRA Regional Commission (CSRA RC). The CSRA RC is a public organization that assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. The operations are mainly financed by membership dues and financial assistance provided by the State of Georgia. Membership in the CSRA RC is required by the Official Code of Georgia Annotated (O.C.G.A,) §58-8-34 with annual dues based on a per capita amount. During the year ended December 31, 2023, the City paid $6,541 in such dues, which was based on a per capita amount of $1.15. The CSRA RC Board membership is composed of one County official, one city official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the member governments are liable for any debts or obligations of the CSRA RC. The Comprehensive Annual Financial Report of the CSRA RC may be obtained from:

CSRA Regional Commission
3023 River Watch Parkway, Suite A
Augusta, GA 30907

NOTE 17 – TAX ABATEMENTS

The City is subject to tax abatements granted by the Burke County Development Authority (the Authority), a component unit of Burke County, Georgia. The Authority can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Georgia case law and statutory provision, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide the Authority with the power to enter into such agreements with companies.

The Authority may accept title to real property (land and building) and personal property (machinery and equipment) assets from a company in return for job creation and/or capital investment and provide a tax benefit to the company through a lease agreement with the Authority. Agreements with respect to taxation of such assets under the lease provide the terms and conditions of any tax abatement. In general, failure to create jobs and/or investments as set forth in the agreements would result in a reduction (or claw back) of any tax abatements. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet the agreed-upon commitments.

For the year ended December 31, 2023, real and personal property tax not collected by the City due to incentive agreements was $85,878. Such agreements in effect for Waynesboro resulted in an estimated $56.5 million in new capital investment and 179 new jobs.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2024, the date that the financial statements were available to be issued.

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

	Fiscal Year End								
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Total pension liability									
Service cost	$ 102,438	$ 117,435	$ 104,702	$ 91,023	$ 88,196	$ 75,662	$ 78,299	$ 76,583	$ 75,256
Interest	383,015	356,482	345,697	334,561	319,824	295,812	286,778	270,307	257,211
Differences between expected and actual experience	(73,372)	185,502	(43,724)	39,803	31,361	173,876	(14,834)	95,256	95,625
Changes of assumptions	-	-	-	-	-	55,681	-	-	-
Benefit payments, including refunds of employee contributions	(273,299)	(296,014)	(250,310)	(244,868)	(246,573)	(237,082)	(230,263)	(228,971)	(223,948)
Other changes	-	-	-	(4,879)	-	-	-	-	(32,661)
Net change in total pension liability	138,782	363,405	156,365	215,640	192,808	363,949	119,980	213,175	171,483
Total pension liability-beginning	5,227,634	4,864,229	4,707,864	4,492,224	4,299,416	3,935,467	3,815,487	3,602,312	3,430,829
Total pension liability-ending (a)	$ 5,366,416	$ 5,227,634	$ 4,864,229	$ 4,707,864	$ 4,492,224	$ 4,299,416	$ 3,935,467	$ 3,815,487	$ 3,602,312
Plan fiduciary net position									
Contributions-employer	$ 245,894	$ 249,563	$ 233,718	$ 219,961	$ 187,129	$ 174,185	$ 159,078	$ 148,065	$ 146,473
Net investment income	(288,721)	252,804	1,296,907	(215,349)	108,907	348,143	319,734	7,011	240,082
Benefit payments, including refunds of employee contributions	(273,299)	(296,014)	(250,310)	(244,868)	(246,573)	(237,082)	(230,263)	(228,971)	(223,948)
Administrative expense	(13,573)	(12,734)	(11,943)	(13,006)	(12,339)	(12,189)	(12,409)	(8,754)	(7,888)
Net change in plan fiduciary net position	(329,699)	193,619	1,268,372	(253,262)	37,124	273,057	236,140	(82,649)	154,719
Plan fiduciary net position-beginning	4,342,470	4,148,851	2,880,479	3,133,741	3,096,617	2,823,560	2,587,420	2,670,069	2,515,350
Plan fiduciary net position-ending (b)	$ 4,012,771	$ 4,342,470	$ 4,148,851	$ 2,880,479	$ 3,133,741	$ 3,096,617	$ 2,823,560	$ 2,587,420	$ 2,670,069
Net pension liability-ending (a)-(b)	$ 1,353,645	$ 885,164	$ 715,378	$ 1,827,385	$ 1,358,483	$ 1,202,799	$ 1,111,907	$ 1,228,067	$ 932,243
Plan fiduciary net position as a percentage of the total pension liability	74.78%	83.07%	85.29%	61.18%	69.76%	72.02%	71.75%	67.81%	74.12%
Covered-employee payroll	2,936,686	3,097,930	3,425,690	3,227,464	2,577,808	2,551,324	2,385,230	2,361,688	2,150,154
Net pension liability as a percentage of covered-employee payroll	46.09%	28.57%	20.88%	56.62%	52.70%	47.14%	46.62%	52.00%	43.36%

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

Notes to Schedule:

Changes of assumptions

There were no changes in asumptions in the last two years.

Benefit Changes

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

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

	Fiscal Year End								
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	*	$ 245,177	$ 251,025	$ 227,949	$ 217,298	$ 177,072	$ 173,222	$ 154,363	$ 145,966
Contributions in relation to the actuarially determined contribution	*	266,096	249,102	227,061	213,946	162,316	186,086	141,499	145,966
Contribution deficiency (excess)	*	$ (20,919)	$ 1,923	$ 888	$ 3,352	$ 14,756	$ (12,864)	$ 12,864	$ -
Covered-employee payroll	*	3,097,930	3,425,690	3,227,464	2,577,808	2,551,324	2,385,230	2,361,688	2,150,154
Contributions as a percentage of covered-employee payroll	*	8.59%	7.27%	7.04%	8.30%	6.36%	7.80%	5.99%	6.79%

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

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is avialable on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

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

	Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 408,044	$ 10,974	$ 419,018
Receivables:			
Accounts	-	16,752	16,752
Intergovernmental	200,209	13,405	213,614
Interfund	-	78,589	78,589
TOTAL ASSETS	$ 608,253	$ 119,720	$ 727,973
LIABILITIES			
Accounts payable	$ 172,174	$ 108,746	$ 280,920
Funds held for others	-	6,313	6,313
Total liabilities	172,174	115,059	287,233
FUND BALANCES			
Restricted	436,079	4,661	440,740
TOTAL LIABILITIES AND FUND BALANCES	$ 608,253	$ 119,720	$ 727,973

CITY OF WAYNESBORO, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	-	$ 271,533	$ 271,533
Intergovernmental	$ 872,653	54,217	926,870
Interest	7,934	30	7,964
Total revenues	880,587	325,780	1,206,367
EXPENDITURES			
Current:			
Health and welfare	-	54,217	54,217
Housing and development	-	108,614	108,614
Capital outlay:			
Public works	3,431	-	3,431
Housing and development	154,520	-	154,520
Total expenditures	157,951	162,831	320,782
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	722,636	162,949	885,585
OTHER FINANCING SOURCES (USES)			
Transfers out	(476,476)	(170,020)	(646,496)
NET CHANGE IN FUND BALANCES	246,160	(7,071)	239,089
FUND BALANCES, JANUARY 1, 2023	189,919	11,732	201,651
FUND BALANCES, DECEMBER 31, 2023	$ 436,079	$ 4,661	$ 440,740

CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	2018 CHIP Capital Projects Fund	TIA SPLOST	2021 CDBG Capital Projects	Total Nonmajor Capital Projects Funds
ASSETS				
Cash	$ 8	$ 408,036	-	$ 408,044
Intergovernmental receivable	-	28,035	$ 172,174	200,209
TOTAL ASSETS	$ 8	$ 436,071	$ 172,174	$ 608,253
LIABILITIES				
Accounts payable	-	-	$ 172,174	$ 172,174
FUND BALANCES				
Restricted	$ 8	$ 436,071	-	$ 436,079
TOTAL LIABILITIES AND FUND BALANCES	$ 8	$ 436,071	$ 172,174	$ 608,253

CITY OF WAYNESBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2018 CHIP Capital Projects Fund	TIA SPLOST	2021 CDBG Capital Projects	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	$ 154,500	$ 241,677	$ 476,476	$ 872,653
Interest	-	7,934	-	7,934
Total revenues	154,500	249,611	476,476	880,587
EXPENDITURES				
Capital outlay:				
Public works	-	3,431	-	3,431
Housing and development	154,520	-	-	154,520
Total expenditures	154,520	3,431	-	157,951
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20)	246,180	476,476	722,636
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(476,476)	(476,476)
NET CHANGE IN FUND BALANCES	(20)	246,180	-	246,160
FUND BALANCES, JANUARY 1, 2023	28	189,891	-	189,919
FUND BALANCES, DECEMBER 31, 2023	$ 8	$ 436,071	$ -	$ 436,079

.

CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Hotel Motel Tax	Confiscated Assets	Family Connection Grant	Total Nonmajor Special Revenue Funds
ASSETS				
Cash	-	$ 10,974	-	$ 10,974
Receivables:				
Accounts	$ 16,752	-	-	16,752
Intergovernmental	-	-	$ 13,405	13,405
Interfund	78,589	-	-	78,589
TOTAL ASSETS	$ 95,341	$ 10,974	$ 13,405	$ 119,720
LIABILITIES				
Accounts payable	$ 95,341	-	$ 13,405	$ 108,746
Funds held for others	-	$ 6,313	-	6,313
Total liabilities	95,341	6,313	13,405	115,059
FUND BALANCES				
Restricted	-	4,661	-	4,661
TOTAL LIABILITIES AND FUND BALANCES	$ 95,341	$ 10,974	$ 13,405	$ 119,720

CITY OF WAYNESBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Hotel Motel Tax	Confiscated Assets	Family Connection Grant	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	$ 271,533	-	-	$ 271,533
Intergovernmental	-	-	$ 54,217	54,217
Interest	-	$ 30	-	30
Total revenues	271,533	30	54,217	325,780
EXPENDITURES				
Current:				
Health and welfare	-	-	54,217	54,217
Housing and development	108,614	-	-	108,614
Total expenditures	108,614	-	54,217	162,831
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	162,919	30	-	162,949
OTHER FINANCING SOURCES (USES)				
Transfers out	(170,020)	-	-	(170,020)
NET CHANGE IN FUND BALANCE	(7,101)	30	-	(7,071)
FUND BALANCE, BEGINNING OF YEAR	7,101	4,631	-	11,732
FUND BALANCE, END OF YEAR	$ -	$ 4,661	$ -	$ 4,661

CITY OF WAYNESBORO, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 195,000	$ 271,533	$ 76,533
EXPENDITURES			
Current:			
Economic development	70,000	108,614	(38,614)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	125,000	162,919	37,919
OTHER FINANCING SOURCES (USES)			
Transfers out	(125,000)	(170,020)	(45,020)
NET CHANGE IN FUND BALANCE	$ -	(7,101)	$ (7,101)
FUND BALANCE, JANUARY 1, 2023		7,101	
FUND BALANCE, DECEMBER 31, 2023		$ -	

CITY OF WAYNESBORO, GEORGIA
CONFISCATED ASSETS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	$ -	$ 30	$ 30
EXPENDITURES			
Current:			
Public safety	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	30	$ 30
FUND BALANCE, JANUARY 1, 2023		4,631	
FUND BALANCE, DECEMBER 31, 2023		$ 4,661	

CITY OF WAYNESBORO, GEORGIA
FAMILY CONNECTION GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 52,500	$ 54,217	$ 1,717
EXPENDITURES			
Current:			
Health and welfare	52,500	54,217	(1,717)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	-	$ -
FUND BALANCE, JANUARY 1, 2023		-	
FUND BALANCE, DECEMBER 31, 2023		$ -	

CITY OF WAYNESBORO, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
20q-x-017-2-6249
SOURCE AND APPLICATION OF FUNDS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023

TOTAL PROGRAM YEAR 2021 FUNDS ALLOCATED TO RECIPIENT	$ 750,000
LESS: TOTAL PROGRAM YEAR 2021 FUNDS DRAWN BY RECIPIENT	485,476
FUNDS STILL AVAILABLE FROM PROGRAM YEAR 2021 RESOURCES	$ 264,524
TOTAL PROGRAM YEAR 2021 FUNDS DRAWN AND RECEIVED BY RECIPIENT	$ 485,476
LESS: FUNDS APPLIED AND EXPENDED ON PROGRAM YEAR 2021 COSTS	485,476
TOTAL PROGRAM YEAR 2021 FUNDS HELD BY RECIPIENT	$ -

CITY OF WAYNESBORO, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
20q-x-017-2-6249
PROJECT COST SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023

PROGRAM ACTIVITY	ACTIVITY NUMBER	APPROVED BUDGET CDBG FUNDS	CUMULATIVE EXPENDITURES CDBG FUNDS
Water/Sewer Improvements	P-03J-01	$ 705,000	$ 457,126
General Program Administration	A-21A-00	45,000	28,350
Total		$ 750,000	$ 485,476

CITY OF WAYNESBORO, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

SPLOST IV

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Building capital improvements	$ 750,000	$ 1,220,000	$ 836,035	-	$ 836,035	69%
Equipment	464,400	600,000	355,572	-	355,572	59%
Recreation	300,000	300,000	157,118	-	157,118	52%
Road and street improvements	1,000,000	1,023,520	178,534	$ 844,986	1,023,520	100%
Storm drainage improvements	1,000,000	3,500,000	2,312,189	4,759	2,316,948	66%
Water system improvements	2,000,000	2,403,342	1,921,072	43,750	1,964,822	82%
Sewer system improvements	2,000,000	3,898,664	744,451	3,154,213	3,898,664	100%
Totals	$ 7,514,400	$ 12,945,526	$ 6,504,971	$ 4,047,708	$ 10,552,679	82%

SPLOST capital projects fund total expenditures	$ 893,495
SPLOST capital projects fund transfers to Enterprise funds	3,630,689
	4,524,184
Less:	
Transfer from 2021 CDBG Fund - Sewer system improvements	(476,476)
	$ 4,047,708

LANIER, DEAL, PROCTOR & BLOSER

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
RICHARD N. DEAL II, CPA

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the City Council
City of Waynesboro, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Waynesboro, Georgia's basic financial statements, and have issued our report thereon dated September 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Waynesboro, Georgia's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Waynesboro, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-1 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City of Waynesboro, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Waynesboro, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings. The City of Waynesboro, 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.

Lanier, Deal, Proctor + Bloser

Statesboro, Georgia
September 25, 2024

MATERIAL WEAKNESSES

2023-1 Recording of Year End Accruals for the Financial Statements

Condition: The City's procedures to make sure all year end accruals such as receivables, accrued leave, and unearned revenue are included in the financial statements are inadequate.

Criteria: All revenues earned and realizable and all expenditures incurred should be recorded at the end of the year via journal entry.

Cause: The City has received training and enacted procedures to record year end accruals, but does not have a complete understanding of all necessary accrual entries.

Effect: Many of the adjusting journal entries needed to record these accruals were material to the City's financial statements.

Auditor's Recommendation: When conducting the year end closing, we recommend the City review for all needed accruals for receivables, accrued leave, and unearned revenue.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will implement procedures to establish a process for ensuring the completeness of year end accruals for the City's financial statements.