

CITY OF CENTERVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

CITY OF CENTERVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council
City of Centerville, Georgia
Centerville, 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, each major fund, and the aggregate remaining fund information of the **City of Centerville, Georgia** (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 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'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 GAAS 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 GAAS 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'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's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 – 12), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 45 and 46), and the Schedule of Contributions (on pages 47 and 48) 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's basic financial statements. The combining statements and schedules and the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 are presented for the purpose 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 statements and schedules and the Schedule of Expenditures of Special Purpose Local Option 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 October 27, 2023, on our consideration of the City'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 solely 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
October 27, 2023

CITY OF CENTERVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023 (UNAUDITED)

As management of the City of Centerville (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Please review in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows exceeded the City's liabilities and deferred inflows in the amount of \$28,699.6 thousand for the governmental activities and \$10,734.1 thousand for the business-type activities for a total net position of \$39,433.7 thousand. This is in comparison to prior year total net position of \$39,700.4 thousand and reflects a decrease of \$266.7 thousand in net position.

In the government-wide Statement of Activities, revenues and expenses for the governmental activities were \$6,860.2 thousand and \$7,420.8 thousand with a decrease in net position of \$560.6 thousand. This is compared with prior year revenues and expenses of \$6,457.9 thousand and \$5,848.75 thousand, respectively.

In the government-wide Statement of Activities, revenues and expenses for the business-type activities were \$4,205.7 thousand and \$3,911.9 thousand with an increase in net position of \$293.8 thousand. This is compared with prior year revenues and expenses of \$3,996.7 thousand and \$3,598.6 thousand, respectively.

In the fund financial statements, the City's governmental funds reported a combined ending fund balance of \$3,187.7 thousand in comparison with prior years combined ending fund balance of \$3,310.8 thousand, a decrease of \$123.1 thousand, respectively.

As of June 30, 2023, General Fund unassigned fund balance was \$2,430.8 thousand, or 48.96% of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis ("MD&A") are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information, in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements are comparable to the reporting requirements of private sector businesses and provide financial information about the City as a whole.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Position presents information on all the City's assets and deferred outflows and liabilities and deferred inflows with the difference reported as net position. This increase or decrease in net position serves as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing the change in the City's net position in the most recent fiscal year. Revenues and expenses are recognized on the accrual basis of accounting regardless of the timing of related cash flow.

The City divides the Statement of Net Position and Statement of Activities into two types of activities:

- **Governmental Activities** – The City's basic services are accounted for in this section, including public safety (police, fire, probation and animal control), streets, culture-recreation, housing and development, public improvements, planning and zoning, judicial and general administration. These activities are supported by property taxes, franchise fees, business licenses, alcohol licenses, building permits and federal and state grants.
- **Business-type activities** – The City provides water and sewer services, sanitation services and stormwater utility services to the residents of the City. Fees for these services fund and support the costs of billings, activation of new customer accounts, reading of meters, supplies and routine repairs and maintenance.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, one may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental activities and governmental funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds include the General Fund, Special Revenue Funds and Capital Project Funds.

The budgetary comparison statement is included in the basic financial statements for the General Fund. This statement demonstrates compliance with the City's adopted and final revised budget. These governmental fund statements can be found on pages 16 – 21.

- **Proprietary Funds:** The City maintains three proprietary funds, all of which are enterprise funds. Enterprise funds report the same activity as the business-type activities in the government-wide financial statements. The City accounts for the water and sewer service, sanitation service and stormwater utility service through its enterprise funds. Refer to pages 22 – 24 for proprietary fund statements.
- **Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City has one fiduciary fund: the Municipal Court fund.
- **Notes to the Financial Statements:** Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the financial statements can be found on pages 25 – 44 of this report.
- **Required Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's net pension asset or liability and the City contributions. Required supplementary information can be found on pages 45 – 48 of this report.
- **Other Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents individual and combining nonmajor fund financial statements. These may be found beginning on page 49.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$39,433.7 thousand, which is a decrease of \$266.7 thousand, or .6 % from fiscal year 2022.

Statement of Net Position June 30, 2023 and 2022 (in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 5,733.7	\$ 4,675.5	\$ 5,236.4	\$ 4,970.4	\$ 10,970.1	\$ 9,645.9
Capital assets	27,868.0	28,229.4	6,221.6	5,748.2	34,089.6	33,977.6
Net pension asset	-	1,226.1	-	306.5	-	1,532.6
Total assets	<u>33,601.7</u>	<u>34,131.0</u>	<u>11,458.0</u>	<u>11,025.1</u>	<u>45,059.7</u>	<u>45,156.1</u>
Deferred Outflows of Resources	<u>904.8</u>	<u>323.0</u>	<u>240.5</u>	<u>80.8</u>	<u>1,145.3</u>	<u>403.8</u>
Current and other liabilities	3,242.3	2,023.7	622.6	474.9	3,864.9	2,498.6
Long-term liabilities	1,303.5	2,446.5	6.6	9.8	1,310.1	2,456.3
Net pension liability	1,061.5	-	282.2	-	1,343.7	-
Total liabilities	<u>5,607.3</u>	<u>4,470.2</u>	<u>911.4</u>	<u>484.7</u>	<u>6,518.7</u>	<u>4,954.9</u>
Deferred Inflows of Resources	<u>199.6</u>	<u>723.7</u>	<u>53.0</u>	<u>180.9</u>	<u>252.6</u>	<u>904.6</u>
Net position:						
Investment in capital assets	26,054.1	25,302.4	6,221.6	5,748.2	32,275.7	31,050.6
Restricted	756.9	1,097.2	-	-	756.9	1,097.2
Unrestricted	1,888.6	2,860.5	4,512.5	4,692.1	6,401.1	7,552.6
Total net position	<u>\$ 28,699.6</u>	<u>\$ 29,260.1</u>	<u>\$ 10,734.1</u>	<u>\$ 10,440.3</u>	<u>\$ 39,433.7</u>	<u>\$ 39,700.4</u>

As a whole, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$39,433.7 thousand, at the close of fiscal year June 30, 2023. Of the \$39,433.7 thousand in total net position, \$32,275.7 thousand, or 81.9% reflects net investment in capital assets (i.e., land, infrastructure, buildings, machinery and equipment) \$756.9 thousand, or 1.9% is restricted net position and \$6,401.1 thousand, or 16.2% is unrestricted net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table provides a comparison for the changes in the net position in governmental and business-type activities for the fiscal years ended June 30, 2023 and 2022.

Statement of Activities June 30, 2023 and 2022 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 784.9	\$ 718.5	\$ 4,153.9	\$ 3,996.6	\$ 4,938.8	\$ 4,715.1
Operating grants and contributions	550.2	379.3	-	-	550.2	379.3
Capital grants and contributions	1,429.5	1,158.0	-	-	1,429.5	1,158.0
General revenues:						
Property taxes	2,604.5	2,658.9	-	-	2,604.5	2,658.9
Other taxes	1,323.6	1,250.9	-	-	1,323.6	1,250.9
Interest income	45.9	-	-	0.2	45.9	0.2
Other general revenues	121.6	50.8	51.8	-	173.4	50.8
Total revenues	<u>6,860.2</u>	<u>6,216.4</u>	<u>4,205.7</u>	<u>3,996.8</u>	<u>11,065.9</u>	<u>10,213.2</u>
Expenses						
General government	1,131.2	863.6	-	-	1,131.2	863.6
Judicial	229.3	171.2	-	-	229.3	171.2
Public safety	4,297.2	3,152.0	-	-	4,297.2	3,152.0
Public works	1,005.5	1,277.7	-	-	1,005.5	1,277.7
Culture and recreation	293.4	162.3	-	-	293.4	162.3
Housing and development	390.1	159.8	-	-	390.1	159.8
Interest on long-term debt	74.1	62.1	-	-	74.1	62.1
Business-type activities:						
Water and sewer	-	-	2,694.0	2,216.1	2,694.0	2,216.1
Sanitation	-	-	1,024.9	984.5	1,024.9	984.5
Stormwater utility	-	-	193.0	156.6	193.0	156.6
Total expenses	<u>7,420.8</u>	<u>5,848.7</u>	<u>3,911.9</u>	<u>3,357.2</u>	<u>11,332.7</u>	<u>9,205.9</u>
Change in net position before transfers	<u>(560.6)</u>	367.7	<u>293.8</u>	639.6	<u>(266.8)</u>	1,007.3
Transfers	-	241.5	-	(241.5)	-	-
Change in net position	<u>(560.6)</u>	609.2	<u>293.8</u>	398.1	<u>(266.8)</u>	1,007.3
Net position, beginning of	<u>29,260.1</u>	28,650.9	<u>10,440.3</u>	10,042.2	<u>39,700.4</u>	38,693.1
Net position, end of year	<u>\$ 28,699.5</u>	<u>\$ 29,260.1</u>	<u>\$ 10,734.1</u>	<u>\$ 10,440.3</u>	<u>\$ 39,433.6</u>	<u>\$ 39,700.4</u>

As a whole, the City's net position decreased \$266.7 thousand as of the close of the fiscal year June 30, 2023. Of this decrease, \$560.6 thousand decrease is attributable to the governmental activities and \$293.8 increase is attributable to the business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL ANALYSIS

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending as of the fiscal year-end.

As of the end of fiscal year 2023, the City's governmental funds reported combined ending fund balance of approximately \$3,187.7 thousand or a decrease of approximately \$123.1 thousand when compared with the prior year.

This decrease of fund balance in the amount of \$123.1 thousand is comprised of an increase of \$217.2 thousand in the General Fund, \$356.2 thousand decrease in the SPLOST fund and \$15.9 thousand in the nonmajor governmental funds, respectively.

The General Fund is the chief operating fund of the City. As of June 30, 2023, the total unassigned fund balance of the General Fund was \$2,430.8 thousand. Unassigned fund balance represents approximately 48.96% of total General Fund expenditures.

Proprietary funds

The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted combined net position of the water and sewer fund, sanitation fund and stormwater utility fund at the end of fiscal year 2023 amounted to \$4,512.5 thousand, a decrease of \$179.6 thousand.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council revisits the budget several times during the year. Differences in expenditures between the original budget and the final amended budget in the General Fund amounted to a \$166.2 thousand increase. General Fund actual expenditures of \$4,963.9 thousand was 88.5% of the final amended appropriations of \$5,609.2 thousand, or \$645.3 thousand less than the final budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities as of June 30, 2023 total \$34,089.6 thousand (net of accumulated depreciation). This investment in capital assets includes land, public buildings and improvements, construction in progress, infrastructure, water and sewer improvements, machinery and equipment and furniture and fixtures. The City's capital assets increased \$112.0 thousand.

Additional information of the City's capital assets can be found in Note 4 beginning on page 35 of this report.

Capital Assets at Year-End (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 704.3	\$ 762.2	\$ 816.2	\$ 816.2	\$ 1,520.5	\$ 1,578.4
Construction in progress	288.2	-	452.9	-	741.1	-
Buildings and improvements	9,534.3	9,736.8	1,742.3	1,783.5	11,276.6	11,520.3
Infrastructure	16,434.9	16,859.6	3,015.7	2,959.9	19,450.6	19,819.5
Equipment	906.3	870.8	194.5	188.6	1,100.8	1,059.4
 Total	 <u>\$ 27,868.0</u>	 <u>\$ 28,229.4</u>	 <u>\$ 6,221.6</u>	 <u>\$ 5,748.2</u>	 <u>\$ 34,089.6</u>	 <u>\$ 33,977.6</u>

DEBT MANAGEMENT

The City's long-term debt for its governmental and business-type activities as of June 30, 2023 total \$3,378.8 thousand in comparison to \$3,146.5 thousand in the prior year. This change reflects an increase of \$232.3 thousand in long-term debt.

Long-Term Obligations at Year-End (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes and other obligations	\$ 3,061.5	\$ 3,105.6	\$ 317.3	\$ 40.9	\$ 3,378.8	\$ 3,146.5

Refer to Note 5 beginning on page 37 of this report for additional information on the City's long-term obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEARS BUDGET AND RATES

Factors considered in preparation of the fiscal year 2024 budget include:

- Account for inflation in City insurance premiums for workers' compensation and property and liability insurance.
- Expand the workforce by two employees in the fire department and part-time employees at the recycle center.
- Budget for the part-time poll workers for the election of post 3 and 4.
- Maintain millage rate at current rate of 10.364. This is considered a tax increase since the rollback rate was less than the current rate.
- Resurface roads 2023 LMIG project.
- Construction sanitary sewer line Bay Gall Creek.
- Stormwater capital improvement project piped pond.

As of June 30, 2023, unemployment rates for the Middle Georgia Region were 3.8%. This represents an increase in comparison to the unemployment rate of 3.6% in 2022.

CONTACT INFORMATION

This report has been created to give our citizens, taxpayers, customers, investors and creditors a summary of City finances and to show how revenues are used. If you have any questions regarding this report, or if you need additional financial information, please contact:

Carol Harrison, CPA, MBA
City Accountant
300 East Church Street
Centerville, Georgia 31028
Phone: 478-953-4734
Fax: 478-953-4797
cityaccountant@centerville.mgacoxmail.com

BASIC FINANCIAL STATEMENTS

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Cash and cash equivalents	\$ 2,926,152	\$ 2,669,624	\$ 5,595,776
Investments	2,561,372	2,149,993	4,711,365
Taxes receivable	2,634	-	2,634
Accounts receivable	101,139	454,311	555,450
Internal balances	135,000	(135,000)	-
Inventory	-	81,203	81,203
Prepaid expenses	7,403	16,349	23,752
Capital assets:			
Nondepreciable	992,482	1,269,074	2,261,556
Depreciable, net of accumulated depreciation	26,875,557	4,952,506	31,828,063
Total assets	<u>33,601,739</u>	<u>11,458,060</u>	<u>45,059,799</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	<u>904,832</u>	<u>240,525</u>	<u>1,145,357</u>
LIABILITIES			
Accounts payable	186,240	231,255	417,495
Accrued liabilities	41,495	7,454	48,949
Unearned revenues	2,318,207	-	2,318,207
Customer deposits payable	-	355,400	355,400
Notes payable due within one year	569,035	-	569,035
Notes payable due in more than one year	1,244,940	-	1,244,940
Compensated absences due within one year	127,409	28,494	155,903
Compensated absences due in more than one year	58,612	6,681	65,293
Net pension liability	1,061,464	282,162	1,343,626
Total liabilities	<u>5,607,402</u>	<u>911,446</u>	<u>6,518,848</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	<u>199,575</u>	<u>53,052</u>	<u>252,627</u>
NET POSITION			
Net investment in capital assets	26,054,064	6,221,580	32,275,644
Restricted for law enforcement	49,710	-	49,710
Restricted for resurface of roads	96,799	-	96,799
Restricted for capital projects	610,443	-	610,443
Unrestricted	1,888,578	4,512,507	6,401,085
Total net position	<u>\$ 28,699,594</u>	<u>\$ 10,734,087</u>	<u>\$ 39,433,681</u>

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

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 1,131,160	\$ 217,141	\$ 314,724	\$ -
Judicial	229,282	501,982	-	-
Public safety	4,297,171	59,530	-	1,049,947
Public works	1,005,529	-	-	379,563
Culture and recreation	293,435	6,270	-	-
Housing and development	390,160	-	235,523	-
Interest on long-term debt	74,112	-	-	-
Total governmental activities	<u>7,420,849</u>	<u>784,923</u>	<u>550,247</u>	<u>1,429,510</u>
Business-type activities:				
Water and sewer	2,694,032	2,549,712	-	-
Sanitation	1,024,909	1,347,433	-	-
Stormwater	193,038	256,745	-	-
Total business-type activities	<u>3,911,979</u>	<u>4,153,890</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 11,332,828</u>	<u>\$ 4,938,813</u>	<u>\$ 550,247</u>	<u>\$ 1,429,510</u>
General revenues:				
Property taxes				
Insurance premium tax				
Franchise taxes				
Alcoholic beverage taxes				
Other taxes				
Rental income				
Unrestricted investment earnings				
Insurance recoveries				
Sale of assets				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

**Net (Expenses) Revenues and
Changes in Net Position
Primary Government**

Governmental Activities	Business-type Activities	Total
\$ (599,295)	\$ -	\$ (599,295)
272,700	-	272,700
(3,187,694)	-	(3,187,694)
(625,966)	-	(625,966)
(287,165)	-	(287,165)
(154,637)	-	(154,637)
(74,112)	-	(74,112)
<u>(4,656,169)</u>	<u>-</u>	<u>(4,656,169)</u>
-	(144,320)	(144,320)
-	322,524	322,524
-	63,707	63,707
-	241,911	241,911
<u>(4,656,169)</u>	<u>241,911</u>	<u>(4,414,258)</u>
2,604,467	-	2,604,467
675,454	-	675,454
476,869	-	476,869
84,298	-	84,298
86,997	-	86,997
14,766	-	14,766
45,899	35,509	81,408
101,209	16,380	117,589
5,650	-	5,650
<u>4,095,609</u>	<u>51,889</u>	<u>4,147,498</u>
(560,560)	293,800	(266,760)
29,260,154	10,440,287	39,700,441
<u>\$ 28,699,594</u>	<u>\$ 10,734,087</u>	<u>\$ 39,433,681</u>

CITY OF CENTERVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	SPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,246,526	\$ 610,443	\$ -	\$ 69,183	\$ 2,926,152
Investments	2,561,372	-	-	-	2,561,372
Taxes receivable, net	2,634	-	-	-	2,634
Accounts receivable	101,139	-	-	-	101,139
Interfund receivables	135,100	-	2,314,724	96,799	2,546,623
Prepaid expenditures	7,403	-	-	-	7,403
Total assets	<u>\$ 5,054,174</u>	<u>\$ 610,443</u>	<u>\$ 2,314,724</u>	<u>\$ 165,982</u>	<u>\$ 8,145,323</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 166,867	\$ -	\$ -	\$ 19,373	\$ 186,240
Accrued liabilities	41,495	-	-	-	41,495
Unearned revenues	3,483	-	2,314,724	-	2,318,207
Interfund payables	2,411,523	-	-	100	2,411,623
Total liabilities	<u>2,623,368</u>	<u>-</u>	<u>2,314,724</u>	<u>19,473</u>	<u>4,957,565</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	7,403	-	-	-	7,403
Restricted for:					
Law enforcement	-	-	-	49,710	49,710
Resurface of roads	-	-	-	96,799	96,799
Capital projects	-	610,443	-	-	610,443
Unassigned	2,423,403	-	-	-	2,423,403
Total fund balances	<u>2,430,806</u>	<u>610,443</u>	<u>-</u>	<u>146,509</u>	<u>3,187,758</u>
Total liabilities and fund balances	<u>\$ 5,054,174</u>	<u>\$ 610,443</u>	<u>\$ 2,314,724</u>	<u>\$ 165,982</u>	<u>\$ 8,145,323</u>

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

CITY OF CENTERVILLE, GEORGIA

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total government fund balance	\$ 3,187,758
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,868,039
Pension related liabilities and deferred inflows and outflows are not reported in the funds.	(356,207)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,999,996)</u>
Change in net position - governmental activities	<u>\$ 28,699,594</u>

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

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>SPLOST Fund</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 2,604,467	\$ -	\$ -	\$ -	\$ 2,604,467
Other taxes	1,323,618	-	-	-	1,323,618
Charges for services	307	-	-	-	307
Licenses and permits	217,141	-	-	-	217,141
Intergovernmental	-	1,042,926	314,724	332,322	1,689,972
Probation fees	59,223	-	-	-	59,223
Fines and forfeitures	479,928	-	-	22,054	501,982
Interest revenue	45,899	5,951	-	-	51,850
Rental income	14,766	-	-	-	14,766
Other revenues	7,340	-	-	-	7,340
Total revenues	<u>4,752,689</u>	<u>1,048,877</u>	<u>314,724</u>	<u>354,376</u>	<u>6,470,666</u>
Expenditures					
Current:					
General government	869,535	-	-	-	869,535
Judicial	180,729	-	-	-	180,729
Public safety	3,368,312	-	-	1,320	3,369,632
Public works	264,566	-	-	-	264,566
Culture and recreation	161,392	-	-	-	161,392
Housing and development	119,373	-	-	223,523	342,896
Grant administration	-	-	-	12,000	12,000
Capital outlay	-	217,992	-	94,781	312,773
Debt service:					
Principal	-	1,113,012	-	-	1,113,012
Interest	-	74,112	-	-	74,112
Total expenditures	<u>4,963,907</u>	<u>1,405,116</u>	<u>-</u>	<u>331,624</u>	<u>6,700,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(211,218)</u>	<u>(356,239)</u>	<u>314,724</u>	<u>22,752</u>	<u>(229,981)</u>
Other financing sources (uses)					
Transfers in	321,542	-	-	-	321,542
Transfers out	-	-	(314,724)	(6,818)	(321,542)
Insurance recoveries	101,209	-	-	-	101,209
Sale of capital assets	5,650	-	-	-	5,650
Total other financing sources (uses)	<u>428,401</u>	<u>-</u>	<u>(314,724)</u>	<u>(6,818)</u>	<u>106,859</u>
Net change in fund balances	217,183	(356,239)	-	15,934	(123,122)
Fund balances, beginning of year	<u>2,213,623</u>	<u>966,682</u>	<u>-</u>	<u>130,575</u>	<u>3,310,880</u>
Fund balances, end of year	<u>\$ 2,430,806</u>	<u>\$ 610,443</u>	<u>\$ -</u>	<u>\$ 146,509</u>	<u>\$ 3,187,758</u>

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

CITY OF CENTERVILLE, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - total governmental funds	\$	(123,122)
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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 and reported as depreciation expense.

Capital asset additions	\$	546,336	
Depreciation expense		<u>(837,033)</u>	(290,697)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations) is to decrease net position.		(70,660)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal retirement of long-term debt		1,113,012
--	--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$	(7,457)	
Net pension liability related deferred inflows and outflows		<u>(1,181,636)</u>	<u>(1,189,093)</u>

Change in net position - governmental activities	\$	<u>(560,560)</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 2,840,994	\$ 2,840,994	\$ 2,604,467	\$ (236,527)
Other taxes	1,167,282	1,167,282	1,323,618	156,336
Charges for services	600	600	307	(293)
Licenses and permits	243,351	243,351	217,141	(26,210)
Probation fees	45,103	45,103	59,223	14,120
Fines and forfeitures	455,492	455,492	479,928	24,436
Interest revenue	100	100	45,899	45,799
Rental income	12,400	12,400	14,766	2,366
Other revenues	3,700	3,700	7,340	3,640
Total revenues	<u>4,769,022</u>	<u>4,769,022</u>	<u>4,752,689</u>	<u>(16,333)</u>
Expenditures				
Current:				
General government:				
Legislative	126,172	126,172	112,861	13,311
Financial administration	475,611	475,611	470,322	5,289
Law	212,432	212,432	204,984	7,448
Information technology	83,486	83,486	81,368	2,118
Total general government	<u>897,701</u>	<u>897,701</u>	<u>869,535</u>	<u>28,166</u>
Judicial:				
Municipal court	174,326	182,326	180,729	1,597
Total judicial	<u>174,326</u>	<u>182,326</u>	<u>180,729</u>	<u>1,597</u>
Public safety:				
Police	1,994,751	2,140,940	1,848,301	292,639
Fire	1,558,308	1,558,308	1,368,296	190,012
Probation	71,348	71,348	69,023	2,325
Animal control	77,719	87,719	82,692	5,027
Total public safety	<u>3,702,126</u>	<u>3,858,315</u>	<u>3,368,312</u>	<u>490,003</u>
Public works:				
Streets	361,482	361,482	264,566	96,916
Total public works	<u>361,482</u>	<u>361,482</u>	<u>264,566</u>	<u>96,916</u>
Culture and recreation:				
Parks	160,314	162,314	161,392	922
Total culture and recreation	<u>160,314</u>	<u>162,314</u>	<u>161,392</u>	<u>922</u>
Housing and economic development:				
Economic development	87,925	87,925	76,576	11,349
Protective inspection	59,161	59,161	42,797	16,364
Total housing and economic development	<u>147,086</u>	<u>147,086</u>	<u>119,373</u>	<u>27,713</u>
Total expenditures	<u>5,443,035</u>	<u>5,609,224</u>	<u>4,963,907</u>	<u>645,317</u>
Deficiency of revenues under expenditures	<u>(674,013)</u>	<u>(840,202)</u>	<u>(211,218)</u>	<u>628,984</u>
Other financing sources				
Transfers in	614,724	614,724	321,542	(293,182)
Insurance recoveries	-	96,927	101,209	4,282
Sale of capital assets	-	-	5,650	5,650
Total other financing sources	<u>614,724</u>	<u>711,651</u>	<u>428,401</u>	<u>(283,250)</u>
Appropriations	<u>59,289</u>	<u>128,551</u>	<u>-</u>	<u>(128,551)</u>
Net change in fund balances	-	-	217,183	217,183
Fund balances, beginning of year	<u>2,213,623</u>	<u>2,213,623</u>	<u>2,213,623</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,213,623</u>	<u>\$ 2,213,623</u>	<u>\$ 2,430,806</u>	<u>\$ 217,183</u>

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

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ARPA FUND - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	2,314,724	2,314,724	314,724	(2,000,000)
Total revenues	<u>2,314,724</u>	<u>2,314,724</u>	<u>314,724</u>	<u>(2,000,000)</u>
Excess of revenues over expenditures	<u>2,314,724</u>	<u>2,314,724</u>	<u>314,724</u>	<u>(2,000,000)</u>
Other financing uses				
Transfers out	(2,314,724)	(2,314,724)	(314,724)	2,000,000
Total other financing uses	<u>(2,314,724)</u>	<u>(2,314,724)</u>	<u>(314,724)</u>	<u>2,000,000</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF CENTERVILLE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

	Water and Sewer Fund	Sanitation Fund	Nonmajor Stormwater Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,233,519	\$ -	\$ 436,105	\$ 2,669,624
Investments	1,642,135	-	507,858	2,149,993
Inventory	81,203	-	-	81,203
Prepaid expenses	16,349	-	-	16,349
Accounts receivable	252,505	163,594	38,212	454,311
Interfund receivables	-	-	62,237	62,237
Total current assets	4,225,711	163,594	1,044,412	5,433,717
NON-CURRENT ASSETS				
Capital assets:				
Nondepreciable	1,269,074	-	-	1,269,074
Depreciable, net of accumulated depreciation	4,922,494	1,912	28,100	4,952,506
Total non-current assets	6,191,568	1,912	28,100	6,221,580
Total assets	10,417,279	165,506	1,072,512	11,655,297
DEFERRED OUTFLOWS OF RESOURCES				
Pension	217,618	-	22,907	240,525
Total deferred outflows of resources	217,618	-	22,907	240,525
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	208,875	-	22,380	231,255
Accrued liabilities	7,010	-	444	7,454
Customer deposits payable	355,400	-	-	355,400
Interfund payables	197,237	-	-	197,237
Compensated absences due within one year	26,370	-	2,124	28,494
Total current liabilities	794,892	-	24,948	819,840
NON-CURRENT LIABILITIES				
Net pension liability	255,289	-	26,873	282,162
Compensated absences due in more than one year	6,455	-	226	6,681
Total non-current liabilities	261,744	-	27,099	288,843
Total liabilities	1,056,636	-	52,047	1,108,683
DEFERRED INFLOWS OF RESOURCES				
Pension	47,999	-	5,053	53,052
Total deferred inflows of resources	47,999	-	5,053	53,052
NET POSITION				
Investment in capital assets	6,191,568	1,912	28,100	6,221,580
Unrestricted	3,338,694	163,594	1,010,219	4,512,507
Total net position	\$ 9,530,262	\$ 165,506	\$ 1,038,319	\$ 10,734,087

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

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Nonmajor Stormwater Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Water sales	\$ 1,350,095	\$ -	\$ -	\$ 1,350,095
Sewer sales	836,638	-	-	836,638
Water and wastewater tap fees	138,750	-	-	138,750
Sanitation fees	-	1,321,152	-	1,321,152
Stormwater fees	-	-	256,745	256,745
Late fees	102,510	-	-	102,510
Other	121,719	26,281	-	148,000
Total operating revenues	<u>2,549,712</u>	<u>1,347,433</u>	<u>256,745</u>	<u>4,153,890</u>
OPERATING EXPENSES				
Personnel services	1,156,329	-	103,213	1,259,542
Contractual services	826,015	1,015,057	38,642	1,879,714
Supplies	184,938	1,305	16,281	202,524
Heat, light and power	122,175	2,526	-	124,701
Repairs and maintenance	170,730	1,283	28,328	200,341
Bad debt expense	15,568	4,260	386	20,214
Depreciation	218,277	478	6,188	224,943
Total operating expenses	<u>2,694,032</u>	<u>1,024,909</u>	<u>193,038</u>	<u>3,911,979</u>
Operating income (loss)	(144,320)	322,524	63,707	241,911
NON-OPERATING REVENUES				
Interest revenue	27,651	-	7,858	35,509
Insurance recoveries	16,380	-	-	16,380
Total non-operating revenues	<u>44,031</u>	<u>-</u>	<u>7,858</u>	<u>51,889</u>
Income (loss) before transfers	<u>(100,289)</u>	<u>322,524</u>	<u>71,565</u>	<u>293,800</u>
TRANSFERS				
Transfers in	304,704	-	-	304,704
Transfers out	-	(304,704)	-	(304,704)
Total transfers	<u>304,704</u>	<u>(304,704)</u>	<u>-</u>	<u>-</u>
Change in net position	204,415	17,820	71,565	293,800
NET POSITION, beginning of year	<u>9,325,847</u>	<u>147,686</u>	<u>966,754</u>	<u>10,440,287</u>
NET POSITION, end of year	<u>\$ 9,530,262</u>	<u>\$ 165,506</u>	<u>\$ 1,038,319</u>	<u>\$ 10,734,087</u>

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

CITY OF CENTERVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Nonmajor Stormwater Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,595,141	\$ 1,329,135	\$ 269,867	\$ 4,194,143
Payments to suppliers	(1,237,794)	(1,024,431)	(67,306)	(2,329,531)
Payments to employees	(875,135)	-	(87,399)	(962,534)
Net cash provided by operating activities	<u>482,212</u>	<u>304,704</u>	<u>115,162</u>	<u>902,078</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,527,530)	-	(507,858)	(2,035,388)
Interest revenue	27,651	-	7,858	35,509
Net cash provided by investing activities	<u>(1,499,879)</u>	<u>-</u>	<u>(500,000)</u>	<u>(1,999,879)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(698,339)	-	-	(698,339)
Insurance recoveries	16,380	-	-	16,380
Net cash used in capital and related financing activities	<u>(681,959)</u>	<u>-</u>	<u>-</u>	<u>(681,959)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer In	304,704	-	-	304,704
Transfer out	-	(304,704)	-	(304,704)
Net cash provided by (used in) noncapital and related financing activities	<u>304,704</u>	<u>(304,704)</u>	<u>-</u>	<u>-</u>
Change in cash and cash equivalents	(1,394,922)	-	(384,838)	(1,779,760)
Cash and cash equivalents:				
Beginning of year	3,628,441	-	820,943	4,449,384
End of year	<u>\$ 2,233,519</u>	<u>\$ -</u>	<u>\$ 436,105</u>	<u>\$ 2,669,624</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (144,320)	\$ 322,524	\$ 63,707	\$ 241,911
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	218,277	478	6,188	224,943
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	13,420	(18,298)	(14,161)	(19,039)
Increase in prepaid expense	(2,454)	-	-	(2,454)
Increase in inventory	(28,191)	-	-	(28,191)
Increase in investments	(122)	-	-	(122)
Increase in deferred outflows of resources - pension	(138,872)	-	(20,888)	(159,760)
Increase in accounts payable	112,399	-	22,380	134,779
Increase in accrued liabilities	1,770	-	139	1,909
Increase (decrease) in compensated absences	(7,443)	-	1,636	(5,807)
Increase in net pension liability	554,146	-	34,536	588,682
Increase in customer deposits	13,700	-	-	13,700
Increase in interfund payable	18,309	-	21,095	39,404
Increase (decrease) in deferred inflows of resources - pension	(128,407)	-	530	(127,877)
Net cash provided by operating activities	<u>\$ 482,212</u>	<u>\$ 304,704</u>	<u>\$ 115,162</u>	<u>\$ 902,078</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF CENTERVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Centerville, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. The Financial Reporting Entity

The City operates under a charter adopted on March 25, 1958. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police, fire, probation, and animal control), public works, culture-recreation, housing and economic development, public improvements, planning and zoning, judicial, and general administrative services. In addition, the City provides water and sewer services, sanitation services as well as stormwater utility services. These financial statements present the government entities for which the City is considered to be financially accountable.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental fund level financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current fiscal period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Major revenue sources that are susceptible to accrual are property taxes and intergovernmental revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Purpose Local Option Sales Tax ("SPLOST") Fund** is used to account for monies received from intergovernmental revenues (i.e., special purpose local option sales taxes) for various City projects.

The **American Rescue Plan Act ("ARPA") Fund** is used to account for monies received from the U.S. Department of Treasury for grant activity.

Proprietary Fund financial statements are used to account for activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds are accounted for using the accrual basis of accounting as follows:

Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred. On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expenses that are not a result of the direct operations of the activity.

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** is used to account for water and sewer operations as well as construction and maintenance of water and sewerage projects.

The ***Sanitation System Fund*** is used to account for operating revenues and expenses relating to garbage pickup.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Projects Fund*** accounts for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

The ***Stormwater Fund*** accounts for the City's stormwater operations and related capital projects.

D. Cash, Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less. State statutes and the City's official investment policy authorize the City to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, bankers' acceptances, money market mutual funds and direct obligations of the State of Georgia.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash, Cash Equivalents and Investments (Continued)

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loans which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1").

Georgia Fund 1 was created under the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8 and is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as investments for financial statement presentation.

The City records investments at fair market value in accordance with GAAP. All investment income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance.

E. Receivables and Payables

Property tax receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible accounts.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met. Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 three items that qualify for reporting in this category that relate to the City's defined benefit pension plan and are consumptions of net position that apply to future periods. The three items are the changes in assumptions, experience differences, and the City's contributions subsequent to the measurement date. They will be recognized as expenses/expenditures when consumed.

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet 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 assets 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 one type of item which qualifies for reporting in this category which relates to the City's defined benefit pension plan and is the experience differences.

G. Inventory and Prepaid Expenses

The costs of the City's inventories are recorded as expenditures when purchased. Expenditures for insurance and similar services extending over more than one accounting period are allocated between accounting periods. Reported prepaid expenses are equally offset by a nonspendable fund balance reserve.

H. Capital Assets

Capital assets are defined by the City as assets which have a cost of \$5,000 or more and an estimated useful life in excess of two years. Capital assets purchased or acquired are recorded at historical costs. Contributed assets are recorded at their acquisition value as of the date donated. Capital assets are reported in the government-wide and proprietary fund financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and infrastructure	50
Furniture and equipment	5 – 15
Trucks and tractors	3 – 7
Distribution plants	50

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

All full-time employees earn annual leave. Unused annual leave not exceeding 30 days may be carried into the next calendar year. Payment for unused annual leave will be made upon resignation of an employee provided that proper notice is given.

The City provides sick leave to eligible employees in accordance with provisions of the personnel policy. It is the City's policy to record the cost of sick leave when it is used. Unused sick leave not exceeding 180 days may be carried into the next calendar year. At the time of retirement, any unused sick leave is added to the employees' length of service.

Accrued annual leave incurred in the proprietary fund is reported as a fund liability in that fund. In governmental fund types, annual leave is recorded as a liability only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

K. Defined Contribution Plan

The City offers its employees a defined contribution plan (the "Plan") which is administered by Nationwide and Newport Group. The Plan is a 457(b) Plan. The Plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional and the City does not contribute to the Plan. Employees' contributions are fully vested at the time of contribution. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During the year ended June 30, 2023, employees contributed \$24,869.

Pursuant to Statement No. 32 of the GASB, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not have a fiduciary relationship with the Plan. Accordingly, the balances and transactions of the City's plan are not reported in the City's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **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: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. 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 are available.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Use of Estimates

The preparation of basic financial statements in conformance with GAAP requires management to make estimates and assumptions that effect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

N. Stewardship, Compliance and Accountability Budgetary Information

Budgets are adopted for the General, Special Revenue, Capital Projects and Proprietary Funds on an annual basis.

The budgets for the General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles. Budgets are prepared for the Proprietary Funds as a management control device. Department heads are responsible for submitting budget requests in the spring of each year. The City Accountant reviews the requests, meets with department heads and the budget sub-committee, and then creates a formal budget for the following year to be presented to the Mayor and Council. The budget hearing is publicly advertised and held in accordance with Georgia law. Thereafter, the Mayor and Council adopt a formal budget. The budgetary level of control is at the department level. All appropriations except Capital Projects Funds lapse at year-end. There were no material purchase orders, contracts, or other commitments that should have been encumbered.

Encumbrances represent commitments related to underperformed contracts for goods or services. The City does not utilize encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriations.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

Total deposits and investments as of June 30, 2023 are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:

Cash and cash equivalents	\$ 5,595,776
Investments	4,711,365
Total	<u>\$ 10,307,141</u>

Governmental funds:

Cash and cash equivalents	\$ 2,926,152
Cash deposited with Georgia Fund 1	2,545,883
Investments	15,489
Total governmental funds	<u>5,487,524</u>

Proprietary funds:

Cash and cash equivalents	2,669,624
Cash deposited with Georgia Fund 1	2,035,388
Investments	114,605
Total proprietary funds	<u>4,819,617</u>
Total	<u>\$ 10,307,141</u>

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of June 30, 2023, the City's investment in Georgia Fund 1 was rated AA Af by Fitch.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from decreasing interest rates.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (CONTINUED)

Fair Value Measurements (Continued). The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and thus is valued at fair value in accordance with GASB Statement No. 31. Certificates of deposits are investments which do not meet the criteria of GASB No. 72. As a result, the City does not disclose the Georgia Fund 1 or certificates of deposits within the fair value hierarchy.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2023, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

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

At June 30, 2023, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	28 days	\$ 4,581,271
Certificates of Deposit	Various	130,094
		\$ 4,711,365

NOTE 3. RECEIVABLES

Property tax receivables – Property tax receivables are shown net of an allowance for uncollectable. Property taxes not collected by the year-end are recorded in the allowance for uncollectable accounts.

Property taxes levied are recorded as receivables and recognized as revenues in the year they become due. The property tax calendar is as follows:

Date millage rate is set	September 7, 2022
Lien date	January 1, 2023
Due date	December 20, 2022
Collection dates	September 17, 2022 - December 20, 2022
Delinquent date	December 21, 2022

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES (CONTINUED)

Receivables as of year-end for the governmental activities and business-type activities, individual major governmental funds, including the applicable allowances for uncollectable accounts, as required by GAAP are as follows:

	<u>General</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Nonmajor Stormwater</u>	<u>Total</u>
Receivables:					
Taxes	\$ 110,497	\$ -	\$ -	\$ -	\$ 110,497
Accounts	101,139	252,505	163,594	38,212	555,450
Gross receivables	211,636	252,505	163,594	38,212	665,947
Less: allowance	(107,863)	-	-	-	(107,863)
Total receivables	<u>\$ 103,773</u>	<u>\$ 252,505</u>	<u>\$ 163,594</u>	<u>\$ 38,212</u>	<u>\$ 558,084</u>

NOTE 4. CAPITAL ASSETS

Changes in capital assets for governmental activities are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 729,311	\$ -	\$ (25,000)	\$ -	\$ 704,311
Construction in process	32,895	255,276	-	-	288,171
Total capital assets, not being depreciated	762,206	255,276	(25,000)	-	992,482
Capital assets, being depreciated:					
Buildings and improvements	11,218,690	-	-	-	11,218,690
Infrastructure	20,450,185	27,488	-	-	20,477,673
Machinery and equipment	2,439,541	263,572	(182,229)	-	2,520,884
Total capital assets, being depreciated	34,108,416	291,060	(182,229)	-	34,217,247
Less accumulated depreciation for:					
Buildings and improvements	(1,481,887)	(202,479)	-	-	(1,684,366)
Infrastructure	(3,590,628)	(452,101)	-	-	(4,042,729)
Machinery and equipment	(1,568,711)	(182,453)	136,569	-	(1,614,595)
Total accumulated depreciation	(6,641,226)	(837,033)	136,569	-	(7,341,690)
Total capital assets, being depreciated, net	27,467,190	(545,973)	(45,660)	-	26,875,557
Governmental activities capital assets, net	<u>\$ 28,229,396</u>	<u>\$ (290,697)</u>	<u>\$ (70,660)</u>	<u>\$ -</u>	<u>\$ 27,868,039</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2023 was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	\$	36,694
Public safety		280,229
Public works		390,594
Recreation		114,717
Judicial		14,799
Total depreciation expense - governmental activities	<u>\$</u>	<u>837,033</u>

A summary of changes in capital assets for business-type activities is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 816,149	\$ -	\$ -	\$ -	\$ 816,149
Construction in process	-	452,925	-	-	452,925
Total capital assets, not being depreciated	816,149	452,925	-	-	1,269,074
Capital assets, being depreciated:					
Buildings and improvements	2,003,334	-	-	-	2,003,334
Infrastructure	7,137,997	205,567	(13,700)	-	7,329,864
Machinery and equipment	845,407	39,847	-	-	885,254
Total capital assets, being depreciated	9,986,738	245,414	(13,700)	-	10,218,452
Less accumulated depreciation for:					
Buildings and improvements	(219,853)	(41,161)	-	-	(261,014)
Infrastructure	(4,178,071)	(149,841)	13,700	-	(4,314,212)
Machinery and equipment	(656,779)	(33,941)	-	-	(690,720)
Total accumulated depreciation	(5,054,703)	(224,943)	13,700	-	(5,265,946)
Total capital assets, being depreciated, net	4,932,035	20,471	-	-	4,952,506
Business-type activities capital assets, net	\$ 5,748,184	\$ 473,396	\$ -	\$ -	\$ 6,221,580

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2023 was charged to functions/programs for business-type activities as follows:

Business-type activities:		
Water and Sewer Fund	\$	218,277
Sanitation Fund		478
Nonmajor Enterprise Fund		6,188
Total depreciation expense - business-type activities	<u>\$</u>	<u>224,943</u>

NOTE 5. LONG-TERM DEBT

Debt under governmental activities consists of the following for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 178,564	\$ 155,286	\$ (147,829)	\$ 186,021	\$ 127,409
Notes payable	2,926,987	-	(1,113,012)	1,813,975	569,035
Net pension liability (asset)	(1,226,082)	2,706,148	(418,602)	1,061,464	-
Governmental activities					
Long-term liabilities	<u>\$ 1,879,469</u>	<u>\$ 2,861,434</u>	<u>\$ (1,679,443)</u>	<u>\$ 3,061,460</u>	<u>\$ 696,444</u>

Compensated absences and the net pension liability are substantially liquidated by the General Fund.

Debt under business-type activities consists of the following for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Compensated absences	\$ 40,982	\$ 31,524	\$ (37,331)	\$ 35,175	\$ 28,494
Net pension liability (asset)	(306,520)	719,357	(130,675)	282,162	-
Business-type activities					
Long-term liabilities	<u>\$ (265,538)</u>	<u>\$ 750,881</u>	<u>\$ (168,006)</u>	<u>\$ 317,337</u>	<u>\$ 28,494</u>

For business-type activities, compensated absences are liquidated by the proprietary fund.

A summary of notes payable as of June 30, 2023 is as follows:

On August 13, 2020, the City entered into an installment sale agreement with Georgia Municipal Association (“GMA”) for the purpose of constructing a new fire station. Under the agreement, GMA is the seller and the City is the purchaser. GMA agreed to finance and assign the agreement to Synovus Bank and advanced \$4,350,000 into an escrow fund to pay the cost of constructing the fire station. The interest rate is 1.99%.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (CONTINUED)

Principal and interest payments are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 569,035	\$ 24,527	\$ 593,562
2025	568,788	24,774	593,562
2026	580,107	13,455	593,562
2027	96,045	1,911	97,956
Total	<u>\$ 1,813,975</u>	<u>\$ 64,667</u>	<u>\$ 1,878,642</u>

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payable balances as of June 30, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Water and Sewer Fund	\$ 135,000
General Fund	Nonmajor Governmental Funds	100
ARPA Fund	General Fund	2,314,724
Nonmajor Governmental Funds	General Fund	96,799
Nonmajor Enterprise Fund	Water and Sewer Fund	62,237
	Total	<u>\$ 2,608,860</u>

Interfund receivables and payables result from timing differences related to charges for services or reimbursable expenses. The City expects to repay governmental and enterprise fund interfund balances within one year.

Interfund transfers during the year ended June 30, 2023 are as follows:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Total</u>
General Fund	Nonmajor Governmental Funds	\$ 6,818
General Fund	ARPA Fund	314,724
Water and Sewer Fund	Sanitation Fund	304,704
		<u>\$ 626,246</u>

Interfund transfers reflect ARPA funds designated as provision of loss revenues per adopted budget for fiscal year June 30, 2023 and transfer of Center Park Fund fund balance to General Fund to close out the fund. Enterprise interfund receivables and payables are not scheduled to be repaid in future years.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. 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; injuries to employees; and natural disasters. The City joined the Georgia Interlocal Risk Management Agency ("GIRMA") in 1999. This membership allows the City to share liability, crime, motor vehicle and property damage risks. The City retains the first \$5,000 of the risk of loss for the law enforcement and the errors and omissions coverage in the form of a deductible.

The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$5,000 deductible, if applicable. Management is not aware of any claims that the City is liable for which were outstanding and unpaid as of June 30, 2023. Settlement claims from the risks mentioned above have not exceeded insurance coverage for the past five years.

The City is a member of the Georgia Municipal Association of Workers' Compensation Self Insurance Fund. The fund operates under the authority of O.C.G.A. §34-9-150, et seq. The City pays into the fund its share of the fund's projected obligation of workers' compensation liability, administrative expenses, and other costs incurred by the fund. The City's share is adjusted by the board of the fund according to the claim experience of each participating member in accordance with criteria set forth in the by-laws of the fund. The fund makes payments to the employees of the members for workers' compensation benefits pursuant to and in accordance with the claims procedures set forth in Title 34, Chapter 9 O.C.G.A. The City is jointly and severally liable for all legal obligations of the fund, including, but not limited to, any obligations of the fund to pay claims against the fund arising out of any occurrence, incident, or accident covered under Title 34, Chapter 9 of O.C.G.A.

As a part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claims of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussion and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

NOTE 8. PENSION PLAN

Plan description – The City contributes to the Georgia Municipal Employees Benefit System ("GMEBS") Pension Plan (the "Plan"), an agent multiple employer defined contribution pension plan that acts as a common investment and administrative agent for cities in the state of Georgia. All full-time City employees are eligible to participate in the Plan. Employees are vested after five years. Retirement benefits are calculated at 2.0% of the employee's final five-year average salary times the employee's years of service. Employees that are 65 and have five years of service or meet the rule of 80 with no minimum age or service requirement are eligible to retire. Employees with 10 years of continuous service are eligible for early retirement at age 55.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Plan description (Continued) - Officials are vested immediately and will receive a retirement benefit of \$40 per month per year. These benefit provisions and all other requirements are established by the GMEBS Pension Trust and Adoption Agreement executed by the City. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to:

GMEBS
201 Pryor Street, SW
Atlanta, Georgia 30303

As of July 1, 2022, the Mayor and City Council amended the Plan to change the retirement percentage from 1.5% to 2.0%.

Plan membership – As of June 30, 2023, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not receiving benefits	57
Active plan members	61
Total	<u>142</u>

Contributions – City employees are not required to contribute to the Plan. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The City funds the required minimum contributions. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the actuarially-recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by the Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to the Plan for the year ended June 30, 2023 was 6.4% of covered payroll. The City's contributions to the Plan were \$166,545 for the year ended June 30, 2023.

Net pension liability – The City's net pension liability was measured as of September 30, 2022, which would make it applicable to the fiscal year beginning July 1, 2022 and ending June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Actuarial assumptions – The mortality and economic actuarial assumptions used in the January 1, 2023 valuation were approved GMEBS Board of Trustees in December 2021 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net investment rate of return	7.375%
Projected salary increases	2.25%
Cost of living adjustment	2.25%

Mortality rates for the valuation period were based on the RP-2000 Mortality Tables with gender-distinct rates, set forward two years for males and one year for females multiplied by 1.25. The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2015 to June 30, 2019. Mortality experience will be reviewed periodically and updated if necessary.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation. Best estimates are arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2021 and are summarized in the following table:

Asset Class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
Total or weighted arithmetic average	100%	

* Rates shown are net of the 2.25% assumed rate of inflation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Discount rate – The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to actuarially determine contribution rates assumed that City contributions will be made at rates equal to the actuarial determined 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all the projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current year.

The City’s net pension liability as calculated at the discount rates noted above are as follows:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 2,540,326	\$ 1,343,626	\$ 363,594

Changes in net pension liability – The changes in the components of the net pension liability for the City for the year ended June 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Beginning Balance	\$ 6,621,555	\$ 8,154,157	\$ (1,532,602)
Changes for the year:			
Service cost	145,645	-	145,645
Interest	492,042	-	492,042
Differences between expected and actual experience	(336,837)	-	(336,837)
Contributions – employer	-	212,440	(212,440)
Net investment income	-	(1,339,181)	1,339,181
Benefit payments	(190,887)	(190,887)	-
Administrative expense	-	(18,806)	18,806
Other	1,429,831	-	1,429,831
Net changes	1,539,794	(1,336,434)	2,876,228
Ending Balance	\$ 8,161,349	\$ 6,817,723	\$ 1,343,626

The Plan's fiduciary net position as a percentage of the total pension liability 83.54%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

The required schedule of changes in the City's net pension liability and related ratios in the required supplementary information section presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total pension liability.

Pension expense and deferred outflows/inflows of resources related to pensions – For the year ended June 30, 2023, the City recognized pension expense of \$1,667,409. At June 30, 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
Differences between expected and actual experience	\$ 133,976	\$ 252,627
Net difference between projected and actual earnings on pension plan investments	886,473	-
City contributions subsequent to the measurement date	124,908	-
Total	\$ 1,145,357	\$ 252,627

City contributions subsequent to the measurement date of \$124,908, are reported as deferred outflows of resources and will be recognized as a reduction to the net pension liability for the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,		
2024	\$	176,206
2025		121,634
2026		81,852
2027		388,130
Total	\$	767,822

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. JOINT VENTURE

The City is a member of the Middle Georgia Regional Commission ("MGRC"). Membership in a regional commission is required by O.C.G.A. §50-8-34, which provides for the organizational structure of regional commissions in Georgia. The MGRC board membership includes the chief official of each City and municipality of the area. O.C.G.A. §50-8-39.1 provides that member governments are liable for any debts or obligations of the regional commission. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175 Emery Highway
Macon, Georgia 31217

NOTE 10. CONTINGENCIES

The City is a defendant in various lawsuits. In the opinion of the City's management and the City Attorney, the ultimate effect of these matters will not have a material adverse effect on the financial condition of the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CENTERVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS FOR THE YEARS ENDED JUNE 30,

	2023	2022	2021
Total pension liability			
Service cost	\$ 145,645	\$ 123,014	\$ 120,974
Interest on total pension liability	492,042	447,925	415,178
Differences between expected and actual experience	(336,837)	192,591	94,198
Changes of assumptions	-	-	-
Benefit payments	(190,887)	(185,032)	(191,709)
Other	1,429,831	-	-
Net change in total pension liability	1,539,794	578,498	438,641
Total pension liability - beginning	6,621,555	6,043,057	5,604,416
Total pension liability - ending (a)	8,161,349	6,621,555	6,043,057
 Plan fiduciary net position			
Contributions - employer	212,440	180,173	90,470
Net investment income	(1,339,181)	1,594,894	582,749
Benefit payments	(190,887)	(185,032)	(191,709)
Administrative expenses	(18,806)	(16,960)	(16,568)
Net change in plan fiduciary net position	(1,336,434)	1,573,075	464,942
Plan fiduciary net position - beginning	8,154,157	6,581,082	6,116,140
Plan fiduciary net position - ending (b)	6,817,723	8,154,157	6,581,082
 City's net pension liability (asset) - ending (a)-(b)	\$ 1,343,626	\$ (1,532,602)	\$ (538,025)
 Plan fiduciary net position as a percentage of the total pension liability	83.54%	123.15%	108.9%
Covered payroll	\$ 2,615,482	\$ 2,866,568	\$ 2,399,165
City's net pension liability (asset) as a percentage of covered payroll	51.37%	-53.46%	-22.4%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

	2020	2019	2018	2017	2016	2015
\$	106,564	\$ 124,906	\$ 109,972	\$ 98,872	\$ 112,022	\$ 115,947
	388,418	365,423	345,420	331,470	332,127	356,024
	(66,465)	26,379	113,790	(73,727)	(280,472)	(10,809)
	200,973	-	(91,351)	-	-	(583,163)
	(194,831)	(188,695)	(186,228)	(167,007)	(177,310)	(195,381)
	-	-	-	-	-	-
	434,659	328,013	291,603	189,608	(13,633)	(317,382)
	5,169,757	4,841,744	4,550,141	4,360,533	4,374,166	4,691,548
	5,604,416	5,169,757	4,841,744	4,550,141	4,360,533	4,374,166
	76,022	139,067	148,580	143,152	303,328	231,397
	177,609	552,975	736,225	494,952	43,401	437,417
	(194,831)	(188,695)	(186,228)	(167,007)	(177,310)	(195,381)
	(16,647)	(17,248)	(17,983)	(10,373)	(11,630)	(9,368)
	42,153	486,099	680,594	460,724	157,789	464,065
	6,073,987	5,587,888	4,907,294	4,446,570	4,288,781	3,824,716
	6,116,140	6,073,987	5,587,888	4,907,294	4,446,570	4,288,781
\$	(511,724)	\$ (904,230)	\$ (746,144)	\$ (357,153)	\$ (86,037)	\$ 85,385
	109.1%	117.5%	115.4%	107.8%	102.0%	98.0%
\$	2,337,195	\$ 2,069,601	\$ 2,406,869	\$ 1,980,551	\$ 1,978,438	\$ 1,849,132
	-21.9%	-43.7%	-31.0%	-18.0%	-4.3%	4.6%

CITY OF CENTERVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE YEARS ENDED JUNE 30,

	2023	2022	2021
Actuarially determined contribution	\$ 100,919	\$ 203,495	\$ 195,009
Contributions in relation to the actuarially determined contribution	166,545	203,495	195,009
Contribution deficiency (excess)	<u>\$ (65,626)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,615,482	\$ 2,866,568	\$ 2,399,165
Contributions as a percentage of covered payroll	6.4%	7.1%	8.1%

Notes to the Schedule:

Valuation date	January 1, 2023
Cost method	Projected unit credit
Actuarial 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.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost-of-living adjustment	2.25%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	N/A

The schedule will present 10 years of information once it is accumulated.

2020	2019	2018	2017	2016	2015
\$ 55,624	\$ 82,821	\$ 157,815	\$ 145,502	\$ 142,369	\$ 212,926
55,624	82,821	157,815	145,502	142,369	212,926
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,337,195	\$ 2,069,601	\$ 2,406,869	\$ 1,980,551	\$ 1,978,438	\$ 1,849,132
2.4%	4.0%	6.6%	7.3%	7.2%	11.5%

**COMBINING STATEMENTS
AND SCHEDULES**

CITY OF CENTERVILLE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Confiscated Assets Fund** accounts for monies collected under Georgia Law by the City's law enforcement officers. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.

The **Center Park Fund** accounts for the donations and expenses related to the Center Park of the City of Centerville.

The **Community Home Investment Program ("CHIP") Grant Fund** accounts for the grant revenue and expenses related to providing affordable housing in the City of Centerville.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Local Maintenance and Improvement Grant ("LMIG") Fund** accounts for capital projects of the City from resources provided by the Local Maintenance and Improvement Grant.

CITY OF CENTERVILLE, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds			Capital Projects Fund	Totals
	Confiscated Assets Fund	Center Park Fund	CHIP Grant Fund	LMIG Fund	
ASSETS					
Cash and cash equivalents	\$ 69,083	\$ -	\$ 100	\$ -	\$ 69,183
Interfund receivables	-	-	-	96,799	96,799
Total assets	<u>\$ 69,083</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 96,799</u>	<u>\$ 165,982</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 19,373	\$ -	\$ -	\$ -	\$ 19,373
Interfund payables	-	-	100	-	100
Total liabilities	<u>19,373</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>19,473</u>
FUND BALANCES					
Restricted for:					
Law enforcement	49,710	-	-	-	49,710
Road resurfacing	-	-	-	96,799	96,799
Total fund balances	<u>49,710</u>	<u>-</u>	<u>-</u>	<u>96,799</u>	<u>146,509</u>
Total liabilities and fund balances	<u>\$ 69,083</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 96,799</u>	<u>\$ 165,982</u>

CITY OF CENTERVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			Capital Projects Fund	Totals
	Confiscated Assets Fund	Center Park Fund	CHIP Grant Fund	LMIG Fund	
Revenues					
Fines and forfeitures	\$ 22,054	\$ -	\$ -	\$ -	\$ 22,054
Intergovernmental	-	-	235,523	96,799	332,322
Total revenues	<u>22,054</u>	<u>-</u>	<u>235,523</u>	<u>96,799</u>	<u>354,376</u>
Expenditures					
Grant administration	-	-	12,000	-	12,000
Supplies	1,320	-	-	-	1,320
Housing rehabilitation	-	-	223,523	-	223,523
Capital outlay	-	-	-	94,781	94,781
Total expenditures	<u>1,320</u>	<u>-</u>	<u>235,523</u>	<u>94,781</u>	<u>331,624</u>
Excess of revenues over expenditures	<u>20,734</u>	<u>-</u>	<u>-</u>	<u>2,018</u>	<u>22,752</u>
Other financing uses					
Transfers out	-	(6,818)	-	-	(6,818)
Total other financing uses	<u>-</u>	<u>(6,818)</u>	<u>-</u>	<u>-</u>	<u>(6,818)</u>
Net change in fund balances	20,734	(6,818)	-	2,018	15,934
Fund balances, beginning of year	<u>28,976</u>	<u>6,818</u>	<u>-</u>	<u>94,781</u>	<u>130,575</u>
Fund balances, end of year	<u>\$ 49,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,799</u>	<u>\$ 146,509</u>

CITY OF CENTERVILLE, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONFISCATED ASSETS - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Confiscations	\$ -	\$ -	\$ 22,054	\$ 22,054
Total revenues	<u>-</u>	<u>-</u>	<u>22,054</u>	<u>22,054</u>
Expenditures				
Current:				
Public safety:				
Materials and supplies - DOJ	1,000	1,000	1,320	320
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,320</u>	<u>320</u>
Net change in fund balances	(1,000)	(1,000)	20,734	21,734
Fund balances, beginning of year	<u>28,976</u>	<u>28,976</u>	<u>28,976</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 27,976</u></u>	<u><u>\$ 27,976</u></u>	<u><u>\$ 49,710</u></u>	<u><u>\$ 21,734</u></u>

CITY OF CENTERVILLE, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CENTER PARK - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses				
Transfers out	(6,818)	(6,818)	(6,818)	-
Total other financing uses	<u>(6,818)</u>	<u>(6,818)</u>	<u>(6,818)</u>	<u>-</u>
Net change in fund balances	(6,818)	(6,818)	(6,818)	-
Fund balances, beginning of year	<u>6,818</u>	<u>6,818</u>	<u>6,818</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CENTERVILLE, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHIP GRANT - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 235,523	\$ 35,523
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>235,523</u>	<u>35,523</u>
Expenditures				
Current:				
Administration	-	-	12,000	12,000
Housing rehabilitation	200,000	200,000	223,523	23,523
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>235,523</u>	<u>35,523</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CENTERVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX PROCEEDS – 2018 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2018 Project					
Public safety facilities and equipment	\$ 2,630,000	\$ 4,678,087	\$ 4,585,665	\$ 92,422	\$ 4,678,087
Parks and recreation	800,000	800,000	351,828	-	351,828
Transportation and road projects	500,000	500,000	-	125,570	125,570
Debt service	99,337	99,337	-	-	-
	<u>4,029,337</u>	<u>6,077,424</u>	<u>4,937,493</u>	<u>217,992</u>	<u>5,155,485</u>
Reconciling item to adjust for principal and interest payments on debt related to 2018 project:					
Debt service	-	4,350,000	1,493,560	1,187,124	2,680,684
Totals	<u>\$ 4,029,337</u>	<u>\$ 10,427,424</u>	<u>\$ 6,431,053</u>	<u>\$ 1,405,116</u>	<u>\$ 7,836,169</u>

Note - Original estimated cost represents the portion of these projects to be funded with the Special Purpose Local Option Sales Taxes ("SPLOST"). Revised and actual costs represent the portion of these projects funded with SPLOST as well as financing with Synovus Bank for the excess cost of constructing a new fire station.

COMPLIANCE SECTION



**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 Honorable Mayor and
Members of the City Council
City of Centerville, Georgia
Centerville, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Georgia (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 27, 2023.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
October 27, 2023

CITY OF CENTERVILLE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

There was not an audit of major federal programs as of June 30, 2023 due to the total amount expended being less than \$750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

CITY OF CENTERVILLE, GEORGIA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

None reported.