

**CITY OF SPRINGFIELD, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Springfield, Georgia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Springfield, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Springfield, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Springfield, Georgia, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and American Rescue Plan Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Springfield, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Springfield, Georgia’s ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Contributions on page 39 and 40 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.

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield, Georgia’s basic financial statements. The schedule of projects paid with SPLOST proceeds and schedule of projects paid with TSPLOST proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of projects paid with SPLOST proceeds and schedule of projects paid with TSPLOST proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the schedule of water and system information but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025 on our consideration of the City of Springfield, Georgia’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Springfield, Georgia’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Springfield, Georgia’s internal control over financial reporting and compliance.

*Lanier, Deal & Deal*

Statesboro, Georgia  
June 23, 2025

**CITY OF SPRINGFIELD, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 8,232,025	\$ 7,278,193	\$ 15,510,218	\$ 119,026
Restricted cash and cash equivalents	119,354	180,999	300,353	-
Certificates of deposit	-	123,591	123,591	-
<b>Receivables:</b>				
Accounts	-	198,706	198,706	6,926
Taxes	426,488	-	426,488	-
Intergovernmental	359,151	-	359,151	-
Internal balances	37,461	(37,461)	-	-
Lease	-	-	-	36,486
Other	147,925	-	147,925	-
Prepaid items	51,213	2,100	53,313	-
<b>Noncurrent Assets:</b>				
Restricted cash and cash equivalents	-	1,102,005	1,102,005	-
Net pension asset	-	28,569	28,569	-
<b>Capital assets:</b>				
Nondepreciable capital assets	2,560,590	7,537,909	10,098,499	99,357
Depreciable capital assets, net	6,802,371	12,652,623	19,454,994	171,615
Total Assets	18,736,578	29,067,234	47,803,812	433,410
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Resources related to pensions	48,589	16,294	64,883	-
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	609,298	249,786	859,084	-
Claims payable	13,312	-	13,312	-
Accrued liabilities	111,645	18,097	129,742	-
Accrued interest payable	-	96,333	96,333	-
Unearned revenue	801,917	252,688	1,054,605	-
Compensated absences payable	38,668	12,328	50,996	-
Customer deposits	-	180,999	180,999	-
Revenue bonds payable	-	520,980	520,980	-
<b>Long-Term Liabilities:</b>				
Compensated absences payable (net of current portion)	25,779	8,218	33,997	-
Revenue bonds payable (net of current portion)	-	8,295,546	8,295,546	-
Total Liabilities	1,600,619	9,634,975	11,235,594	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Resources related to pensions	185,900	79,109	265,009	-
Unamortized premium on refunded bonds	-	24,133	24,133	-
Lease related	-	-	-	35,626
Total Deferred Inflows of Resources	185,900	103,242	289,142	35,626
<b>NET POSITION</b>				
Net investment in capital assets	9,362,961	11,374,006	20,736,967	270,972
<b>Restricted for:</b>				
Capital projects	4,939,106	612	4,939,718	-
Public safety	119,354	-	119,354	-
Debt service	-	1,101,393	1,101,393	-
Other	1,833	-	1,833	-
Unrestricted	2,478,007	6,869,300	9,347,307	126,812
Total Net Position	\$ 16,998,648	\$ 19,345,311	\$ 36,343,959	\$ 397,784

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Program/Function	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
General government	\$ 580,257	\$ 72,240	-	-	\$ (508,017)		\$ (508,017)	-
Judicial - Municipal court	102,901	-	-	-	(102,901)		(102,901)	-
Public safety	1,054,155	289,740	-	-	(764,415)		(764,415)	-
Public works	574,950	-	-	\$ 3,492,265	2,917,315		2,917,315	-
Community development	83,185	96,323	-	-	13,138		13,138	-
Culture and recreation	342,185	-	-	-	(342,185)		(342,185)	-
<b>Total Governmental Activities</b>	<b>2,737,633</b>	<b>458,303</b>	<b>-</b>	<b>3,492,265</b>	<b>1,212,935</b>		<b>1,212,935</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water and Sewer	3,266,657	3,680,233	-	123,252		\$ 536,828	536,828	-
Sanitation	153,076	198,653	-	-		45,577	45,577	-
Arts & Events	460,942	256,979	23,230	-		(180,733)	(180,733)	-
<b>Total Business-Type Activities</b>	<b>3,880,675</b>	<b>4,135,865</b>	<b>23,230</b>	<b>123,252</b>		<b>401,672</b>	<b>401,672</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 6,618,308</b>	<b>\$ 4,594,168</b>	<b>\$ 23,230</b>	<b>\$ 3,615,517</b>	<b>1,212,935</b>	<b>401,672</b>	<b>1,614,607</b>	<b>-</b>
<b>Component Unit</b>								
Downtown Development Authority	\$ 17,093	\$ 20,131	\$ -	\$ -				\$ 3,038
<b>General Revenues</b>								
Property taxes levied for:								
General purposes								
					882,142	-	882,142	-
					858,792	-	858,792	-
					258,269	-	258,269	-
					273,872	-	273,872	-
					184,673	-	184,673	-
					2,105	13,798	15,903	1,405
					23,935	-	23,935	-
					80,937	442,888	523,825	-
					(180,575)	180,575	-	-
					<b>2,384,150</b>	<b>637,261</b>	<b>3,021,411</b>	<b>1,405</b>
					<b>Change in Net Position</b>	<b>1,038,933</b>	<b>4,636,018</b>	<b>4,443</b>
					<b>Net Position, Beginning of Year</b>	<b>18,306,378</b>	<b>31,707,941</b>	<b>393,341</b>
					<b>Net Position, End of Year</b>	<b>\$ 19,345,311</b>	<b>\$ 36,343,959</b>	<b>\$ 397,784</b>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

	General	American Rescue Plan Act Fund	TSPLOST Capital Projects Fund	SPLOST Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,249,118	\$ 764,390	\$ 3,729,756	\$ 1,403,044	\$ 8,146,308
Restricted cash and cash equivalents	119,354	-	-	-	119,354
Receivables:					
Taxes	426,488	-	-	-	426,488
Intergovernmental	143,935	-	-	215,216	359,151
Interfund	37,461	-	-	-	37,461
Other	147,925	-	-	-	147,925
Prepaid items	51,213	-	-	-	51,213
<b>TOTAL ASSETS</b>	<b><u>\$ 3,175,494</u></b>	<b><u>\$ 764,390</u></b>	<b><u>3,729,756</u></b>	<b><u>\$ 1,618,260</u></b>	<b><u>\$ 9,287,900</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 103,001	-	\$ 471,797	\$ 34,500	\$ 609,298
Accrued liabilities	111,645	-	-	-	111,645
Unearned revenue	39,360	\$ 762,557	-	-	801,917
<b>TOTAL LIABILITIES</b>	<b><u>254,006</u></b>	<b><u>762,557</u></b>	<b><u>471,797</u></b>	<b><u>34,500</u></b>	<b><u>1,522,860</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	147,994	-	-	-	147,994
<b>FUND BALANCES</b>					
Nonspendable	51,213	-	-	-	51,213
Restricted	216,741	1,833	3,257,959	1,583,760	5,060,293
Unassigned	2,505,540	-	-	-	2,505,540
<b>TOTAL FUND BALANCES</b>	<b><u>2,773,494</u></b>	<b><u>1,833</u></b>	<b><u>3,257,959</u></b>	<b><u>1,583,760</u></b>	<b><u>7,617,046</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 3,175,494</u></b>	<b><u>\$ 764,390</u></b>	<b><u>3,729,756</u></b>	<b><u>\$ 1,618,260</u></b>	<b><u>\$ 9,287,900</u></b>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

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

Total Governmental Fund Balances		\$ 7,617,046
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	\$ 12,075,315	
Less accumulated depreciation	<u>(2,712,354)</u>	9,362,961
The internal service fund is used by management to charge the costs of the health insurance to individual funds. Certain assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		
		72,405
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes		147,994
Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds:		
Deferred outflows of resources	48,589	
Deferred inflows of resources	<u>(185,900)</u>	(137,311)
The City's net pension asset is not reported in the governmental funds but is in the statement of net position.		
		-
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the funds.		
		<u>(64,447)</u>
<b>Net Position Of Governmental Activities</b>		<b><u>\$ 16,998,648</u></b>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	American Rescue Plan Act Fund	TSPLOST Capital Projects Fund	SPLOST Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 2,451,899	-	-	-	\$ 2,451,899
Intergovernmental	206,637	-	\$ 2,663,881	\$ 616,936	3,487,454
Licenses and permits	168,063	-	-	-	168,063
Charges for services	42,430	-	-	-	42,430
Fines and forfeitures	247,810	-	-	-	247,810
Interest	2,105	\$ 766	2,602	1,444	6,917
Other	80,937	-	-	-	80,937
Total revenues	<u>3,199,881</u>	<u>766</u>	<u>2,666,483</u>	<u>618,380</u>	<u>6,485,510</u>
<b>EXPENDITURES</b>					
Current:					
General government	564,939	-	-	-	564,939
Judicial	105,754	-	-	-	105,754
Public safety	1,175,868	-	-	-	1,175,868
Public works	506,308	-	-	-	506,308
Culture and recreation	78,258	-	-	-	78,258
Community development	348,815	-	-	-	348,815
Capital outlay:					
General government	-	-	-	9,925	9,925
Public works	-	-	480,797	720,586	1,201,383
Culture and recreation	-	-	-	6,776	6,776
Total expenditures	<u>2,779,942</u>	<u>-</u>	<u>480,797</u>	<u>737,287</u>	<u>3,998,026</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>419,939</u>	<u>766</u>	<u>2,185,686</u>	<u>(118,907)</u>	<u>2,487,484</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	23,935	-	-	-	23,935
Transfers out	(105,000)	-	-	(75,575)	(180,575)
Total other financing sources (uses)	<u>(81,065)</u>	<u>-</u>	<u>-</u>	<u>(75,575)</u>	<u>(156,640)</u>
<b>NET CHANGE IN FUND BALANCES</b>	338,874	766	2,185,686	(194,482)	2,330,844
<b>FUND BALANCES, JANUARY 1, 2024</b>	<u>2,434,620</u>	<u>1,067</u>	<u>1,072,273</u>	<u>1,778,242</u>	<u>5,286,202</u>
<b>FUND BALANCES, DECEMBER 31, 2024</b>	<u>\$ 2,773,494</u>	<u>\$ 1,833</u>	<u>\$ 3,257,959</u>	<u>\$ 1,583,760</u>	<u>\$ 7,617,046</u>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2024

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

Net Change In Fund Balances - Total Governmental Funds \$ 2,330,844

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.

	Depreciation expense	\$ (333,117)	
	Capital outlay	<u>1,540,484</u>	1,207,367

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes:			
	Unavailable revenue @ 12/31/24	147,994	
	Unavailable revenue @ 12/31/23	<u>(142,145)</u>	5,849

The internal service fund used by management to charge the costs of health insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 19,438

The change in the net pension asset/liability and pension related deferred outflows and deferred inflows is reported on the government-wide statement of activities but not in the governmental funds. 40,343

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	Liability @ 12/31/24	(64,447)	
	Liability @ 12/31/23	<u>57,691</u>	<u>(6,756)</u>

**Change In Net Position of Governmental Activities \$ 3,597,085**

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	874,583	\$ 866,590	\$ 876,293	\$ 9,703
Sales	768,000	859,000	858,792	(208)
Franchise	250,000	274,000	273,872	(128)
Insurance premium	264,600	258,000	258,269	269
Alcoholic beverage	101,000	126,000	126,062	62
Other	57,758	58,000	58,611	611
Licenses and permits	155,878	167,878	168,063	185
Intergovernmental	457,098	206,250	206,637	387
Charges for services	41,450	41,450	42,430	980
Fines and forfeitures	175,850	245,100	247,810	2,710
Interest	1,800	1,800	2,105	305
Other	56,750	66,750	80,937	14,187
Total revenues	<u>3,204,767</u>	<u>3,170,818</u>	<u>3,199,881</u>	<u>29,063</u>
<b>EXPENDITURES</b>				
Current:				
General government	663,238	628,237	564,939	63,298
Judicial	99,487	109,623	105,754	3,869
Public safety	1,193,363	1,193,363	1,175,868	17,495
Public works	885,537	525,061	506,308	18,753
Culture and recreation	79,951	79,950	78,258	1,692
Community development	342,323	362,523	348,815	13,708
Total expenditures	<u>3,263,899</u>	<u>2,898,757</u>	<u>2,779,942</u>	<u>118,815</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(59,133)</u>	<u>272,061</u>	<u>419,939</u>	<u>147,878</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	205,000	5,000	23,935	18,935
Transfers out	(80,000)	(105,000)	(105,000)	-
Total other financing sources (uses)	<u>125,000</u>	<u>(100,000)</u>	<u>(81,065)</u>	<u>18,935</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 65,867</u>	<u>\$ 172,061</u>	338,874	<u>\$ 166,813</u>
<b>FUND BALANCE, JANUARY 1, 2024</b>			<u>2,434,620</u>	
<b>FUND BALANCE, DECEMBER 31, 2024</b>			<u>\$ 2,773,494</u>	

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**AMERICAN RESCUE PLAN ACT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 785,963	-	-	-
Interest	500	\$ 800	\$ 766	\$ (34)
Total revenues	<u>786,463</u>	<u>800</u>	<u>766</u>	<u>(34)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(786,463)	-	-	-
Total other financing sources (uses)	<u>(786,463)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 800</u>	766	<u>\$ (34)</u>
FUND BALANCE, JANUARY 1, 2024			<u>1,067</u>	
FUND BALANCE, DECEMBER 31, 2024			<u>\$ 1,833</u>	

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2024**

	Water and Sewer	Sanitation	Arts and Events	Total	Governmental Activities - Internal Service Fund Employee Insurance Fund
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 7,031,295	\$ 234,425	\$ 12,473	\$ 7,278,193	\$ 85,717
Restricted cash and cash equivalents	180,999	-	-	180,999	-
Certificates of deposit	123,591	-	-	123,591	-
Accounts receivable	182,948	15,758	-	198,706	-
Interfund receivable	-	20,010	-	20,010	-
Prepaid items	-	-	2,100	2,100	-
Total Current Assets	<u>7,518,833</u>	<u>270,193</u>	<u>14,573</u>	<u>7,803,599</u>	<u>85,717</u>
<b>Noncurrent Assets</b>					
Restricted Assets - Cash and cash equivalents	1,102,005	-	-	1,102,005	-
Capital Assets, net of accumulated depreciation	18,896,474	-	1,294,058	20,190,532	-
Net pension asset	17,550	-	11,019	28,569	-
Total Noncurrent Assets	<u>20,016,029</u>	<u>-</u>	<u>1,305,077</u>	<u>21,321,106</u>	<u>-</u>
Total Assets	<u>27,534,862</u>	<u>270,193</u>	<u>1,319,650</u>	<u>29,124,705</u>	<u>85,717</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Resources related to pensions	16,294	-	-	16,294	-
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	228,460	13,234	8,092	249,786	-
Claims payable	-	-	-	-	13,312
Accrued liabilities	13,232	-	4,865	18,097	-
Accrued interest payable	96,333	-	-	96,333	-
Customer deposits	180,999	-	-	180,999	-
Unearned revenue	239,292	-	13,396	252,688	-
Compensated absences payable - Current	12,328	-	-	12,328	-
Revenue bond payable - Current	520,980	-	-	520,980	-
Interfund payable	25,581	-	31,890	57,471	-
Total Current Liabilities	<u>1,317,205</u>	<u>13,234</u>	<u>58,243</u>	<u>1,388,682</u>	<u>13,312</u>
<b>Long-term Liabilities</b>					
Compensated absences payable (net of current portion)	8,218	-	-	8,218	-
Revenue bond payable (net of current portion)	8,295,546	-	-	8,295,546	-
Total Long-term Liabilities	<u>8,303,764</u>	<u>-</u>	<u>-</u>	<u>8,303,764</u>	<u>-</u>
Total Liabilities	<u>9,620,969</u>	<u>13,234</u>	<u>58,243</u>	<u>9,692,446</u>	<u>13,312</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized premium on refunded bonds	24,133	-	-	24,133	-
Resources related to pensions	69,509	-	9,600	79,109	-
Total Deferred Inflows of Resources	<u>93,642</u>	<u>-</u>	<u>9,600</u>	<u>103,242</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	10,079,948	-	1,294,058	11,374,006	-
Restricted for debt service	1,101,393	-	-	1,101,393	-
Restricted for capital projects	612	-	-	612	-
Unrestricted	6,654,592	256,959	(42,251)	6,869,300	72,405
Total Net Position	<u>\$ 17,836,545</u>	<u>\$ 256,959</u>	<u>\$ 1,251,807</u>	<u>\$ 19,345,311</u>	<u>\$ 72,405</u>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Water and Sewer	Sanitation	Arts and Events	Total	Governmental Activities - Internal Service Fund Employee Insurance Fund
<b>OPERATING REVENUES</b>					
Water and sewer sales	\$ 2,712,019	-	-	\$ 2,712,019	-
Sanitation fees	-	\$ 198,642	-	198,642	-
Premiums	-	-	-	-	\$ 298,046
Impact fees	886,408	-	-	886,408	-
Late charges	81,806	11	-	81,817	-
Theater income	-	-	256,979	256,979	-
Other income	-	-	23,230	23,230	-
Total operating revenues	<u>3,680,233</u>	<u>198,653</u>	<u>280,209</u>	<u>4,159,095</u>	<u>298,046</u>
<b>OPERATING EXPENSES</b>					
Salaries	444,009	-	76,203	520,212	-
Payroll taxes	33,459	-	5,829	39,288	-
Employee benefits/Uniforms	75,511	-	9,870	85,381	-
Utilities	217,581	-	26,309	243,890	-
Telephone	4,492	-	3,261	7,753	-
Contractual services	760,507	151,076	196,443	1,108,026	155,027
Professional services	346,494	-	-	346,494	-
Training	2,749	-	765	3,514	-
Travel	2,573	-	709	3,282	-
Dues and subscriptions	4,995	-	-	4,995	-
Insurance	3,168	-	-	3,168	-
Materials and supplies	110,433	-	37,187	147,620	-
Claims	-	-	-	-	125,746
Gasoline, oil, etc.	5,710	-	-	5,710	-
Repairs and maintenance	183,706	-	43,955	227,661	-
Bad debts	12,000	2,000	-	14,000	-
Depreciation	766,269	-	60,024	826,293	-
Other	1,511	-	387	1,898	-
Total operating expenses	<u>2,975,167</u>	<u>153,076</u>	<u>460,942</u>	<u>3,589,185</u>	<u>280,773</u>
<b>OPERATING INCOME (LOSS)</b>	<u>705,066</u>	<u>45,577</u>	<u>(180,733)</u>	<u>569,910</u>	<u>17,273</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>					
Proceeds from settlement	442,888	-	-	442,888	-
Interest income	13,577	202	19	13,798	2,165
Interest expense	(291,490)	-	-	(291,490)	-
Total nonoperating revenue (expense)	<u>164,975</u>	<u>202</u>	<u>19</u>	<u>165,196</u>	<u>2,165</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	870,041	45,779	(180,714)	735,106	19,438
<b>CAPITAL CONTRIBUTIONS</b>	123,252	-	-	123,252	-
<b>TRANSFERS IN (OUT)</b>	75,575	-	105,000	180,575	-
<b>CHANGE IN NET POSITION</b>	1,068,868	45,779	(75,714)	1,038,933	19,438
<b>NET POSITION, JANUARY 1, 2024</b>	<u>16,767,677</u>	<u>211,180</u>	<u>1,327,521</u>	<u>18,306,378</u>	<u>52,967</u>
<b>NET POSITION, DECEMBER 31, 2024</b>	<u>\$ 17,836,545</u>	<u>\$ 256,959</u>	<u>\$ 1,251,807</u>	<u>\$ 19,345,311</u>	<u>\$ 72,405</u>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Water and Sewer	Sanitation	Arts and Events	Total	Governmental Activities - Internal Service Fund Employee Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 3,627,025	\$ 198,074	\$ 279,459	\$ 4,104,558	-
Cash payments for employees	(560,680)	-	(92,572)	(653,252)	-
Cash payments for goods and services	(1,657,844)	(150,014)	(302,498)	(2,110,356)	-
Cash payments for claims and administrative fees	-	-	-	-	\$ (278,589)
Cash received from internal charges	-	-	-	-	298,046
Net cash provided by (used by) operating activities	<u>1,408,501</u>	<u>48,060</u>	<u>(115,611)</u>	<u>1,340,950</u>	<u>19,457</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances from (to) other funds	27,456	(9,005)	1,940	20,391	-
Transfer in (out)	-	-	105,000	105,000	-
Net cash provided by (used by) noncapital financing activities	<u>27,456</u>	<u>(9,005)</u>	<u>106,940</u>	<u>125,391</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(808,701)	-	-	(808,701)	-
Transfers in from other funds	75,575	-	-	75,575	-
Principal payments on bonds payable	(525,705)	-	-	(525,705)	-
Capital contributions	123,252	-	-	123,252	-
Proceeds from settlement	442,888	-	-	442,888	-
Interest payments	(277,271)	-	-	(277,271)	-
Net cash provided by (used by) capital and related financing activities	<u>(969,962)</u>	<u>-</u>	<u>-</u>	<u>(969,962)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Increase in certificates of deposit	(5,590)	-	-	(5,590)	-
Interest received	13,577	202	19	13,798	2,165
Net cash provided by (used by) investing activities	<u>7,987</u>	<u>202</u>	<u>19</u>	<u>8,208</u>	<u>2,165</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>473,982</b>	<b>39,257</b>	<b>(8,652)</b>	<b>504,587</b>	<b>21,622</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1, 2024</b>	<b>7,840,317</b>	<b>195,168</b>	<b>21,125</b>	<b>8,056,610</b>	<b>64,095</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31, 2024</b>	<b>\$ 8,314,299</b>	<b>\$ 234,425</b>	<b>\$ 12,473</b>	<b>\$ 8,561,197</b>	<b>\$ 85,717</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>					
Operating income (loss)	705,066	\$ 45,577	\$ (180,733)	\$ 569,910	\$ 17,273
Adjustments:					
Depreciation	766,269	-	60,024	826,293	-
(Increase) decrease in operating assets:					
Accounts receivable	(20,578)	1,421	1,468	(17,689)	-
Prepaid items	4,172	-	8,400	12,572	-
(Increase) decrease in deferred outflows of resources:					
Resources related to pensions	21,800	-	1,236	23,036	-
Increase (decrease) in operating liabilities:					
Accounts payable	(6,097)	1,062	(1,882)	(6,917)	-
Claims payable	-	-	-	-	2,184
Accrued liabilities	4,165	-	1,859	6,024	-
Customer deposits	23,976	-	-	23,976	-
Compensated absences payable	5,974	-	-	5,974	-
Unearned revenue	(56,606)	-	(2,218)	(58,824)	-
Net pension liability	(100,802)	-	(13,365)	(114,167)	-
Increase (decrease) in deferred inflows of resources:					
Resources related to pensions	61,162	-	9,600	70,762	-
Net cash provided by (used by) operating activities	<u>\$ 1,408,501</u>	<u>\$ 48,060</u>	<u>\$ (115,611)</u>	<u>\$ 1,340,950</u>	<u>\$ 19,457</u>

See accompanying notes to the basic financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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The City of Springfield, Georgia (the City) was incorporated under the provisions of Georgia law on August 19, 1912. The City operates under a Council-City Manager form of government and provides the following services as authorized by its charter: public safety, streets and lanes, sanitation, planning and zoning, water and sewer, and various administrative services.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**1-A. Reporting Entity**

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

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

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

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

**Springfield Downtown Development Authority** (the Authority) – The Springfield Downtown Development Authority was activated in 2016 to invigorate the local economy and social strength of the community, while maintaining the historic charm and financial viability of the City. The City appoints the members of the Authority's board and assists with its funding. There are no separate financial statements for the Authority.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1-B. Basis of Presentation**

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

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

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

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

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

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

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

Major individual governmental funds are reported in separate columns.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The following are the City’s major governmental funds:

**General Fund** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund’s fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

**American Rescue Plan Act Fund** – This fund accounts for all Local Fiscal Recovery Funds received by the City through the American Rescue Plan Act of 2021.

**SPLOST Capital Projects Fund** – This fund accounts for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the City.

**T-SPLOST Capital Projects Fund** – This fund accounts for the regional transportation special purpose local option sales tax proceeds received for transportation purposes within the City.

**Proprietary Funds** – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City has three enterprise funds. The City accounts for its water and sewer operations in the Water and Sewer fund and solid waste collection and disposal in the Sanitation Fund. The City accounts for the operations of the Mars Theatre through the Arts and Events Fund. The City’s internal service fund accounts for the City’s employee health insurance.

**1-C. Measurement Focus**

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

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

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

**1-D. Basis of Accounting**

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

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

**Revenues – Non-exchange Transactions** – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position**

**Cash, Cash Equivalents, and Investments**

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

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

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

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

**Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The general fund reported an allowance for uncollectible taxes of \$95,000. The water and sewer enterprise fund and the sanitation enterprise fund reported an allowance for uncollectibles of \$102,000 and \$10,000, respectively, at December 31, 2024.

**Interfund Balances**

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable since this amount is not available for general appropriation.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted Assets – Cash and Cash Equivalents**

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

**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City’s infrastructure consists of roads, bridges and water and sewer lines. For roads and bridges, the City has only capitalized infrastructure constructed after December 31, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expensed.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives	
	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 years	7-10 years
Machinery and equipment	5-10 years	5-10 years
Furniture and fixtures	5 years	5 years
Vehicles	5-8 years	5-8 years
Infrastructure	3-10 years	40 years
Water system	-	40 years
Sewer collection system	-	40 years

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

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

**Accrued Liabilities and Long-term Obligations**

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

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Outflows/Inflows of Resources**

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Fund Equity**

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

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

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

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

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

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

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

- Committed
- Assigned
- Unassigned

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

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

**Operating Revenues and Expenses**

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

**Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Interfund Activity**

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Leases**

**Lessee** - The City of Springfield recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements for noncancellable leases of equipment. The City of Springfield recognizes lease liabilities with an initial individual value of \$10,000 or more.

At the commencement of a lease, the City of Springfield initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City of Springfield uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City of Springfield generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City of Springfield is reasonably certain to exercise.

The City of Springfield monitors changes in circumstances that would require a remeasurement of a lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City of Springfield had no lease liabilities or right-to-use leased assets to report on December 31, 2024.

**Lessor** –The City of Springfield was not a lessor of any leases, but the Downtown Development Authority of Springfield is a lessor for noncancellable leases of buildings. The Downtown Development Authority of Springfield recognizes a lease receivable and a deferred inflow of resources in the government-wide statement of net position.

At the commencement of a lease, the Downtown Development Authority of Springfield initially measures the lease receivable at the present value of payments expected to be received during the lease term.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Downtown Development Authority of Springfield determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Downtown Development Authority of Springfield uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Downtown Development Authority of Springfield monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Estimates**

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

All budgets are adopted on a basis consistent with GAAP.

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

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk.

At December 31, 2024, the carrying amount of the City’s deposits (checking and certificates of deposit) was \$17,036,167 and the bank balance was \$17,161,456. Of the bank balance, \$453,718 was covered by federal depository insurance, and \$16,707,738 was collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Discretely Presented Component Unit

At December 31, 2024, the carry amount of deposits for the Downtown Development Authority of Springfield was \$119,026 and the bank balance was \$119,026 which was covered by federal depository insurance.

**NOTE 4 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed near the end of each year and are payable within sixty days. The Effingham County Tax Commissioner bills and collects the City’s property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended December 31, 2024, property taxes were levied on August 23, 2024, and were due December 20, 2024.

**NOTE 5 – RECEIVABLES**

Receivables at December 31, 2024, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 6 – INTERFUND BALANCES AND TRANSFERS**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Arts and Events	\$ 31,890
	Water and Sewer	5,571
Sanitation	Water and Sewer	20,010
		<u>\$ 57,471</u>

Interfund balances at December 31, 2024 represent charges for services or reimbursable expenses. The City expects to repay all interfund balances within one year.

Interfund transfers of \$105,000 were made from the general fund to the arts and events enterprise fund to help fund operations for the Mars Theatre. Interfund transfers of \$75,575 from the SPLOST capital projects fund were made to the Water and Sewer fund to help fund water and sewer system improvements.

**NOTE 7 – FUND BALANCES – GOVERNMENTAL FUNDS**

As of December 31, 2024, fund balances are composed of the following:

	<u>General Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>TSPLOST Capital Projects Fund</u>	<u>SPLOST Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepaid items	\$ 51,213	-	-	-	\$ 51,213
Restricted:					
Capital projects	-	-	\$ 3,257,959	\$ 1,583,760	4,841,719
Police	119,354	-	-	-	119,354
Streets	97,387	-	-	-	97,387
Pandemic relief	-	\$ 1,833	-	-	1,833
Unassigned	2,505,540	-	-	-	2,505,540
Total fund balances	<u>\$2,773,494</u>	<u>\$ 1,833</u>	<u>\$ 3,257,959</u>	<u>\$ 1,583,760</u>	<u>\$ 7,617,046</u>

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – CAPITAL ASSETS**

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

	Balance 1/1/2024	Additions	Deductions	Balance 12/31/2024
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,560,590	-	-	\$ 2,560,590
Construction in progress	367,427	-	\$ 367,427	-
Total capital assets not being depreciated	<u>2,928,017</u>	<u>-</u>	<u>367,427</u>	<u>2,560,590</u>
Capital assets being depreciated:				
Buildings	1,750,740	-	-	1,750,740
Improvements other than buildings	683,443	-	-	683,443
Machinery and equipment	1,167,843	223,973	6,036	1,385,780
Infrastructure	4,010,824	1,683,938	-	5,694,762
Total capital assets being depreciated	<u>7,612,850</u>	<u>1,907,911</u>	<u>6,036</u>	<u>9,514,725</u>
Total capital assets	<u>10,540,867</u>	<u>1,907,911</u>	<u>373,463</u>	<u>12,075,315</u>
Accumulated depreciation:				
Buildings	384,956	42,613	-	427,569
Improvements other than buildings	485,355	36,899	-	522,254
Machinery and equipment	903,514	100,669	6,036	998,147
Infrastructure	611,448	152,936	-	764,384
Total accumulated depreciation	<u>2,385,273</u>	<u>333,117</u>	<u>6,036</u>	<u>2,712,354</u>
Governmental activities capital assets, net	<u>\$ 8,155,594</u>	<u>\$ 1,574,794</u>	<u>\$ 367,427</u>	<u>\$ 9,362,961</u>

Governmental activities depreciation expense:

General government	\$ 24,546
Public safety	113,238
Streets	187,120
Recreation	<u>8,213</u>
Total governmental activities depreciation expense	<u>\$ 333,117</u>

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 – CAPITAL ASSETS (Continued)**

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

	Balance 1/1/2024	Additions	Deductions	Balance 12/31/2024
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 7,537,909	-	-	\$ 7,537,909
Total capital assets not being depreciated	<u>7,537,909</u>	<u>-</u>	<u>-</u>	<u>7,537,909</u>
Capital assets being depreciated:				
Buildings	1,609,513	-	-	1,609,513
Improvements other than buildings	19,300,917	\$ 655,243	-	19,956,160
Machinery and equipment	1,135,853	153,458	-	1,289,311
Total capital assets being depreciated	<u>22,046,283</u>	<u>808,701</u>	<u>-</u>	<u>22,854,984</u>
Total capital assets	<u>29,584,192</u>	<u>808,701</u>	<u>-</u>	<u>30,392,893</u>
Accumulated depreciation:				
Buildings	310,776	40,238	-	351,014
Improvements other than buildings	8,133,777	713,652	-	8,847,429
Machinery and equipment	931,514	72,404	-	1,003,918
Total accumulated depreciation	<u>9,376,067</u>	<u>826,294</u>	<u>-</u>	<u>10,202,361</u>
Business-type activities capital assets, net	<u>\$ 20,208,125</u>	<u>\$ (17,593)</u>	<u>\$ -</u>	<u>\$ 20,190,532</u>

The following table presents the changes in capital assets for the City’s component unit:

	Balance 1/1/2024	Additions	Deductions	Balance 12/31/2024
Component unit - Springfield Downtown Development Authority:				
Capital assets not being depreciated:				
Land	\$ 99,357	-	-	\$ 99,357
Capital assets being depreciated:				
Buildings	210,573	-	-	210,573
Total capital assets	<u>309,930</u>	<u>-</u>	<u>-</u>	<u>309,930</u>
Accumulated depreciation:				
Buildings	33,694	5,264	-	38,958
Total accumulated depreciation	<u>33,694</u>	<u>5,264</u>	<u>-</u>	<u>38,958</u>
Business-type activities capital assets, net	<u>\$ 276,236</u>	<u>\$ (5,264)</u>	<u>\$ -</u>	<u>\$ 270,972</u>

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9 – LEASES**

**City as Lessor**

The Development Authority of Springfield, as a lessor, has entered into lease agreements involving buildings. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the fiscal year was \$17,093.

The future principal and interest payments expected to maturity are as follows:

<u>Component Unit - Development Authority of Springfield</u>			
<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 15,931	\$ 936	\$ 16,867
2026	6,412	565	6,977
2027	4,576	424	5,000
2028	4,713	287	5,000
2029	4,854	146	5,000
	<u>\$36,486</u>	<u>\$ 2,358</u>	<u>\$ 38,844</u>

**NOTE 10 – WATER AND SEWER REFUNDING REVENUE BONDS**

Series 2021

In 2020, the City issued \$5,486,000 in a City of Springfield Water and Sewer Refunding and Improvement Revenue Bond, Series 2020. The bond was issued to refund the outstanding Series 2012 Revenue Refunding Bonds and to provide funds needed to pay the cost of constructing additions and improvements to the City’s water and sewer system.

The bond is secured by a lien on the revenues of the water and sewer system and the City is required to have a Revenue Fund in which all income and revenue of every nature derived from the ownership and operation of the water and sewer system is to be deposited. The City is also required to maintain a Bond Sinking Fund consisting of a Debt Service Account and a Debt Service Reserve Account, as well as a Renewal and Extension Fund that shall be held and used by the City for emergencies, current or future replacements and improvements, and certain other capital expenses. The Renewal and Extension fund may also be used for debt service to the extent that revenues are otherwise unavailable.

After all of the operating expenses of the system are paid from the Revenue Fund, amounts are paid into the Debt Service Account in the Bond Sinking Fund on or before the last business day of each month one-sixth of the principal and interest coming due on the next succeeding principal payment date.

The bond has an interest rate of 1.44 percent. The bond requires principal and interest payments payable semiannually on March 1 and September 1 each year.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 10 – WATER AND SEWER REFUNDING REVENUE BONDS (Continued)**

Series 2023

In 2023, the City issued \$5,108,675 in a City of Springfield Water and Sewer Revenue Bond, Series 2023. The bond was issued to provide funds needed to pay the cost of acquiring certain real property in order to construct and equip extensions, additions and improvements to the City’s water and sewer system.

The bond is secured by a lien on the revenues of the water and sewer system and the City is required to have a Revenue Fund in which all income and revenue of every nature derived from the ownership and operation of the water and sewer system is to be deposited. The City is also required to maintain a Bond Sinking Fund consisting of a Debt Service Account and a Debt Service Reserve Account, as well as a Renewal and Extension Fund that shall be held and used by the City for emergencies, current or future replacements and improvements, and certain other capital expenses. The Renewal and Extension fund may also be used for debt service to the extent that revenues are otherwise unavailable.

After all of the operating expenses of the system are paid from the Revenue Fund, amounts are paid into the Debt Service Account in the Bond Sinking Fund on or before the last business day of each month one-sixth of the principal and interest coming due on the next succeeding principal payment date.

The bond has an interest rate of 4.73 percent. The bond requires principal and interest payments payable semiannually on March 1 and September 1 each year.

As of December 31, 2024, annual debt service requirements for the revenue bonds are as follows:

Year ending December 31	Principal	Interest	Total
2025	\$ 520,980	\$ 285,012	\$ 805,992
2026	534,880	271,112	805,992
2027	549,285	256,707	805,992
2028	564,218	241,774	805,992
2029	579,702	226,290	805,992
2030-2034	3,151,778	878,182	4,029,960
2035-2038	2,915,683	308,284	3,223,967
	<u>\$ 8,816,526</u>	<u>\$ 2,467,362</u>	<u>\$ 11,283,888</u>

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 11 – CHANGES IN LONG-TERM DEBT**

	Outstanding January 1, 2024	Additions	Reductions	Outstanding December 31, 2024	Amounts Due in One Year
Governmental Activities					
Compensated absences	\$ 57,691	\$ 7,314	\$ 558	\$ 64,447	\$ 38,668
Business-Type Activities					
Revenue bonds payable	\$ 9,342,231	-	\$ 525,705	\$ 8,816,526	\$ 520,980
Compensated absences	14,572	\$ 6,117	143	20,546	12,328
Total Business-Type Activities	\$ 9,356,803	\$ 6,117	\$ 525,848	\$ 8,837,072	\$ 533,308

The compensated absences liability will be paid from the General Fund for governmental activities and from the Water and Sewer Fund for business-type activities. Principal and interest payments related to revenue bonds payable for the City’s Water and Sewer System are financed from income derived from the operation of the Water and Sewer System.

**NOTE 12 – EMPLOYEE RETIREMENT PLAN**

Plan Description

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

Benefits Provided

The Plan provides retirement benefits to eligible employees of the City. All regular employees meeting the eligibility requirements are covered under the plan. Elected or appointed members of the City and municipal legal officers are not eligible to participate in the plan. In order to be eligible for participation, regular employees must work a minimum of twenty hours per week for at least five months per year. Regular employees qualify for immediate participation in the plan and participation is mandatory for all eligible employees.

Plan participants are eligible to receive early retirement benefits at the age of fifty-five with the completion of ten years of total credited service. Normal retirement benefits may be received at the age of sixty-five with five years of total credited service.

Normal retirement benefits are calculated based on a flat percentage of 1.25 percent of final average earnings multiplied by years of total credited service as an eligible regular employee. The number of years of total credited service which may be used to calculate the benefit is not limited. Monthly benefits are paid at 1/12<sup>th</sup> of the calculated amount. The same formula is used for all participants who are regular employees. Final average earnings are the annual average of earnings paid to a participant by the City for the five consecutive years of

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)**

credited service preceding the participant’s most recent termination in which the participant’s earnings were the highest.

Final average earnings for participants electing to receive early retirement benefits are reduced by a percentage ranging from 50 percent to 93 percent depending on the number of years benefits are received prior to normal retirement age.

Disability retirement benefits shall be computed in the same manner as the normal retirement benefit, based upon the participant’s accrued benefit as of his disability retirement date. The minimum disability benefit will be no less than 20% of the participant’s average monthly earnings for the twelve calendar month period immediately preceding his termination of employment as a result of a disability.

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

Employees Covered by Benefit Terms

At July 1, 2024, the most recent actuarial valuation, there were 48 participants as follows:

Active participants	23
Retirees and beneficiaries	8
Vested former employees	<u>17</u>
	<u>48</u>

Contributions

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is \$38,301. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Net Pension Liability

The City’s net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)**

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Range of 3.25 to 8.5 percent, including inflation
Investment rate of return	7.375 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.91%
International equity	20%	7.21%
Global fixed income	5%	1.67%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
	100%	

Discount Rate

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)**

Changes in the Net Pension Liability

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (c) = (a)-(b)</b>
Balance, March 31, 2023	\$ 1,633,377	\$ 1,296,518	\$ 336,859
Changes for the year:			
Service cost	38,880	-	38,880
Interest	119,954	-	119,954
Contributions from the employer	-	61,501	(61,501)
Net investment income	-	214,108	(214,108)
Difference between expected and actual experience	(256,886)	-	(256,886)
Benefit payments, including refunds of employee contributions	(91,526)	(91,526)	-
Administrative expenses	-	(8,233)	8,233
Other	-	-	-
Net Changes	(189,578)	175,850	(365,428)
Balance, March 31, 2024	\$ 1,443,799	\$ 1,472,368	\$ (28,569)

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

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

	<b>Discount Rate - 1% (6.375%)</b>	<b>Current Discount Rate (7.375%)</b>	<b>Discount Rate + 1% (8.375%)</b>
City's net pension liability	\$191,367	\$ (28,569)	\$ (206,736)

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 – EMPLOYEE RETIREMENT PLAN (Continued)**

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

For the year ended December 31, 2024, the City recognized pension expense of \$7,441. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions after measurement date	\$ 51,115	-
Differences in expected and actual experience	13,768	\$ (222,748)
Effects of changes in assumptions	-	-
Net differences between projected and actual net investment income	-	(42,261)
	<u>\$ 64,883</u>	<u>\$ (265,009)</u>

City contributions subsequent to the measurement date of \$51,115 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31</u>	
2025	\$ (114,613)
2026	(25,532)
2027	(35,739)
2028	(75,357)
	<u>\$ (251,241)</u>

**NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES**

As of December 31, 2024 there was no pending litigation that would have a material effect on the financial statements.

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 14 – EMPLOYEE INSURANCE FUND**

As of April, 2023, the City established an employee insurance fund (an internal service fund) to cover all employee health claims. The City makes payments to this fund monthly based on estimated premiums provided by the third-party administrator to fund this program. Amounts are also withheld from employees by payroll deduction for dependent coverage and paid to the employee insurance fund. A third-party administrator pays all claims from funds held in the employee insurance fund’s bank account. The City has a co-insurer for claims from one individual within one year exceeding \$40,000 and has a maximum annual liability policy of \$1,000,000.

The claims liability of \$13,312 reported at December 31, 2024 represents known claims incurred on or prior to December 31, 2024 and an estimate for claims that have been incurred but not reported. Changes in the fund’s claims liability are as follows:

Year Ended December 31	Claims Liability, Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Liability, End of Year
2023	-	\$ 54,557	\$ 43,429	\$ 11,128
2024	\$ 11,128	125,746	123,562	13,312

**NOTE 15 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers’ compensation claims; and natural disasters. The City carries commercial insurance to cover these risks.

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City’s management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA’s responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA’s basis for establishing the liabilities for unpaid claims is “IBNR” established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2024. No provisions have been made in the financial statements for the year ended December 31, 2024, for any estimate of potential unpaid claims.

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

**CITY OF SPRINGFIELD, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 16 – JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the Coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (RC) and is required to pay annual dues thereto. During the year ended December 31, 2024, the City paid \$3,514 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Regional Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Coastal Regional Commission of Georgia  
1181 Coastal Drive SW  
Darien, Georgia 31305

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 23, 2025 the date that the financial statements were available for issue. No subsequent events requiring disclosure in the financial statements were noted.

**CITY OF SPRINGFIELD, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF SPRINGFIELD RETIREMENT PLAN**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 38,880	\$ 30,506	\$ 32,036	\$ 28,361	\$ 26,222	\$ 21,911	\$ 23,853	\$ 15,875	\$ 24,505	\$ 19,268
Interest	119,954	113,137	113,365	103,147	95,865	90,032	83,815	87,169	84,779	80,341
Differences between expected and actual experience	(256,886)	27,535	(68,961)	77,458	(4,420)	29,396	31,015	(86,872)	(17,268)	55,044
Changes of assumptions	-	-	-	-	74,404	-	20,522	-	-	(35,093)
Benefit payments, including refunds of employee contributions	(91,526)	(82,713)	(73,291)	(74,880)	(72,748)	(63,001)	(61,343)	(57,549)	(64,819)	(59,758)
<b>Net change in total pension liability</b>	<b>(189,578)</b>	<b>88,465</b>	<b>3,149</b>	<b>134,086</b>	<b>119,323</b>	<b>78,338</b>	<b>97,862</b>	<b>(41,377)</b>	<b>27,197</b>	<b>59,802</b>
<b>Total pension liability—beginning</b>	<b>1,633,377</b>	<b>1,544,912</b>	<b>1,541,763</b>	<b>1,407,677</b>	<b>1,288,354</b>	<b>1,210,016</b>	<b>1,112,154</b>	<b>1,153,531</b>	<b>1,126,334</b>	<b>1,066,532</b>
<b>Total pension liability—ending (a)</b>	<b>\$ 1,443,799</b>	<b>\$ 1,633,377</b>	<b>\$ 1,544,912</b>	<b>\$ 1,541,763</b>	<b>\$ 1,407,677</b>	<b>\$ 1,288,354</b>	<b>\$ 1,210,016</b>	<b>\$ 1,112,154</b>	<b>\$ 1,153,531</b>	<b>\$ 1,126,334</b>
<b>Plan fiduciary net position</b>										
Contributions—employer	\$ 61,501	\$ 67,412	\$ 62,847	\$ 56,522	\$ 40,798	\$ 38,500	\$ 42,399	\$ 48,743	\$ 45,737	\$ 42,481
Net investment income	214,108	(94,572)	82,475	428,440	(70,832)	37,552	119,723	109,811	2,380	80,911
Benefit payments, including refunds of employee contributions	(91,526)	(82,713)	(73,291)	(74,880)	(72,748)	(63,001)	(61,343)	(57,549)	(64,819)	(59,758)
Administrative expense	(8,233)	(9,740)	(9,381)	(9,150)	(9,911)	(9,515)	(9,390)	(9,776)	(6,915)	(6,339)
<b>Net change in plan fiduciary net position</b>	<b>175,850</b>	<b>(119,613)</b>	<b>62,650</b>	<b>400,932</b>	<b>(112,693)</b>	<b>3,536</b>	<b>91,389</b>	<b>91,229</b>	<b>(23,617)</b>	<b>57,295</b>
<b>Plan fiduciary net position—beginning</b>	<b>1,296,518</b>	<b>1,416,131</b>	<b>1,353,481</b>	<b>952,549</b>	<b>1,065,242</b>	<b>1,061,706</b>	<b>970,317</b>	<b>879,088</b>	<b>902,705</b>	<b>845,410</b>
<b>Plan fiduciary net position—ending (b)</b>	<b>\$ 1,472,368</b>	<b>\$ 1,296,518</b>	<b>\$ 1,416,131</b>	<b>\$ 1,353,481</b>	<b>\$ 952,549</b>	<b>\$ 1,065,242</b>	<b>\$ 1,061,706</b>	<b>\$ 970,317</b>	<b>\$ 879,088</b>	<b>\$ 902,705</b>
<b>Net pension liability (asset)—ending (a)-(b)</b>	<b>\$ (28,569)</b>	<b>\$ 336,859</b>	<b>\$ 128,781</b>	<b>\$ 188,282</b>	<b>\$ 455,128</b>	<b>\$ 223,112</b>	<b>\$ 148,310</b>	<b>\$ 141,837</b>	<b>\$ 274,443</b>	<b>\$ 223,629</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	101.98%	79.38%	91.66%	87.79%	67.67%	82.68%	87.74%	87.25%	76.21%	80.15%
<b>Covered-employee payroll</b>	\$ 1,318,543	\$ 1,231,648	\$ 968,121	\$ 1,017,956	\$ 895,916	\$ 921,105	\$ 755,032	\$ 764,679	\$ 686,655	\$ 873,130
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	-2.17%	27.35%	13.30%	18.50%	50.80%	24.22%	19.64%	18.55%	39.97%	25.61%

**Notes to Schedule:**

*Changes of assumptions*

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

*Benefit changes*

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



**CITY OF SPRINGFIELD, GEORGIA**  
**SCHEDULE OF PROJECTS PAID**  
**WITH SPLOST PROCEEDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
<b>2012 SPLOST</b>						
Roads, streets and bridges	\$ 1,047,600	\$ 342,182	\$ 342,182	-	\$ 342,182	100%
Public buildings	104,760	104,760	104,760	-	104,760	100%
Public safety projects	392,850	153,227	153,227	-	153,227	100%
Recreation projects	419,040	266,601	-	-	-	0%
Water and sewer projects	654,750	629,961	629,961	-	629,961	100%
Totals	<u>\$ 2,619,000</u>	<u>\$ 1,496,731</u>	<u>\$ 1,230,130</u>	<u>-</u>	<u>\$ 1,230,130</u>	<u>82%</u>
<b>2017 SPLOST</b>						
Roads, streets and bridges	\$ 764,200	\$ 764,200	\$ 129,369	\$ 634,831	\$ 764,200	100%
Public buildings	2,254,390	2,254,390	1,235,873	9,925	1,245,798	55%
Public safety projects	267,470	267,470	204,617	-	204,617	77%
Recreation projects	267,470	267,470	90,507	6,776	97,283	36%
Water and sewer projects	267,470	310,667	235,092	75,575	310,667	100%
Totals	<u>\$ 3,821,000</u>	<u>\$ 3,864,197</u>	<u>\$ 1,895,458</u>	<u>727,107</u>	<u>\$ 2,622,565</u>	<u>68%</u>
<b>2021 SPLOST</b>						
Streets and drainage projects	\$ 1,048,320	\$ 1,048,320	\$ -	\$ 85,755	\$ 85,755	8%
City buildings projects	174,720	174,720	-	-	-	0%
Public safety projects	349,440	349,440	-	-	-	0%
Parks projects	174,720	174,720	-	-	-	0%
Water and sewer projects	1,747,200	1,747,200	-	-	-	0%
Totals	<u>\$ 3,494,400</u>	<u>\$ 3,494,400</u>	<u>\$ -</u>	<u>85,755</u>	<u>\$ 85,755</u>	<u>2%</u>
Total SPLOST expenditures				<u>\$ 812,862</u>		

**CITY OF SPRINGFIELD, GEORGIA**  
**SCHEDULE OF PROJECTS PAID**  
**WITH TSPLOST PROCEEDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
			Prior Years	Current Year		
Street improvements	\$ 2,475,000	\$ 2,475,000	\$ 1,311,745	\$ 480,797	\$ 1,792,542	72%

**CITY OF SPRINGFIELD, GEORGIA**  
WATER AND SEWER SYSTEM INFORMATION IN ACCORDANCE WITH THE CONTINUAL  
DISCLOSURE STATEMENT FOR BOND SERIES 2020  
DECEMBER 31, 2024

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**Historical Demand Data**

*Water and Sewer Demand*

The following table shows historical data of water and sewer demand for the last five years:

<u>Fiscal Year</u>	<u>Daily Water Production</u>		<u>Daily Sewage Treated</u>	
	<u>Peak MGD</u>	<u>Average MGD</u>	<u>Peak MGD</u>	<u>Average MGD</u>
2020	0.787	0.635	0.860	0.381
2021	1.454	0.688	0.680	0.378
2022	1.885	0.778	0.477	0.361
2023	1.638	0.825	0.633	0.447
2024	1.926	0.092	0.771	0.512

**Historical Customer Data**

*Number of Customers of the System*

The following table shows historical numbers of customers of the System for the last ten fiscal years:

<u>Fiscal Year</u>	<u>Water Customers</u>	<u>Sewer Customers</u>
2015	1,714	1,546
2016	1,877	1,642
2017	1,973	1,735
2018	2,032	1,802
2019	2,073	1,843
2020	2,123	1,908
2021	2,055	2,005
2022	2,222	2,107
2023	2,527	2,413
2024	2,702	2,567

**CITY OF SPRINGFIELD, GEORGIA**

**WATER AND SEWER SYSTEM INFORMATION IN ACCORDANCE WITH THE CONTINUAL DISCLOSURE STATEMENT FOR BOND SERIES 2020**

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**Rates, Fees, and Charges**

Current Water and Sewer Rate Schedule

*Water and Sewer Residential and Commercial Customers Inside City Limits:*

<u>Usage</u>	<u>Water Rates</u>
First 2,000 gallons	\$12.13
2,000-5,000 gallons	\$2.43 per thousand
5,000-20,000 gallons	\$3.03 per thousand
Over 20,000 gallons	\$3.34 per thousand

  

<u>Usage</u>	<u>Sewer Rates</u>
First 2,000 gallons	\$18.92
Over 2,000 gallons	\$3.78 per thousand

*Water and Sewer Residential and Commercial Customers Outside City Limits:*

<u>Usage</u>	<u>Water Rates</u>
First 2,000 gallons	\$18.50
2,000-5,000 gallons	\$3.25 per thousand
5,000-20,000 gallons	\$4.50 per thousand
Over 20,000 gallons	\$5.75 per thousand

<u>Usage</u>	<u>Sewer Rates - Residential</u>
First 2,000 gallons	\$38.00
Over 2,000 gallons	\$4.73 per thousand

<u>Usage</u>	<u>Sewer Rates - Commercial</u>
First 2,000 gallons	\$38.00
2,001-19,999 gallons	\$5.00 per thousand
20,000 - 49,999 gallons	\$5.50 per thousand
Over 50,000 gallons	\$6.00 per thousand

*Impact Fees:*

Water	\$1,750
Sewer	\$4,206

*Meter Fees:*

<u>Size</u>	<u>Inside City Rate</u>
3/4"	\$700
Irrigation Meter	\$800
1"	\$1,100
2"	\$1,150
4"	\$4,000
6"	\$6,000

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RICHARD N. DEAL II, CPA

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

To the City Council  
City of Springfield, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of City of Springfield, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Springfield, Georgia's basic financial statements, and have issued our report thereon dated June 23, 2025.

### Report on Internal Control Over Financial Reporting

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Lanier, Deal & Deal*

Statesboro, Georgia

June 23, 2025