CITY OF BYRON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

CITY OF BYRON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of City Council
City of Byron, Georgia
Byron, 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 units, each major fund, and the aggregate remaining fund information of the City of Byron ("the City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 50 and 51), and the Schedule of City Contributions (on pages 52 and 53) 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 ("MD&A") that accounting principles generally accepted in the United States of America requires 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis, as required by the Official Code of Georgia Annotated ("O.C.G.A") § 48-8-121, and are also not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 29, 2022

BASIC FINANCIAL STATEMENTS

CITY OF BYRON, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 9,835,566	$ 565,076	$ 10,400,642
Investments	-	153,500	153,500
Taxes receivable	655,507	-	655,507
Accounts receivable, net of allowances	100,638	243,168	343,806
Due from other governments	1,199,816	7,652	1,207,468
Internal balances	(1,255,480)	1,255,480	-
Prepaid expenses	8,587	-	8,587
Investment in joint venture	-	230,120	230,120
Capital assets, non-depreciable	2,811,391	2,702,521	5,513,912
Capital assets, depreciable, net of accumulated depreciation	7,531,127	9,454,725	16,985,852
Total assets	20,887,152	14,612,242	35,499,394
DEFERRED OUTFLOWS OF RESOURCES			
Pension	772,667	158,931	931,598
Loss on refunding	14,952	-	14,952
Total deferred outflows of resources	787,619	158,931	946,550
LIABILITIES			
Accounts payable	191,050	87,883	278,933
Accrued interest expense	5,244	8,204	13,448
Other accrued expenses	76,630	9,780	86,410
Customer deposits	-	258,870	258,870
Financed purchases due within one year	14,051	-	14,051
Financed purchases due in more than one year	8,344	-	8,344
Compensated absences due within one year	108,549	12,621	121,170
Compensated absences due in more than one year	27,137	3,155	30,292
Bonds payable due within one year	220,000	-	220,000
Bonds payable due in more than one year	2,540,000	-	2,540,000
Notes payable due within one year	-	202,954	202,954
Notes payable due in more than one year	-	4,498,122	4,498,122
Net pension liability	1,404,078	288,806	1,692,884
Total liabilities	4,595,083	5,370,395	9,965,478
DEFERRED INFLOWS OF RESOURCES			
Pension	1,411,202	290,271	1,701,473
Total deferred inflows of resources	1,411,202	290,271	1,701,473
NET POSITION			
Net investment in capital assets	7,560,123	7,456,170	15,016,293
Restricted for capital projects	3,493,699	-	3,493,699
Restricted for debt service	12	-	12
Restricted for public safety	66,050	-	66,050
Unrestricted	4,548,602	1,654,337	6,202,939
Total net position	$ 15,668,486	$ 9,110,507	$ 24,778,993

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

Component Units	
Byron Development Authority	Convention & Visitors Bureau
$ 2,705	$ 78,358
-	-
-	45,055
-	-
-	-
-	-
-	-
-	-
1,764,284	74,092
-	116,157
1,766,989	313,662
-	-
-	-
-	-
-	1,376
-	261
-	-
-	-
-	-
-	-
-	-
-	-
-	-
37,926	7,947
-	134,208
-	-
37,926	143,792
-	-
-	-
1,726,358	48,094
-	-
-	-
-	-
2,705	121,776
$ 1,729,063	$ 169,870

CITY OF BYRON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 1,139,402	$ 1,159,619	$ 25,926	$ -
Judicial	121,712	-	-	-
Public safety	3,058,948	749,739	991,387	-
Public works	983,852	-	-	2,879,375
Culture and recreation	4,242	-	-	-
Housing and development	876,640	-	-	-
Interest on long-term debt	38,343	-	-	-
Total governmental activities	6,223,139	1,909,358	1,017,313	2,879,375
Business-type activities:				
Water and sewer	2,806,582	2,531,838	-	54,758
Solid waste	420,252	413,720	-	-
Natural gas	889,642	897,330	-	-
Total business-type activities	4,116,476	3,842,888	-	54,758
Total primary government	$ 10,339,615	$ 5,752,246	$ 1,017,313	$ 2,934,133
Component Units				
Byron Development Authority	$ 128,572	$ -	$ -	$ -
Convention and Visitors Bureau	106,685	3,344	-	-
Total Component Units	$ 235,257	$ 3,344	$ -	$ -
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Other taxes				
Gain on disposal of capital assets				
Investment earnings				
Contributions				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position					
Governmental Activities	Business-type Activities	Total	Byron Development Authority	Convention & Visitors Bureau	
$ 46,143	$ -	$ 46,143	$ -	$ -	
(121,712)	-	(121,712)	-	-	
(1,317,822)	-	(1,317,822)	-	-	
1,895,523	-	1,895,523	-	-	
(4,242)	-	(4,242)	-	(4,242)	
(876,640)	-	(876,640)	-	-	
(38,343)	-	(38,343)	-	-	
(417,093)	-	(417,093)	-	(4,242)	
-	(219,986)	(219,986)	-	-	
-	(6,532)	(6,532)	-	-	
-	7,688	7,688	-	-	
-	(218,830)	(218,830)	-	-	
(417,093)	(218,830)	(635,923)	$ -	$ (4,242)	
-	-	-	$ (128,572)	$ -	
-	-	-	-	(103,341)	
-	-	-	(128,572)	(103,341)	
2,251,274	-	2,251,274	-	-	
550,020	-	550,020	-	-	
360,690	-	360,690	-	180,345	
1,130,193	-	1,130,193	-	-	
24,560	-	24,560	-	-	
8,148	5,346	13,494	7	-	
-	-	-	2,828	-	
(328,170)	328,170	-	-	-	
3,996,715	333,516	4,330,231	2,835	180,345	
3,579,622	114,686	3,694,308	(125,737)	77,004	
12,088,864	8,995,821	21,084,685	1,854,800	92,866	
$ 15,668,486	$ 9,110,507	$ 24,778,993	$ 1,729,063	$ 169,870	

CITY OF BYRON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	SPLOST 2012 Fund	SPLOST 2021 Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 5,203,655	$ 2,350,938	$ 708,586	$ 975,789	$ 596,598	$ 9,835,566
Taxes receivable	623,590	-	-	-	31,917	655,507
Accounts receivable	8,511	-	-	-	92,127	100,638
Due from other governments	10,207	-	213,820	975,789	-	1,199,816
Due from other funds	2,528,944	-	-	-	13,138	2,542,082
Prepaid expenditures	8,587	-	-	-	-	8,587
Total assets	$ 8,383,494	$ 2,350,938	$ 922,406	$ 1,951,578	$ 733,780	$ 14,342,196
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 85,635	$ 22,383	$ -	$ -	$ 83,032	$ 191,050
Accrued liabilities	76,630	-	-	-	-	76,630
Due to other funds	1,503,997	270,317	-	1,951,578	71,670	3,797,562
Total liabilities	1,666,262	292,700	-	1,951,578	154,702	4,065,242
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	98,447	-	-	-	-	98,447
Unavailable revenue - grant revenue	-	-	-	975,789	92,127	1,067,916
Total deferred inflows of resources	98,447	-	-	975,789	92,127	1,166,363
FUND BALANCES						
Fund balances:						
Non-spendable:						
Prepaids	8,587	-	-	-	-	8,587
Restricted for:						
Capital projects	-	2,058,238	922,406	-	513,055	3,493,699
Debt service	-	-	-	-	12	12
Public safety	-	-	-	-	66,050	66,050
Assigned for:						
Utility payments	43,220	-	-	-	-	43,220
Fire department	9,013	-	-	-	-	9,013
Municipal court	156,999	-	-	-	-	156,999
Law enforcement	158,742	-	-	-	-	158,742
Unassigned	6,242,224	-	-	(975,789)	(92,166)	5,174,269
Total fund balances	6,618,785	2,058,238	922,406	(975,789)	486,951	9,110,591
Total liabilities, deferred inflows of resources and fund balances	$ 8,383,494	$ 2,350,938	$ 922,406	$ 1,951,578	$ 733,780	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,342,518
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,166,363
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.	(2,042,613)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(2,908,373)
Net position of governmental activities	$ 15,668,486

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

CITY OF BYRON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	General Fund	SPLOST 2012 Fund	SPLOST 2021 Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 3,996,526	$ -	$ -	$ -	$ 360,690	$ 4,357,216
Licenses and permits	245,380	-	-	-	-	245,380
Intergovernmental	137,493	355,871	922,376	975,789	437,181	2,828,710
Fines and forfeitures	711,047	-	-	-	38,692	749,739
Charges for services	882,238	-	-	-	-	882,238
Interest income	6,608	7,961	30	-	1,736	16,335
Other revenues	32,001	-	-	-	-	32,001
Total revenues	6,011,293	363,832	922,406	975,789	838,299	9,111,619
Expenditures						
Current:						
General government	927,071	-	-	-	-	927,071
Judicial	283,380	-	-	-	-	283,380
Public safety	2,920,948	-	-	-	11,262	2,932,210
Public works and parks	710,833	-	-	-	-	710,833
Housing and development	175,073	-	-	-	701,567	876,640
Capital outlay:						
Public safety	-	49,972	-	-	-	49,972
Public works	-	352,841	-	-	-	352,841
Culture and recreation	-	4,242	-	-	-	4,242
Debt service:						
Principal	35,876	-	-	-	215,000	250,876
Interest	1,436	-	-	-	33,915	35,351
Total expenditures	5,054,617	407,055	-	-	961,744	6,423,416
Excess (deficiency) of revenues over (under) expenditures	956,676	(43,223)	922,406	975,789	(123,445)	2,688,203
Other financing sources (uses)						
Capital leases	10,500	-		-	-	10,500
Proceeds from sale of assets	24,560	-	-	-	-	24,560
Transfers in	2,131,923	-	-	-	248,915	2,380,838
Transfers out	(248,915)	-	-	(1,951,578)	(180,345)	(2,380,838)
Total other financing sources (uses)	1,918,068	-	-	(1,951,578)	68,570	35,060
Net change in fund balances	2,874,744	(43,223)	922,406	(975,789)	(54,875)	2,723,263
Fund balances, beginning of year	3,744,041	2,101,461	-	-	541,826	6,387,328
Fund balances, end of year	$ 6,618,785	$ 2,058,238	$ 922,406	$ (975,789)	$ 486,951	$ 9,110,591

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

CITY OF BYRON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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

Net change in fund balances - total governmental funds	$	2,723,263
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		(274,981)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(328,170)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		994,752
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		240,376
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		224,382
Changes in net position - governmental activities	$	3,579,622

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

CITY OF BYRON, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 2,175,293	$ 2,175,293	$ 2,316,313	$ 141,020
Sales taxes	395,085	395,085	550,020	154,935
Other taxes	1,029,279	1,029,279	1,130,193	100,914
Licenses and permits	220,950	220,950	245,380	24,430
Intergovernmental	423,397	423,397	137,493	(285,904)
Fines and forfeitures	702,374	702,374	711,047	8,673
Charges for services	744,227	744,227	882,238	138,011
Interest income	2,500	2,500	6,608	4,108
Other revenues	17,292	17,292	32,001	14,709
Total revenues	5,710,397	5,710,397	6,011,293	300,896
Expenditures				
Current				
General government:				
Mayor and Council	553,018	304,103	285,707	18,396
Clerk of Council	550,865	546,223	312,306	233,917
City administrator	321,100	325,742	325,742	-
Elections	13,666	13,666	3,316	10,350
Total general government	1,438,649	1,189,734	927,071	262,663
Judicial:				
Municipal court	307,432	307,432	283,380	24,052
Public safety:				
Police	2,230,716	2,193,404	2,184,010	9,394
Fire	770,510	770,510	736,938	33,572
Total public safety	3,001,226	2,963,914	2,920,948	42,966
Public works:				
Public works administration	285,976	285,976	266,642	19,334
Streets	357,261	357,261	322,051	35,210
Stormwater	235,701	235,701	122,140	113,561
Total public works	878,938	878,938	710,833	168,105
Housing and development:				
Planning and zoning	110,744	112,865	112,864	1
Economic development	318,426	316,305	62,209	254,096
Total housing and development	429,170	429,170	175,073	254,097
Debt service:				
Principal	-	35,876	35,876	-
Interest	-	1,436	1,436	-
Total debt service	-	37,312	37,312	-
Total expenditures	6,055,415	5,806,500	5,054,617	751,883
Excess (deficiency) of revenues over (under) expenditures	(345,018)	(96,103)	956,676	1,052,779
Other financing sources (uses)				
Capital leases	-	-	10,500	10,500
Proceeds from sale of assets	4,023	4,023	24,560	20,537
Transfers in	340,995	340,995	2,131,923	1,790,928
Transfers out	-	(248,915)	(248,915)	-
Total other financing sources	345,018	96,103	1,918,068	1,821,965
Net change in fund balances	-	-	2,874,744	2,874,744
Fund balances, beginning of year	3,744,041	3,744,041	3,744,041	-
Fund balances, end of year	$ 3,744,041	$ 3,744,041	$ 6,618,785	$ 2,874,744

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

CITY OF BYRON, GEORGIA

ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ 975,789	$ 975,789	$ -
Total revenues	-	975,789	975,789	-
Other financing uses				
Transfers out	-	(975,789)	(1,951,578)	(975,789)
Total other financing uses	-	(975,789)	(1,951,578)	(975,789)
Net change in fund balances	-	-	(975,789)	(975,789)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ (975,789)	$ (975,789)

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

CITY OF BYRON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Nonmajor Solid Waste Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 245,261	$ 184,044	$ 135,771	$ 565,076
Investments	153,500	-	-	153,500
Accounts receivable, net of allowances	229,439	-	13,729	243,168
Due from other governments	-	7,652	-	7,652
Due from other funds	927,738	563,121	236,182	1,727,041
Total current assets	1,555,938	754,817	385,682	2,696,437
NON-CURRENT ASSETS				
Investment in joint venture	-	230,120	-	230,120
Capital assets, non-depreciable	2,702,521	-	-	2,702,521
Capital assets, depreciable, net of accumulated depreciation	9,454,725	-	-	9,454,725
Total non-current assets	12,157,246	230,120	-	12,387,366
Total assets	13,713,184	984,937	385,682	15,083,803
DEFERRED OUTFLOWS OF RESOURCES				
Pension	158,931	-	-	158,931
Total deferred outflows of resources	158,931	-	-	158,931
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	57,746	323	29,814	87,883
Accrued liabilities	9,780	-	-	9,780
Notes payable, current portion	202,954	-	-	202,954
Due to other funds	236,182	-	235,379	471,561
Compensated absences due within one year	12,621	-	-	12,621
Customer deposits	258,870	-	-	258,870
Accrued interest	8,204			8,204
Total current liabilities	786,357	323	265,193	1,051,873
NON-CURRENT LIABILITIES				
Compensated absences due in more than one year	3,155	-	-	3,155
Net pension liability	288,806	-	-	288,806
Notes payable, long-term portion	4,498,122	-	-	4,498,122
Total non-current liabilities	4,790,083	-	-	4,790,083
Total liabilities	5,576,440	323	265,193	5,841,956
DEFERRED INFLOWS OF RESOURCES				
Pension	290,271	-		290,271
Total deferred inflows of resources				290,271
NET POSITION				
Net investment in capital assets	7,456,170	-	-	7,456,170
Unrestricted	549,234	984,614	120,489	1,654,337
Total net position	$ 8,005,404	$ 984,614	$ 120,489	$ 9,110,507

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

CITY OF BYRON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Nonmajor Solid Waste Fund	Totals
OPERATING REVENUES				
Charges for services:				
Water sales	$ 1,555,593	$ -	$ -	$ 1,555,593
Sewer sales	908,909	-	-	908,909
Natural gas sales	-	872,938	-	872,938
Sanitation charges	-	-	413,706	413,706
Other fees and charges	67,336	24,392	14	91,742
Total operating revenues	2,531,838	897,330	413,720	3,842,888
OPERATING EXPENSES				
Personal services and employee benefits	881,598	-	-	881,598
Contracted services	324,575	895,348	420,252	1,640,175
Supplies	954,740	-	-	954,740
Depreciation	544,861	-	-	544,861
Total operating expenses	2,705,774	895,348	420,252	4,021,374
Operating loss	(173,936)	1,982	(6,532)	(178,486)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	54,758	-	-	54,758
Net income from joint venture	-	5,706	-	5,706
Interest income	4,536	403	407	5,346
Interest expense	(100,808)	-	-	(100,808)
Total non-operating revenue (expenses), net	(41,514)	6,109	407	(34,998)
Loss before capital contributions	(215,450)	8,091	(6,125)	(213,484)
CAPITAL CONTRIBUTIONS	328,170	-	-	328,170
Change in net position	112,720	8,091	(6,125)	114,686
NET POSITION, beginning of year	7,892,684	976,523	126,614	8,995,821
NET POSITION, end of year	$ 8,005,404	$ 984,614	$ 120,489	$ 9,110,507

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

CITY OF BYRON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Nonmajor Solid Waste Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 2,734,802	$ 1,066,844	$ 415,442	$ 4,217,088
Payments to suppliers and service providers	(2,103,191)	(890,000)	(415,442)	(3,408,633)
Payments to employees	(922,670)	-	-	(922,670)
Net cash provided by (used in) operating activities	(291,059)	176,844	-	(114,215)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(260,783)	-	-	(260,783)
Proceeds from notes payable	219,030	-	-	219,030
Intergovernmental revenue	54,758	-	-	54,758
Principal payments on financed purchases	(20,048)	-	-	(20,048)
Principal payments on notes payable	(196,711)	-	-	(196,711)
Interest paid	(100,808)	-	-	(100,808)
Net cash used in capital and related financing activities	(304,562)	-	-	(304,562)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	646	403	407	1,456
Net cash provided by investing activities	646	403	407	1,456
Increase (decrease) in cash and cash equivalents	(594,975)	177,247	407	(417,321)
Cash and cash equivalents:				
Beginning of year	840,236	6,797	135,364	982,397
End of year	$ 245,261	$ 184,044	$ 135,771	$ 565,076

(Continued)

CITY OF BYRON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Nonmajor Solid Waste Fund	Totals
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating (loss)	$ (173,936)	$ 1,982	$ (6,532)	$ (178,486)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	544,861	-	-	544,861
(Increase) decrease in accounts receivable	(11,702)	-	1,722	(9,980)
Decrease in due from other governments	175,654	111,301	-	286,955
(Increase) decrease in due from other funds	(620,790)	169,514	(24,227)	(475,503)
Decrease in deferred outflows of resources - pension	162,685	-	-	162,685
Increase in customer deposits payable	14,785	-	-	14,785
Increase in accrued liabilities	4,298	-	-	4,298
Increase (decrease) in accounts payable	(100,191)	(105,953)	1,537	(204,607)
Decrease in retainage payable	(102,895)	-	-	(102,895)
Increase in deferred inflows of resources - pension	230,939	-	-	230,939
Decrease in net pension liability	(438,994)	-	-	(438,994)
Increase in due to other funds	24,227	-	27,500	51,727
Net cash provided by (used in) operating activities	$ (291,059)	$ 176,844	$ -	$ (114,215)
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Net income from joint venture	$ -	$ 5,706	$ -	$ 5,706
Contributions of capital assets from other funds	328,170	-	-	328,170
Total non-cash capital and related financing activities	$ 328,170	$ 5,706	$ -	$ 333,876

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

CITY OF BYRON, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

	Pre-Confiscation Fund	Municipal Court Fund
ASSETS		
Cash	$ 118,299	$ 68,794
LIABILITIES		
Due to others	117,760	68,794
NET POSITION		
Restricted for individuals, organizations and other governments	$ 539	$ -

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

CITY OF BYRON, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Pre-Confiscation Fund	Municipal Court Fund
ADDITIONS		
Fines and fees collected	$ -	$ 221,325
Interest	539	-
Total additions	539	221,325
DEDUCTIONS		
Fines and fees disbursed	-	221,325
Change in net position	539	-
NET POSITION		
Beginning of year	-	-
End of year	$ 539	$ -

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1874 under the provision of an Act of the General Assembly of Georgia. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, recreation, and general administrative services.

In 2013, the City adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB No.'s 14 and 34*, which defines the reporting entity for determining which potential component units should be included in the primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body; and: 1) the ability of the City to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. In addition to the above criteria, GASB 61 added that if the primary government is expected to repay substantially all of the component unit's debt, then the component unit should be blended.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the government's operations.

The City of Byron Redevelopment Authority (the "Authority") was formed on April 11, 1979, to promote projects in connection with the redevelopment or revitalization of urban, central city or downtown areas for the public good and welfare of the City. The governing board of the Authority is appointed by City Council for a three-year term. The Authority is presented as a debt service fund. The Authority does not issue separate financial statements.

Discretely Presented Component Units – Discretely presented component units are presented separately from normal government operations.

The City of Byron Development Authority (the "Authority") was formed in 1998 to promote and expand industry, welfare and trade for the public good and welfare of the City. The governing board of the Authority is appointed by City Council for a four-year term. The Authority is audited along with the primary government financial statements and separate financial statements are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Byron Convention and Visitors Bureau Authority (the "CVB") was formed on April 4, 1997, to promote tourism, trade, and conventions for the City. The governing board consists of ten members, nine of which are regular board members and one of which is an ex officio member, with the ex officio member being the President of the Byron Historical Society. The current members of the Byron Downtown Development Authority make up seven of the nine regular board members. The terms of office of each member coincides with his or her term of office as a member of the Byron Downtown Development Authority or Byron Historical Society. The CVB is audited along with the primary government financial statements and separate financial statements are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental grants, investment income, property taxes, sales taxes, franchise taxes, and licenses associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis, which includes an analytical overview of the City's financial activity. The City has elected not to present the Management's Discussion and Analysis for the year ended December 31, 2021.

The City reports the following major governmental funds:

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

The ***Special Purpose Local Option Sales ("SPLOST") 2012 Fund*** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

The ***Special Purpose Local Option Sales ("SPLOST") 2021 Fund*** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

The ***American Rescue Plan Act*** ("***ARPA") Fund*** accounts for the receipts of Federal ARPA funds in response to the COVID-19 pandemic, and subsequent economic conditions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

The ***Natural Gas Fund*** accounts for the activities of the natural gas distribution system.

Additionally, the City reports the following fund types:

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

The ***Capital Projects Funds*** – account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The ***Debt Service Fund*** – accounts for the accumulation of resources for the principal payment, interest and related costs of long-term debt.

The ***Custodial Funds*** – account for money collected and disbursed by the City on behalf of other governments and individuals, such as cash bonds, traffic fines, and monies confiscated and held pending disposition by courts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functioned concerned.

Amounts reported as program revenues include: 1) charges to customer or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally designed resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase. For reporting purposes, all investments are recorded at fair value.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of December 31, 2021.

H. Restricted Assets

Certain assets of the enterprise funds are classified as restricted assets because their use is restricted by bond covenants.

I. Deferred Outflows/Inflows

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. These two items relate to the City's defined benefit pension plan. The pension experience differences and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance/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 three items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue for property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items relate to the City's defined benefit pension plan and are reported in the government-wide statement of net position. The pension assumption changes and investment differences represent future acquisitions of net position and, accordingly, are reported as deferred inflows of resources.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Byron Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in respective funds. Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset	Years
Building and improvements	5 – 30
Infrastructure	30
Equipment, vehicles, intangibles	5 – 10
Distribution system	10 – 50

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

L. Compensated Absences

The City's vacation hours accrue but are not allowed to be carried over after the employee's hire anniversary, vacation hours start over each year, but upon termination, the City will pay any unused vacation hours to employees. Therefore, vacation is short-term in nature. The sick pay accrues and is carried over each year up to 920 hours and will vest after ten years of employment. The City pays 25% of the total vested sick pay upon retirement or termination if the employee is vested. The City only pays the Medicare portion.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 the funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Liabilities and Long-Term Obligations (Continued)

However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

N. Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

O. Budgets and Budgetary Accounting

An annual operating budget is prepared for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Budgets are prepared for the Capital Projects Funds on a project-length basis, which usually covers two or more fiscal years. The budget officer formulates and remits the budget to the Mayor and Council. After a review by the Mayor and Council and a public hearing, a final budget is approved when the budget resolution is adopted.

The City Clerk is delegated the authority, upon the direction of and approval by the Mayor and Council, to transfer sums from one budget line item to another. No increase in the overall budget for the City may be made without the approval of the Mayor and Council and amendment to the budget.

Governmental fund type budgets are adopted on a basis consistent with GAAP at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2021. All annual appropriations lapse at year-end.

P. Revenues

Substantially all governmental fund revenues are accrued. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Expenditures

Expenditures are recognized when the related fund liability is incurred.

R. Fund Equity

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

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

- ***Non-spendable*** – Fund balances are reported as non-spendable 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. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. Only the City Council may modify or remove the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Clerk and her designee to assign fund balances. Assignments may occur subsequent to fiscal year-end.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed; 2) assigned; and 3) unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds."

The details of this difference are as follows:

Accrued interest payable	$ (5,244)
Loss on refunding	14,952
Compensated absences payable	(135,686)
Bonds payable	(2,760,000)
Financed purchases from direct borrowings	(22,395)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (2,908,373)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$ 362,381
Depreciation expense	(637,362)
Net adjustment to decrease *net changes in fund balance - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (274,981)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this difference are as follows:

Financed purchases from direct borrowings	$ (10,500)
Principal payments: financed purchases	35,876
Principal payments: bonds payable	215,000
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 240,376

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	$ (17,098)
Net pension liability	244,472
Amortization of loss on refunding	(3,401)
Accrued interest	409
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at changes in net position of governmental activities	$ 224,382

NOTE 3. DEFICIT FUND BALANCE

The Community Development Block Grant ("CDBG") and ARPA funds reported a deficit fund balance of $92,127 and $975,789, respectively, which will be eliminated through recognition of deferred inflows of resources in future periods.

NOTE 4. CASH AND INVESTMENTS

Credit Risk. State statutes authorize the City to invest in: obligations of the United States, the State of Georgia, and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool ("Georgia Fund 1").

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2021, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At December 31, 2021, the City had no investments requiring disclosure within the fair value hierarchy, as the City's certificates of deposit are non-negotiable and, therefore, are not subject to fair value hierarchy.

NOTE 4. CASH AND INVESTMENTS (CONTINUED)

Investments. The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

At December 31, 2021, the City had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit	June 4, 2023	$ 35,658
Certificate of Deposit	June 4, 2023	117,842
		$ 153,500

NOTE 5. TAX REVENUES

A. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by a joint Board of Tax Assessors of Peach County.

Upon completion of all assessments and tax returns, the information is turned over to the Peach County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the mandated 40% of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment Date	January 1	January 1
Levy Date	May 14	January 1
Due date and collection date	December 20	December 20

NOTE 5. TAX REVENUES (CONTINUED)

B. Hotel/Motel Excise Tax

A summary of the Hotel/Motel excise tax expenditures and receipts for the year ended December 31, 2021, are as follows:

Expenditures by Purpose	Amount	Hotel/Motel Tax Receipts	Percentage
Convention and Visitors Bureau	$ 180,345	$ 360,690	50%
General Fund	180,345	360,690	50%

NOTE 6. OTHER RECEIVABLES

Receivables at December 31, 2021 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

A. Governmental Funds

	General	SPLOST 2021	ARPA	Nonmajor Governmental Funds	Total
Receivables:					
Intergovernmental	$ 10,207	$ 213,820	$ 975,789	$ -	$ 1,199,816
Accounts	16,991	-	-	92,127	109,118
Taxes	670,315	-	-	31,917	702,232
Gross receivables	697,513	213,820	975,789	124,044	2,011,166
Less allowance for uncollectibles	(55,205)	-	-	-	(55,205)
Net total receivables	$ 642,308	$ 213,820	$ 975,789	$ 124,044	$ 1,955,961

B. Proprietary Funds

	Water and Sewer	Natural Gas	Nonmajor Enterprise Fund	Total
Receivables:				
Intergovernmental	$ -	$ 7,652	$ -	$ 7,652
Accounts	388,155	22,123	27,458	437,736
Gross receivables	388,155	29,775	27,458	445,388
Less allowance for uncollectibles	(158,716)	(22,123)	(13,729)	(194,568)
Net total receivables	$ 229,439	$ 7,652	$ 13,729	$ 250,820

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2021, are as follows:

	Payable Fund						
Receivable Fund	General Fund	SPLOST 2012 Fund	ARPA Fund	Nonmajor Governmental Fund	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
General Fund	$ -	$ 270,317	$ 1,951,578	$ 71,670	$ -	$ 235,379	$ 2,528,944
Nonmajor Governmental Funds	13,138	-	-	-	-	-	13,138
Water and Sewer Fund	927,738	-	-	-	-	-	927,738
Natural Gas Fund	563,121	-	-	-	-	-	563,121
Nonmajor Enterprise Fund	-	-	-	-	236,182	-	236,182
Total	$ 1,503,997	$ 270,317	$ 1,951,578	$ 71,670	$ 236,182	$ 235,379	$ 4,269,123

These amounts represent short-term receivables and payables. The balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers for the year ended December 31, 2021, are as follows:

	Transfers Out			
Transfers In	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 1,951,578	$ 180,345	$ 2,131,923
Nonmajor Governmental Funds	248,915	-	-	248,915
Total	$ 248,915	$ 1,951,578	$ 180,345	$ 2,380,838

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) close out funds no longer used by the City, and 3) use unrestrictive revenues collected in the General Fund and enterprise funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 1,230,421	$ -	$ -	$ -	$ 1,230,421
Construction in progress	1,607,231	301,909	-	(328,170)	1,580,970
Total	2,837,652	301,909	-	(328,170)	2,811,391
Capital assets, being depreciated:					
Buildings and improvements	6,786,641	-	-	-	6,786,641
Infrastructure	7,075,433	-	-	-	7,075,433
Machinery and equipment	1,227,745	10,500	-	(12,000)	1,226,245
Vehicles	1,263,461	49,972	(69,540)	12,000	1,255,893
Intangible	123,642	-	-	-	123,642
Total	16,476,922	60,472	(69,540)	-	16,467,854
Less accumulated depreciation for:					
Buildings and improvements	(3,376,210)	(200,930)	-	-	(3,577,140)
Infrastructure	(2,916,164)	(233,736)	-	-	(3,149,900)
Machinery and equipment	(1,068,245)	(72,543)	-	91,979	(1,048,809)
Vehicles	(912,866)	(122,277)	69,540	(91,979)	(1,057,582)
Intangible	(95,420)	(7,876)	-	-	(103,296)
Total	(8,368,905)	(637,362)	69,540	-	(8,936,727)
Total assets, being depreciated, net	8,108,017	(576,890)	-	-	7,531,127
Governmental activities capital assets, net	$ 10,945,669	$ (274,981)	$ -	$ (328,170)	$ 10,342,518

NOTE 8. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended December 31, 2021 (Continued):

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 156,769	$ -	$ -	$ -	$ 156,769
Construction in progress	2,284,969	260,783	-	-	2,545,752
Total	2,441,738	260,783	-	-	2,702,521
Capital assets, being depreciated:					
Infrastructure	15,302,755	-	-	328,170	15,630,925
Equipment and vehicles	971,462	-	-	-	971,462
Intangibles	18,060	-	-	-	18,060
Total	16,292,277	-	-	328,170	16,620,447
Less accumulated depreciation for:					
Infrastructure	(6,010,369)	(483,494)	-	-	(6,493,863)
Equipment and vehicles	(604,673)	(57,755)	-	-	(662,428)
Intangibles	(5,819)	(3,612)	-	-	(9,431)
Total	(6,620,861)	(544,861)	-	-	(7,165,722)
Total assets, being depreciated, net	9,671,416	(544,861)	-	328,170	9,454,725
Business-type activities capital assets, net	$ 12,113,154	$ (284,078)	$ -	$ 328,170	$ 12,157,246

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 220,049
Public safety	177,072
Public works	240,241
Total depreciation expense - governmental activities	$ 637,362
Business-type activities:	
Water and sewer	$ 544,861

NOTE 8. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

Activity for the Byron Development Authority for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Byron Development Authority				
Capital assets, not being depreciated:				
Land	$ 725,534	$ -	$ (64,421)	$ 661,113
Construction in progress	1,210,667	-	(107,496)	1,103,171
Total	$ 1,936,201	$ -	$ (171,917)	$ 1,764,284

Activity for the Convention and Visitors Bureau for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Convention and Visitors Bureau				
Capital assets, not being depreciated:				
Land	$ 74,092	$ -	$ -	$ 74,092
Total	74,092	-	-	74,092
Capital assets, being depreciated:				
Buildings	126,144	-	-	126,144
Total	126,144	-	-	126,144
Less accumulated depreciation for:				
Buildings	(5,782)	(4,205)	-	(9,987)
Total	(5,782)	(4,205)	-	(9,987)
Total assets, being depreciated, net	120,362	(4,205)	-	116,157
Total	$ 194,454	$ (4,205)	$ -	$ 190,249

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Revenue bond	$ 2,975,000	$ -	$ (215,000)	$ 2,760,000	$ 220,000
Revenue bonds, net	2,975,000	-	(215,000)	2,760,000	220,000
Financed purchases	47,771	10,500	(35,876)	22,395	14,051
Compensated absences	118,588	175,442	(158,344)	135,686	108,549
Net pension liability	3,575,686	947,529	(3,119,137)	1,404,078	-
Total Governmental-Type Activity Long-Term Debt	$ 6,717,045	$ 1,133,471	$ (3,528,357)	$ 4,322,159	$ 342,600
Business-type activities					
Financed purchases	$ 20,048	$ -	$ (20,048)	$ -	$ -
GEFA notes payable	4,678,757	219,030	(196,711)	4,701,076	202,954
Compensated absences	15,595	43,764	(43,583)	15,776	12,621
Net pension liability	727,800	194,072	(633,066)	288,806	-
Total Business-Type Activity Long-Term Debt	$ 5,442,200	$ 456,866	$ (893,408)	$ 5,005,658	$ 215,575

For the governmental activities, compensated absences and net pension liability are generally liquidated by the General Fund.

For business-type activities, compensated absences and net pension liability are liquidated by the Water and Sewer Fund.

NOTE 9. LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds – Governmental

During the year ended December 31, 2020, the City issued Series 2020 Revenue Refunding Bonds in the amount of $3,145,000. The bond proceeds were used to advance refund the outstanding balance of the 2007 Revenue Bonds and pay the costs to issue the Series 2020 Revenue Refunding Bonds. The refunding transaction resulted in an economic loss of $389,524. The Series 2020 bonds are payable in annual installments of $186,034 to $384,332 including principal and interest on November 1 each year over the term of the bonds.

The debt service requirements to maturity are as follows:

	Interest	Principal	Total
2022	$ 31,464	$ 220,000	$ 251,464
2023	28,956	345,000	373,956
2024	25,023	350,000	375,023
2025	21,033	360,000	381,033
2026	16,929	365,000	381,929
2027 – 2029	25,707	1,120,000	1,145,707
Total	$ 149,112	$ 2,760,000	$ 2,909,112

C. Notes Payable – Business-type

On February 27, 2001, the City entered into a contract with the Georgia Environmental Finance Authority (“GEFA”) to provide financing for the improvement of its sewer treatment facilities. The total proceeds for the loan were $497,333. The loan is to be paid over a 20-year period starting November 1, 2002, on a quarterly basis. Interest is at 5.15%.

On September 26, 2007, the City entered into a contract with GEFA to provide financing to purchase a sewer lift station from Fort Valley. The total proceeds for the loan were $394,646. The loan is to be paid over a 20-year period starting November 1, 2007, on a monthly basis. Interest is at 4.2%.

NOTE 9. LONG-TERM DEBT (CONTINUED)

C. Notes Payable – Business-type (Continued)

On October 8, 2009, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for acquiring, constructing, and installing environmental facilities. The total proceeds for the loan were $697,365. The loan is to be paid over a 20-year period starting September 1, 2013, on a monthly basis. Interest is at 3.0%.

On November 17, 2014, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the decommissioning of the City's wastewater treatment facility, construction of pump stations and force mains to transit sewage flows to Macon Water Authority's system, and all related appurtenances. The total proceeds for the loan were $2,419,020. The loan is to be paid over a 20-year period starting December 1, 2017, on a monthly basis. Interest is at 2.31%.

On October 1, 2015, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the rehabilitation of the City's sewer collection system. The total proceeds for the loan were $92,963. The loan is to be paid over a 20-year period starting May 1, 2017, on a monthly basis. Interest is at 1.03%.

On November 19, 2018, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the rehabilitation of the City's sewer collection system. The City may draw down funds up to $2,500,000, of which 20% is forgivable. As of December 31, 2021, $2,347,163 has been drawn down. The loan portion is $1,877,730 and is payable to GEFA. Interest is at 1.25%. Repayment will be determined when construction is complete and all draws have been made.

The annual requirements to amortize the notes at December 31, 2021, are as follows:

	Notes Payable		
	Interest	Principal	Total
2022	$ 69,327	$ 202,954	$ 272,281
2023	62,987	189,229	252,216
2024	57,991	174,311	232,302
2025	53,236	179,066	232,302
2026	48,341	183,960	232,301
2027 – 2031	195,814	866,818	1,062,632
2032 – 2036	89,401	812,241	901,642
2037 and 2038	3,685	214,767	218,452
Total	$ 580,782	$ 2,823,346	$ 3,404,128

NOTE 9. LONG-TERM DEBT (CONTINUED)

D. Financed Purchases from Direct Borrowings – Governmental

During 2019, the City entered into an agreement for $103,858 to finance the purchase of three vehicles with equipment. The vehicles have a five-year estimated useful life. This year, $21,341 was included in depreciation expense. The purchase is to be paid over a three-year period starting April 11, 2019. Interest is at 4.19%.

During 2021, the City entered into an agreement for $10,500 to finance the purchase of two Xerox copiers. The copiers have a five-year estimated useful life. This year, $350 was included in depreciation expense. The purchase is to be paid over a five-year period starting November 2, 2021. Interest is at 14.2%

The debt service requirements to maturity are as follows:

	Financed Purchases		
	Interest	Principal	Total
2022	$ 710	$ 14,051	$ 14,761
2023	479	1,981	2,460
2024	346	2,114	2,460
2025	205	2,255	2,460
2026	55	1,994	2,049
Total	$ 1,795	$ 22,395	$ 24,190

E. Financed Purchases from Direct Borrowings – Business-type

During 2018, the City entered into an agreement for $49,952 to finance the purchase of a vehicle. The vehicle has a five-year estimated useful life. This year, $9,990 was included in depreciation expense. The purchase is to be paid over a three-year period starting April 1, 2018. Interest is at 3.50%.

During 2018, the City entered into an agreement for $69,883 to finance the purchase of equipment. The equipment has a five-year estimated useful life. This year, $13,977 was included in depreciation expense. The purchase is to be paid over a three-year period starting August 1, 2018. Interest is at 3.67%.

The financed purchases were fully repaid during the year ended December 31, 2021.

NOTE 9. LONG-TERM DEBT (CONTINUED)

F. Discretely Presented Component Units

In 2013, the Byron Development Authority obtained a $200,000 loan with American Pride Bank to refinance a line of credit obtained to help cover the cost of the development of 40.15 acres in Peach County, known as the Holleman Tract, The Roost. The loan is renewed on an annual basis and accrues interest at 5.0%. The loan was last renewed on January 15, 2021. The balance of the loan as of December 31, 2021, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Note payable	$ 84,100	$ -	$ (46,174)	$ 37,926

In 2019, the Convention and Visitors Bureau obtained a loan with Sunmark Bank to finance the purchase of land and a building for operations. The total proceeds for the loan were $158,950. The loan is to be paid over a five-year period starting September 13, 2019, on a monthly basis. Interest is at 5.5%. The balance of the loan as of December 31, 2021, and the debt service requirements to maturity are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 149,606	$ -	$ (7,451)	$ 142,155	$ 7,947

	Interest	Principal	Total
2022	$ 7,721	$ 7,947	$ 15,668
2023	7,266	8,401	15,667
2024	4,574	125,807	130,381
Total	$ 19,561	$ 142,155	$ 161,716

NOTE 10. RELATED ORGANIZATIONS

The Housing Authority of the City is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City is a related organization.

NOTE 11. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

B. Plan Membership

As of July 1, 2021, the date of the most recent actuarial valuation, there were 116 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not receiving benefits	25
Active plan members	55
	116

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended December 31, 2021, the City's contribution rate was 23.3% of annual payroll. City contributions to the Plan were $514,464 for the year ended December 31, 2021.

D. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2021.

Actuarial Assumptions. The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25% for all Class 1 and 2.10% for Class 2
Investment rate of return	7.375% Ongoing basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Employee Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.40 %
International equity	20	7.05
Real estate	10	4.50
Global fixed income	5	1.25
Domestic fixed income	20	1.15
Total	100 %	

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

E. Discount Rate

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

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended December 31, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	$ 11,522,074	$ 7,218,588	$ 4,303,486
Changes for the year:			
Service cost	142,081	-	142,081
Interest	833,624	-	833,624
Differences between expected and actual experience	148,998	-	148,998
Contributions - employer	-	511,222	(511,222)
Net investment income	-	3,240,981	(3,240,981)
Benefit payments, including refunds of employee contributions	(721,562)	(721,562)	-
Administrative expense	-	(16,898)	16,898
Net changes	403,141	3,013,743	(2,610,602)
Balances at December 31, 2021	$ 11,925,215	$ 10,232,331	$ 1,692,884

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

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. 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%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 3,174,187	$ 1,692,884	$ 464,146

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2021, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2021, the City recognized pension expense of $224,622. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 545,750	$ -
Changes in assumptions	-	258,060
Net difference between projected and actual earnings on pension plan investments	-	1,443,413
City contributions subsequent to the measurement date	385,848	-
Total	$ 931,598	$ 1,701,473

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of $385,848 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,		
2022	$	(186,294)
2023		(168,015)
2024		(287,816)
2025		(513,598)
Total	$	(1,155,723)

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the middle Georgia area, is a member of the Middle Georgia Regional Commission ("RC") and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. For the year ended December 31, 2021, the City paid dues of $6,769. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175-C Emery Highway
Macon, Georgia 31217

The City joined Mid-State Energy Commission ("MSEC") in November 2008. MSEC was established to provide maintenance and related services for a natural gas transmission line serving the cities of Perry, Warner Robins, Hawkinsville, Cochran and their customers. A board of directors, composed of one member from each of the cities, manages MSEC.

NOTE 12. JOINT VENTURES (CONTINUED)

MSEC's major source of revenue consists of reimbursements for operating expense and capital outlays from member cities. MSEC's financial records are maintained on a fiscal year ending December 31 of each year. A separately issued financial report is available and may be obtained from:

Mid-State Energy Commission
P.O. Box 1545
Warner Robins, GA 31099

As of December 31, 2021, the City has an approximate 5% equity interest in MSEC. This equity interest is recorded in the proprietary funds statement of net position.

NOTE 13. RISK MANAGEMENT

The City of Byron is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance in amounts deemed prudent by City management. Commercial insurance is carried for coverage of property, errors and omissions, professional liability and injuries to employees.

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of any expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

As of December 31, 2021 the City has no commitments relative to construction projects.

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that will impair the City's financial position as of the date of this audit report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BYRON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2021	2020	2019
Total pension liability			
Service cost	**$ 142,081**	$ 153,340	$ 173,428
Interest on total pension liability	**833,624**	829,265	804,946
Differences between expected and actual experience	**148,998**	362,414	81,577
Changes of assumptions	**-**	(362,578)	-
Benefit payments, including refunds of employee contributions	**(721,562)**	(727,797)	(703,411)
Other	**-**	-	-
Net change in total pension liability	**403,141**	254,644	356,540
Total pension liability - beginning	**11,522,074**	11,267,430	10,910,890
Total pension liability - ending (a)	**11,925,215**	11,522,074	11,267,430
Plan fiduciary net position			
Contributions - employer	**511,222**	526,411	553,040
Net investment income	**3,240,981**	(538,969)	281,093
Benefit payments, including refunds of employee contributions	**(721,562)**	(727,797)	(703,411)
Administrative expenses	**(16,898)**	(19,718)	(17,516)
Net change in plan fiduciary net position	**3,013,743**	(760,073)	113,206
Plan fiduciary net position - beginning	**7,218,588**	7,978,661	7,865,455
Plan fiduciary net position - ending (b)	**10,232,331**	7,218,588	7,978,661
City's net pension liability (a) - (b)	**$ 1,692,884**	$ 4,303,486	$ 3,288,769
Plan fiduciary net position as a percentage of the total pension liability	**85.8%**	62.7%	70.8%
Covered payroll	**$ 2,273,842**	$ 2,222,519	$ 2,111,702
City's net pension liability as a percentage of covered payroll	**74.45%**	193.63%	155.74%

Notes to the Schedule

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

2018	2017	2016	2015
$ 205,512	$ 184,872	$ 186,196	$ 168,382
774,843	729,258	702,621	660,062
379,428	299,967	32,255	376,122
-	-	-	(107,380)
(650,673)	(601,139)	(553,600)	(542,470)
(121,533)	-	-	-
587,577	612,958	367,472	554,716
10,323,313	9,710,355	9,342,883	8,788,167
10,910,890	10,323,313	9,710,355	9,342,883
423,002	448,951	413,318	363,577
891,341	817,970	19,036	601,475
(650,673)	(601,139)	(553,600)	(542,470)
(16,874)	(17,247)	(12,429)	(11,125)
646,796	648,535	(133,675)	411,457
7,218,659	6,570,124	6,703,799	6,292,342
7,865,455	7,218,659	6,570,124	6,703,799
$ 3,045,435	$ 3,104,654	$ 3,140,231	$ 2,639,084
72.1%	69.9%	67.7%	71.8%
$ 2,226,407	$ 2,249,854	$ 2,150,136	$ 2,085,487
136.79%	137.99%	146.05%	126.55%

CITY OF BYRON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2021	2020	2019
Actuarially determined contribution	**$ 514,464**	$ 510,141	$ 530,301
Contributions in relation to the actuarially determined contribution	**514,464**	510,141	531,451
Contribution deficiency (excess)	**$ -**	$ -	$ (1,150)
Covered payroll	**$ 2,207,793**	$ 2,257,985	$ 2,090,801
Contributions as a percentage of covered payroll	**23.3%**	22.6%	25.4%

Notes to the Schedule

Valuation date	July 1, 2021
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The acutarial value is adjusted, if necessary, to be with 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25% for Class 1 and 2.10% for Class 2
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

2018	2017	2016	2015
$ 504,558	$ 451,879	$ 447,975	$ 401,765
504,558	451,879	447,975	401,765
$ -	$ -	$ -	$ -
$ 2,176,310	$ 2,226,452	$ 2,200,590	$ 2,101,285
23.2%	20.3%	20.4%	19.1%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected.

Law Enforcement Confiscation Fund – This fund is used to account for funds confiscated from criminal activity and their expenditures in compliance with State and Federal laws.

Community Development Block Grant ("CDBG") Fund – This fund is used to account for proceeds and expenditures of the CDBG received from the Georgia Department of Community Affairs.

CAPTIAL PROJECTS FUNDS

Special Purpose Local Option Sales Tax ("SPLOST") 2008 Fund – This fund is used to account for capital expenditures paid with the SPLOST.

Capital Improvements Fund – This fund is used to account for the purchase or construction of major capital facilities or equipment for the City.

DEBT SERVICE FUND

Debt Service Fund – This fund is used to account for debt service expenditure requirements of the City.

CITY OF BYRON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue Funds		
	Hotel/Motel Tax Fund	Law Enforcement Confiscation Fund	CDBG Fund
ASSETS			
Cash and cash equivalents	$ -	$ 83,370	$ 161
Accounts receivable	-	-	92,127
Taxes receivable	31,917	-	-
Due from other funds	13,138	-	-
Total assets	$ 45,055	$ 83,370	$ 92,288
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)			
Liabilities			
Accounts payable	$ 45,055	$ -	$ 37,977
Due to other funds	-	17,320	54,350
Total liabilities	45,055	17,320	92,327
Deferred Inflows of Resources			
Unavailable revenue - grant revenue	-	-	92,127
Total deferred inflows of resources	-	-	92,127
Fund Balances (deficit)			
Restricted:			
Public safety	-	66,050	-
Capital projects	-	-	-
Debt service	-	-	-
Unassigned	-	-	(92,166)
Total fund balances (deficit)	-	66,050	(92,166)
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 45,055	$ 83,370	$ 92,288

Capital Projects Funds		Debt Service Fund	Total
SPLOST 2008 Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds
$ 75,342	$ 437,713	$ 12	$ 596,598
-	-	-	92,127
-	-	-	31,917
-	-	-	13,138
$ 75,342	$ 437,713	$ 12	$ 733,780
$ -	$ -	-	$ 83,032
-	-	-	71,670
-	-	-	154,702
-	-	-	92,127
-	-	-	92,127
-	-	-	66,050
75,342	437,713	-	513,055
-	-	12	12
-	-	-	(92,166)
75,342	437,713	12	486,951
$ 75,342	$ 437,713	$ 12	$ 733,780

CITY OF BYRON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds		
	Hotel/Motel Tax Fund	Law Enforcement Confiscation Fund	CDBG Fund
Revenues			
Other taxes	$ 360,690	$ -	$ -
Intergovernmental	-	-	437,181
Fines and forfeitures	-	38,692	-
Interest income	-	199	-
Total revenues	360,690	38,891	437,181
Expenditures			
Current:			
Public safety	-	11,262	-
Housing and development	180,345	-	521,222
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	180,345	11,262	521,222
Excess (deficiency) of revenues over (under) expenditures	180,345	27,629	(84,041)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(180,345)	-	-
Total other financing sources (uses)	(180,345)	-	-
Net change in fund balances (deficit)	-	27,629	(84,041)
Fund balances (deficit), beginning of year	-	38,421	(8,125)
Fund balances (deficit), end of year	$ -	$ 66,050	$ (92,166)

Capital Projects Funds		Debt Service Fund	Total
SPLOST 2008 Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds
$ -	$ -	-	$ 360,690
-	-	-	437,181
-	-	-	38,692
226	1,311	-	1,736
226	1,311	-	838,299
-	-	-	11,262
-	-	-	701,567
-	-	215,000	215,000
-	-	33,915	33,915
-	-	248,915	961,744
226	1,311	(248,915)	(123,445)
-	-	248,915	248,915
-	-	-	(180,345)
-	-	248,915	68,570
226	1,311	-	(54,875)
75,116	436,402	12	541,826
$ 75,342	$ 437,713	$ 12	$ 486,951

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST 2008
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, streets and bridges	$ 1,566,000	$ 1,636,814	$ 1,636,814	$ -	$ 1,636,814	100.00%
Cultural, historical and recreational facilities	75,000	21,205	21,205	-	21,205	100.00%
Water and sewer improvements	1,044,000	1,045,399	970,399	-	970,399	92.83%
Bond interest and costs of issuance	390,000	-	-	-	-	0.00%
Totals	$ 3,075,000	$ 2,703,418	$ 2,628,418	$ -	$ 2,628,418	97.23%

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST 2012
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, streets, bridges and drainage	$ 2,815,575	$ 2,815,575	$ 1,351,926	$ 297,378	$ 1,649,304	58.58%
Government buildings and solid waste facilities and equipment	32,550	32,550	-	-	-	0.00%
Water and sewer improvements	651,000	651,000	506,499	55,463	561,962	86.32%
Cultural, historical and recreation	32,550	32,550	7,715	4,242	11,957	36.73%
Public safety facilities and equipment	374,325	374,325	314,030	49,972	364,002	97.24%
Totals	$ 3,906,000	$ 3,906,000	$ 2,180,170	$ 407,055	$ 2,587,225	66.24%

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST 2021
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, streets, bridges and drainage	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	0.00%
Government buildings and solid waste facilities and equipment	200,000	200,000	-	-	-	0.00%
Water and sewer improvements	1,900,000	1,900,000	-	-	-	0.00%
Cultural, historical and recreation	20,000	20,000	-	-	-	0.00%
Public safety facilities and equipment	800,000	800,000	-	-	-	0.00%
Totals	$ 3,920,000	$ 3,920,000	$ -	$ -	$ -	0.00%

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Byron, Georgia
Byron, 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 units, each major fund, and the aggregate remaining fund information of City of Byron ("The City"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2022

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Report on Compliance and Other Matters

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

The City of Byron, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City'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.

Mauldin & Jenkins, LLC

Macon, Georgia
June 29, 2022

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Byron, Georgia
Byron, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Byron, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
June 29, 2022

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Grant Program	Assistance Listing Number	Grant I.D.	Expenditures
U.S. Department of Housing and Urban Development			
Passed through the Georgia Department of Community Affairs			
Community Development Block Grant	14.228	20-x-111-2-6114	$ 521,183
Total U.S. Department of Housing and Urban Development			521,183
U.S. Department of Justice			
Direct Awards			
Bulletproof Vest Partnership Program	16.607	2020BUBX19096551	1,373
Passed through the State of Georgia Governor's Office of Highway Safety			
Public Safety Partnership and Community Policing Grants	16.710	N/A	10,620
Public Safety Partnership and Community Policing Grants	16.710	N/A	10,207
			20,827
Total U.S. Department of Justice			22,200
U.S. Department of the Treasury			
Direct Awards			
Coronavirus State and Local Fiscal Recovery Fund	21.027	PA-0007695	975,789
Coronavirus State and Local Fiscal Recovery Fund	21.027	PA-009401	975,789
Total U.S. Department of the Treasury			1,951,578
Environmental Protection Agency			
Passed through Georgia Environmental Finance Authority			
Capitalization Grants for Clean Water			
State Revolving Loan Funds Cluster	66.458	CW2016048	234,322
Total Environmental Protection Agency			234,322
Total Expenditures of Federal Awards			$ 2,729,283

CITY OF BYRON, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 1. BASIS OF PREPARATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Byron, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the year ended December 31, 2021.

NOTE 3. SUBRECIPIENTS

The City did not pass through any funds to subrecipients during the year ended December 31, 2021.

CITY OF BYRON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	__X__ Yes ____ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ None Reported

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ None Reported

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
	Department of Treasury
21.027	Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CITY OF BYRON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021 - 001. Management of Capital Asset Accounts (Repeat Finding)

Criteria: Generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported at the acquisition value on the date of the donation.

Condition: The City did not properly record capital assets in the Water and Sewer Fund during the year ended December 31, 2021.

Context: See above condition.

Cause: Management oversight.

Effect: Adjustments to the Water and Sewer Fund were required to properly record capital assets. These adjustments were to decrease depreciation expense and accumulated depreciation by $14,990.

Recommendation: We recommend the City review all capital asset activity and verify that all assets are being properly recorded.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will review all capital asset activity, including depreciation and capital contributions, to determine proper accounting treatment.

2021 - 002. Management of Due To/From (Internal) Accounts (Repeat Finding)

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the City.

Condition: During fiscal year 2021, the City did not properly account for and use due to/from accounts in the General Fund and the Hotel/Motel Fund in conjunction with the operations of the City as appropriate.

Context: We addressed the matter with the City and management was able to determine the appropriate adjustments so as to properly state the balance of due to/from accounts at December 31, 2021.

Cause: Due to/from and transfer (internal) accounts are not being properly utilized and recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021 - 002. Management of Due To/From (Internal) Accounts (Repeat Finding) (Continued)

Effect: Adjustments to the General Fund, Hotel/Motel Fund, and Natural Gas Fund of the City were required to properly record internal accounts. These adjustments were as follows:

- General Fund: an adjustment to decrease due from other funds by $58,445, decrease accounts payable by $11,863, increase expenditures by $1,527, and decrease transfers in by $45,055;
- Hotel/Motel Fund: an adjustment to decrease due to other funds by $90,110, decrease expenditures by $45,055, and decrease transfers out by $45,055; and
- Natural Gas Fund: an adjustment to decrease accounts payable and increase due to other funds by $10,738.

Recommendation: We recommend that all interfund activity be properly recorded through the due to/from accounts as appropriate.

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure internal accounts are properly recorded and reconciled.

2021 - 003. Accounting and Reporting of Expenditures and Accrued Liabilities (Repeat Finding)

Criteria: Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of related cash flows.

Condition: During fiscal year 2021, the City did not properly adjust accrued liabilities in the CDBG Fund as of December 31, 2021.

Context: We addressed this matter with City officials, who were able to ultimately determine the propriety of all respective details and reconciliations as of and for the year ended December 31, 2021.

Cause: Internal controls over cut-off of accrued liabilities were not in place to ensure all expenses/expenditures were reported in the proper period.

Effect: Adjustments to the CDBG Fund and Natural Gas Fund of the City were required to properly record liabilities and related expenses. These adjustments were as follows:

- CDBG Fund: an adjustment to increase accrued liabilities and expenditures by $36,852; and
- Natural Gas Fund: an adjustment to decrease accrued liabilities and expenditures by $95,215.

Recommendation: We recommend that the City reconcile all accrued expenditures in a timely manner to ensure all transactions are being properly recognized during the correct period.

CITY OF BYRON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021 - 003. Accounting and Reporting of Expenditures and Accrued Liabilities (Repeat Finding) (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure liabilities are properly recorded.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF BYRON, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

2020 - 001. Management of Capital Asset Accounts (Repeat Finding)

Criteria: GAAP requires the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported, but at the acquisition value on the date of the donation.

Condition: The City did not properly record capital assets at the government-wide level, in the SPLOST 2012 Fund, and in the Water and Sewer Fund during the year ended December 31, 2020.

Auditee Response/Status: Unresolved – See current year financial audit finding 2021- 001.

2020 - 002. Management of Due To/From and Transfer (Internal) Accounts (Repeat Finding)

Criteria: GAAP requires consideration of the collectability of receivables of all kinds, whether external or internal to the City.

Condition: During fiscal year 2020, the City did not properly account for and use due to/from accounts and transfers in the Water and Sewer Fund in conjunction with the operations of the City as appropriate.

Auditee Response/Status: Unresolved – See current year financial audit finding 2021 – 002.

2020 - 003. Accounting and Reporting of Expenses and Accrued Liabilities (Repeat Finding)

Criteria: GAAP requires timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of related cash flows.

Condition: During fiscal year 2020, the City did not properly adjust accrued liabilities in the General Fund as of December 31, 2020.

Auditee Response/Status: Unresolved – See current year financial audit finding 2021 – 003.

2020 - 004. Long-Term Debt (Repeat Finding)

Criteria: GAAP requires reporting of all long-term liabilities in a timely manner.

Condition: The City failed to properly record bond refunding activity in the Debt Service Fund as required.

Auditee Response/Status: Resolved.



The city of Byron

CITY OF BYRON, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

2020- 001 Management of Capital Asset Accounts

Name of Contact Person Responsible for Corrective Action Plan: Tiffany Sandefur , City Administrator

Corrective Action Plan: The City agrees with the findings. The City Administrator has training in July of 2022 to properly set up fixed assets in the newly acquired software so as to properly discover and record these assets going forward.

Anticipated Completion Date: Fiscal year 2022

2020-002 Management of Due To/From (Internal) Accounts

Name of Contact Person Responsible for Corrective Action Plan: Tiffany Sandefur, City Administrator

Corrective Action Plan: The City agrees with the findings. The City Certified Public Accountant missed an adjustment that was needed and was discovered by the auditors before it was recorded. Adjustments will be made monthly to prevent this reoccurence.

Anticipated Completion Date: Fiscal year 2022

2020-003 Accounting and Reporting of Expenditures and Accrued Liabilities

Name of Contact Person Responsible for Corrective Action Plan: Tiffany Sandefur, City Administrator

Corrective Action Plan: The City agrees with the findings. Financial Policies were completed with the Carl Vinson Institute of Government to assist with financial policies. The City will reconcile accrued expenditures on a monthly basis going forward to properly recognize during the correct period.

Anticipated Completion Date: Fiscal year 2022

