CITY OF FOLKSTON, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

DONALD G. CREWS, CPA, PC
P. O. BOX 8
FOLKSTON, GEORGIA 31537

City of Folkston, Georgia
Financial Statements
For the Fiscal Year Ended December 31, 2021

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INTRODUCTORY SECTION

CITY OFFICIALS

MAYOR
Lee Gowen

MAYOR PROTEM
Marion G. Davis, Jr.

COUNCIL
Bruce Young, District 1A
Ruby Baker, District 1B
Rob Roberson, District 2A
Marion G. Davis, Jr., District 2B
Jim Gowen, District At Large

CITY MANAGER
Leonard H. Lloyd

CITY CLERK
Darlene Williamson

CITY JUDGE
John B. Adams

POLICE CHIEF
Wesley Green

CITY ATTORNEY
Patrick Brooks

PUBLIC WORKS SUPERVISOR
Steven Lloyd

WATER/WASTEWATER SUPERVISOR
Kenneth Spurlock

FINANCIAL SECTION

DONALD G. CREWS, CPA, PC
P. O. BOX 8
FOLKSTON, GEORGIA 31537
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of
The City of Folkston
Folkston, Georgia

Report on the Financial Statements
I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Folkston (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.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Folkston, Georgia, as of December 31, 2021, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and General Fund budgetary comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax proceeds, Special Purpose Local Option Sales Tax, and State of Georgia, Hotel/Motel Tax are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and are not a required part of the basic financial statements. The Combining Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund is not a required part of the basic financial statements.

The Schedule of Transportation Special Purpose Local Option Sales Tax (TSPLOST) expenditures, Schedule of Special Purpose Local Option Sales Tax (SPLOST) expenditures, Hotel/Motel Tax, and Combining Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 my opinion, the above described supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 8, 2022, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Donald G. Crews, CPA

Donald G. Crews, CPA, PC
Folkston, GA
June 8, 2022

CITY OF FOLKSTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

Within this section of the City of Folkston, Georgia (the City) annual financial statements, management is pleased to offer readers this narrative overview and analysis of the financial activities of the City of Folkston, Georgia, for the fiscal year ended December 31, 2021. The information presented here should be used in conjunction with the additional information provided in this Annual Financial Report, which follows this section.

Financial Highlights:

The assets of the City exceeded its liabilities at December 31, 2021, by $13,785,409 (net position). Of this amount $5,142,135 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by $1,678,811.

As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $3,303,713, an increase of $1,150,628 in comparison with the prior year. Approximately 46% of this total amount $1,543,969, is available for spending at the City's discretion (unassigned fund balance).

As of the close of the current fiscal year, the City's business-type funds reported combined ending position of $6,760,039, an increase of $130,985 in comparison with the prior year. Approximately 31% of this total amount, $2,101,095 is available for spending at the City's discretion (unrestricted net position).

At the end of the current fiscal year, unassigned fund balance for the General Fund was a positive $1,543,969 or 69% of total General Fund expenditures.

During the current fiscal year the City issued no new debt for the Governmental funds. The Business-type funds issued new revenue bonds to refund the 2014 Series. The Business-type funds had a reduction in debt service of $76,463.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Folkston's basic financial statements. The City's basic financial statements are comprised of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Folkston's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between assets plus deferred outflows and liabilities plus deferred inflows reported as *net position*. This statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and interest on long-term debt. The business-type activities of the City include Water and Sewer.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, TSPLOST Fund, and SPLOST Fund, because they are considered major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and SPLOST Fund. A budgetary comparison statement has been provided for each.

The City has a formal fund balance policy applicable to governmental funds included in its financial policies. The policy defines fund balance categories consistent with Governmental Accounting Standards Board Statement 54, sets spending priority within the categories, establishes the authority to commit and assign balances and establishes a minimum fund balance for the General Fund. In addition, the policy addresses the time period required for the General Fund to replenish any deficiency in the minimum fund balance, as well as specifying how fund balance above the recommended range may be spent. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements.

Proprietary funds. The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is a considered major fund of the City.

The basic proprietary fund financial statements follow the governmental funds statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the cash of the City, assets plus deferred outflows of resources exceeded liabilities by $13,799,516 at the close of the current fiscal year. The chart below summarizes City's net position for governmental activities, business-type activities, and the government as a whole.

	Governmental Activities		Business-type Activities		Total	Total
December 31,	2020	2021	2020	2021	2020	2021
Current and other assets	$ 2,154,895	$ 3,336,819	$ 2,218,350	$ 2,159,469	$ 4,373,245	$ 5,496,288
Capital assets	3,062,489	3,721,657	7,067,421	6,844,944	10,129,910	10,566,601
Total assets	5,217,384	7,058,476	9,285,771	9,004,413	14,503,155	16,062,889
Other liabilities	1,810	33,106	132,284	175,018	134,094	208,124
Long-term liabilities	0	0	2,262,463	2,069,356	2,262,463	2,069,356
Total liabilities	1,810	33,106	2,394,747	2,244,374	2,396,557	2,277,480
Net position:						
Net investment in Capital assets	3,062,489	3,721,657	4,804,958	4,658,944	7,867,447	8,380,601
Restricted	230,417	262,673	158,808	0	389,225	262,673
Unrestricted	1,922,668	3,041,040	1,927,258	2,101,095	3,849,926	5,142,135
Total net position	5,215,574	7,025,370	6,891,024	6,760,039	12,106,598	13,785,409

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position.

By far the largest portion of the City's net position, $8,380,601 (61%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $262,673 (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $5,142,135 (37%) is unrestricted net position may be used to meet the government's ongoing obligations of the City.

Governmental activities during the fiscal year ended December 31, 2021, increased the City of Folkston's net position by $1,809,796. Business-type activities during the same period decreased net position by $130,985 for a total increase of $1,678,811. The following chart shows the revenue and expenses by activity for the total primary government.

City of Folkston – Changes in Net Position

Year ended December 31,	Governmental Activities 2020	Governmental Activities 2021	Business-type Activities 2020	Business-type Activities 2021	Total 2020	Total 2021
Revenues:						
Program revenues						
Charges for services	$ 422,227	$ 489,524	$1,815,704	$1,400,477	$2,237,931	$ 1,890,001
Operating grants	275,687	1,332,672	0	0	275,687	1,332,672
Capital grants	0	0	0	0	0	0
General revenues						
Property taxes	622,536	688,839	0	0	622,536	688,839
Sales taxes	1,024,828	923,101	0	0	1,024,828	923,101
Insurance premium taxes	333,855	344,951	0	0	333,855	344,951
Franchise taxes	184,336	170,678	0	0	184,336	170,678
Alcohol taxes	79,087	77,949	0	0	79,087	77,949
Hotel/motel taxes	14,213	17,364	0	0	14,213	17,364
Unrestricted investment earnings	1,873	711	8,589	3,839	10,462	4,550
Total revenues	2,958,642	4,045,789	1,824,293	1,404,316	4,782,935	5,450,105
Expenses						
Governmental activities:						
General government	351,650	328,212	0	0	351,650	328,212
Public safety	785,790	839,306	0	0	785,790	839,306
Public works	824,871	805,389	0	0	824,871	805,389
Culture & recreation	46,531	36,579	0	0	46,531	36,579
Community development	14,644	17,364	0	0	14,644	17,364
Interest on long-term debt	0	0	0	0	0	0
Business-type activities:						
Water & Sewer	0	0	1,707,415	1,744,444	1,707,415	1,744,444
Total expenses	2,023,486	2,026,850	1,707,415	1,744,444	3,730,901	3,771,294
Increase (decrease) in net position before transfers	935,156	2,018,939	116,878	(340,128)	1,052,034	1,678,811
Transfers	0	(209,143)	(0)	209,143	0	0
Increase (decrease) in net position	935,156	1,809,796	116,878	(130,985)	1,052,034	1,678,811
Net Position, beginning	4,280,418	5,215,574	6,774,146	6,891,024	11,054,564	12,106,598
Net Position, ending	$5,215,574	$7,025,370	$6,891,024	$6,760,039	$12,106,598	$13,785,409

Year ended December 31,	Total 2020	Total 2021	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues				
Charges for services	$2,237,931	$ 1,890,001	$ (347,930)	(15%)
Operating grants	275,687	1,332,672	1,056,985	383%
Capital grants	0	0	0	0%
General revenues				
Property taxes	622,536	688,839	66,303	10%
Sales taxes	1,024,828	923,101	(101,727)	(10%)
Insurance premium taxes	333,855	344,951	11,096	3%
Franchise taxes	184,336	170,678	(13,658)	(7%)
Alcohol taxes	79,087	77,949	(1,138)	(1%)
Hotel/motel taxes	14,213	17,364	3,151	28%
Unrestricted investment earnings	10,462	4,550	(5,912)	(56%)
Total revenues	4,782,935	5,450,105	667,170	12%
Expenses				
Governmental activities:				
General government	351,650	328,212	(23,438)	(7%)
Public safety	785,790	839,306	53,516	7%
Public works	824,871	805,389	(19,482)	(2%)
Culture & recreation	46,531	36,579	(9,952)	(21%)
Community development	14,644	17,364	2,720	18%
Interest on long-term debt	0	0	0	0
Business-type activities:				
Water & Sewer	1,707,415	1,744,444	37,029	2%
Total expenses	3,730,901	3,771,294	40,393	1%
Increase (decrease) in net position before transfers	1,052,034	1,678,811	626,777	59%
Transfers	0	0	0	0
Increase (decrease) in net position	1,052,034	1,678,811	626,777	59%
Net Position, beginning	11,054,564	12,106,598	1,052,034	9%
Net Position, ending	$12,106,598	$13,785,409	$1,678,811	14%

Operating grants increased due to CARES Act funds.

Financial Analysis of the Government's Funds

The City of Folkston uses fund accounting which ensures and demonstrates compliance with finance-related legal requirements.

Governmental Funds:

The City of Folkston has three major governmental funds, which are the General Fund, SPLOST Fund, and the TSPLOST Fund.

The chief operating fund of the government is the General Fund. As of December 31, 2021, the General Fund had a fund balance of $2,811,713. This is an increase of $854,160 from the beginning fund balance. Of the total amount, $1,543,969 constitutes "unassigned fund balance" which is available for spending at the government's discretion. The General Fund Budget FY2021 increased due to increased expenditures on Public Safety and Public Works equipment purchases.

The TSPLOST Fund is presented as a major governmental fund. The TSPLOST Funds are used to account for projects constructed with transportation special purpose local option sales tax. The fund balance at December 31, 2021 was $203,974.

The SPLOST Fund is presented as a major governmental fund. The SPLOST Funds are used to account for projects constructed and maintained with special purpose local option sales tax. The fund balance at December 31, 2021 was $288,026.

The fund balance for the other governmental fund did not change due to it being used as a pass-thru for Hotel/Motel Tax funds.

Business-type Activities Funds:

The enterprise fund, which is the City's Water & Sewer Fund, showed a cash and cash equivalents balance of $1,946,645 at the end of the fiscal year ended December 31, 2021.

The Water and Sewer Fund had an ending net position of $6,760,039 as of December 31, 2021. This was a decrease of $130,985 from the previous year. The decrease was from investments in capital assets.

General fund Budget Highlights

The budget was prepared according to Georgia Law.

The 2021 budget was $2,420,314. The original budget was amended to add grant funds. All changes to the original budget were to shift expense items within budgeted categories.

Capital Asset and Debt Administration

Capital Assets. At the end of fiscal year ended December 31, 2021, governmental activities and business-type activities had capital assets $10,566,601 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment. This represents a $436,691 or 4% increase.

For governmental activities infrastructure and equipment increased by $883,800 due to purchase of police equipment, property improvements (mainly the resurfacing of Tower Street), and public works equipment.

For business-type activities, system improvements and equipment increased by $216,743 due to purchase of $209,143 system improvements.

City of Folkston – Capital Assets (Net of Depreciation)
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Land	$ 52,976	$ 100,000	$ 152,976
Infrastructure	2,721,506	6,601,197	9,322,703
Buildings	280,720	30,514	311,234
Equipment	39,698	113,233	152,931
Vehicles	626,757	0	626,757
Total	$ 3,721,657	$ 6,844,944	$10,566,601

Additional information on the City's capital assets can be found in the Notes to the Financial Statements in this report.

Debt Administration. The City's total long-term debt consists of revenue bonds.

At December 31, 2021, the City had long-term debt of $2,186,000 related to business-type activities, compared to $2,262,463 in the previous year. This is a decrease of $76,463.

At the end of 2021, the business activities had bonded debt of $2,186,000 secured by revenues of the water and sewer system. The City maintains an "A" rating from Standard & Poor's.

Additional information on the City's debt can be found in the Notes to Financial Statements in this report.

Factors affecting the FY 2022 Budget:

The FY 2022 city-wide budget will include a local maintenance grant (for roads), the use of ARPA funds for sewer improvements and a debt service principal payment on the 2021 bond debt payment.

The City of Folkston started the initial planning of budget preparation by evaluating what "Quality of Life" in Folkston is and how to support the community. The Mayor and Council of the City of Folkston considered many factors when approving the City's FY 2022 budget and were very aware of the present economic conditions and the effect on its citizens.

The City is looking forward to growth in the near future. The City of Folkston will continue its "Quality of Life" efforts by focusing on providing the most responsive and progressive public services, within the resources provided, so that our citizens can enjoy the best possible quality of life.

The City continues to work toward bringing in new business and retaining business in Folkston. The following tools will be considered to assist the City in this effort.

1. Identify vendors conducting business with various entities (i.e. businesses, schools, etc.) to ascertain potential opportunities to local vendors
2. Continue business recruiting
3. Develop a marketing plan for the community
4. Promote appearance and safety at City limits

The FY 2022 projections continue to be conservative, yet realistic.

Requests for Information

This financial report is designed to provide a general overview of the City of Folkston finances for citizens, taxpayers, customers, investors and creditors and all others with an interest in the City. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Finance Department at the City of Folkston, 541 First Street, Folkston, Georgia 31537, or by telephone at 912-496-2563.

CITY OF FOLKSTON, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & cash equivalents	$ 2,872,198	$1,946,645	$ 4,818,843
Receivables	464,803	145,180	609,983
Inventories	0	67,462	67,462
Internal balances	(182)	182	0
Capital Assets (Note 5)			
Land and improvements	52,976	100,000	152,976
Other capital assets, net of depreciation	3,668,681	6,744,944	10,413,625
Total capital assets	3,721,657	6,844,944	10,566,601
Total assets	$ 7,058,476	$9,004,413	$16,062,889
LIABILITIES			
Accounts payable and accrued expenses	$ 33,106	$ 32,459	$ 65,565
Deposits	0	142,559	142,559
Long-term liabilities (Note 7)			
Due within one year	0	136,000	136,000
Bond Issuance Costs		(116,644)	(116,644)
Due in more than one year	0	2,050,000	2,050,000
Total liabilities	33,106	2,244,374	2,277,480
NET POSITION			
Net investment in capital assets	3,721,657	4,658,944	8,380,601
Restricted for:			
Capital improvements	262,673	0	262,673
Unrestricted (deficit)	3,041,040	2,101,095	5,142,135
Total net position	7,025,370	6,760,039	13,785,409
Total liabilities and net position	$ 7,058,476	$9,004,413	$16,062,889

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

CITY OF FOLKSTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expense	PROGRAM REVENUES: Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Business-type Activities	Total
Primary Government:							
Government activities							
General government	$ 328,212	$ 78,810	$1,158,980	$ 0	$ 909,578	$ 0	$ 909,578
Public safety	839,306	222,924	7,535	0	(608,847)	0	(608,847)
Public works	805,389	187,790	166,157	0	(451,442)	0	(451,442)
Culture & recreation	36,579	0	0	0	(36,579)	0	(36,579)
Community development	17,364	0	0	0	(17,364)	0	(17,364)
Interest on Long-term debt	0	0	0	0	(0)	0	(0)
Total	2,026,850	489,524	1,332,672	0	(204,654)	0	(204,654)
Business-type activities							
Water & sewer	1,744,444	1,400,477	0	0	0	(343,967)	(343,967)
Total	1,744,444	1,400,477	0	0	0	(343,967)	(343,967)
Total primary government	$3,771,294	$1,890,001	$1,332,672	$ 0	(204,654)	(343,967)	(548,621)
General revenues:							
Property taxes					688,839		688,839
Sales taxes					923,101		923,101
Insurance premium taxes					344,951		344,951
Franchise taxes					170,678		170,678
Alcohol taxes					77,949		77,949
Hotel/Motel taxes					17,364		17,364
Unrestricted investment earnings					711	3,839	4,550
Miscellaneous					0	0	0
Total General Revenue					2,223,593	3,839	2,227,432
Transfers					(209,143)	209,143	0
Total General Revenue and Transfers					2,014,450	212,982	2,227,432
Change in net position					1,809,796	(130,985)	1,678,811
Net position – beginning					5,215,574	6,891,024	12,106,598
Net position – ending					$7,025,370	$6,760,039	$13,785,409

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

City of Folkston, Georgia
Balance Sheet
Governmental Funds
December 31, 2021

	General	Other Govt. Funds (Nonmajor)	Capital Projects SPLOST Fund	Capital Projects TSPLOST Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$2,380,198	$ 0	$288,026	$203,974	$ 2,872,198
Receivables, net	464,803	0	0	0	464,803
Advance to Water & Sewer	(182)	0	0	0	(182)
Total Assets	$2,844,819	$ 0	$288,026	$203,974	$ 3,336,819
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 33,106	$ 0	$ 0	$ 0	$ 33,106
Total liabilities	33,106	0	0	0	$ 33,106
Fund Balances:					
Nonspendable	0	0	0	0	0
Committed	290,592	0	0	0	290,592
Restricted	977,152	0	288,026	203,974	1,469,152
Unassigned	1,543,969	0	0	0	1,543,969
Total fund balances	2,811,713	0	288,026	203,974	3,303,713
Total Liabilities and Fund Balances	$2,844,819	$ 0	$288,026	$203,974	

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. Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Page 37)	3,721,657
Net position of governmental activities (Page 18)	$7,025,370

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

CITY OF FOLKSTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Other Govt. Funds (Nonmajor)	Capital Projects SPLOST Fund	Capital Projects TSPLOST Fund	Total Governmental Funds
REVENUES					
Taxes	$1,653,520	$ 17,364	$ 0	$ 0	$1,670,884
Fines and forfeitures	155,705	0	0	0	155,705
Licenses, permits & fees	42,210	0	0	0	42,210
Intergovernmental	1,181,411	0	218,480	551,997	1,951,888
Charges for services	224,392	0	0	0	224,392
Investment earnings	667	0	43	0	710
Miscellaneous	0	0	0	0	0
Total Revenues	3,257,905	17,364	218,523	551,997	4,045,789
EXPENDITURES					
Current:					
General government	307,487	0	0	0	307,487
Public safety	841,698	0	0	0	841,698
Public works	1,021,790	0	0	0	1,021,790
Culture & recreation	36,579	0	0	0	36,579
Community development	0	17,364	0	0	17,364
Debt Service:					
Principal paid	0	0	0	0	0
Interest paid	0	0	0	0	0
Capital outlay	0	0	0	461,100	461,100
Total Expenditures	2,207,554	17,364	0	461,100	2,686,018
Excess (deficiency of revenues over expenditures	1,050,351	0	218,523	90,897	1,359,771
OTHER FINANCIAL SOURCES (USES)					
Transfers in	2,136	0	198,327	0	200,463
Transfers out	(198,327)	(0)	(209,143)	(2,136)	(409,606)
Total Other Financial Sources (Uses)	(196,191)	(0)	(10,816)	(2,136)	(209,143)
Net change in fund balances	854,160	(0)	207,707	88,761	1,150,628
Fund balances - beginning	1,957,553	0	80 319	115,213	2,153,085
Fund balances - ending	$2,811,713	$ 0	$288,026	$203,974	$3,303,713

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

CITY OF FOLKSTON, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances – total governmental funds (Page 21)	$1,150,628
Amounts reported for governmental activities in the statement of activities are different because:	
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 of capital assets recorded in the current period. (Page 37)	883,800
Depreciation recorded in the current period (Page 37)	(224,632)
Change in net position of governmental activities (Page 19)	$1,809,796

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

CITY OF FOLKSTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Enterprise Funds Water and Sewer
ASSETS	
Current assets	
Cash & cash equivalents	$ 1,946,645
Receivables, net	145,180
Inventories	67,462
Due from General Fund	182
Total current assets	2,159,469
Noncurrent assets	
Capital assets	
Land and improvements	100,000
Distribution and collection systems	14,631,896
Buildings	208,102
Equipment	841,188
Less accumulated depreciation	(8,936,242)
Total capital assets	6,844,944
Total noncurrent assets	6,844,944
Total Assets	$ 9,004,413
LIABILITIES	
Current liabilities	
Accounts payable	$ 32 459
Customer deposits	142,559
Bonds & notes payable - current	136,000
Total current liabilities	311,018
Noncurrent liabilities	
Bond issuance costs	$ (116,644)
Bonds, notes and loans payable	2,050,000
Total noncurrent liabilities	1,933,356
Total Liabilities	2,244,374
NET POSITION	
Net investment in capital assets	4,658,944
Unrestricted	2,101,095
Total net position	6,760,039
Total Liabilities and Net Position	$ 9,004,413

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

CITY OF FOLKSTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds Water and Sewer
OPERATING REVENUES	
Charges for services	$ 1,400,477
Miscellaneous	0
Total operating revenues	1,400,477
OPERATING EXPENSES	
Personnel services	592,300
Purchased services	270,310
Other supplies and expenses	346,699
Depreciation	439,220
Total operating expenses	1,648,529
Operating income (loss)	(248,052)
NONOPERATING REVENUES (EXPENSES)	
Interest	3,839
Interest expense	(95,915)
Total Nonoperating revenues (expenses)	(92,076)
Income (loss) before contributions and transfers	(340,128)
CONTRIBUTIONS AND TRANSFERS	
Capital contributions	0
Transfers in	209,143
Transfers out	0
Net contributions and transfers	209,143
Change in net position	(130,985)
Total net position – beginning	6,891,024
Total net position – ending	$ 6,760,039

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

CITY OF FOLKSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,386,890
Payments to suppliers	(607,302)
Payments to employees	(592,300)
Other receipts (payments)	0
Net cash provided by operating activities	187,288
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advance from other funds	(1,887)
Net cash provided by noncapital financing activities	(1,887)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
New revenue bonds issued	2,243,000
Old revenue bonds paid	(2,262,463)
Bond issuance cost	(120,810)
Amortization of bond issuance cost	4,166
Principal paid on capital debt	(57,000)
Purchases of capital assets	(216,743)
Transfers in (out)	209,143
Interest paid on capital debt	(95,915)
Net cash (used) by capital and related financing activities	(296,622)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	3,839
Net cash provided by investing activities	3,839
Net increase in cash and equivalents	(107,382)
Balances – beginning of the year	2,054,027
Balances – end of the year	$ 1,946,645
Reconciliation of total cash & cash equivalents	
Current assets – cash & cash equivalents	$ 1,946,645
Cash & cash equivalents	$ 1,946,645

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

CITY OF FOLKSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds Water and Sewer
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (248,052)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	439,220
Change in assets and liabilities:	
Receivables, net	(23,862)
Inventories	(22,752)
Accounts and other payables	32,459
Customer deposits	10,275
Net cash provided by operating activities	$ 187,288

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Folkston, Georgia was incorporated under the laws of the State of Georgia and operates under a mayor-council form of government. The Mayor and a five member council govern the City and are elected for four year terms. The Mayor and the Council all serve on a part-time basis. The Mayor and Council appoint a City Manager who is responsible for the daily operations of the City.

The accounting and reporting policies of the City Folkston, Georgia conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled "Audits of State and Local Governmental Units", and by the Financial Accounting Standards Board (when applicable), FASB Statements and Interpretations.

A. Financial Reporting Entity

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 61, the financial statements of the reporting entity include those of the City of Folkston. The criteria for including organizations as component units within the City's reporting entity, include whether:

a. The organization is legally separate (can sue or be sued in its own name)
b. The City holds the corporate powers of the organization
c. The City appoints a voting majority of the organization's board
d. The City is able to impose its will on the organization
e. The organization has the potential to impose a financial benefit/burden on the City
f. There is fiscal dependency by the organization on the City

Discretely Presented Component Units – Based on the GASB criteria, the City has no entities that qualify as discretely presented component units.

Blended Component Units – Based on the GASB criteria, the City has no entities that qualify as blended component units.

Joint Ventures and Related Organizations. The City is required by State law to be a member of the Regional Commission. The City pays its prorata share of operating costs and would be liable for a prorata share of any unpaid liabilities if the SGRC were to go out of existence. However, the City has no material equity interest in the Regional Commission and it is not included in these financial statements. Neither is the Folkston Housing Authority, whose members are appointed by the Mayor, because the City has no financial interest or financial control over the Authority. Financial statements are available at both organizations' offices. At year-end there were no receivables or payables between the City and these two organizations.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary 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.

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The Capital Projects Fund accounts for the Transportation Special Purpose Local Option Sales Tax and Special Purpose Local Option Sales Tax financial resources expended for purposes approved by referendum.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in net assets, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presently the following major proprietary fund:

Water and Sewer Fund –

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

C. Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions are transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange. Nonexchange transactions include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, insurance premium tax, franchise tax, licenses and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other Governmental Fund Type revenues are recognized when received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Budgetary Control

The City Charter established the fiscal year as the twelve-month period beginning January 1. The departments submit to the City Clerk a budget of estimated expenditures for the ensuing fiscal year after which the City Clerk subsequently submits a budget of estimated expenditures and revenues to the City Council by August 1.

The City follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to October 1, the City Clerk and City Manager prepare a proposed budget for the fiscal year commencing January 1.

2. The City Manager submits the proposed budget to the Mayor and Council.

3. Public hearings are held to obtain taxpayers' comments.

4. The budget is legally enacted through the passage of a resolution.

5. All revisions to the budget must be submitted to the City Council for approval.

6. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the General Fund and Proprietary Fund.

   A project length budget is adopted for all Capital Projects Funds. An operating budget is prepared for the Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into the Enterprise Fund general ledgers.

7. Budgetary appropriations lapse at the end of the fiscal year.

E. Encumbrances

The City does not use encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion on the applicable appropriation.

F. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. In lieu of a surety bond, a depository of public funds may pledge as collateral any one or more of the following securities as enumerated in OCGA 50-17-59:

a. Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the United States or of the State of Georgia;
b. Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the counties or municipalities of the State of Georgia;
c. Bonds of any public authority created by Georgia law, if the statue authorizes such use of the bonds and they have been duly validated and there has been no default in the payment of either principal or interest;
d. Industrial revenue bonds or bonds of development authorities, created by Georgia law that have been duly validated and for which there has been no default in the payment of either principal or interest; or
e. Bonds, bills, certificates of indebtedness, notes, or other obligations of a subsidiary corporation of the U.S. government that are fully guaranteed by the U.S. government both as to principal and interest; and debt obligations issued by the Federal Land Bank, The Federal Home Loan Bank, The Federal Intermediate Credit Bank, the Central Bank for Cooperative, the Farm Credit Banks, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.

Investments consist of certificates of deposit and are recorded at cost, which approximates market value.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments which original maturities of three months or less.

G. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

H. Inventories

Inventories consist of supplies and are recorded at the lower of weighted average cost or market.

I. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material.

J. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. City property tax revenues are recognized when levied to the extent that they result in current receivable.

Property taxes were levied on October 1, 2021. The assessed values are an approximation of market value as determined by the Charlton County Tax Assessor. Tax bills are mailed at least 60 days prior to the due date of January 12, 2022. For the fiscal year ended December 31, 2021, the collection period was November 1, 2021 to January 12, 2022.

A local option sales tax is in force. Proceeds for this tax are remitted to the City monthly and are utilized to give property tax owners tax relief.

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment, except for infrastructure, with individual costs that equal or exceed $2,000 are recorded as capital assets. Infrastructure with an individual cost that is equal to or exceeds $5,000 is recorded as a capital asset. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	20-50
Building and improvements	20-50
Water and sewer distribution system	20-50
Vehicles	4
Furniture and fixtures	10
Equipment	7
Computer equipment	7
Heavy machinery	7

Pursuant to GASB Statement No. 61, Phase 3 governments are not required to report major general infrastructure assets retroactively. As a result, the governmental activities column in the government-wide financial statements does not reflect those infrastructure asset projects completed before July 1, 2003. However, they do reflect those assets that were either completed during the fiscal year or considered construction in progress at year end.

L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Governmental activities compensated absences balances are liquidated through the General Fund. It is the City's policy to pay all annual vacation prior to year end so no compensated absences are recorded.

M. Federal Funds Expended

The City received $940,499 in ARPA Funds during the year. The City did not expend any of the funds. The funds will be used in 2022 for the renovation of the City sewer system.

N. Fund Balance Presentation

Fund balances of the Governmental Funds are classified as follows:

Nonspendable. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed. This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the City. Such formal action may be in the form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.

Assigned. This classification includes amounts that are intended by the City to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the governing body or official.

Unassigned. This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

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.

O. Deferred Outflows/Inflows of Resources

During the year ended December 31, 2014, the City implemented GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB 65, Items Previously Reported as Assets and Liabilities. No items were required to be considered Deferred Outflows or Deferred Inflows using this criteria.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances:

The City had no deficit fund balances at December 31, 2021.

B. Excess of expenditures over appropriations in individual departments:

The City had no departments with excess expenditures.

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits and Investments

Statutes impose various restrictions on deposits and investments. These restrictions are summarized below.

Deposits: All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. A trust department must hold the collateral. During the year, the value of the collateralized property was 110% or more of uninsured deposits.

Investments: The City is authorized to make direct investments in U.S. government, federal agency, and instrumentality obligations. In addition, the City may invest in investment-grade bonds, commercial paper rated A-1 by Standard & Poor, or P-1 by Moody's Commercial Paper Record, repurchase agreements, and the state treasurer's investment pool. When repurchase agreements are executed, the fair value of the securities must equal or exceed the cost of the repurchase agreement.

The bank balances of the City's deposits with financial institutions were $4,818,843. The bank balances are categorized as follows:

Deposits: The City's deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 – Uncollateralized, including those collateralized with securities held by the pledging financial institution, not in the City's name.

Deposits, categorized by level of risk are:

	Bank Balance	Category 1	2	3
Governmental Activities	$2,872,198	$2,872,198	$0	$0
Business-Type Activities	1,946,645	1,946,645	0	0
Total	$4,818,843	$4,818,843	$0	$0

NOTE 4: RECEIVABLES AND PAYABLES

Receivables

Receivables at December 31, 2021 were as follows:

	Accounts	Taxes	Total
Governmental activities:			
General - net		$464,803	$ 464,803
Total governmental activities		$464,803	$ 464,803
Business-type activities:			
Water and Sewer - net	$145,180		$ 145,180
Total business-type activities	$145,180		$ 145,180

Payables at December 31, 2021 were as follows:

Vendors	Total
Governmental activities:	
General	$ 33,106
Total governmental activities	$ 33,106
Business-type activities:	
Water and Sewer	$ 32,459
Total business-type activities	$ 32,459

NOTE 5 - CAPITAL ASSETS

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

Primary Government

Government activities – Net Assets Invested in Capital Assets Net of Related Debts:

	Beginning Balance	Increase	Decrease	Ending Balance
Not Being Depreciated:				
Land	$ 52,976	$ 0	$ 0	$ 52,976
Being Depreciated:				
Infrastructure	2,917,301	493,317	0	3,410,618
Buildings	479,511	0	0	479,511
Equipment	739,787	0	0	739,787
Vehicles	1,130,708	390,483	0	1,521,191
Totals	5,267,307	883,800	0	6,151,107
Less Accumulated Depreciation for:				
Infrastructure	603,846	85,266	0	689,112
Buildings	186,803	11,988	0	198,791
Equipment	682,192	17,897	0	700,089
Vehicles	784,953	109,481	0	894,434
Totals	2,257,794	224,632	0	2,482,426
Depreciable – Net	3,009,513	659,168	0	3,668,681
Capital Assets – Net	3,062,489	659,168	0	3,721,657
Notes Payable	0	0	0	0
Capital Assets Net of Related Debt	$3,062,489	$ 659,168	$ 0	$3,721,657

Current year increases in the accumulated depreciation of the capital assets were allocated to the governmental functional activities as follows:

General government	$ 20,725
Public works	147,363
Public safety	56,544
Total	$224,632

Business-type activities – Net Assets Invested in Capital Assets Net of Related Debts:

	Beginning Balance	Increase	Decrease	Ending Balance
Not Being Depreciated:				
Land	$ 100,000	$ 0	$ 0	$ 100,000
Being Depreciated:				
Buildings	208,102	0	0	208,102
System Improvements	14,422,753	209,143	0	14,631,896
Equipment	833,588	7,600	0	841,188
Totals	15,464,443	216,743	0	15,681,186
Less Accumulated Depreciation for:				
Buildings	172,385	5,203	0	177,588
System Improvements	7,637,214	393,485	0	8,030,699
Equipment	687,423	40,532	0	727,955
Totals	8,497,022	439,220	0	8,936,242
Depreciable – Net	6,967,421	(222,477)	0	6,744,944
Capital Assets – Net	7,067,421	(222,477)	0	6,844,944
Notes Payable	0	0	0	0
Bond issuance costs	0	(120,810)	(4,166)	(116,644)
Revenue Bonds	2,262,463	2,243,000	2,319,463	2,186,000
Totals	2,262,463	2,122,190	2,315,297	2,069,356
Capital Assets Net of Related Debt	$4,804,958	$(2,344,667)	$2,315,297	$4,775,588

Construction commitments

As of December 31, 2021, the City had no commitments with respect to unfinished capital projects.

NOTE 6: INTERFUND BALANCES AND ACTIVITY

Interfund balances at December 31, 2021	
Due from General Fund	$ 182
Due to Proprietary Fund	(182)
	$ 0

The Interfund Balances were for December 2021 water and sewer expenses reimbursed in January 2021.

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Transfers between funds during the year	
Transfer from General Fund-SPLOST expense paid	$(198,327)
Transfer to SPLOST Fund	198,327
Transfer from TSPLOST Fund-reimburse expense	(2,136)
Transfer to General Fund	2,136
Transfer from SPLOST Fund- Sewer improvements	(209,143)
Transfer to Proprietary Fund	209,143

NOTE 7: LONG-TERM OBLIGATIONS

Long-term debt of the proprietary fund outstanding at December 31, 2021, consisted of a 2014 Issue with a balance of $0. The Revenue Bonds were issued September 2014, with a first payment date of October 1, 2014.

In April 2021, the City issued the Series 2021 Revenue Bonds. The Series 2021 Bonds were issued in the amount of $2,243,000 for the purpose of refunding the Series 2014 Revenue Bonds and paying the cost of issuance of the Series 2021 Revenue Bonds. Principal payments on the Series 2021 are due annually beginning October 1, 2021 and mature on October 1, 2035. Interest rate on the 2021 Bonds is 2.100% with interest due semi-annually on April 1 and October 1, beginning October 1, 2021.

Debt service requirements to maturity for the revenue bonds at December 31, 2021, are as follows:

2021 Revenue Bonds

	Principal Balance	Principal	Interest	Total
		$	$	$
2022	2,186,000	136,000	45,906	181,906
2023	2,050,000	141,000	43,050	184,050
2024	1,909,000	141,000	40,089	181,089
2025	1,768,000	146,000	37,128	183,128
2026	1,622,000	145,000	34,062	179,062
2027	1,477,000	155,000	31,017	186,017
2028	1,322,000	154,000	27,762	181,762
2029	1,168,000	158,000	24,528	182,528
2030	1,010,000	162,000	21,210	183,210
2031	848,000	161,000	17,808	178,808
2032	687,000	169,000	14,427	183,427
2033	518,000	171,000	10,878	181,878
2034	347,000	173,000	7,287	180,287
2035	174,000	174,000	3,654	177,654
Total		$2,186,000	$ 358,806	2,544,806

Original Bond Amount	$2,243,000
Interest Rate	2.100%
Date of Bond	4/01/2021
Purpose of Bond	Refunding Series 2014 Bonds issued For Sewer Upgrades

Changes in Long Term Liabilities:

	Beginning	Additions	Reductions	Ending	Due Within One Year
Business Type Activities:					
Bonds Payable					
2014 Revenue Bonds	$ 2,262,463	$ 0	$2,262,463	$ 0	$ 0
2021 Revenue Bonds	0	2,243,000	57,000	2,186,000	136,000
Net Changes	$ 2,262,463	$2,243,000	$2,319,463	$ 2,186,000	$136,000

NOTE 8: RETIREMENT BENEFITS

City of Folkston 401(a) Plan (The Plan)

Plan description and funding requirements. The Plan is a defined contribution pension plan established by AXA Equitable and administered by AXA Advisors to provide retirement benefits for all full-time City employees. Plan members are allowed to make voluntary contributions to the Plan. The Plan allows, but does not require, the City to contribute 4 percent of the annual covered payroll of plan participates. Plan provisions and contribution requirements are established by the Master Plan of the Equitable Life Assurance Society of the United States and may be amended by the Equitable Life Assurance Society of the United States. All amendments must meet the acceptability of the Internal Revenue Code. Total contributions for the year ended December 31, 2021, were $37,099 by the City. Employees chose not to make any contributions during the year.

NOTE 9: RISK MANAGEMENT

The City maintains third party coverage for claims arising from property and casualty claims, general liability claims, and medical claims.

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City has joined the Georgia Interlocal Risk Management Agency (GIRMA). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a city interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect, in accordance with the member government contract and related coverage descriptions, any member of GIRMA against liability or loss.

The City must participate at all times in at least one fund, which is established by GIRMA. Other responsibilities of the City are as follows:

To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.

To select a person to serve as a Member representative.

To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.

To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.

To assist and cooperate in the defense and settlement of claims against the City.

To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.

To furnish to GIRMA such budget, operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any fund established by GIRMA being required to pay claim for loss or injuries to municipal property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

The City retains the first $5,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the $5,000 deductible.

Pursuant to the official Code of Georgia Annotated, the City of Folkston became a member of GIRMA Workers' Compensation Self-Insurance Fund (WCSIF). The liability of the fund to the employees of the City of Folkston is specifically limited to such obligations as are imposed by applicable state laws against the employer or workers' compensation and/or employer's liability.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

Settled claims in the past three years have not exceeded the coverages.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

The City participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. The amount, if any, of disallowed expenditures discovered in future audits is expected to be immaterial.

Litigation

Based on the advice of the City attorney, there were no material claims outstanding against the City at December 31, 2021.

NOTE 11: RECONCILIATION OF TOTAL EXPENDITURES TO TOTAL EXPENSES GOVERNMENTAL ACTIVITIES

"Total expenditures" for governmental funds $2,686,018 differs from "Total expenses" for activities $2,026,850 reported in the Statement of Activities. The differences primarily arise from the long-term economic focus of the Statement of Activities versus the current spending focus of the governmental funds and expenses in the Statement of Activities are revealed in the table below. Detailed explanations of certain net or combined adjustments are also provided below.

	Governmental Fund Expenditures	Capital Related Items	Statement of Activities Expenses
Current Operating:			
General government	$ 307,487	$ 20,725	$ 328,212
Public safety	841,698	(2,392)	839,306
Public works	1,021,790	(216,401)	805,389
Culture and recreation	36,579	0	36,579
Community development	17,364	0	17,364
Capital Outlay	461,100	(461,100)	0
Totals	$2,686,018	$ (659,168)	$2,026,850
	(Page 21)	(Page 37)	(Page 19)

NOTE 12: JOINT VENTURES

Southern Georgia Regional Commission (SGRC)

The City of Folkston, Georgia, along with the cities and counties in the eight county Southeast Georgia area, is a member of the Southern Georgia Regional Commission (SGRC). Membership in a SGRC is automatic for each municipality and county in the state. The Official code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provided for the organizational structure of the SGRC. Each county and municipality in the state is required by law to pay minimum annual dues to the SGRC. The Board of the SGRC is comprised of not less than two or more than five representatives of each member county served by the SGRC. The manner of selecting such representatives from each member county is as follows:

a. The chief elected official or the chair of the board of commissioners of each county served by the SGRC shall be a member (or a designated government official).
b. One elected or appointed municipal government official from each city served by the SGRC. The mayors of the municipalities in such county shall select the municipal representative of that county.
c. Not less than ten or more than twenty public members.
d. A minority representation, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest United States Census.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines SGRC as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a SGRC beyond its resources. (OCGA 50-8-39.1)

Complete financial statements of the Southern Georgia Regional Commission can be obtained directly from the SGRC's administrative office at 3395 Harris Road, Waycross, Georgia.

NOTE 13: FUND BALANCE

The City records five categories of fund balance as defined in Note 1, Section N. The five types are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance is classified by amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

	General Fund	TSPLOST Fund	SPLOST Fund
Nonspendable. The following fund Balance is nonspendable for:	$ 0		
Committed. The following fund Balances are committed for:			
Committed for capital asset replacement	$262,673		
Committed for railroad museum	14,582		
Committed for drug investigations	13,337		
	$290,592		
Restricted, The following fund Balances are restricted for:			
Restricted for Police Department	$ 36,578		
Restricted for ARPA Expense	940,574		
Restricted for TSPLOST Expense	0	$203,974	
Restricted for SPLOST Expense	0	$ 0	$288,026
	$977,152	$203,974	$288,026

NOTE 14: SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 8, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether change in the financial statements would be required.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FOLKSTON, GEORGIA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual (Budgetary	Variance with
	Original	Final	Basis)	Final
Revenues				
Taxes	$1,522,297	$2,001,079	$1,653,520	$(347,559)
Fines and forfeitures	140,000	140,000	155,705	15,705
Licenses and permits	42,100	42,100	42,210	110
Intergovernmental	252,127	1,314,194	1,181,411	(132,783)
Charges for services	256,140	256,140	224,392	(31,748)
Investment earnings	1,400	1,400	667	(733)
Miscellaneous	206,250	206,250	0	(206,250)
Total Revenues	2,420,314	3,961,163	3,257,905	(703,258)
Expenditures				
Current:				
General government	468,415	1,538,320	307,487	1,230,833
Public safety	804,601	844,601	841,698	2,903
Public works	1,064,513	1,495,457	1,021,790	473,667
Culture & recreation	82,785	82,785	36,579	46,206
Community development	0	0	0	0
Debt service:				
Principal paid	0	0	0	0
Interest paid	0	0	0	0
Total Expenditures	2,420,314	3,961,163	2,207,554	1,753,609
Excess of revenues over (under) expenditures	0	0	1,050,351	1,050,351
Other Financing Sources (Uses)				
Note proceeds			0	0
Transfers in	0	0	2,136	2,136
Transfers (out)	0	0	(198,327)	(198,327)
Total Other Financing	0	0	(196,191)	(196,191)
Net Change in Fund Balance	0	0	854,160	$ 854,160
Fund Balance beginning	0	0	1,957,553	
Fund Balance ending	$ 0	$ 0	$2,811,713	

Note to RSI:
Budget is prepared using the accounting principles generally accepted in the United States of America.

COMPLIANCE SECTION

STATE OF GEORGIA HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2021

Total Funds Expended for Tourism	$ 34,664
Revenue from Hotel/Motel Tax	17,364
Expenditures as a Percentage of the Revenue	199%

During the year ended December 31, 2021, the City of Folkston, Georgia, complied with OCGA 48-31-51 in regards to spending of the Hotel/Motel Tax as shown above. The expenditures were audited as part of the audit of the City of Folkston, Georgia with no errors found.

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

To the Mayor and City Council
The City of Folkston
Folkston, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Folkston (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 of Folkston's basic financial statements and have issued my report thereon dated June 8, 2022.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald G. Crews, CPA

Donald G. Crews, CPA
Folkston, Georgia
June 8, 2022

CITY OF FOLKSTON, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF PROJECTS CONSTRUCTED
WITH TRANSPORTATION SPECIAL PURPOSE
LOCAL OPTION SALES TAX PROCEEDS

PROJECT DESCRIPTION	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
Public Works Road Projects					
Homeland Bridge (Replaced)	$ 500,000	$500,000	$504,610	$ 0	$504,610
Tower Street (Drainage & Resurfacing)	$ 523,467	$523,467	$ 10,936	$461,100	$472,036
	$1,023,467	$1,023,467	$515,546	$461,100	$976,646

Expenditures:

Resurface and improve Drainage on Tower Street	$461,100
Total	$461,100

CITY OF FOLKSTON, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROCEEDS - 2020

PROJECT DESCRIPTION	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	
Water and Street Improvements	$1,200,000	$1,200,000	$ 28,048	$209,143	$237,191	20%
	$1,200,000	$1,200,000	$ 28,048	$209,143	$237,191	

Expenditures:

Paxton Road Utility Relocation	$209,143
Total	$209,143

$218,480 was received from Charlton County in 2021, for the 2020 SPLOST Funds. The SPLOST proceeds are to be used for renovation, improvement, expansion and purchase of personal property relating to streets, sidewalks, water and wastewater system and other public facilities in the City of Folkston,

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

CITY OF FOLKSTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds Water and Sewer		
	WATER	SEWER	TOTAL
OPERATING REVENUES			
Charges for services	$ 755,044	$ 645,433	$ 1,400,477
Miscellaneous	0	0	0
Total operating revenues	755,044	645,433	1,400,477
OPERATING EXPENSES			
Personnel services	485,633	106,667	592,300
Purchased services	132,435	137,875	270,310
Other supplies and expenses	109,070	237,629	346,699
Depreciation	219,610	219,610	439,220
Total operating expenses	946,748	701,781	1,648,529
Operating income (loss)	(191,704)	(56,348)	(248,052)
NONOPERATING REVENUES (EXPENSES)			
Interest	1,920	1,919	3,839
Interest expense	0	(95,915)	(95,915)
Total Nonoperating revenues (expenses)	1,920	(93,996)	(92,076)
Income (loss) before contributions And transfers	(189,784)	(150,344)	(340,128)
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	0	0	0
Transfers in	0	209,143	209,143
Transfers out	0	0	0
Net contributions and transfers	0	209,143	209,143
Change in net position	$(189,784)	$ 58,799	(130,985)
Total net position – beginning			6,891,024
Total net position – ending			$ 6,760,039