

CITY OF ROYSTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2021

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CITY OF ROYSTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

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RUSHTON

ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Royston, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Royston, Georgia, as of and for the year ended June 30, 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

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Royston, Georgia, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in conformity 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 the required supplementary information on pages 4 through 16 and 64 through 71, respectively, 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Royston, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate 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 our opinion, the combining and individual fund financial statements and schedules and schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Royston, Georgia's basic financial statements for the year ended June 30, 2020, which are not presented with the accompanying financial statements. In our report dated November 17, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Royston, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2020 basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 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 2020 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of the City of Royston, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Royston, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
October 22, 2021

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CITY OF ROYSTON

"A MAIN STREET COMMUNITY"

Mayor:	David L. Jordan	City Manager:	Edward Andrews
Mayor Pro-Tem:	Keith Turman	Finance Office/City Clerk:	Sharleen Ayers
Council Members:	Matt Fields	City Judge:	F. Mayes Davison
	Wayne Braswell	Election Superintendent:	Beverly Pullian
	Larry Bowen		
	Kenneth Roach		
	Lee Strickland		

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Royston, it is our pleasure to present this narrative discussion and analysis of the City of Royston's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2021. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Royston. This analytical information is designed to be read in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City of Royston's assets exceeded its liabilities at June 30, 2021 by $16,487,725 (reported as *net position).*
- As of June 30, 2021, Royston's governmental funds reported combined ending fund balances of $2,108,303. Approximately 58% of this total amount, $1,229,798, is available for spending at the City Council's discretion (unreserved fund balance).

More detailed information regarding these activities and funds begins on page 8.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City of Royston's basic financial statements. The City of Royston's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the City as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Royston and is designed to provide readers with a broad overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about the City of Royston using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

The purpose of the ***Statement of Net Position*** (pages 17-18) is to report all the assets held and liabilities owed by the City. The City reports all its assets when it acquires ownership over the assets and reports all its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position.* Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The ***Statement of Activities*** (page 19), on the other hand, presents the revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position.* The primary focus of the Statement of Activities is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide the City of Royston into three types of activities:

- ***Governmental Activities*** – Most of the City's basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.

- ***Business-type Activities*** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City's natural gas system, water and sewer system, and garbage collection fees are reported in this category.

- ***Discretely Presented Component Unit*** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The Downtown Development Authority, although legally separate, functions for all practical purposes as a department of the City of Royston, and therefore has been included as an integral part of the primary government.

The City's government-wide financial statements are presented on pages 17-19.

Fund Financial Statements (Reporting the City's Major Funds)

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to tract specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 72. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however governmental fund financial statements focus on the short-term view of the City's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these 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. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided at the bottom of each statement.

In addition to the General Fund, which is considered a major fund, the City of Royston maintains two governmental fund types:

1. Special Revenue Funds
2. Capital Projects Funds

The City of Royston adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The City's basic governmental fund financial statements are presented on pages 20-24 of this report.

- ***Proprietary Funds*** – When the City charges customers for the services it provides – whether to outside customers or to other departments of the City – these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Royston uses enterprise funds, which are considered major funds, to account for its Natural Gas system, Water and Sewer system, and Solid Waste functions.

  The City's proprietary fund financial statements are presented on pages 25-29.

- ***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Royston's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City acts as a trustee or fiduciary for the Municipal Court Custodial Fund.

  The City's fiduciary fund financial statements are presented on pages 30-31.

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 on pages 32-63 of this report.

Required Supplementary Information

The required supplementary information provides additional information on the City's defined benefit pension plan. This information is necessary to provide a complete picture of the changes in the City's net pension liability. The required supplementary information can be found on pages 64-71.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 21 and 23), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual-to-accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred revenue on the fund statements. Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.

- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this year is summarized as follows based on the information included in the government-wide financial statements (see pages 17-19):

City of Royston
Net Position (Financial Position)
Fiscal Years 2020 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2020	**2021**	**2020**	**2021**	**2020**	**2021**
Current assets	$ 1,986,730	$ 2,346,641	$ 3,461,806	$ 4,356,086	$ 5,448,536	$ 6,702,727
Capital assets	4,911,973	4,914,116	7,985,779	7,881,546	12,897,752	12,795,662
Total assets	6,898,703	7,260,757	11,447,585	12,237,632	18,346,288	19,498,389
Total deferred outflows of resources	93,597	83,074	69,400	59,701	162,997	142,775
Current liabilities	182,277	282,921	410,678	423,790	592,955	706,711
Noncurrent liabilities	310,869	272,106	2,351,850	2,107,701	2,662,719	2,379,807
Total liabilities	493,146	555,027	2,762,528	2,531,491	3,255,674	3,086,518
Total deferred inflows of resources	31,054	37,446	23,502	29,475	54,556	66,921
Net Position						
Net investment in capital assets	4,873,777	4,867,544	5,678,021	5,774,485	10,551,798	10,642,029
Restricted	771,729	837,168	0	0	771,729	837,168
Unrestricted	822,594	1,046,646	3,052,934	3,961,882	3,875,528	5,008,528
Total net position	$ 6,468,100	$ 6,751,358	$ 8,730,955	$ 9,736,367	$ 15,199,055	$ 16,487,725

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Royston exceeded liabilities by $16,487,725 at the close of the current year. However, much of the net position either is restricted for the purposes for which they can be used or are invested in capital assets.

The largest portion of the City of Royston's net position reflects its net invested in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's invested 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.

The unrestricted governmental net position increased due to several factors of recent financial activity; revenues exceeded expenditures due to conservative revenue budgeting. The City continues sustain prior year fund balance in reserve because of current economic conditions.

Factors that affected the City's original budget forecast for fiscal year 2021 contributed to the city's continued focus on major infrastructure projects and current fixed assets maintenance, which are mechanical mechanisms for the Gas, Water, Sewer, Street, Police Department, Fire Department, and Sanitation. Of all planned projects, 85% were completed; of the major projects, most were completed within budget. However, the city "will continue" to experience the effects of the global pandemic (COVID 19), which put the entire State of Georgia, and its Municipalities in unexpected positions financially and required unexpected expenditures related to the Public Health and Safety of each employee, citizen, and visitor throughout. City of Royston will continue to ensure measures that were implemented to control cost and expenditures continue to be managed accordingly.

Additionally, within the General Fund coupled with an increase in revenues within the Gas, Water/Sewer, and Sanitation Fund resulted in total revenues exceeding expenditures and were total contributing factors for the positive Net Position at year end. In the last three years the city has reduced its reliance upon a substantial Gas transfer to stabilize the General Fund, which has enabled a more realistic picture of what is required from an operational view.

GAS DEPT:

Gas continues to be a major financial sustainer aided by the Bold Springs expansion that serves over 76 poultry houses, 14 residents and 2 Churches in the Bold Spring area of Franklin County. During fiscal year 2021, the city completed one smaller expansion to the Bold Springs area. The city will continue focus on gas line maintenance and potential new customers that were outlined and approved in the fiscal year 2022 budget. As the 2022 budget is underway, the potential of new volume customers, i.e. smaller poultry farms, residential and small businesses within the city's service area will support expansion possibilities. Major projects will impact the City of Royston over the next 5 years due to the proposed widening of State Route 17, as Royston Natural Gas' arterial feeds run along this route. This expansion will require detailed in-depth funding options, engineering, and construction. This will be a major investment for the city and aid the ability to serve the requested MCF's of gas per hour of larger industrial possibilities.

WATER DEPT:

The Wastewater Treatment Plant responded to issues that were identified by the City and EPD early in 2016 by finalizing the approved upgrades and construction on November 1, 2019. These changes have proved to be productive to achieving the required EPD compliance standards. Fiscal year 2021 continued with a gain as did the past three years. During fiscal year 2021, an unexpected surge of new residential development brought additional expenses for water and sewer taps that were not projected, however, both water and sewer were sustainable.

Fiscal year 2022 is expected to see an increase in water demands due to our current water agreement with Franklin Springs to supply water to 100% of their customers, and with an increase of demand from Madison County and Hart County. For planning fiscal years 2023-2025, intergovernmental agreement updates will need to be a priority for The City. The City continues to hold fast on providing quality distribution services and water production. Lift Station Rehabilitation continues with nine of ten lift station projects completed. Water/Sewer infrastructure improvements are consistently underway. Water Tank maintenance was completed as planned and budgeted for in fiscal year 2021 and fiscal year 2022. Water expansion, water intake, water plant production, and well development will be priority for fiscal year 2022-2024.

The water department continues to incur rising cost in materials and chemicals caused by the economy and availability of products associated with water and wastewater processes. New housing development will require additional Lift Station Pump maintenance, repairs, and replacements requiring additional funding for fiscal years 2022-2025. Water rate increases that were passed by council in fiscal year 2016 continue to be positive. To meet the budgetary and GEFA compliance requirements, Water & Sewer rates will require review at the beginning of 2022, no later than Spring of 2022. A review of for municipal rates and county rates resulting in updated agreements need to be addressed by October 2022.

SANITATION DEPT:

During fiscal year 2021, the city continued to focus on business equipment replacement such as carts & dumpsters. Sanitation rates and fees associated with roll-off container services and residential services that council addressed for fiscal year 2019 and implemented fiscal year 2020 have been positive. This increase of Fees continues to improve revenues. The city's statement in the 2019 Management's Discussion & Analysis, where management discussed changes within the Sanitation department should continue to reveal actual cost and revenues over the next 24 months, reflected within its year end financials. As discussed in prior years, the concern for the next fiscal year is that landfill fees increased beginning January 1, 2020, and again in 2021, and these increases were considered for fiscal year 2021 budgeting. However, a review of mid-fiscal year 2022 will determine a potential fee increases while the economy continues to dictate major cost inflations with waste refuse. Capital Purchase of a new Sanitation Truck was necessary for fiscal year 2021 to provide a more cost-effective department. Currently the Sanitation department has new equipment that will allow the city to build a fund balance that effectively supports a responsible major equipment replacement process over the next four years.

GENERAL FUND:

During fiscal year 2021, the city experienced some reductions in workers compensation insurance through the GMA program, that will continue to reduce this cost overall, with added stability through employee medical insurance for fiscal year 2022, just as with 2021 showing no increase in premiums. Tax collections continue to exceed budgeted tax revenue for fiscal year 2021, an increase over 2020. The city continues to take responsible and proactive measures to ensure financial stability, expenditure and budgeting oversight, and cost saving processes which will allow for future growth.

Capital expenditures in fiscal year 2021 funded from budget and investment gains through Gas Revenues, SPLOST V Grant Revenues, insurance proceeds from covered vehicle loss, CARES and ARPA funding from State and Federal Grant processes, each having a positive and direct impact on the 2021and 2022 budget. SPLOST V budgeting for 2021 now matches projects and has been implemented to match the SPLOST referendum. The availability of SPLOST V & LMIG funding from the State of Georgia continues to reduce financial strain on the General Fund. The City of Royston continues apply for Public Safety Grants through FEMA / GEMA that will cover a percentage of costs associated with the equipment needs within the Fire Department. However, the city has planned in the fiscal year 2022 budget for shortfalls within and plans to meet needs that are deemed critical.

The Street Department and Downtown Development Authority will continue to have areas that increase cost, but in a direct and positive way, through continued road and street maintenance and downtown business interest. The city continues to maintain a one hundred acre plus green space which includes parks, roadways, and cemetery in addition to city rights-of-way. LMIG funds applied to street paving and emergency repairs on major street issues contribute to the 70 % of major resurfacing projects. During fiscal year 2021, the city completed .75 miles of street resurfacing and repaired emergency flood damage on a major storm water area, (Pine-Valley) with LMIG 2019 funding. Without this funding, these costs could have increased the fiscal year 2021 general fund budget an additional $100,000. 2019 LMIG reallocation approval was granted. The reallocation being a change from the original planned repaving to a major storm water and road repair.

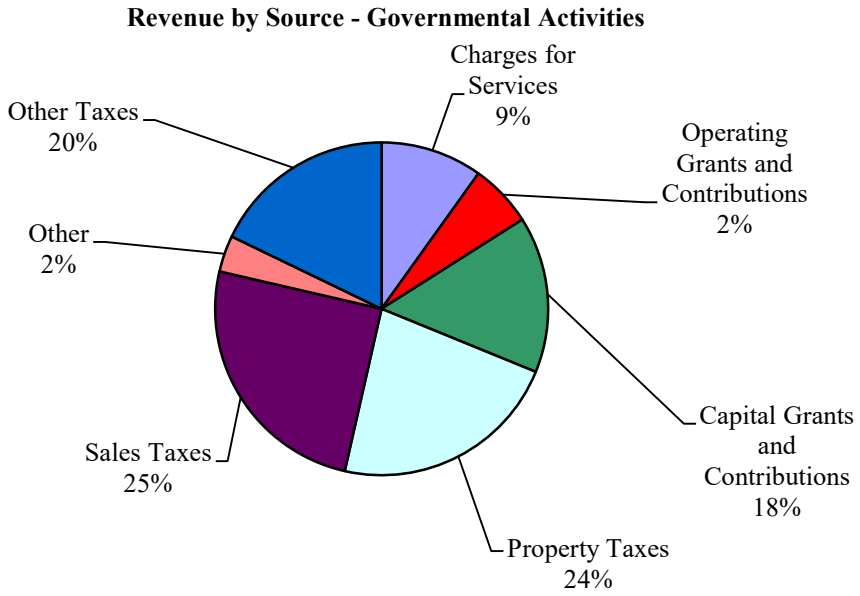
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Royston's net position changed during the year.

City of Royston
Changes in Net Position
For Fiscal Years 2020 and 2021

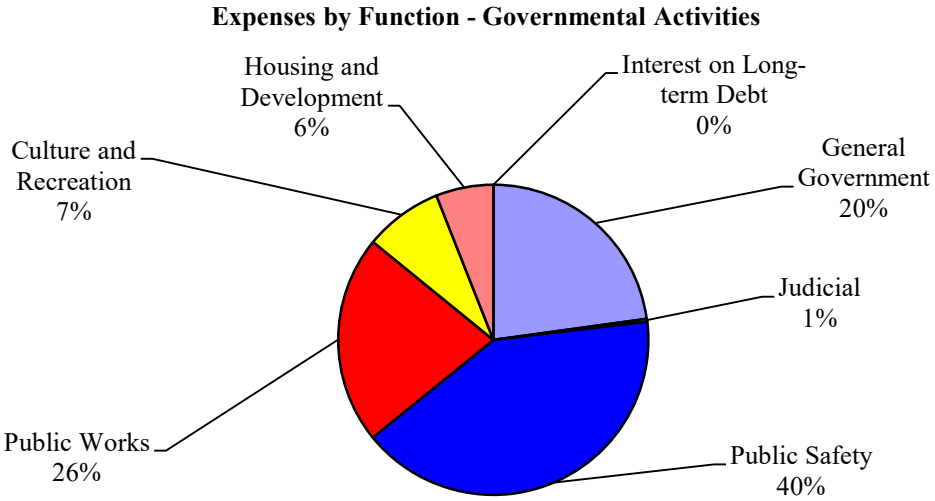
	Governmental Activities		Business-Type Activities		Total	
	2020	**2021**	**2020**	**2021**	**2020**	**2021**
Program revenues:						
Charges for services	$ 231,104	$ 281,507	$ 4,205,019	$ 4,294,898	$ 4,436,123	$ 4,576,405
Operating grants and contributions	47,763	174,449	0	0	47,763	174,449
Capital grants and contributions	468,746	431,894	166,044	0	634,790	431,894
General revenues:						
Property taxes	612,624	637,241	0	0	612,624	637,241
Sales tax	638,304	713,300	0	0	638,304	713,300
Other taxes	505,225	508,658	0	0	505,225	508,658
Interest and investment earnings	2,204	1,754	6,210	5,710	8,414	7,464
Miscellaneous revenue	63,955	98,893	0	0	63,955	98,893
Total revenues	2,569,925	2,847,696	4,377,273	4,300,608	6,947,198	7,148,304
Expenses						
General Government	545,793	581,605	0	0	545,793	581,605
Judicial	8,169	7,881	0	0	8,169	7,881
Public Safety	1,097,695	1,045,606	0	0	1,097,695	1,045,606
Public Works	715,432	554,061	0	0	715,432	554,061
Culture and Recreation	203,165	206,999	0	0	203,165	206,999
Housing and Development	153,891	152,651	0	0	153,891	152,651
Water and sewer	0	0	1,093,415	1,219,270	1,093,415	1,219,270
Natural gas	0	0	1,813,387	1,762,801	1,813,387	1,762,801
Sanitation	0	0	314,999	328,760	314,999	328,760
Total expenses	2,724,145	2,548,803	3,221,801	3,310,831	5,945,946	5,859,634
Increase (decrease) in net position before tranfers	(154,220)	298,893	1,155,472	989,777	1,001,252	1,288,670
Transfers	45,969	(15,635)	(45,969)	15,635	0	0
Increase (decrease) in net position	(108,251)	283,258	1,109,503	1,005,412	1,001,252	1,288,670
Net position - beginning	6,576,351	6,468,100	7,621,452	8,730,955	14,197,803	15,199,055
Net position - ending	$ 6,468,100	$ 6,751,358	$ 8,730,955	$ 9,736,367	$ 15,199,055	$ 16,487,725

Governmental Activities –

The following chart depicts revenues of the governmental activities for the year:

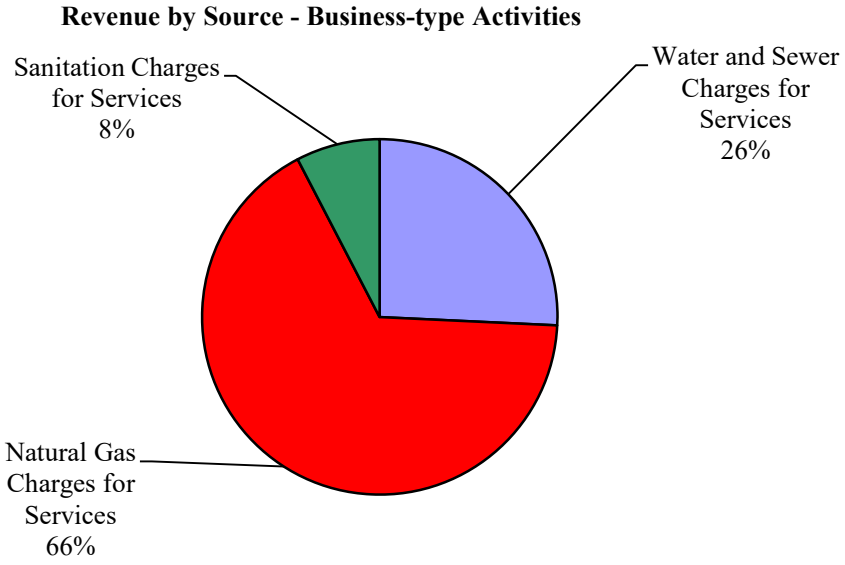


The following chart depicts the expenses of the governmental activities for the year:

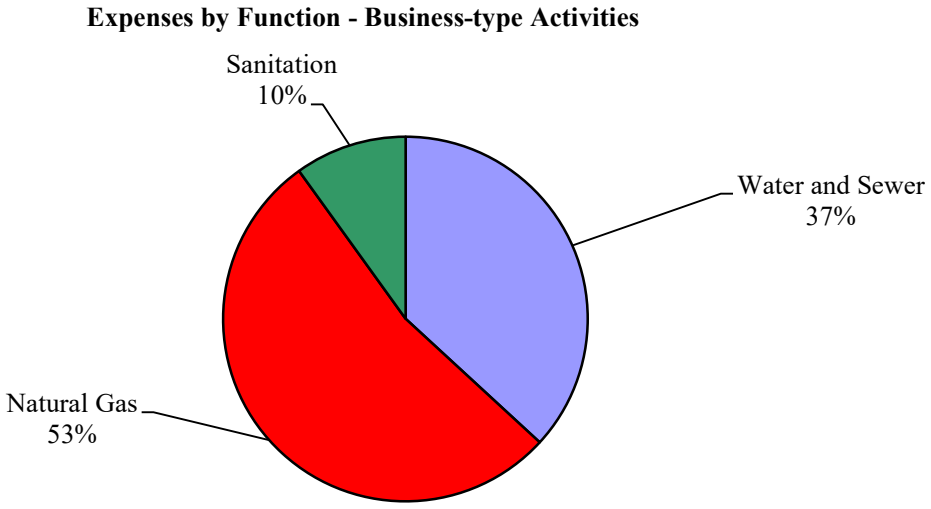


Business-type Activities –

The following chart depicts the revenues of the business-type activities:



The following chart depicts the expenses of the business-type activities:



Financial Analysis of the City's Funds

As noted earlier, the City of Royston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As the City completed this year, its governmental funds reported a combined ending fund balance of $2,108,303. Of this amount, $1,229,798 (58%) constitutes unreserved fund balance, which is available for appropriation for the general purposes of the funds. The remainder of fund balance is reserved or designated for projects and is not available for spending.

The **General Fund** is the chief operating fund of the City. At the end of the current year, unreserved fund balance of the General Fund was $1,229,798 and the total fund balance reached $1,300,420. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 51% of the total General Fund expenditures, while total fund balance represents 54% of that same amount.

The **Franklin County SPLOST #5** Fund is the capital projects fund that is used to account for long-term projects financed by the passage of the Franklin County Special Purpose Local Option Sales Tax #5. At the end of the current year, restricted fund balance of this fund was $723,994.

General Fund Budget Highlights

The original budget for the General Fund was amended by various additional revenues and appropriations approved after the beginning of the year. The overall General Fund has remained under budget for the past several years, from the continuous efforts to reduce the general fund budget each year. As we approach fiscal year 2022, the city has taken action on reviewing priority capital projects and working budgetary efforts to ensure sustainability of revenue sources.

General Fund expenditures were $2,416,104 with appropriations of $2,617,427. Appropriations were made in both the fiscal year 2020 and 2021 budgets to purchase two new patrol units and an update to the financial software system that had not been improved since 2007. Additional necessary capital purchases were offset from funds provided by SPLOST V from Franklin and Hart County.

Proprietary Funds

The City of Royston's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the City's three proprietary funds totaled as follows:

- Water and Sewer Utility $4,014,414
- Natural Gas Utility $5,428,244
- Sanitation $ 293,709

The total increase in net position for the three funds was $1,005,412. Other factors concerning the finances of these three funds have already been addressed in the discussion of The City's business-type activities.

Capital Assets and Debt Administration

Capital Assets. The City of Royston has invested $12,795,662 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 62% of these investments are related to business-type activities and approximately 38% relates to governmental activities.

Capital assets held by the City at the end of the current year are summarized as follows:

	Governmental Activities	Business-type Activities	Total
Land	$ 515,144	$ 81,702	$ 596,846
Buildings	4,447,293	206,501	4,653,794
Land improvements	2,460,011	24,644	2,484,655
Distribution system	0	14,528,546	14,528,546
Vehicles and equipment	3,075,674	1,786,387	4,862,061
Furniture and fixtures	78,513	0	78,513
Software	94,030	0	94,030
Construction in progress	135,893	0	135,893
Total	10,806,558	16,627,780	27,434,338
Accumulated depreciation	(5,892,442)	(8,746,234)	(14,638,676)
Net Capital Assets	$ 4,914,116	$ 7,881,546	$ 12,795,662

Additional information on the City of Royston's capital assets can be found in the Notes to the Financial Statements, Exhibit A-13, on pages 50-51 of this report.

Long-term debt. On June 30, 2021, the City of Royston had $1,805,810 in notes payable and $270,75 in capital leases outstanding.

City of Royston
Outstanding Debt
as of June 30, 2021

	Business-type Activities
Capital leases	$ 270,745
Notes payable	1,805,810
Total	$ 2,076,555

The City decreased its long-term debt in fiscal year 2021 by $231,203. Additional information on the City's long-term debt can be found in the notes to the Financial Statements, Exhibit A-13, on pages 52-53 of this report.

ECONOMIC CONDITION AND OUTLOOK:

The City of Royston has been able to adjust to the needs of the city through a managed spending plan and budgeting process. This has allowed the city to prepare itself for continued economic growth and health. Through this, the city will experience business growth as more interested parties continue to inquire of the potential of growing a small business within the City of Royston. The city will continue to stay steadfast, ensuring that it compares well with other municipalities within the State of Georgia. Of the governing factors considered for the fiscal year 2022 budget planning were to:

- Ensure that we can better service the city and its responsibilities through planning.
- Implement quarterly financial planning and committee involvement. (Proven to be productive)
- Hire qualified, competent employees to fill key positions left by retirees. (Supervisory fills and Financial Officer definitely has made a difference)
- Ensure educational needs of staff. (Ongoing, COVID pandemic delayed much of FY20-21 plan)
- Continue to show accurate accountability through proper procurement process. (Accounting software fully implemented)
- Natural Gas will continue to be one of our biggest revenue sources, future planning for required maintenance and service area needs.
- Potential large Natural Gas customer industry: (Pending)
- Street & Sidewalk resurfacing and replacing through Budgeting, LMIG, GDOT Grant and SPLOST funds being used.
- Equipment replacement (Mini-X -Bucket Truck / Fire Department PPE equipment needs)
- New Amphitheater in Wellness Park (SPLOST funding, local funding late fiscal year 2019-2020) Planning began October 2020, (Under Way January 2021 and 75% Complete)
- Fiber Optic capability for businesses in the works for fiscal year 2022 (Possible revenue source, still planning). (ARPA Available funding)
- Revitalization of two additional parks: Memorial Park at City Hall and Tony Jones Park. (Will require funding)
- Plans for upgrading current wellness equipment within Wellness Park. (Mostly complete but still active and ongoing) SPLOST Funds to be used.
- The ability to apply for grants for the Fire Dept, Police Dept, and Parks & Recreation to allow for reduced cost to the General Fund.
- Housing and Business development needs, working with the DCA and Economic groups to aid in planning forward. (Housing development for the past 14 months has been rapid, this has and will continue to be an area of development that needs attention)
  "Opportunity to grow"!

Contacting the City's Financial Services Department

This financial report is compiled to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Royston's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

City of Royston
634 Franklin Springs Street
Royston, GA 30662

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BASIC FINANCIAL STATEMENTS

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,930,232	$ 3,601,222	$ 5,531,454	$ 10,775
Certificates of deposit	82,385	154,701	237,086	0
Restricted assets				
Cash and cash equivalents	30,130	102,614	132,744	0
Receivables (net)				
Accounts	26,294	418,304	444,598	0
Taxes	90,553	0	90,553	0
Intergovernmental	80,683	0	80,683	0
Interest	263	87	350	0
Internal balances	69,709	(69,709)	0	0
Prepaid items	35,021	16,847	51,868	0
Inventories	1,371	132,020	133,391	0
Total current assets	2,346,641	4,356,086	6,702,727	10,775
Noncurrent assets				
Capital assets				
Non-depreciable	651,037	81,702	732,739	0
Depreciable (net)	4,263,079	7,799,844	12,062,923	159,384
Total noncurrent assets	4,914,116	7,881,546	12,795,662	159,384
Total assets	7,260,757	12,237,632	19,498,389	170,159
DEFERRED OUTFLOWS OF RESOURSES				
Deferred outflows related to pension	83,074	59,701	142,775	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	126,038	64,382	190,420	0
Refunds	350	0	350	
Sales tax	0	3,978	3,978	0
Interest	0	971	971	0
Accrued salaries and expenses	50,817	14,657	65,474	0
Other payroll liabilities	0	5,144	5,144	0
Due to others	54,351	0	54,351	0
Compensated absences	48,732	33,142	81,874	0
Unearned revenue	2,633	35,825	38,458	0
Customer deposits payable	0	102,614	102,614	0
Capital leases payable	0	80,477	80,477	0
Notes payable	0	82,600	82,600	0
Total current liabilities	282,921	423,790	706,711	0

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Compensated absences	$ 5,415	$ 3,683	$ 9,098	$ 0
Net pension liability	266,691	190,540	457,231	0
Capital leases payable	0	190,268	190,268	0
Notes payable	0	1,723,210	1,723,210	0
Total noncurrent liabilities	272,106	2,107,701	2,379,807	0
Total liabilities	555,027	2,531,491	3,086,518	0
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	37,446	29,475	66,921	0
NET POSITION				
Net investment in capital assets	4,867,544	5,774,485	10,642,029	159,384
Restricted for:				
Public Safety	108,674	0	108,674	0
Capital outlay	728,494	0	728,494	0
Unrestricted	1,046,646	3,961,882	5,008,528	10,775
Total net position	$ 6,751,358	$ 9,736,367	$ 16,487,725	$ 170,159

CITY OF ROYSTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 581,605	$ 180,420	$ 0	$ 23,203	$ (377,982)
Judicial	7,881	0	0	0	(7,881)
Public Safety	1,045,606	85,556	174,449	53,034	(732,567)
Public Works	554,061	7,200	0	328,890	(217,971)
Culture and Recreation	206,999	0	0	26,767	(180,232)
Housing and Development	152,651	8,331	0	0	(144,320)
Total governmental activities	2,548,803	281,507	174,449	431,894	(1,660,953)
Business-type activities					
Water and Sewer Utility	1,219,270	1,106,328	0	0	(112,942)
Natural Gas Utility	1,762,801	2,860,296	0	0	1,097,495
Sanitation	328,760	328,274	0	0	(486)
Total business-type activities	3,310,831	4,294,898	0	0	984,067
Total primary government	5,859,634	4,576,405	174,449	431,894	(676,886)
Component Unit					
Downtown Development Authority					
Housing and Development	18,524	4,080	40	0	(14,404)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Change in net position				
Net (expense) revenue	$ (1,660,953)	$ 984,067	$ (676,886)	$ (14,404)
General revenues				
Taxes				
Property	637,241	0	637,241	0
Sales	713,300	0	713,300	0
Franchise	178,831	0	178,831	0
Insurance premium	206,802	0	206,802	0
Intangibles	10,858	0	10,858	0
Alcoholic beverage	78,277	0	78,277	0
Occupational	25,625	0	25,625	0
Hotel/Motel	8,265	0	8,265	0
Payments from City of Royston	0	0	0	14,702
Interest and investment earnings	1,754	5,710	7,464	0
Other	70,647	0	70,647	0
Gain on sale of assets	28,246	0	28,246	0
Transfers	(15,635)	15,635	0	0
Total general revenues and transfers	1,944,211	21,345	1,965,556	14,702
Change in net position	283,258	1,005,412	1,288,670	298
Net position - beginning	6,468,100	8,730,955	15,199,055	169,861
Net position - ending	$ 6,751,358	$ 9,736,367	$ 16,487,725	$ 170,159

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Franklin County SPLOST #5	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 1,148,831	$ 698,354	$ 83,047	$ 1,930,232
Certificates of deposit	82,385	0	0	82,385
Restricted assets				
Cash and equivalents	30,130	0	0	30,130
Receivables (net)				
Accounts	26,294	0	0	26,294
Taxes	89,708	0	845	90,553
Intergovernmental	0	65,256	15,427	80,683
Interest	263	0	0	263
Due from other funds	82,352	0	0	82,352
Inventories	1,371	0	0	1,371
Prepaid items	35,021	0	0	35,021
Total assets	$ 1,496,355	$ 763,610	$ 99,319	$ 2,359,284
LIABILITIES				
Accounts payable	$ 83,635	$ 39,616	$ 2,787	$ 126,038
Refunds payable	350	0	0	350
Accrued salaries	50,817	0	0	50,817
Unearned revenue	2,633	0	0	2,633
Due to other funds	0	0	12,643	12,643
Due to others	54,351	0	0	54,351
Total liabilities	191,786	39,616	15,430	246,832
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	4,149	0	0	4,149
FUND BALANCES				
Nonspendable prepaid items	35,021	0	0	35,021
Nonspendable inventories	1,371			1,371
Restricted for:				
Public Safety	25,630	0	83,044	108,674
Capital projects	4,500	723,994	0	728,494
Assigned for:				
Housing and Development	0	0	845	845
Capital outlay	4,100	0	0	4,100
Unassigned	1,229,798	0	0	1,229,798
Total fund balances	1,300,420	723,994	83,889	2,108,303
Total liabilities, deferred inflows of resources, and fund balances	$ 1,496,355	$ 763,610	$ 99,319	$ 2,359,284

CITY OF ROYSTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2021

Total fund balance - total governmental funds		$ 2,108,303
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets net of accumulated depreciation		4,914,116
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds. These are:		
Property taxes		4,149
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources:		
Pension	$ 83,074	
Deferred inflows of resources:		
Pension	(37,446)	45,628
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Net pension liability	(266,691)	
Compensated absences	(54,147)	(320,838)
Net position of governmental activities		$ 6,751,358

CITY OF ROYSTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	General	Franklin County SPLOST #5	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	$ 1,859,888	$ 0	$ 8,265	$ 1,868,153
Licenses and permits	21,751	0	0	21,751
Fines, fees and forfeitures	69,272	0	15,582	84,854
Charges for services	174,902	0	0	174,902
Intergovernmental	156,415	370,931	73,904	601,250
Interest	1,724	1,092	30	2,846
Contributions	2,950	0	1,050	4,000
Other	70,647	0	0	70,647
Total revenues	2,357,549	372,023	98,831	2,828,403
EXPENDITURES				
Current				
General Government	615,588	0	0	615,588
Judicial	7,881	0	0	7,881
Public Safety	941,212	0	17,115	958,327
Public Works	507,683	0	0	507,683
Culture and Recreation	199,472	0	0	199,472
Housing and Development	144,268	0	7,702	151,970
Capital outlay	0	120,321	12,823	133,144
Total expenditures	2,416,104	120,321	37,640	2,574,065
Excess (deficiency) of revenue over (under) expenditures	(58,555)	251,702	61,191	254,338
Other financing sources (uses)				
Transfers in (out)				
Transfers in	300,506	0	0	300,506
Transfers out	(109,388)	(162,655)	(44,098)	(316,141)
Sale of capital assets	28,246	0	0	28,246
Total other financing sources (uses)	219,364	(162,655)	(44,098)	12,611
Net change in fund balance	160,809	89,047	17,093	266,949
Fund balances, July 1	1,139,611	634,947	66,796	1,841,354
Fund balances, June 30	$ 1,300,420	$ 723,994	$ 83,889	$ 2,108,303

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

Net change in fund balances - total governmental funds		$ 266,949
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.		
Capital outlays	$ 310,584	
Depreciation	(308,441)	2,143
In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.		
Cost of assets disposed	(231,196)	
Related accumulated depreciation	231,196	0
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable property taxes.		(8,956)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	72,681	
Cost of benefits earned net of employee contributions	(50,974)	21,707
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences	1,415	1,415
Change in net position of governmental activities		$ 283,258

CITY OF ROYSTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2021

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,499,900	$ 1,578,500	$ 1,859,888	$ 281,388
Licenses and permits	16,000	13,150	21,751	8,601
Fines, fees and forfeitures	42,500	52,500	69,272	16,772
Charges for services	124,500	170,000	174,902	4,902
Intergovernmental	25,000	154,586	156,415	1,829
Interest	1,250	1,750	1,724	(26)
Contributions	500	3,500	2,950	(550)
Other	48,779	61,000	70,647	9,647
Total revenues	1,758,429	2,034,986	2,357,549	322,563
EXPENDITURES				
Current				
General Government				
Mayor and Council	143,825	146,925	119,460	27,465
Administration	416,390	505,425	494,457	10,968
Elections	4,500	2,195	1,671	524
Judicial				
Municipal Court	8,700	9,000	7,881	1,119
Public Safety				
Police	956,305	920,500	859,495	61,005
Fire	76,825	90,130	72,572	17,558
Animal Control	6,200	9,200	9,145	55
Public Works				
Streets	424,327	451,407	421,543	29,864
Maintenance Shop	83,624	82,015	81,536	479
Cemetery	5,200	4,900	4,604	296
Culture and Recreation				
Library	46,790	49,200	47,739	1,461
Parks and Recreation	66,473	190,695	151,733	38,962
Housing and Development				
Code Enforcement	73,855	70,895	65,599	5,296
Better Hometown Program	74,890	77,940	71,669	6,271
Downtown Development Authority	6,000	7,000	7,000	0
Total expenditures	2,393,904	2,617,427	2,416,104	201,323
Excess (deficiency) of revenues over (under) expenditures	(635,475)	(582,441)	(58,555)	523,886
Other financing sources (uses)				
Transfers in	637,135	524,670	300,506	(224,164)
Transfers out	0	(115,000)	(109,388)	5,612
Sales of capital assets	8,000	10,500	28,246	17,746
Contingency	(11,500)	(14,979)	0	14,979
Total other financing sources (uses)	633,635	405,191	219,364	(185,827)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,840)	(177,250)	160,809	338,059
Fund balances, July 1	1,840	177,250	1,139,611	962,361
Fund balances, June 30	$ 0	$ 0	$ 1,300,420	$ 1,300,420

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 803,185	$ 2,669,572	$ 128,465	$ 3,601,222
Certificates of deposit	0	154,701	0	154,701
Restricted assets				
Cash and cash equivalents	27,265	75,349	0	102,614
Receivables (net)				
Accounts	138,077	211,210	69,017	418,304
Interest	0	87	0	87
Inventories	0	132,020	0	132,020
Prepaid items	6,374	4,155	6,318	16,847
Total current assets	974,901	3,247,094	203,800	4,425,795
Noncurrent assets				
Capital assets				
Non-depreciable	61,586	13,687	6,429	81,702
Depreciable (net)	4,937,700	2,655,880	206,264	7,799,844
Total noncurrent assets	4,999,286	2,669,567	212,693	7,881,546
Total assets	5,974,187	5,916,661	416,493	12,307,341
DEFERRED OUTFLOWS OF RESOURSES				
Deferred outflows related to pension	26,692	21,436	11,573	59,701
LIABILITIES				
Current liabilities				
Payables				
Accounts	17,055	38,851	8,476	64,382
Sales tax	0	3,978	0	3,978
Interest	0	971	0	971
Accrued salaries	7,080	6,166	1,411	14,657
Other payroll liabilities	0	3,768	1,376	5,144
Compensated absences	17,133	9,384	6,625	33,142
Unearned revenue	11,840	19,996	3,989	35,825
Due to other funds	0	0	69,709	69,709
Capital leases payable	0	80,477	0	80,477
Notes payable	82,600	0	0	82,600
Liabilities payable from restricted assets:				
Customer deposits payable	27,265	75,349	0	102,614
Total current liabilities	162,973	238,940	91,586	493,499

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
Noncurrent liabilities				
Compensated absences	$ 1,904	$ 1,043	$ 736	$ 3,683
Net pension liability	85,160	68,000	37,380	190,540
Capital leases payable	0	190,268	0	190,268
Notes payable	1,723,210	0	0	1,723,210
Total noncurrent liabilities	1,810,274	259,311	38,116	2,107,701
Total liabilities	1,973,247	498,251	129,702	2,601,200
DEFERRED INFLOWS OF RESOURCES				
Deferred iniflows related to pension	13,218	11,602	4,655	29,475
NET POSITION				
Net investment in capital assets	3,193,476	2,368,316	212,693	5,774,485
Unrestricted	820,938	3,059,928	81,016	3,961,882
Total net position	$ 4,014,414	$ 5,428,244	$ 293,709	$ 9,736,367

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
OPERATING REVENUES				
Charges for sales and services	$ 1,106,328	$ 2,860,296	$ 328,274	$ 4,294,898
OPERATING EXPENSES				
Costs of sales and services	610,440	1,258,383	179,055	2,047,878
Personal services	374,425	357,197	116,914	848,536
Depreciation	219,503	137,047	64,046	420,596
Total operating expenses	1,204,368	1,752,627	360,015	3,317,010
Operating income (loss)	(98,040)	1,107,669	(31,741)	977,888
Non-operating revenues (expenses)				
Interest revenue	1,463	4,000	247	5,710
Interest expense	(14,902)	(10,174)	0	(25,076)
Gain (loss) on sale of capital assets	0	0	31,255	31,255
Total non-operating revenues (expenses)	(13,439)	(6,174)	31,502	11,889
Income (loss) before transfers	(111,479)	1,101,495	(239)	989,777
Transfers in (out)				
Transfers in	173,252	30,506	112,383	316,141
Transfers out	(25,253)	(275,253)	0	(300,506)
Total transfers	147,999	(244,747)	112,383	15,635
Change in net position	36,520	856,748	112,144	1,005,412
Net position, July 1	3,977,894	4,571,496	181,565	8,730,955
Net position, June 30	$ 4,014,414	$ 5,428,244	$ 293,709	$ 9,736,367

CITY OF ROYSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
Cash flows from operating activities:				
Receipts from customers	$ 1,040,828	$ 2,862,374	$ 285,331	$ 4,188,533
Payments to suppliers	(600,555)	(1,222,765)	(180,685)	(2,004,005)
Payments to employees	(385,343)	(367,515)	(119,478)	(872,336)
Other receipts	72,058	32,441	16,349	120,848
Net cash provided (used) by operating activities	126,988	1,304,535	1,517	1,433,040
Cash flows from non-capital financing activities:				
Payments to other funds	(25,253)	(275,253)	0	(300,506)
Cash flows from capital and related financing activities:				
Receipts from other funds	173,252	30,506	112,383	316,141
Interest paid	(14,902)	(10,175)	0	(25,077)
Acquisition of capital assets	(79,810)	(52,549)	(153,498)	(285,857)
Proceeds from sale of capital assets	0	0	31,255	31,255
Principal payments - capital leases	0	(112,513)	0	(112,513)
Principal payments - notes	(118,690)	0	0	(118,690)
Net cash provided (used) by capital and related financing activities	(40,150)	(144,731)	(9,860)	(194,741)
Cash flows from investing activities:				
Interest received	1,463	4,132	247	5,842
Proceeds from sale of investments	0	153,931	0	153,931
Purchase of investments	0	(154,701)	0	(154,701)
Net cash provided (used) by investing activities	1,463	3,362	247	5,072
Net increase (decrease) in cash and cash equivalents	63,048	887,913	(8,096)	942,865
Cash and cash equivalents, July 1	767,402	1,857,008	136,561	2,760,971
Cash and cash equivalents, June 30	$ 830,450	$ 2,744,921	$ 128,465	$ 3,703,836

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (98,040)	$ 1,107,669	$ (31,741)	$ 977,888
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	219,503	137,047	64,046	420,596
(Increase) decrease in accounts receivable	4,181	(8,302)	(29,739)	(33,860)
(Increase) decrease in intergovernmental receivable	0	46,239	0	46,239
(Increase) decrease in prepaids	3,946	4,220	(2,406)	5,760
(Increase) decrease in inventories	0	31,084	0	31,084
(Increase) decrease in deferred outflows related to pension	3,284	3,638	594	7,516
Increase (decrease) in accounts payable	5,939	314	776	7,029
Increase (decrease) in sales tax payable	0	191	0	191
Increase (decrease) in unearned revenue	(803)	(19,584)	3,145	(17,242)
Increase (decrease) in deferred inflows related to pension	3,568	3,908	680	8,156
Increase (decrease) in net pension liability	(15,574)	(17,058)	(2,967)	(35,599)
Increase (decrease) in accrued payroll liabilities	(2,196)	(806)	(871)	(3,873)
Increase (decrease) in deposits payable	3,180	15,975	0	19,155
Total adjustments	225,028	196,866	33,258	455,152
Net cash provided (used) by operating activities	$ 126,988	$ 1,304,535	$ 1,517	$ 1,433,040
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 803,185	$ 2,669,572	$ 128,465	$ 3,601,222
Restricted assets				
Cash and cash equivalents	27,265	75,349	0	102,614
Total cash and cash equivalents	$ 830,450	$ 2,744,921	$ 128,465	$ 3,703,836

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $30,506.

CITY OF ROYSTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

ASSETS	
Equity in pooled cash	$ 10,886
LIABILITIES	
Due to other agencies	10,886
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 0

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2021

ADDITIONS		
Fines and forfeitures collected for other governments	$	34,251
DEDUCTIONS		
Distributions of fines and forfeitures to other governments		34,251
Change in net position		0
Net position, July 1		0
Net position, June 30	$	0

1. Description of Government Unit

The City of Royston was established in 1879. The City operates under a council/mayor form of government and provides the following services: public safety, street and sanitation, culture and recreation, public improvements and general and administrative services. In addition, the City operates public utilities for water, sewer, and gas for the incorporated and immediate surrounding areas.

The City is governed by an elected six-member council.

2. Summary of Significant Accounting Policies

A. Description of Government-wide 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business- type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

City of Royston Downtown Development Authority

The City of Royston Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members appointed by the City Council and an executive director. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Royston. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

The City of Royston Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Financial Report in the section labeled "Component Unit" (See Exhibit I). The City of Royston Downtown Development Authority has a June 30th year-end. Individual financial statements may be obtained by contacting the City of Royston Downtown Development Authority, 634 Franklin Springs Street, Royston, GA 30662.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

Franklin County SPLOST #5 Fund – This fund is used to account for long-term projects financed by the passage of the 2016 Franklin County special purpose local option sales tax.

The City reports the following major proprietary funds:

Water and Sewer Utility Fund - This fund is used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Royston.

Natural Gas Utility Fund – This fund is used to account for activities connected with the development, operation and maintenance of natural gas services in the City of Royston.

Sanitation Fund – This fund is used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Royston.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by the proprietary or fiduciary funds).

Fiduciary Fund Types

Custodial Funds – Custodial Funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial Funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others. The City has a custodial fund to account for the activity of the Municipal Court.

Component Units

The Royston Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The custodial fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

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 Water and Sewer, Natural Gas, and Solid Waste Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services 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 non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by City Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

In January each year, the departments submit their budget requests to the Chief Financial Officer. The Finance Department compiles a complete citywide budget and submits the proposed budget to the City Manager for review. Meetings are held between the City Manager, Chief Financial Officer, and department heads in February to review the proposed budget. The City Manager then submits the proposed budget to the City Council by May 1.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

During June, the Mayor and Council conduct a public hearing to discuss the proposed budget and to obtain input from the citizens of the City of Royston. This hearing is publicized in the local newspaper at least two weeks before the hearing. The final proposed budget is then adopted by the City Council on or before June 30 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Changes may be made within an operating budget by departmental request through the City Manager except for equipment requests under $5,000, which must be approved by the City Manager, and equipment requests over $5,000 and changes in personal services budgets, which must be approved by the City Council. All operating budget transfers between departments and all changes to Capital Projects budgets must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (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 originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end.

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

2. Summary of Significant Accounting Policies (continued)

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories of the Natural Gas Utility Enterprise Fund are valued at cost on the first-in, first-out method.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Prior to July 1, 2007, neither their historical costs nor related depreciation had historically been reported in the financial statements. For entities the size of the City of Royston, retroactive reporting of infrastructure assets was not required.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value on the date donated.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Buildings	50	$ 5,000
Distribution systems	50	$ 50,000
Roads	50	$ 100,000
Bridges and culverts	50	$ 50,000
Equipment	10	$ 5,000
Vehicles	5	$ 5,000
Furniture and fixtures	5	$ 5,000
Land improvements	15	$ 5,000

All land will be valued and capitalized.

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources related to their defined benefit pension plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable property taxes revenues. The City also reports deferred inflows of resources related to their defined benefit pension plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

2. Summary of Significant Accounting Policies (continued)

O. Pensions

For the 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 Royston Employees' Pension 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.

P. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Q. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds

The City of Royston implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at fiscal year end by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Royston's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 120 days of fiscal year-end.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City Council's adopted policy, amounts may be assigned by the City Manager, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

For the purposes of fund balance classification, the City considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

S. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

T. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. Summary of Significant Accounting Policies (continued)

U. Restricted Assets and Restricted Net Position

Restricted assets of the Enterprise Funds represent certain resources set aside for the repayment of revenue bonds because they are maintained in a separate bank account and their use is limited by applicable bond covenants.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

V. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain prior fiscal year amounts have been reclassified to conform to the current fiscal year presentation.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned. The City has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

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

Credit Risk

State of Georgia law limits investments to 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. The City has no investment policy that would further limit its investment choices. Investments are reported at fair value.

3. Deposit and Investment Risk (continued)

Concentration of Credit Risk

The City has no formal policy on the amount the City may invest in any one issuer.

Foreign currency risk

The City has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Major Funds		
General Fund		$ 26,294
Enterprise Funds		
Water and Sewer Utility	$ 169,107	
Less: Allowances for Uncollectibles	(31,030)	
Natural Gas Utility	261,872	
Less: Allowances for Uncollectibles	(50,662)	
Sanitation	80,684	
Less: Allowances for Uncollectibles	(11,667)	418,304
Total Primary Government		$ 444,598

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Major Funds	
Governmental Funds	
Franklin County SPLOST #5	$ 65,256
Nonmajor Governmental Funds	15,427
Total Primary Government	$ 80,683

6. Property Taxes

Taxes receivable at the end of the current year consist of property taxes for five years as follows:

Year of Levy	Amount
2020	$ 5,502
2019	2,077
2018	56
2017	37
2016	0
Less allowance for uncollectible	(562)
Total	$ 7,110

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2021, based upon the assessments of January 1, 2020, were billed on December 11, 2020, and due on February 11, 2021. Tax liens are issued 90 days after the due date. The tax rate of 10.0 mills for fiscal year 2021 was levied on November 11, 2020.

Other Taxes

$82,598 of sales taxes and $845 of other taxes are also included in taxes receivable.

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of the end of the current fiscal year is as follows:

Receivable Fund	Payable Fund	Amount
General	Sanitation	$ 69,709
	Nonmajor governmental	12,643
		$ 82,352

The balance reported as Due to/Due from represent loans between the borrower funds and the lender fund. Balances reported between in the General Fund and nonmajor governmental funds resulted from transactions to alleviate equity in pooled cash deficits at year-end. Balances between the General Fund and the Sanitation Enterprise Fund are short-term loans expected to be paid in the next fiscal year.

A summary of interfund transfers is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Sanitation	$ 109,388
Franklin County SPLOST #5	Water and Sewer Utility	129,154
Franklin County SPLOST #5	Natural Gas Utility	30,506
Franklin County SPLOST #5	Sanitation	2,995
Nonmajor governmental	Water and Sewer Utility	44,098
Natural Gas Utility	General	275,253
Water and Sewer Utility	General	25,253
Total Interfund Transfers		$ 507,259

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

8. Capital Assets

Capital asset activity for the primary government for the current fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	$ 473,994	$ 41,150	$ 0	$ 515,144
Construction in progress	30,425	135,893	(30,425)	135,893
Total non-depreciable assets	504,419	177,043	(30,425)	651,037
Depreciable assets				
Buildings	4,441,650	5,643	0	4,447,293
Infrastructure	2,460,011	0	0	2,460,011
Vehicles and equipment	3,140,305	64,293	(128,924)	3,075,674
Software	0	94,030	0	94,030
Furniture and fixtures	180,785	0	(102,272)	78,513
Total depreciable assets	10,222,751	163,966	(231,196)	10,155,521
Accumulated depreciation				
Buildings	(2,373,859)	(84,667)	0	(2,458,526)
Infrastructure	(626,098)	(57,156)	0	(683,254)
Vehicles and equipment	(2,646,778)	(154,919)	128,924	(2,672,773)
Software	0	(9,403)	0	(9,403)
Furniture and fixtures	(168,462)	(2,296)	102,272	(68,486)
Total accumulated depreciation	(5,815,197)	(308,441)	231,196	(5,892,442)
Total depreciable assets, net	4,407,554	(144,475)	0	4,263,079
Governmental activities capital assets, net	$ 4,911,973	$ 32,568	$ (30,425)	$ 4,914,116
Business-type activities				
Non-depreciable assets				
Land	$ 81,702	$ 0	$ 0	$ 81,702
Depreciable assets				
Buildings	206,501	0	0	206,501
Land improvements	24,644	0	0	24,644
Distribution system	14,475,997	52,549	0	14,528,546
Vehicles and equipment	1,622,405	263,814	(99,832)	1,786,387
Total depreciable assets	16,329,547	316,363	(99,832)	16,546,078
Accumulated depreciation				
Buildings	(136,594)	(5,030)	0	(141,624)
Land improvements	(20,042)	(1,643)	0	(21,685)
Distribution system	(7,064,489)	(255,670)	0	(7,320,159)
Vehicles and equipment	(1,204,345)	(158,253)	99,832	(1,262,766)
Total accumulated depreciation	(8,425,470)	(420,596)	99,832	(8,746,234)
Total depreciable assets, net	7,904,077	(104,233)	0	7,799,844
Business-type activities capital assets, net	$ 7,985,779	$ (104,233)	$ 0	$ 7,881,546

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the current fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit				
Depreciable assets				
Buildings	$ 167,208	$ 0	$ 0	$ 167,208
Accumulated Depreciation				
Buildings	(4,480)	(3,344)	0	(7,824)
Downtown Development Authority				
Component Unit, net	$ 162,728	$ (3,344)	$ 0	$ 159,384

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 34,315
Public Safety	124,623
Public Works	72,513
Culture and Recreation	74,395
Housing and Development	2,595
Total depreciation expense for governmental activities	$ 308,441
Business-type activities	
Water and Sewer Utility	$ 219,503
Natural Gas Utility	137,047
Sanitation	64,046
Total depreciation expense for business-type activities	$ 420,596
Component Unit	
Downtown Development Authority	$ 3,344

9. Capital and Operating Lease Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of these leases at the end of the current fiscal year is $270,745 for the business-type activities.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of:

Year Ending June 30,	Business-type Activities
2022	$ 87,820
2023	87,820
2024	87,820
2025	21,855
Total minimum lease payments	285,315
Less amounts representing interest	(14,570)
Present value of minimum lease payments	$ 270,745

Total assets leased under capital leases are classified as follows:

	Business-type Activities	
	Cost	Accumulated Depreciation
Natural gas system infrastructure	$ 1,019,599	$ 65,224

Amortization of leased assets under capital leases is included with depreciation expense.

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

10. Long-Term Debt

Notes from Direct Borrowings

On May 22, 2012, the City entered into a direct borrowing agreement with the Georgia Environmental Finance Authority for expansion of the City's water and sewerage system. The City borrowed $323,389 due in monthly installments of $2,851 principal and interest through April 1, 2023; interest at 1.13%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. The remaining balance of this note was paid off during the current fiscal year.

On November 7, 2017, the City entered into an agreement the Georgia Environmental Finance Authority for improvements to the City's water and sewerage system. The City agreed to borrow up to $2,000,000 due in 239 consecutive monthly installments of principal and interest beginning on the earlier of the project completion date or October 1, 2019; interest at 1.55%. On September 10, 2019, an amendment was made to the agreement, allowing the City to borrow $2,347,413 due in 239 consecutive monthly installments of principal and interest beginning on February 1, 2020; interest at 1.55%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. At the end of the current fiscal year, the outstanding balance of the note is $1,805,810.

Annual debt service requirements for notes from direct borrowings are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 82,600	$ 27,409	$ 110,009
2023	83,242	26,130	109,372
2024	84,542	24,830	109,372
2025	85,861	23,511	109,372
2026	87,202	22,170	109,372
2027-2031	456,858	90,003	546,861
2032-2036	493,648	53,213	546,861
2037-2041	431,857	14,109	445,966
Totals	$ 1,805,810	$ 281,375	$ 2,087,185

11. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	$ 55,562	$ 43,232	$ (44,647)	$ 54,147	$ 48,732
Business-type activities					
Notes from direct borrowings	$ 1,924,500	$ 0	$ (118,690)	$ 1,805,810	$ 82,600
Capital lease obligations	383,258	0	(112,513)	270,745	80,477
Compensated absences	42,841	38,813	(44,829)	36,825	33,142
Total business-type activities	$ 2,350,599	$ 38,813	$ (276,032)	$ 2,113,380	$ 196,219

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. In prior years, compensated absences of the governmental activities were liquidated in the General Fund.

Total interest expense in the business-type activities for the current fiscal year is $25,076.

12. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	Governmental Activities	Business-type Activities
Cost of capital assets	$ 10,806,558	$ 16,627,780
Accumulated Depreciation	(5,892,442)	(8,746,234)
Book value	4,914,116	7,881,546
Notes payable	0	(1,805,810)
Capital leases payable	0	(270,745)
Capital-related accounts payable	(46,572)	(30,506)
Net investment in capital assets	$ 4,867,544	$ 5,774,485

13. Pension Plan

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees. All employees are eligible for immediate participation. Officials are covered under the plan and are eligible for immediate participation.

There are no loans to any of the City officials or other "party-in-interest," and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Royston. The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

At January 1, 2021, the date of the most recent actuarial valuation, there were 80 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	20
Terminated vested participants entitled to but not yet receiving benefits	14
Active participants	46
Total number of participants	80

13. Pension Plan (continued)

Benefits Provided. The plan provides retirement, disability, and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Officials and Class One members (City Manager and City Clerk) are eligible to retire at age 65 with no reduction in benefit. Members and officials with ten years of total service are eligible to retire at age 55 with no reduction in benefit. Officials and Class One members are eligible for early retirement at age 55 with no reduction in benefit. Members are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 10 years of service. The benefit formula is 1.5% with a five year vesting schedule. Officials and Class One members benefit formula is 1.5% with benefits vesting immediately.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. The City's actuarially determined contribution rate for the current fiscal year was $123,549, or 8.28% of covered payroll. The City's covered payroll for employees participating in the Plan for the current fiscal year was $1,492,413. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $457,231. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. For the governmental activities, the net pension liability is liquidated by the General Fund. For the current fiscal year, the City recognized pension expense in the amount of $87,616.

13. Pension Plan (continued)

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,978	$ (43,557)
Changes of assumptions	40,859	0
Net difference between projected and actual earnings on pension plan investments	0	(23,364)
City contributions subsequent to the measurement date	96,938	0
Totals	$ 142,775	$ (66,921)

The $96,938 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability during the next fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2022	$ (21,673)
2023	(3,758)
2024	16,148
2025	(11,801)
Totals	$ (21,084)

13. Pension Plan (continued)

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

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%

Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 September 30, 2020 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%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Total	100%	

13. Pension Plan (continued)

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

Changes in Net Pension Liability

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/19	$ 2,427,680	$ 1,896,228	$ 531,452
Changes for the year:			
Service cost	61,407	0	61,407
Interest	180,105	0	180,105
Differences between expected and actual experience	(13,799)	0	(13,799)
Contributions—employer	0	124,974	(124,974)
Net investment income	0	185,874	(185,874)
Benefit payments, including refunds of employee contributions	(93,960)	(93,960)	0
Administrative expense	0	(8,914)	8,914
Other	0	0	0
Net changes	133,753	207,974	(74,221)
Balances at 9/30/20	$ 2,561,433	$ 2,104,202	$ 457,231

Plan fiduciary net position as a percentage of the total pension liability		82.15%
Covered payroll	$	1,532,818
Employer's net pension liability as percentage of covered payroll		29.83%

13. Pension Plan (continued)

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	Discount Rate	Net Pension Liabilty (Asset)
1% decrease	6.375%	$ 806,877
Current discount rate	7.375%	457,231
1% increase	8.375%	165,653

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report

Other Plans. In addition to the plan above, various City employees are covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report. This plan is immaterial to the financial statements.

14. Deferred Compensation Plans

The City provides retirement benefits for its employees through two deferred compensation, defined contribution plans. The Plans were created under Internal Revenue Code Sections 457 and 401(a). The first plan is administered by the Public Employees Benefits Services Corporation (PEBSCO), an independent third party. In fiscal year 2002, the City elected to participate in the plan administered by the Georgia Municipal Association (GMA), an independent third party. Participating employees at the time of the conversion were given the option of remaining with the plan administered by PEBSCO, or changing to the plan administered by GMA. All employees who became eligible to participate in the deferred compensation, defined contribution plan after the conversion were enrolled in the GMA plan. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

14. Deferred Compensation Plans (continued)

Under the terms of the Plans, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer a maximum of 25% of their salary, up to the maximum allowable by federal law. After completing 90 days of service, the City will contribute 25% of the employee's contributions per year. At the end of the current fiscal year, there were 11 members of the Plans.

There is a cap of $1,000 per eligible employee for City contributions. Funds are vested 100% at the time of contribution. Amounts held in the Plans are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the current fiscal year, the City contributed $4,802 to the plans based on covered salaries of $426,369. Plan members made voluntary contributions of $19,210 to the plans. Total payroll was $1,728,301.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plans assets are held in trust by the administrator for the exclusive benefit of the participants of the Plans.

15. Hotel/Motel Lodging Tax

The City has levied a 3% lodging tax. A summary of the transactions for the current fiscal year are as follows:

Lodging Tax Receipts	$8,265	
Disbursements to		
Downtown Development Authority	$7,702	93% of Tax Receipts

16. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 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. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Georgia Mountains Regional Commission, 1310 West Ridge Road, Gainesville, Georgia 30501.

17. Related Organizations

The Housing Authority of the City of Royston is considered a related organization to the City of Royston. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Royston. The City received $21,829 as payment-in-lieu-of-taxes during the current fiscal year. Separate financial statements may be obtained from Housing Authority of the City of Royston, 216 Hartwell Street, Royston, Georgia 30662.

18. Risk Management

Material estimates have been made by management about the life of depreciated capital assets. Management has used a conservative approach on these estimates.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. City has elected to manage its risk financing activities through the purchase of commercial insurance. There have been no insurance settlements exceeding insurance coverage for any of the past three fiscal years.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At the end of the current fiscal year, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

19. Contingencies

The City's legal counsel has stated that there are presently no determinable lawsuits.

20. Risks and Uncertainties

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

21. Subsequent Events

Subsequent to June 30, 2021, the City received $480,053 of funding as part of the American Rescue Plan Act (ARPA), which was signed into law on March 11, 2021 and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROYSTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2021
(Unaudited)

	Fiscal Year		
	2021	**2020**	**2019**
Total pension liability			
Service cost	$ 61,407	$ 64,130	$ 73,242
Interest	180,105	169,546	160,002
Differences between expected and actual experience	(13,799)	(4,561)	(11,124)
Benefit payments, including refunds of employee contributions	(93,960)	(91,930)	(79,565)
Other	0	48,041	0
Net change in total pension liability	133,753	185,226	142,555
Total pension liability - beginning	2,427,680	2,242,454	2,099,899
Total pension liability - ending (a)	2,561,433	2,427,680	2,242,454
Plan fiduciary net position			
Contributions - employer	$ 124,974	$ 133,511	$ 138,032
Net investment income	185,874	56,456	160,594
Benefit payments, including refunds of employee contributions	(93,960)	(91,930)	(79,565)
Administrative expense	(8,914)	(8,590)	(9,150)
Net change in total pension liability	207,974	89,447	209,911
Plan fiduciary net position - beginning	1,896,228	1,806,781	1,596,870
Plan fiduciary net position - ending (b)	$ 2,104,202	$ 1,896,228	$ 1,806,781
Net pension liability (asset) - ending : (a) - (b)	$ 457,231	$ 531,452	$ 435,673
Plan's fiduciary net position as a percentage of the total pension liability	82.15%	78.11%	80.57%
Covered payroll	$ 1,532,818	$ 1,444,009	$ 1,389,033
Net pension liabilty as a percentage of covered payroll	29.83%	36.80%	31.37%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only seven years are reported.

Fiscal Year			
2018	2017	2016	2015
$ 81,578	$ 83,644	$ 90,691	$ 97,099
144,637	138,514	125,255	109,378
7,268	(84,767)	13,041	55,842
(55,901)	(60,829)	(55,011)	(48,664)
28,081	0	0	(5,620)
205,663	76,562	173,976	208,035
1,894,236	1,817,675	1,643,699	1,435,664
2,099,899	1,894,237	$ 1,817,675	$ 1,643,699
$ 148,055	$ 152,823	$ 152,263	$ 149,721
203,670	126,653	7,629	95,129
(55,901)	(60,829)	(55,011)	(48,664)
(9,766)	(5,350)	(5,878)	(4,551)
286,058	213,297	99,003	191,635
1,310,812	1,097,515	998,512	806,877
$ 1,596,870	$ 1,310,812	$ 1,097,515	$ 998,512
$ 503,029	$ 583,425	$ 720,160	$ 645,187
76.05%	69.20%	60.38%	60.75%
$ 1,541,958	$ 1,579,149	$ 1,514,806	$ 1,566,779
32.62%	36.95%	47.54%	41.18%

See accompanying notes to the required supplementary information.

CITY OF ROYSTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2021
(Unaudited)

	Fiscal Year		
	2021	**2020**	**2019**
Actuarially determined contribution	$ 123,549	$ 136,831	$ 138,432
Contributions in relation to the actuarially determined contribution	(123,549)	(136,831)	(138,432)
Contribution deficiency (excess)	$ 0	$ 0	$ 0
Covered payroll	$ 1,492,413	$ 1,578,162	$ 1,518,135
Contributions as a percentage of covered payrol	8.28%	8.67%	9.12%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only seven years are reported.

Fiscal Year			
2018	2017	2016	2015
$ 148,055	$ 151,263	$ 153,343	$ 151,903
(148,055)	(151,263)	(153,343)	(151,903)
$ 0	$ 0	$ 0	$ 0
$ 1,469,871	$ 1,580,444	$ 1,696,036	$ 1,669,519
10.07%	9.57%	9.04%	9.10%

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2022.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 12 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 0%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

3. Changes in Benefits

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

4. Changes of Assumptions

The following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

4. Changes of Assumptions (continued)

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

4. Changes of Assumptions (continued)

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROYSTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue			
	Confiscated Assets	Hotel/Motel Tax	Technology Surcharge	Fire Department
ASSETS				
Cash and cash equivalents	$ 4,755	$ 0	$ 21,612	$ 56,680
Taxes receivable	0	845	0	0
Intergovernmental receivable	0	0	0	1,082
Total assets	$ 4,755	$ 845	$ 21,612	$ 57,762
LIABILITIES				
Accounts payable	$ 0	$ 0	$ 1,085	$ 0
Due to other funds	0	0	0	0
Total liablilities	0	0	1,085	0
FUND BALANCES				
Restricted for Public Safety	4,755	0	20,527	57,762
Assigned for Housing and Development	0	845	0	0
Total fund balances	4,755	845	20,527	57,762
Total liabilities and fund balances	$ 4,755	$ 845	$ 21,612	$ 57,762

Capital Projects	Total
Hart County SPLOST #5	Nonmajor Governmental Funds
$ 0	$ 83,047
0	845
14,345	15,427
$ 14,345	$ 99,319
$ 1,702	$ 2,787
12,643	12,643
14,345	15,430
0	83,044
0	845
0	83,889
$ 14,345	$ 99,319

CITY OF ROYSTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	Special Revenue			
	Confiscated Assets	Hotel/Motel Tax	Technology Surcharge	Fire Department
REVENUES				
Taxes	$ 0	$ 8,265	$ 0	$ 0
Fines, fees, and forfeitures	0	0	15,582	0
Intergovernmental	0	0	0	16,983
Interest	0	0	30	0
Contributions	0	0	0	1,050
Total revenues	0	8,265	15,612	18,033
EXPENDITURES				
Current				
Public Safety	0	0	14,700	2,415
Housing and Development	0	7,702	0	0
Capital outlay	0	0	0	0
Total expenditures	0	7,702	14,700	2,415
Excess (deficiency) of revenues over (under) expenditures	0	563	912	15,618
Other financing sources (uses)				
Transfers out	0	0	0	0
Net change in fund balance	0	563	912	15,618
Fund balances, July 1	4,755	282	19,615	42,144
Fund balances, June 30	$ 4,755	$ 845	$ 20,527	$ 57,762

Capital Projects	Total
Hart County SPLOST #5	Nonmajor Governmental Funds
$ 0	$ 8,265
0	15,582
56,921	73,904
0	30
0	1,050
56,921	98,831
0	17,115
0	7,702
12,823	12,823
12,823	37,640
44,098	61,191
(44,098)	(44,098)
0	17,093
0	66,796
$ 0	$ 83,889

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GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF ROYSTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,148,831	$ 871,299
Certificates of deposit	82,385	81,973
Restricted assets		
Cash and cash equivalents	30,130	70,268
Receivables (net)		
Accounts	26,294	6,864
Taxes	89,708	94,716
Intergovernmental	0	1,972
Interest	263	329
Due from other funds	82,352	72,560
Inventories	1,371	488
Prepaid items	35,021	63,936
Total assets	$ 1,496,355	$ 1,264,405
LIABILITIES		
Payables		
Accounts	$ 83,635	$ 60,847
Refunds	350	2,731
Accrued salaries and payroll liabilities	50,817	35,956
Unearned revenue	2,633	0
Due to others	54,351	12,155
Total liabilities	191,786	111,689
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property tax	4,149	13,105
FUND BALANCES		
Nonspendable prepaid items	35,021	63,936
Nonspendable inventories	1,371	488
Restricted for Public Safety	25,630	3,518
Restricted for Culture and Recreation	4,500	66,750
Assigned for capital outlay	4,100	0
Unassigned	1,229,798	1,004,919
Total fund balances	1,300,420	1,139,611
Total liabilities, deferred inflows of resources, and fund balances	$ 1,496,355	$ 1,264,405

CITY OF ROYSTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Taxes	$ 1,859,888	$ 1,744,971
Licenses and permits	21,751	14,170
Fines, fees and forfeitures	69,272	74,529
Charges for services	174,902	125,780
Intergovernmental	156,415	26,099
Interest	1,724	2,155
Contributions	2,950	55,678
Other	70,647	62,555
Total revenues	2,357,549	2,105,937
EXPENDITURES		
Current		
General Government	615,588	567,329
Judicial	7,881	8,169
Public Safety	941,212	997,342
Public Works	507,683	493,496
Culture and Recreation	199,472	110,142
Housing and Development	144,268	140,497
Total expenditures	2,416,104	2,316,975
Excess (deficiency) of revenues over (under) expenditures before transfers	(58,555)	(211,038)
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Utility Fund	25,253	46,786
Natural Gas Utility Fund	275,253	221,786
Sanitation Fund	(109,388)	4,841
Sales of capital assets	28,246	1,400
Total other financing sources (uses)	219,364	274,813
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	160,809	63,775
Fund balances, July 1	1,139,611	1,075,836
Fund balances, June 30	$ 1,300,420	$ 1,139,611

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	$ 505,000	$ 573,113	$ 68,113	$ 536,550
Motor vehicle tax	48,500	69,366	20,866	61,035
Mobile home tax	500	1,091	591	0
Cost, penalties, and interest	6,000	1,908	(4,092)	8,402
Total general property taxes	560,000	645,478	85,478	605,987
Local option sales tax	545,000	711,451	166,451	638,304
Intangible tax	4,500	10,858	6,358	4,705
Franchise tax	185,000	178,831	(6,169)	191,427
Insurance premium tax	185,000	206,802	21,802	195,895
Beer and wine tax	68,000	78,277	10,277	75,689
Occupational tax	28,500	25,625	(2,875)	30,376
Other taxes	2,500	2,566	66	2,588
Total taxes	1,578,500	1,859,888	281,388	1,744,971
Licenses and Permits				
Building permits	2,150	9,251	7,101	2,670
Alcohol licenses and penalties	11,000	12,500	1,500	11,500
Total licenses and permits	13,150	21,751	8,601	14,170
Fines, fees and forfeitures	52,500	69,272	16,772	74,529
Charges for Services				
Cemetery lot sales	3,000	7,200	4,200	5,000
Indirect expenses	167,000	167,702	702	120,780
Total charges for services	170,000	174,902	4,902	125,780
Intergovernmental				
Grants and receipts	154,586	156,415	1,829	26,099
Interest	1,750	1,724	(26)	2,155
Contributions	3,500	2,950	(550)	55,678
Other	61,000	70,647	9,647	62,555
Total revenues	$ 2,034,986	$ 2,357,549	$ 322,563	$ 2,105,937

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 97,300	$ 91,306	$ 5,994	$ 92,698
Contractual services	43,300	24,383	18,917	25,336
Materials and supplies	6,325	3,771	2,554	6,943
Total Mayor and Council	146,925	119,460	27,465	124,977
Administration				
Personal services	282,725	284,098	(1,373)	273,853
Contractual services	109,080	100,367	8,713	111,338
Materials and supplies	49,020	46,197	2,823	26,819
Capital outlay	64,000	63,605	395	23,079
Payments to other agencies	600	190	410	450
Total Administration	505,425	494,457	10,968	435,539
Elections				
Contract services	635	306	329	6,625
Materials and supplies	1,560	1,365	195	188
Total Elections	2,195	1,671	524	6,813
Total General Government	654,545	615,588	38,957	567,329
Judicial				
Municipal Court				
Personal Services	9,000	7,881	1,119	8,169
Public Safety				
Police				
Personal services	686,955	680,182	6,773	693,222
Contractual services	101,480	77,973	23,507	92,975
Materials and supplies	66,565	56,910	9,655	77,335
Capital outlay	52,500	41,000	11,500	54,500
Payments to other agencies	13,000	3,430	9,570	8,855
Total Police Department	920,500	859,495	61,005	926,887
Fire				
Personal services	9,350	8,946	404	9,068
Contractual services	48,530	41,049	7,481	39,653
Materials and supplies	22,850	17,328	5,522	16,147
Capital outlay	9,400	5,249	4,151	0
Total Fire Department	90,130	72,572	17,558	64,868
Animal Control				
Payments to others agencies	9,200	9,145	55	5,587
Total Public Safety	1,019,830	941,212	78,618	997,342

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Public Works				
Streets				
Personal services	$ 183,821	$ 179,989	$ 3,832	$ 191,880
Contractual services	79,755	69,648	10,107	104,807
Materials and supplies	100,274	105,498	(5,224)	111,979
Capital outlay	87,557	66,408	21,149	0
Total Streets	451,407	421,543	29,864	408,666
Maintenance Shop				
Personal services	61,065	62,807	(1,742)	63,138
Contractual services	9,150	6,816	2,334	9,169
Materials and supplies	11,800	11,913	(113)	8,384
Total Maintenance Shop	82,015	81,536	479	80,691
Cemetery				
Contractual services	4,900	4,604	296	4,015
Materials and supplies	0	0	0	124
Total Cemetery	4,900	4,604	296	4,139
Total Public Works	538,322	507,683	30,639	493,496
Culture and Recreation				
Library				
Contractual services	10,600	9,986	614	11,868
Materials and supplies	18,600	17,753	847	16,015
Payments to other agencies	20,000	20,000	0	18,000
Total Library	49,200	47,739	1,461	45,883
Parks and Recreation				
Personal services	76,820	44,226	32,594	40,666
Contractual services	18,675	15,969	2,706	10,792
Materials and supplies	15,450	15,866	(416)	12,801
Capital outlay	79,750	75,672	4,078	0
Total Parks and Recreation	190,695	151,733	38,962	64,259
Total Culture and Recreation	239,895	199,472	40,423	110,142
Housing and Development				
Code Enforcement				
Personal services	48,615	50,051	(1,436)	45,779
Contractual services	18,680	13,550	5,130	14,139
Materials and supplies	3,600	1,998	1,602	1,378
Total Code Enforcement	70,895	65,599	5,296	61,296

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Housing and Development				
Better Hometown Program				
Personal services	$ 48,515	$ 48,669	$ (154)	$ 45,527
Contractual services	22,480	17,667	4,813	21,706
Materials and supplies	6,945	5,333	1,612	6,366
Total Better Hometown Program	77,940	71,669	6,271	73,599
Agency allocations				
Downtown Development Authority	7,000	7,000	0	5,602
Total Housing and Development	155,835	144,268	11,567	140,497
Total expenditures	$ 2,617,427	$ 2,416,104	$ 201,323	$ 2,316,975

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Confiscated Assets Fund - Used to account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Hotel/Motel Tax Fund - Used to collect Hotel/Motel taxes which are used to support trade and tourism in the City of Royston.

Technology Surcharge Fund - Used to account for fines and fees received restricted for the purchase of computer hardware and software for the Police Department.

Fire Department Fund - Used to account for intergovernmental revenue and contributions from individuals received for the City of Royston Fire Department

CITY OF ROYSTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 4,755	$ 4,755
FUND BALANCES		
Restricted for Public Safety	$ 4,755	$ 4,755

CITY OF ROYSTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 0	$ 0	$ 161
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	161
Fund balances, July 1	0	4,755	4,755	4,594
Fund balances, June 30	$ 0	$ 4,755	$ 4,755	$ 4,755

CITY OF ROYSTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 0	$ 2
Taxes receivable	845	280
Total assets	$ 845	$ 282
FUND BALANCES		
Assigned for Housing and Development	$ 845	$ 282

CITY OF ROYSTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 7,800	$ 8,265	$ 465	$ 7,133
EXPENDITURES				
Current				
Housing and Development				
Agency allocations	7,800	7,702	98	7,418
Excess (deficiency) of revenues over (under) expenditures	0	563	563	(285)
Fund balances, July 1	0	282	282	567
Fund balances, June 30	$ 0	$ 845	$ 845	$ 282

CITY OF ROYSTON, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 21,612	$ 20,580
LIABILITIES		
Accounts payable	$ 1,085	$ 965
FUND BALANCES		
Restricted for Public Safety	20,527	19,615
Total liabilities and fund balances	$ 21,612	$ 20,580

CITY OF ROYSTON, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 17,000	$ 15,582	$ (1,418)	$ 16,464
Interest	25	30	5	49
Total revenues	17,025	15,612	(1,413)	16,513
EXPENDITURES				
Current				
Public Safety				
Contract services	14,700	14,700	0	12,808
Materials and supplies	2,325	0	2,325	7,936
Total expenditures	17,025	14,700	2,325	20,744
Excess (deficiency) of revenues over (under) expenditures	0	912	912	(4,231)
Fund balances, July 1	0	19,615	19,615	23,846
Fund balances, June 30	$ 0	$ 20,527	$ 20,527	$ 19,615

CITY OF ROYSTON, GEORGIA
FIRE DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 56,680	$ 41,062
Intergovernmental receivable	1,082	1,082
Total assets	$ 57,762	$ 42,144
FUND BALANCES		
Restricted for Public Safety	$ 57,762	$ 42,144

CITY OF ROYSTON, GEORGIA
FIRE DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 16,800	$ 16,983	$ 183	$ 16,984
Contributions	5,000	1,050	(3,950)	6,652
Total revenues	21,800	18,033	(3,767)	23,636
EXPENDITURES				
Current				
Public Safety				
Contract services	3,500	2,415	1,085	950
Materials and supplies	6,400	0	6,400	4,938
Capital outlay	20,000	0	20,000	10,498
Payments to other agencies	0	0	0	1,250
Total expenditures	29,900	2,415	27,485	17,636
Excess (deficiency) of revenues over (under) expenditures	(8,100)	15,618	23,718	6,000
Fund balances, July 1	8,100	42,144	34,044	36,144
Fund balances, June 30	$ 0	$ 57,762	$ 57,762	$ 42,144

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CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds.

Franklin County Special Purpose Local Option Sales #5 Tax Fund – Used to account for long-term projects financed by the passage of the Franklin County special purpose local option sales tax #5.

Hart County Special Purpose Local Option Sales Tax #5 Fund – Used to account for long-term projects financed by the passage of the Hart County special purpose local option sales tax #5.

CITY OF ROYSTON, GEORGIA
FRANKLIN COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 698,354	$ 551,625
Intergovernmental receivable	65,256	102,939
Total assets	$ 763,610	$ 654,564
LIABILITIES		
Accounts payable	$ 39,616	$ 19,617
FUND BALANCES		
Restricted for capital projects	723,994	634,947
Total liabilities and fund balances	$ 763,610	$ 654,564

CITY OF ROYSTON, GEORGIA
FRANKLIN COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Intergovernmental	$ 370,931	$ 348,701
Interest	1,092	1,245
Total revenues	372,023	349,946
EXPENDITURES		
Capital outlay		
General Government		
Administration	1,134	5,469
Public Safety		
Police	13,424	20,859
Fire	14,705	5,783
Public Works		
Streets	32,106	146,137
Sanitation	3,066	0
Culture and Recreation		
Recreation	55,886	13,915
Library	0	2,600
Total expenditures	120,321	194,763
Excess (deficiency) of revenues over (under) expenditures	251,702	155,183
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Fund	(129,154)	(100,672)
Natural Gas Utility Fund	(30,506)	(56,160)
Sanitation Fund	(2,995)	(11,573)
Total other financing sources (uses)	(162,655)	(168,405)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	89,047	(13,222)
Fund balances, July 1	634,947	648,169
Fund balances, June 30	$ 723,994	$ 634,947

CITY OF ROYSTON, GEORGIA
HART COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Intergovernmental receivable	$ 14,345	$ 2,851
LIABILITIES		
Accounts payable	$ 1,702	$ 0
Due to other funds	12,643	2,851
Total liabilities	$ 14,345	$ 2,851

CITY OF ROYSTON, GEORGIA
HART COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Intergovernmental	$ 56,921	$ 61,150
EXPENDITURES		
Capital outlay		
Public Safety		
Police	1,702	2,111
Public Works		
Streets	10,335	0
Culture and Recreation		
Parks	786	0
Total expenditures	12,823	2,111
Excess (deficiency) of revenues over (under) expenditures	44,098	59,039
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Fund	(44,098)	(59,039)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0
Fund balances, July 1	0	0
Fund balances, June 30	$ 0	$ 0

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer Utility Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Royston.

Natural Gas Utility Fund - Used to account for activities connected with the development, operation and maintenance of natural gas services in the City of Royston.

Sanitation Fund - Used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Royston.

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 803,185	$ 743,317
Accounts receivables (net)	138,077	142,258
Prepaid items	6,374	10,320
Total current assets	947,636	895,895
Restricted assets		
Customer Deposits		
Cash and cash equivalents	27,265	24,085
Capital assets		
Land	61,586	61,586
Land improvements	24,644	24,644
Buildings	94,400	94,400
Vehicles and equipment	823,100	743,290
Water system	9,611,730	9,611,730
Accumulated depreciation	(5,616,174)	(5,396,671)
Total capital assets (net of accumulated depreciation)	4,999,286	5,138,979
Total assets	5,974,187	6,058,959
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	26,692	30,935
LIABILITIES		
Current liabilities		
Accounts payable	17,055	11,116
Accrued salaries	7,080	7,680
Compensated absences	17,133	18,570
Unearned revenue	11,840	12,643
Notes payable	82,600	73,818
Total current liabilities	135,708	123,827
Current liabilities payable from restricted assets		
Customer deposits payable	27,265	24,085

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
Noncurrent liabilities		
Compensated absences	$ 1,904	$ 2,063
Net pension liability	85,160	100,734
Notes payable	1,723,210	1,850,682
Total noncurrent liabilities	1,810,274	1,953,479
Total liabilities	1,973,247	2,101,391
DEFERRED INFLOWS OF RESOURCES		
Deferred iniflows related to pension	13,218	10,609
NET POSITION		
Net investment in capital assets	3,193,476	3,214,479
Unrestricted	820,938	763,415
Total net position	$ 4,014,414	$ 3,977,894

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 679,383	$ 702,225
Sewer charges	354,887	342,591
Other	72,058	45,217
Total operating revenues	1,106,328	1,090,033
OPERATING EXPENSES		
Costs of sales and services	610,440	459,234
Personal services	374,425	380,788
Depreciation	219,503	162,893
Total operating expenses	1,204,368	1,002,915
Operating income (loss)	(98,040)	87,118
Non-operating revenues (expenses)		
Interest revenue	1,463	1,809
Interest expense	(14,902)	(25,974)
Gain (loss) on sale of assets	0	(64,526)
Total non-operating revenues (expenses)	(13,439)	(88,691)
Income (loss) before capital contributions and transfers	(111,479)	(1,573)
Capital contributions		
Intergovernmental revenue	0	166,044
Income (loss) before transfers	(111,479)	164,471
Transfers in (out)		
General Fund	(25,253)	(46,786)
Franklin County SPLOST #5 Fund	129,154	100,672
Hart County SPLOST #5 Fund	44,098	59,039
Total transfers	147,999	112,925
Change in net position	36,520	277,396
Net position, July 1	3,977,894	3,700,498
Net position, June 30	$ 4,014,414	$ 3,977,894

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 1,040,828	$ 1,042,360
Payments to suppliers	(600,555)	(469,004)
Payments to employees	(385,343)	(376,235)
Other receipts	72,058	45,217
Net cash provided (used) by operating activities	126,988	242,338
Cash flows from non-capital financing activities:		
Payments to other funds	(25,253)	(46,786)
Cash flows from capital and related financing activities:		
Receipts from capital contributions	0	384,698
Receipts from other funds	173,252	159,711
Interest paid	(14,902)	(25,974)
Acquisition of capital assets	(79,810)	(769,774)
Payments of capital related accounts payable	0	(97,677)
Payments of prior year retainage payable	0	(106,794)
Proceeds - notes	0	736,551
Principal payments - notes	(118,690)	(83,636)
Net cash provided (used) by capital and related financing activities	(40,150)	197,105
Cash flows from investing activities:		
Interest received	1,463	1,809
Net increase (decrease) in cash and cash equivalents	63,048	394,466
Cash and cash equivalents, July 1	767,402	372,936
Cash and cash equivalents, June 30	$ 830,450	$ 767,402

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (98,040)	$ 87,118
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	219,503	162,893
(Increase) decrease in accounts receivable	4,181	(4,220)
(Increase) decrease in prepaid items	3,946	(3,650)
(Increase) decrease in deferred outflows related to pension	3,284	1,972
Increase (decrease) in accounts payable	5,939	(6,120)
Increase (decrease) in unearned revenue	(803)	2,134
Increase (decrease) in deposits payable	3,180	(370)
Increase (decrease) in deferred inflows related to pension	3,568	(22,499)
Increase (decrease) in net pension liability	(15,574)	17,956
Increase (decrease) in accrued payroll liabilities	(2,196)	7,124
Total adjustments	225,028	155,220
Net cash provided (used) by operating activities	$ 126,988	$ 242,338
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 803,185	$ 743,317
Customers Deposits		
Cash and cash equivalents	27,265	24,085
Total cash and cash equivalents	$ 830,450	$ 767,402

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,669,572	$ 1,797,634
Certificates of deposit	154,701	153,931
Receivables		
Accounts (net)	211,210	202,908
Intergovernmental	0	46,239
Interest	87	219
Inventories	132,020	163,104
Prepaid items	4,155	8,375
Total current assets	3,171,745	2,372,410
Restricted assets		
Customer Deposits		
Cash and cash equivalents	75,349	59,374
Capital assets		
Land	13,687	13,687
Buildings	65,000	65,000
Vehicles and equipment	487,128	456,622
Natural gas system	4,916,817	4,864,267
Accumulated depreciation	(2,813,065)	(2,676,017)
Total capital assets (net of accumulated depreciation)	2,669,567	2,723,559
Total assets	5,916,661	5,155,343
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	21,436	26,083

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 38,851	$ 8,032
Sales tax	3,978	3,787
Interest	971	971
Accrued salaries	6,166	6,713
Other payroll liabilities	3,768	480
Compensated absences	9,384	12,577
Unearned revenue	19,996	39,580
Capital leases	80,477	112,512
Total current liabilities	163,591	184,652
Current liabilities payable from restricted assets		
Customer deposits payable	75,349	59,374
Noncurrent liabilities		
Compensated absences	1,043	1,397
Net pension liability	68,000	85,058
Capital leases	190,268	270,746
Total noncurrent liabilities	259,311	357,201
Total liabilities	498,251	601,227
DEFERRED INFLOWS OF RESOURCES		
Deferred iniflows related to pension	11,602	8,703
NET POSITION		
Net investment in capital assets	2,368,316	2,340,301
Unrestricted	3,059,928	2,231,195
Total net position	$ 5,428,244	$ 4,571,496

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Gas sales	$ 2,818,713	$ 2,695,086
Gas services and repairs	9,142	19,369
Other	32,441	75,018
Total operating revenues	2,860,296	2,789,473
OPERATING EXPENSES		
Costs of sales and services	1,258,383	1,295,048
Personal services	357,197	379,547
Depreciation	137,047	124,333
Total operating expenses	1,752,627	1,798,928
Operating income (loss)	1,107,669	990,545
Non-operating revenues (expenses)		
Interest revenue	4,000	4,125
Interest expense	(10,174)	(14,403)
Gain (loss) on sale of assets	0	(56)
Total non-operating revenues (expenses)	(6,174)	(10,334)
Income (loss) before transfers	1,101,495	980,211
Transfers in (out)		
General Fund	(275,253)	(221,786)
Franklin County SPLOST #5 Fund	30,506	56,160
Total transfers	(244,747)	(165,626)
Change in net position	856,748	814,585
Net position, July 1	4,571,496	3,756,911
Net position, June 30	$ 5,428,244	$ 4,571,496

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 2,862,374	$ 2,655,296
Payments to suppliers	(1,222,765)	(1,303,819)
Payments to employees	(367,515)	(379,922)
Other receipts	32,441	75,018
Net cash provided (used) by operating activities	1,304,535	1,046,573
Cash flows from non-capital financing activities:		
Payments to other funds	(275,253)	(221,786)
Cash flows from capital and related financing activities:		
Principal payments - capital leases	(112,513)	(142,959)
Interest paid	(10,175)	(14,594)
Receipts from other funds	30,506	56,160
Acquisition of capital assets	(52,549)	(41,500)
Net cash provided (used) by capital and related financing activities	(144,731)	(142,893)
Cash flows from investing activities:		
Interest received	4,132	3,935
Proceeds from maturities of investments	153,931	153,162
Purchase of investments	(154,701)	(153,931)
Net cash provided (used) by investing activities	3,362	3,166
Net increase (decrease) in cash and cash equivalents	887,913	685,060
Cash and cash equivalents, July 1	1,857,008	1,171,948
Cash and cash equivalents, June 30	$ 2,744,921	$ 1,857,008

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 1,107,669	$ 990,545
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	137,047	124,333
(Increase) decrease in accounts receivable	(8,302)	(14,322)
(Increase) decrease in intergovernmental receivable	46,239	(46,239)
(Increase) decrease in inventories	31,084	(3,522)
(Increase) decrease in prepaid items	4,220	2,405
(Increase) decrease in deferred outflows related to pension	3,638	1,686
Increase (decrease) in accounts payable	314	(7,654)
Increase (decrease) in deposits payable	15,975	721
Increase (decrease) in sales tax payable	191	367
Increase (decrease) in unearned revenue	(19,584)	314
Increase (decrease) in deferred inflows related to pension	3,908	(19,235)
Increase (decrease) in net pension liability	(17,058)	15,350
Increase (decrease) in accrued payroll liabilities	(806)	1,824
Total adjustments	196,866	56,028
Net cash provided (used) by operating activities	$ 1,304,535	$ 1,046,573
Cash and cash equivalents reconciliation:		
Cash and cash eqivalents	$ 2,669,572	$ 1,797,634
Customer Deposits		
Cash and cash equivalents	75,349	59,374
Total cash and cash equivalents	$ 2,744,921	$ 1,857,008

Noncash investing, capital, and financing activities:

Transfers out of capital assets to the governmental activities totaled $0 and $27,545 for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through accounts payable totaled $30,506 and $0 for the fiscal years ended June 30, 2021 and 2020, respectively.

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 128,465	$ 136,561
Accounts receivable (net)	69,017	39,278
Prepaid items	6,318	3,912
Total current assets	203,800	179,751
Capital assets		
Land	6,429	6,429
Buildings	47,100	47,100
Vehicles and equipment	476,164	422,496
Accumulated depreciation	(317,000)	(352,784)
Total capital assets (net of accumulated depreciation)	212,693	123,241
Total assets	416,493	302,992
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	11,573	12,382
LIABILITIES		
Current liabilities		
Accounts payable	8,476	7,700
Accrued salaries	1,411	2,603
Other payroll liablities	1,376	182
Compensated absences	6,625	7,411
Unearned revenue	3,989	844
Due to other funds	69,709	69,709
Total current liabilities	91,586	88,449
Noncurrent liabilities		
Compensated absences	736	823
Net pension liability	37,380	40,347
Total noncurrent liabilities	38,116	41,170
Total liabilities	129,702	129,619
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	4,655	4,190
NET POSITION		
Investment in capital assets	212,693	123,241
Unrestricted	81,016	58,324
Total net position	$ 293,709	$ 181,565

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	$ 311,925	$ 306,396
Other	16,349	19,117
Total operating revenues	328,274	325,513
OPERATING EXPENSES		
Costs of sales and services	179,055	172,184
Personal services	116,914	108,435
Depreciation	64,046	33,425
Total operating expenses	360,015	314,044
Operating income (loss)	(31,741)	11,469
Non-operating revenue (expenses)		
Interest revenue	247	276
Gain (loss) on sale of capital assets	31,255	(955)
Total non-operating revenue (expenses)	31,502	(679)
Income (loss) before transfers	(239)	10,790
Transfers in (out)		
Franklin County SPLOST #5	2,995	11,573
General Fund	109,388	(4,841)
Total transfers	112,383	6,732
Change in net position	112,144	17,522
Net position, July 1	181,565	164,043
Net position, June 30	$ 293,709	$ 181,565

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 285,331	$ 306,735
Payments to suppliers	(180,685)	(171,134)
Payments to employees	(119,478)	(106,907)
Other receipts	16,349	19,117
Net cash provided (used) by operating activities	1,517	47,811
Cash flows from non-capital financing activities		
Payments to other funds	0	(9,841)
Cash flows from capital and related financing activities:		
Receipts from other funds	112,383	11,573
Proceeds from sale of capital assets	31,255	0
Acquisition of capital assets	(153,498)	0
Net cash provided (used) by capital and related financing activities	(9,860)	11,573
Cash flows from investing activities:		
Interest received	247	276
Net increase (decrease) in cash and cash equivalents	(8,096)	49,819
Cash and cash equivalents, July 1	136,561	86,742
Cash and cash equivalents, June 30	$ 128,465	$ 136,561
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (31,741)	$ 11,469
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	64,046	33,425
(Increase) decrease in accounts receivable	(29,739)	8
(Increase) decrease in prepaid items	(2,406)	(806)
(Increase) decrease in deferred outflows related to pension	594	795
Increase (decrease) in accounts payable	776	1,856
Increase (decrease) in unearned revenue	3,145	331
Increase (decrease) in deferred inflows related to pension	680	(9,067)
Increase (decrease) in net pension liability	(2,967)	7,236
Increase (decrease) in accrued payroll liabilities	(871)	2,564
Total adjustments	33,258	36,342
Net cash provided by operating activities	$ 1,517	$ 47,811

COMPONENT UNIT

Downtown Development Authority – Used to account for governmental revenues and contributions reserved for City business development.

CITY OF ROYSTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	$ 10,775	$ 7,133
FUND BALANCES		
Assigned for Housing and Development	$ 10,775	$ 7,133

CITY OF ROYSTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 13,500	$ 14,702	$ 1,202	$ 13,020
Contributions	1,500	40	(1,460)	0
Event Fees	500	730	230	700
Miscellaneous	8,400	3,351	(5,049)	7,655
Total revenues	23,900	18,823	(5,077)	21,375
EXPENDITURES				
Current				
Housing and Development				
Contract services	9,150	5,965	3,185	6,047
Materials and supplies	14,750	9,216	5,534	18,160
Payments to others	0	0	0	750
Total expenditures	23,900	15,181	8,719	24,957
Excess (deficiency) of revenues over (under) expenditures	0	3,642	3,642	(3,582)
Fund balances, July 1	0	7,133	7,133	10,715
Fund balances, June 30	$ 0	$ 10,775	$ 10,775	$ 7,133

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OTHER REPORTING SECTION

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RUSHTON

ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

Honorable Mayor and
Members of the City Council
City of Royston, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Royston, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Royston, Georgia's basic financial statements and have issued our report thereon dated October 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Royston, Georgia'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 of Royston's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Royston's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

Compliance and Other Matters

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

Purpose of this Report

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
October 22, 2021

STATE REPORTING SECTION

CITY OF ROYSTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
FRANKLIN COUNTY SPLOST #5					
Library; Roads, Streets, Bridges, and Sanitation; Water, Sewer, and Stormwater and utilities; Public Safety and Fire; Recreation; Administrative Buildings/Government Buildings/Facilities:	$ 1,440,000	$ 1,440,000			
Adminstrative Buildings/ Government Buildings/Facilities			$ 6,189	$ 1,134	$ 7,323
Police Facilities and Equipment			37,494	13,424	50,918
Fire Facilities and Equipment			6,356	14,705	21,061
Library Facillities and Equipment			2,600	0	2,600
Recreation Facilities and Equipment			13,915	55,886	69,801
Street Improvements and Equipment			7,165	1,988	9,153
Water and Sewer Facilities and Equipment			126,720	129,154	255,874
Natural Gas Facilities and Equipment			56,160	30,506	86,666
Sanitation Facilities and Equipment			54,695	6,061	60,756
Total	$ 1,440,000	$ 1,440,000	$ 311,294	$ 252,858	$ 564,152

Current year SPLOST expenditures	$ 252,858
Street Improvements and Equipment expenditures financed by other revenue sources	30,118
Total expenditures and transfers out of the Franklin County SPLOST #5 Fund	$ 282,976

CITY OF ROYSTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
HART COUNTY SPLOST #5					
Recreation; Public Safety; Water Sytem Capital and Debt Service; Streets:	$ 358,400	$ 358,400			
Public Safety Capital Improvements and Equipment			$ 2,111	$ 1,702	$ 3,813
Capital Improvements to Streets, Sidwalks, and Bridges			0	10,335	10,335
Recreation Capital Improvements			0	786	786
Water System Capital Improvements and Debt Service			59,039	44,098	103,137
	$ 358,400	$ 358,400	$ 61,150	$ 56,921	$ 118,071

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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