

CITY OF ROYSTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2022

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CITY OF ROYSTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2022

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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 Audit of the Financial Statements

Opinions

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, 2022 and the related notes to the financial statements, which collectively comprise the City of Royston, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of 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, 2022 and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and American Rescue Plan Act Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Royston, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Royston, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 16 and 65 through 70, 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.

Supplementary 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic 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, 2021, which are not presented with the accompanying financial statements. In our report dated October 22, 2021, 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 2021 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 were derived from and relate directly to the underlying accounting and other records used to prepare the 2021 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 2021 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 December 14, 2022, on our consideration of the City of Royston, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the 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

Gainesville, Georgia
December 14, 2022

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Mayor: Keith Turman
Council Members: Matt Fields
Wayne Braswell
Kenneth Roach
Lee Strickland
Jason Phillips
David Pressley

City Manager: Sharleen Ayers
City Clerk: Tonya Allen
City Judge: F. Mayes Davison

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, 2022. 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, 2022 by $17,771,588 (reported as *net position).*
- As of June 30, 2022, Royston's governmental funds reported combined ending fund balances of $2,332,009. Approximately 52% of this total amount, $1,215,567, 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 71. 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 20-25 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 26-30.

- ***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 31-32.

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 33-64 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 65-70.

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 2021 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2021	**2022**	**2021**	**2022**	**2021**	**2022**
Current assets	$ 2,346,641	$ 2,829,687	$ 4,356,086	$ 5,458,740	$ 6,702,727	$ 8,288,427
Noncurrent assets	4,914,116	5,288,017	7,881,546	7,735,046	12,795,662	13,023,063
Total assets	7,260,757	8,117,704	12,237,632	13,193,786	19,498,389	21,311,490
Total deferred outflows of resources	83,074	66,165	59,701	61,021	142,775	127,186
Current liabilities	282,921	517,157	423,790	541,511	706,711	1,058,668
Noncurrent liabilities	272,106	40,374	2,107,701	1,783,047	2,379,807	1,823,421
Total liabilities	555,027	557,531	2,531,491	2,324,558	3,086,518	2,882,089
Total deferred inflows of resources	37,446	629,131	29,475	155,868	66,921	784,999
Net Position						
Net investment in capital assets	4,867,544	4,798,883	5,774,485	5,820,931	10,642,029	10,619,814
Restricted	837,168	1,032,287	0	0	837,168	1,032,287
Unrestricted	1,046,646	1,166,037	3,961,882	4,953,450	5,008,528	6,119,487
Total net position	$ 6,751,358	$ 6,997,207	$ 9,736,367	$ 10,774,381	$ 16,487,725	$ 17,771,588

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 $17,771,588 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.

The city's original budget forecast for fiscal year 2022 continued to be affected by current economic conditions resulting in significant increase in expenditures to due price increases as felt by all citizens and governments in our area. The city continues to focus on major infrastructure projects and current fixed assets maintenance in the Gas, Water, Sewer, Street, Police Department, Fire Department, and Sanitation. Of all planned projects only 50% were completed due to supply shortages, work force issues, and budget restrictions. The City of Royston will continue to ensure measures that were implemented to control cost and expenditures continue to be managed accordingly.

Additionally, conservative spending in the Government as a whole combined with some growth in the city resulted in total revenues exceeding expenditures and were total contributing factors for the positive Net Position at year end. In recent 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 for the City of Royston. During fiscal year 2022, 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 2023 budget is underway, the potential of new volume customers, 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 those required EPD compliance standards. The City has since received some new compliance regulations that are under review for possible solutions. These new regulations will potentially require additional equipment and processes for the Wastewater Treatment Plant. Fiscal Year 2024 may see an increase in expenditures and a need for future funding to respond to these new guidelines. Fiscal Year 2022 saw a continued addition of new residential development along with additional expenses for water and sewer taps that were not projected, however, both water and sewer were sustainable. Lift Station Rehabilitation continues with one lift station project remaining to be completed.

During Fiscal year 2023 Royston will be conducting Water and Wastewater System Analyses to plan for the next 5 years. These will help the city to determine needed maintenance and upgrades to sustain the best service possible for its current and future customers. The Water Department is considering a Plant Upgrade to High-Rate water production for Municipal customers that have requested an increase of water volume as well as some planned growth within the city. For planning fiscal years 2024-2026, intergovernmental agreement updates will need to be a priority for Royston. The City continues to strive to maintain quality distribution services and water production. Water/Sewer infrastructure improvements are consistently underway. The City has adopted a Water Tank maintenance plan to aid in budgeting for future maintenance with a yearly fee. Water expansion, water intake, water plant production, and well development will continue to be a priority for fiscal years 2023-2027.

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 2023-2025. The city will review the Water Rates and Tap Fee for possible increases due to these significant cost increases in supplies and materials for new and existing water meters and system maintenance. To meet the budgetary and GEFA compliance requirements, Water & Sewer rates will require review at the beginning of 2023.

SANITATION DEPT:

During fiscal year 2022, the city continued to focus on residential and commercial equipment replacement such as carts & dumpsters. Sanitation rates and fees associated with roll-off container services and residential services will need to be addressed for fiscal year 2023. Increases in landfill fees, gasoline, and equipment repair and maintenance cost increases have had a significant impact on Sanitation net position as the economy continues to dictate major cost inflations with waste refuse.

GENERAL FUND:

During fiscal year 2022, the city council voted to a retirement change that positively impacted employees and council. Although this caused an increase in retirement liabilities for the future, the Council was determined to reward longevity in the staff. Tax collections continue to exceed budgeted tax revenue for fiscal year 2022 due to county reassessment. 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.

Effective tax collection processes, SPLOST V Grant Revenues continuing to exceed expectations, insurance proceeds from covered vehicle loss, sales of stagnant equipment, and ARPA funding from State and Federal Grant processes had a positive and direct impact on the city's overall Net Position for Fiscal Year 2022. 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 and Police Department. However, the city has planned to apply for various grants from the State and Federal government to help meet any fiscal year 2023 budget for shortfalls expected by continued inflation.

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. LMIG Funding received for 2020 and 2022 were combined to fund a Fiscal Year 2023 repaving project that exceeded single year funding and will repave a significant portion of Cook Street.

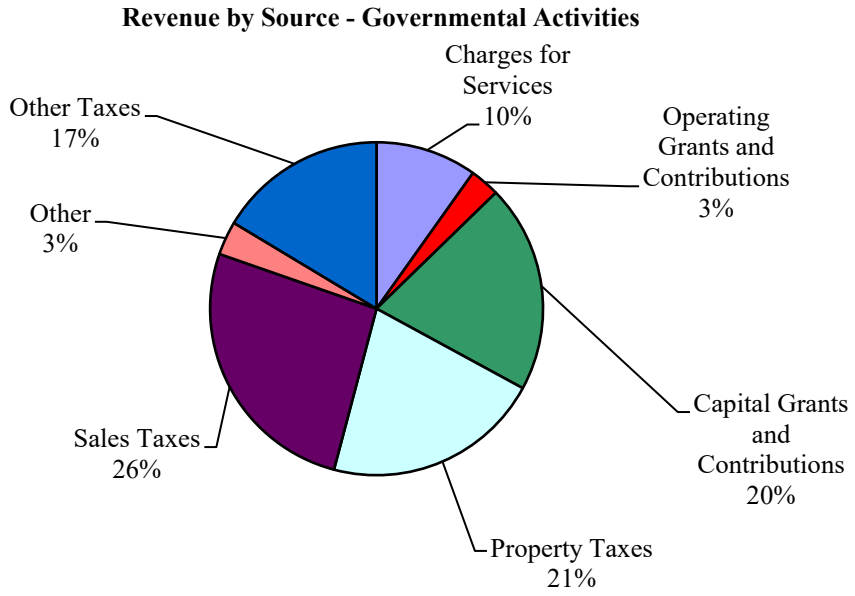
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Royston's net position changed during the year.

City of Royston
Changes in Net Position
For Fiscal Years 2021 and 2022

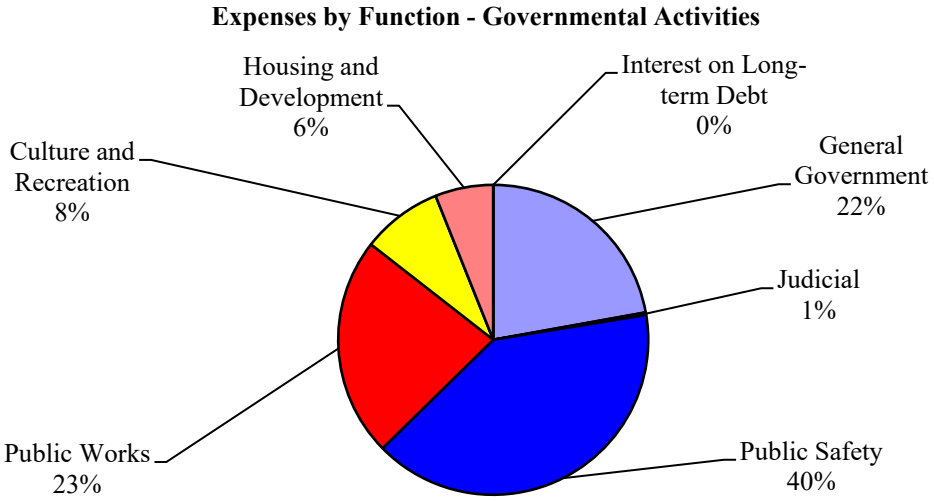
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Program revenues:						
Charges for services	$ 281,507	$ 315,494	$ 4,294,898	$ 4,392,992	$ 4,576,405	$ 4,708,486
Operating grants and contributions	174,449	92,557	0	0	174,449	92,557
Capital grants and contributions	431,894	648,292	0	0	431,894	648,292
General revenues:						
Property taxes	637,241	680,433	0	0	637,241	680,433
Sales tax	713,300	841,099	0	0	713,300	841,099
Other taxes	508,658	525,899	0	0	508,658	525,899
Interest and investment earnings	1,754	14,495	5,710	3,464	7,464	17,959
Miscellaneous revenue	98,893	90,504	0	458	98,893	90,962
Total revenues	2,847,696	3,208,773	4,300,608	4,396,914	7,148,304	7,605,687
Expenses						
General Government	581,605	601,180	0	0	581,605	601,180
Judicial	7,881	7,226	0	0	7,881	7,226
Public Safety	1,045,606	1,090,999	0	0	1,045,606	1,090,999
Public Works	554,061	620,522	0	0	554,061	620,522
Culture and Recreation	206,999	227,720	0	0	206,999	227,720
Housing and Development	152,651	164,151	0	0	152,651	164,151
Water and sewer	0	0	1,219,270	1,159,652	1,219,270	1,159,652
Natural gas	0	0	1,762,801	2,092,616	1,762,801	2,092,616
Sanitation	0	0	328,760	357,758	328,760	357,758
Total expenses	2,548,803	2,711,798	3,310,831	3,610,026	5,859,634	6,321,824
Increase (decrease) in net position before tranfers	298,893	496,975	989,777	786,888	1,288,670	1,283,863
Transfers	(15,635)	(251,126)	15,635	251,126	0	0
Increase (decrease) in net position	283,258	245,849	1,005,412	1,038,014	1,288,670	1,283,863
Net position - beginning	6,468,100	6,751,358	8,730,955	9,736,367	15,199,055	16,487,725
Net position - ending	$ 6,751,358	$ 6,997,207	$ 9,736,367	$ 10,774,381	$ 16,487,725	$ 17,771,588

Governmental Activities –

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

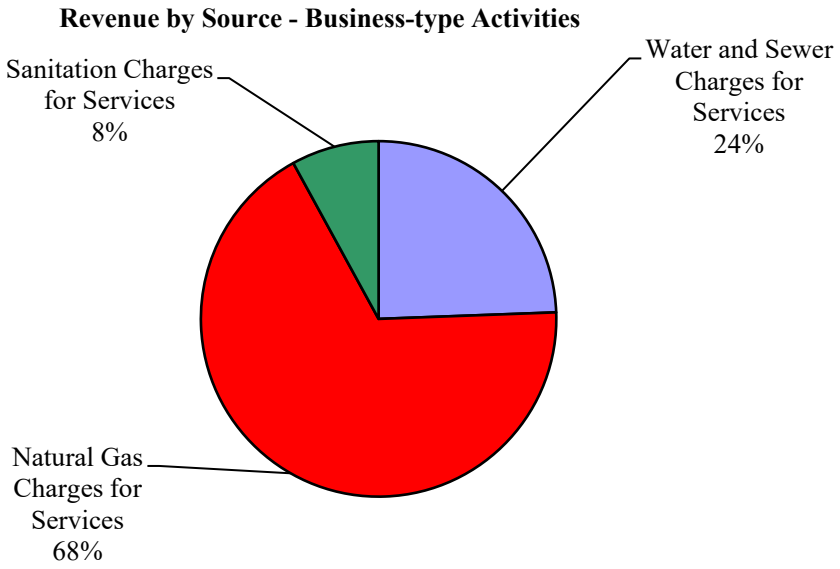


The following chart depicts the expenses of the governmental activities for the year:

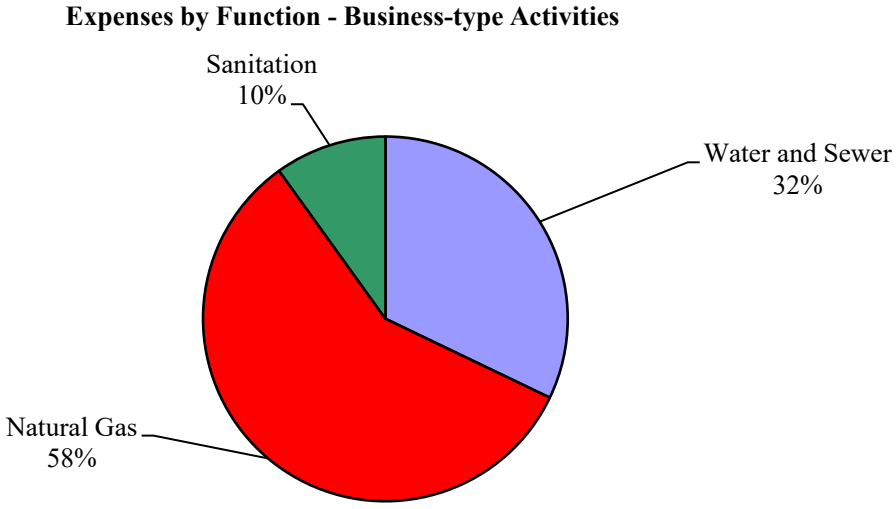


Business-type Activities –

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 $2,332,009. Of this amount, $1,215,567 (52%) 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 $1,215,567 and the total fund balance reached $1,343,515. 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 50% of the total General Fund expenditures, while total fund balance represents 56% of that same amount.

The **American Rescue Plan Act** Fund is the special revenue fund that is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund. At the end of the current year, restricted fund balance of this fund was $382.

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 $906,330.

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 2023, the city has seen significant price increases as have all municipalities. The city anticipates a small reduction in fund balance to be likely until new revenues or grant funding can be located to reduce the burden. The city will continue to make every effort to keep expenses low while maintaining a high level of service for residents.

General Fund expenditures were $2,416,104 with appropriations of $2,617,427. Continued increases in local sales taxes have aided city efforts to stay within budget guidelines. Unexpected capital purchases will continue to be offset from funds provided by SPLOST V from Franklin and Hart County.

American Rescue Plan Act Special Revenue Fund Budget Highlights.

American Rescue Plan Act Special Revenue Fund expenditures were $76,691 and transfers out were $137,970 with total appropriations of $220,000. The city has continued to be conservative in the spending of these funds and will make every effort to make the best use of the remaining funds. The majority of the current fiscal year expenditures were for necessary water and sewer maintenance, with a small portion funding recreation improvement and a bonus for employees who continued to work during the COVID shutdown to provide services to residents.

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 $4,145,818
- Natural Gas Utility $6,339,907
- Sanitation $ 288,656

The total increase in net position for the three funds was $1,038,014. 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 $12,580,389 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	4,452,482	206,501	4,658,983
Land improvements	2,515,785	24,644	2,540,429
Distribution system	0	14,614,409	14,614,409
Vehicles and equipment	3,215,056	1,727,326	4,942,382
Furniture and fixtures	59,230	0	59,230
Software	94,030	0	94,030
Construction in progress	212,124	171,644	383,768
Total	11,063,851	16,826,226	27,890,077
Accumulated depreciation	(6,218,508)	(9,091,180)	(15,309,688)
Net Capital Assets	$ 4,845,343	$ 7,735,046	$ 12,580,389

Additional information on the City of Royston's capital assets can be found in the Notes to the Financial Statements, Exhibit A-14, on pages 52-53 of this report.

Long-term debt. On June 30, 2022, the City of Royston has $1,914,115 in notes payable outstanding. The City decreased its long-term debt outstanding in fiscal year 2022 by $162,440. Additional information on the City's long-term debt can be found in the notes to the Financial Statements, Exhibit A-14, on pages 54-55 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 continue a high level of service despite current economic conditions. 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 2023 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. Exploring a program with local high schools to increase awareness of government job availability to the new workforce.
- Ensure educational needs of staff.
- Continue to show accurate accountability through proper procurement process.
- 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 through regional industrial growth.
- Street & Sidewalk resurfacing and replacing through Budgeting, LMIG, GDOT Grant and SPLOST funds being used.
- Continue replacing aging city equipment
- Plan for Phase II for the Amphitheater in Wellness Park along with ordinance changes for possible future uses.
- Plan for revitalization of downtown area.
- Plans for upgrading current wellness equipment within Wellness Park.
- Increase focus on Grant funding.
- Housing and Business development needs, working with the DCA and Economic groups to aid in planning forward.
- “Plan for our Success”

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
684 Franklin Springs Street
Royston, GA 30662

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BASIC FINANCIAL STATEMENTS

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	$ 2,404,412	$ 4,654,779	$ 7,059,191	$ 9,991
Certificates of deposit	82,714	155,011	237,725	0
Restricted assets				
Cash and cash equivalents	6,741	145,276	152,017	0
Receivables (net)				
Accounts	25,288	420,873	446,161	0
Taxes	99,160	0	99,160	0
Lease	17,446	0	17,446	0
Intergovernmental	93,344	0	93,344	0
Interest	99	66	165	0
Internal balances	57,853	(57,853)	0	0
Prepaid items	40,067	15,394	55,461	0
Inventories	2,563	125,194	127,757	0
Total current assets	2,829,687	5,458,740	8,288,427	9,991
Noncurrent assets				
Lease receivable	442,674	0	442,674	0
Capital assets				
Non-depreciable	727,268	253,346	980,614	0
Depreciable (net)	4,118,075	7,481,700	11,599,775	156,039
Total noncurrent assets	5,288,017	7,735,046	13,023,063	156,039
Total assets	8,117,704	13,193,786	21,311,490	166,030
DEFERRED OUTFLOWS OF RESOURSES				
Deferred outflows related to pension	66,165	61,021	127,186	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	130,499	126,696	257,195	285
Refunds	309	0	309	
Sales tax	0	6,194	6,194	0
Interest	0	484	484	0
Accrued salaries and expenses	57,031	16,052	73,083	0
Other payroll liabilities	0	5,875	5,875	0
Compensated absences	48,679	25,962	74,641	0
Unearned revenue	280,639	48,770	329,409	0
Customer deposits payable	0	145,276	145,276	0
Notes payable	0	166,202	166,202	0
Total current liabilities	517,157	541,511	1,058,668	285

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Compensated absences	$ 5,407	$ 2,885	$ 8,292	$ 0
Net pension liability	34,967	32,249	67,216	0
Notes payable	0	1,747,913	1,747,913	0
Total noncurrent liabilities	40,374	1,783,047	1,823,421	0
Total liabilities	557,531	2,324,558	2,882,089	285
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	169,011	155,868	324,879	0
Deferred inflows related to leases	460,120	0	460,120	0
Total deferred inflows of resources	629,131	155,868	784,999	0
NET POSITION				
Net investment in capital assets	4,798,883	5,820,931	10,619,814	156,039
Restricted for:				
Public Safety	121,075	0	121,075	0
Grant specifications	382	0	382	0
Capital outlay	910,830	0	910,830	0
Unrestricted	1,166,037	4,953,450	6,119,487	9,706
Total net position	$ 6,997,207	$ 10,774,381	$ 17,771,588	$ 165,745

CITY OF ROYSTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

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	$ 601,180	$ 251,627	$ 5,383	$ 26,920	$ (317,250)
Judicial	7,226	0	0	0	(7,226)
Public Safety	1,090,999	52,755	78,239	61,532	(898,473)
Public Works	620,522	3,825	5,383	480,589	(130,725)
Culture and Recreation	227,720	0	1,399	79,251	(147,070)
Housing and Development	164,151	7,287	2,153	0	(154,711)
Total governmental activities	2,711,798	315,494	92,557	648,292	(1,655,455)
Business-type activities					
Water and Sewer Utility	1,159,652	1,072,777	0	0	(86,875)
Natural Gas Utility	2,092,616	2,969,809	0	0	877,193
Sanitation	357,758	350,406	0	0	(7,352)
Total business-type activities	3,610,026	4,392,992	0	0	782,966
Total primary government	6,321,824	4,708,486	92,557	648,292	(872,489)
Component Unit					
Downtown Development Authority					
Housing and Development	23,979	4,927	0	0	(19,052)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Change in net position				
Net (expense) revenue	$ (1,655,455)	$ 782,966	$ (872,489)	$ (19,052)
General revenues				
Taxes				
Property	680,433	0	680,433	0
Sales	841,099	0	841,099	0
Franchise	173,898	0	173,898	0
Insurance premium	213,407	0	213,407	0
Intangibles	17,081	0	17,081	0
Alcoholic beverage	75,121	0	75,121	0
Occupational	34,375	0	34,375	0
Hotel/Motel	12,017	0	12,017	0
Payments from City of Royston	0	0	0	14,638
Interest and investment earnings	14,495	3,464	17,959	0
Other	80,154	0	80,154	0
Gain on sale of assets	10,350	458	10,808	0
Transfers	(251,126)	251,126	0	0
Total general revenues and transfers	1,901,304	255,048	2,156,352	14,638
Change in net position	245,849	1,038,014	1,283,863	(4,414)
Net position - beginning	6,751,358	9,736,367	16,487,725	170,159
Net position - ending	$ 6,997,207	$ 10,774,381	$ 17,771,588	$ 165,745

CITY OF ROYSTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	American Rescue Plan Act	Franklin County SPLOST #5	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 1,168,399	$ 278,372	$ 838,279	$ 119,362	$ 2,404,412
Certificates of deposit	82,714	0	0	0	82,714
Restricted assets					
Cash and equivalents	6,741	0	0	0	6,741
Receivables (net)					
Accounts	25,288	0	0	0	25,288
Taxes	97,955	0	0	1,205	99,160
Leases	460,120	0	0	0	460,120
Intergovernmental	0	0	73,281	20,063	93,344
Interest	99	0	0	0	99
Due from other funds	69,709	0	0	0	69,709
Inventories	2,563	0	0	0	2,563
Prepaid items	40,067	0	0	0	40,067
Total assets	$ 1,953,655	$ 278,372	$ 911,560	$ 140,630	$ 3,284,217
LIABILITIES					
Accounts payable	$ 78,277	$ 0	$ 5,230	$ 46,992	$ 130,499
Refunds payable	309	0	0	0	309
Accrued salaries	57,031	0	0	0	57,031
Unearned revenue	2,649	277,990	0	0	280,639
Due to other funds	0	0	0	11,856	11,856
Total liabilities	138,266	277,990	5,230	58,848	480,334
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	11,754	0	0	0	11,754
Leases	460,120	0	0	0	460,120
Total deferred inflows of resources	471,874	0	0	0	471,874
FUND BALANCES					
Nonspendable prepaid items	40,067	0	0	0	40,067
Nonspendable inventories	2,563				2,563
Restricted for:					
Public Safety	40,138	0	0	80,937	121,075
Grant specifications	0	382	0	0	382
Capital projects	4,500	0	906,330	0	910,830
Assigned for:					
Housing and Development	0	0	0	845	845
Capital outlay	40,680	0	0	0	40,680
Unassigned	1,215,567	0	0	0	1,215,567
Total fund balances	1,343,515	382	906,330	81,782	2,332,009
Total liabilities, deferred inflows of resources, and fund balances	$ 1,953,655	$ 278,372	$ 911,560	$ 140,630	$ 3,284,217

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2022

Total fund balance - total governmental funds		$ 2,332,009
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		4,845,343
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		11,754
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	$ 66,165	
Deferred inflows of resources:		
Pension	(169,011)	(102,846)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Net pension liability	(34,967)	
Compensated absences	(54,086)	(89,053)
Net position of governmental activities		$ 6,997,207

CITY OF ROYSTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	General	American Rescue Plan Act	Franklin County SPLOST #5	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	$ 2,027,809	$ 0	$ 0	$ 12,017	$ 2,039,826
Licenses and permits	21,034	0	0	0	21,034
Fines, fees and forfeitures	42,572	0	0	9,442	52,014
Charges for services	242,444	0	0	0	242,444
Intergovernmental	22,598	214,661	428,105	68,936	734,300
Interest	14,100	382	592	13	15,087
Contributions	2,160	0	0	3,798	5,958
Other	80,154	0	0	0	80,154
Total revenues	2,452,871	215,043	428,697	94,206	3,190,817
EXPENDITURES					
Current					
General Government	582,950	5,383	0	0	588,333
Judicial	7,226	0	0	0	7,226
Public Safety	975,537	13,887	0	53,316	1,042,740
Public Works	504,971	5,383	0	0	510,354
Culture and Recreation	194,100	1,399	0	0	195,499
Housing and Development	155,342	2,154	0	12,017	169,513
Capital outlay	0	48,485	145,151	19,034	212,670
Total expenditures	2,420,126	76,691	145,151	84,367	2,726,335
Excess (deficiency) of revenue over (under) expenditures	32,745	138,352	283,546	9,839	464,482
Other financing sources (uses)					
Transfers out	0	(137,970)	(101,210)	(11,946)	(251,126)
Sale of capital assets	10,350	0	0	0	10,350
Total other financing sources (uses)	10,350	(137,970)	(101,210)	(11,946)	(240,776)
Net change in fund balance	43,095	382	182,336	(2,107)	223,706
Fund balances, July 1	1,300,420	0	723,994	83,889	2,108,303
Fund balances, June 30	$ 1,343,515	$ 382	$ 906,330	$ 81,782	$ 2,332,009

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, 2022

Net change in fund balances - total governmental funds		$ 223,706
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	$ 224,351	
Depreciation	(292,801)	(68,450)
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	(29,483)	
Related accumulated depreciation	29,160	(323)
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources		
Cost of assets	62,425	
Related accumulated depreciation	(62,425)	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.		7,605
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	67,886	
Cost of benefits earned net of employee contributions	15,367	83,253
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	58	58
Change in net position of governmental activities		$ 245,849

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, 2022

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,648,300	$ 1,692,300	$ 2,027,809	$ 335,509
Licenses and permits	14,750	14,750	21,034	6,284
Fines, fees and forfeitures	66,150	66,150	42,572	(23,578)
Charges for services	232,830	232,830	242,444	9,614
Intergovernmental	20,000	20,000	22,598	2,598
Interest	1,700	1,700	14,100	12,400
Contributions	6,500	6,500	2,160	(4,340)
Other	52,100	63,324	80,154	16,830
Total revenues	2,042,330	2,097,554	2,452,871	355,317
EXPENDITURES				
Current				
General Government				
Mayor and Council	143,800	145,800	143,750	2,050
Administration	446,600	452,800	435,390	17,410
Elections	5,525	5,525	3,810	1,715
Judicial				
Municipal Court	10,050	10,050	7,226	2,824
Public Safety				
Police	929,158	940,658	891,879	48,779
Fire	91,670	103,394	70,330	33,064
Animal Control	14,200	14,200	13,328	872
Public Works				
Streets	403,145	416,445	416,408	37
Maintenance Shop	96,740	94,290	80,465	13,825
Cemetery	6,350	8,100	8,098	2
Culture and Recreation				
Library	42,735	46,535	46,446	89
Parks and Recreation	137,237	154,937	147,654	7,283
Housing and Development				
Code Enforcement	70,025	77,125	72,342	4,783
Better Hometown Program	76,305	79,705	79,408	297
Downtown Development Authority	7,000	7,000	3,592	3,408
Total expenditures	2,480,540	2,556,564	2,420,126	136,438
Excess (deficiency) of revenues over (under) expenditures	(438,210)	(459,010)	32,745	491,755
Other financing sources (uses)				
Transfers in	466,575	466,575	0	(466,575)
Sales of capital assets	8,000	8,000	10,350	2,350
Contingency	(49,497)	(28,697)	0	28,697
Total other financing sources (uses)	425,078	445,878	10,350	(435,528)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(13,132)	(13,132)	43,095	56,227
Fund balances, July 1	13,132	13,132	1,300,420	1,287,288
Fund balances, June 30	$ 0	$ 0	$ 1,343,515	$ 1,343,515

CITY OF ROYSTON, GEORGIA
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 0	$ 220,200	$ 214,661	$ (5,539)
Interest	0	0	382	382
Total revenues	0	220,200	215,043	(5,157)
EXPENDITURES				
Current				
General Government				
Personal services	0	5,400	5,383	17
Public Safety				
Personal services	0	14,100	13,887	213
Public Works				
Personal services	0	22,100	5,383	16,717
Culture and Recreation				
Personal services	0	1,400	1,399	1
Capital outlay	0	50,000	48,485	1,515
Housing and Development				
Personal services	0	2,200	2,154	46
Total expenditures	0	95,200	76,691	18,509
Excess (deficiency) of revenues over (under) expenditures	0	125,000	138,352	13,352
Other financing sources (uses)				
Transfers out	0	(125,000)	(137,970)	(12,970)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	382	382
Fund balances, July 1	0	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 382	$ 382

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Nonmajor Sanitation	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 768,405	$ 3,674,683	$ 211,691	$ 4,654,779
Certificates of deposit	0	155,011	0	155,011
Restricted assets				
Cash and cash equivalents	36,202	109,074	0	145,276
Receivables (net)				
Accounts	147,625	231,059	42,189	420,873
Interest	0	66	0	66
Inventories	0	125,194	0	125,194
Prepaid items	7,436	5,225	2,733	15,394
Due from other funds	11,856	0	0	11,856
Total current assets	971,524	4,300,312	256,613	5,528,449
Noncurrent assets				
Capital assets				
Non-depreciable	233,230	13,687	6,429	253,346
Depreciable (net)	4,814,013	2,524,282	143,405	7,481,700
Total noncurrent assets	5,047,243	2,537,969	149,834	7,735,046
Total assets	6,018,767	6,838,281	406,447	13,263,495
DEFERRED OUTFLOWS OF RESOURSES				
Deferred outflows related to pension	26,675	29,201	5,145	61,021
LIABILITIES				
Current liabilities				
Payables				
Accounts	30,587	74,447	21,662	126,696
Sales tax	0	6,194	0	6,194
Interest	0	484	0	484
Accrued salaries	7,869	6,744	1,439	16,052
Other payroll liabilities	0	4,452	1,423	5,875
Compensated absences	9,894	9,223	6,845	25,962
Unearned revenue	7,889	35,644	5,237	48,770
Due to other funds	0	0	69,709	69,709
Notes payable	83,242	82,960	0	166,202
Liabilities payable from restricted assets:				
Customer deposits payable	36,202	109,074	0	145,276
Total current liabilities	175,683	329,222	106,315	611,220

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Nonmajor Sanitation	Totals
Noncurrent liabilities				
Compensated absences	$ 1,099	$ 1,025	$ 761	$ 2,885
Net pension liability	14,098	15,432	2,719	32,249
Notes payable	1,640,605	107,308	0	1,747,913
Total noncurrent liabilities	1,655,802	123,765	3,480	1,783,047
Total liabilities	1,831,485	452,987	109,795	2,394,267
DEFERRED INFLOWS OF RESOURCES				
Deferred iniflows related to pension	68,139	74,588	13,141	155,868
NET POSITION				
Net investment in capital assets	3,323,396	2,347,701	149,834	5,820,931
Unrestricted	822,422	3,992,206	138,822	4,953,450
Total net position	$ 4,145,818	$ 6,339,907	$ 288,656	$ 10,774,381

See accompanying notes to the financial statements.

Exhibit A-9, continued

CITY OF ROYSTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Nonmajor Sanitation	Totals
OPERATING REVENUES				
Charges for sales and services	$ 1,072,777	$ 2,969,809	$ 350,406	$ 4,392,992
OPERATING EXPENSES				
Costs of sales and services	540,894	1,583,575	216,501	2,340,970
Personal services	376,282	370,587	78,398	825,267
Depreciation	215,067	131,598	62,859	409,524
Total operating expenses	1,132,243	2,085,760	357,758	3,575,761
Operating income (loss)	(59,466)	884,049	(7,352)	817,231
Non-operating revenues (expenses)				
Interest revenue	744	2,574	146	3,464
Interest expense	(27,409)	(6,856)	0	(34,265)
Gain (loss) on sale of capital assets	458	0	0	458
Total non-operating revenues (expenses)	(26,207)	(4,282)	146	(30,343)
Income (loss) before transfers	(85,673)	879,767	(7,206)	786,888
Transfers in	217,077	31,896	2,153	251,126
Change in net position	131,404	911,663	(5,053)	1,038,014
Net position, July 1	4,014,414	5,428,244	293,709	9,736,367
Net position, June 30	$ 4,145,818	$ 6,339,907	$ 288,656	$ 10,774,381

See accompanying notes to the financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Nonmajor Sanitation	Totals
Cash flows from operating activities:				
Receipts from customers	$ 1,016,166	$ 2,993,083	$ 364,539	$ 4,373,788
Payments to suppliers	(528,424)	(1,511,717)	(199,730)	(2,239,871)
Payments to employees	(399,661)	(366,851)	(97,825)	(864,337)
Other receipts	52,049	8,466	13,943	74,458
Net cash provided (used) by operating activities	140,130	1,122,981	80,927	1,344,038
Cash flows from capital and related financing activities:				
Receipts from other funds	217,077	31,896	2,153	251,126
Payments to other funds	(11,856)	0	0	(11,856)
Interest paid	(27,409)	(7,343)	0	(34,752)
Acquisition of capital assets	(263,366)	0	0	(263,366)
Payments of capital related accounts payable	0	(30,506)	0	(30,506)
Proceeds from sale of capital assets	800	0	0	800
Principal payments - notes	(81,963)	(80,477)	0	(162,440)
Net cash provided (used) by capital and related financing activities	(166,717)	(86,430)	2,153	(250,994)
Cash flows from investing activities:				
Interest received	744	2,595	146	3,485
Proceeds from sale of investments	0	154,701	0	154,701
Purchase of investments	0	(155,011)	0	(155,011)
Net cash provided (used) by investing activities	744	2,285	146	3,175
Net increase (decrease) in cash and cash equivalents	(25,843)	1,038,836	83,226	1,096,219
Cash and cash equivalents, July 1	830,450	2,744,921	128,465	3,703,836
Cash and cash equivalents, June 30	$ 804,607	$ 3,783,757	$ 211,691	$ 4,800,055

CITY OF ROYSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Nonmajor Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (59,466)	$ 884,049	$ (7,352)	$ 817,231
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	215,067	131,598	62,859	409,524
(Increase) decrease in accounts receivable	(9,548)	(19,849)	26,828	(2,569)
(Increase) decrease in prepaids	(1,062)	(1,070)	3,585	1,453
(Increase) decrease in inventories	0	6,826	0	6,826
(Increase) decrease in deferred outflows related to pension	17	(7,765)	6,428	(1,320)
Increase (decrease) in accounts payable	13,532	66,102	13,186	92,820
Increase (decrease) in sales tax payable	0	2,216	0	2,216
Increase (decrease) in unearned revenue	(3,951)	15,648	1,248	12,945
Increase (decrease) in deferred inflows related to pension	54,921	62,986	8,486	126,393
Increase (decrease) in net pension liability	(71,062)	(52,568)	(34,661)	(158,291)
Increase (decrease) in accrued payroll liabilities	(7,255)	1,083	320	(5,852)
Increase (decrease) in deposits payable	8,937	33,725	0	42,662
Total adjustments	199,596	238,932	88,279	526,807
Net cash provided (used) by operating activities	$ 140,130	$ 1,122,981	$ 80,927	$ 1,344,038
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 768,405	$ 3,674,683	$ 211,691	$ 4,654,779
Restricted assets				
Cash and cash equivalents	36,202	109,074	0	145,276
Total cash and cash equivalents	$ 804,607	$ 3,783,757	$ 211,691	$ 4,800,055

CITY OF ROYSTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

ASSETS	
Equity in pooled cash	$ 7,802
LIABILITIES	
Due to other agencies	7,802
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, 2022

ADDITIONS		
Fines and forfeitures collected for other governments	$	23,080
DEDUCTIONS		
Distributions of fines and forfeitures to other governments		23,080
Change in net position		0
Net position, July 1		0
Net position, June 30	$	0

See accompanying notes to the financial statements.

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.

American Rescue Plan Act Special Revenue Fund – This fund is used to account for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.

Franklin County SPLOST #5 Capital Projects 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 Enterprise 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 Enterprise 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.

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 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 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. Leases Receivable

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the City may receive variable lease payments that dependent upon the lessees' revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for each of the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

J. 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.

K. Inventories

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

L. 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.

M. 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.

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

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.

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)

N. 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 and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. 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)

P. 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.

Q. 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.

R. 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)

S. 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)

S. 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.

T. 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.

U. 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)

V. 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.

W. 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		$ 25,288
Enterprise Funds		
Water and Sewer Utility	$ 191,567	
Less: Allowances for Uncollectibles	(43,942)	
Natural Gas Utility	281,293	
Less: Allowances for Uncollectibles	(50,234)	378,684
Nonmajor Funds		
Sanitation	56,165	
Less: Allowances for Uncollectibles	(13,976)	42,189
Total Primary Government		$ 446,161

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	$ 73,281
Nonmajor Governmental Funds	20,063
Total Primary Government	$ 93,344

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
2021	$ 11,647
2020	352
2019	104
2018	20
2017	18
2016	18
Less allowance for uncollectible	(405)
Total	$ 11,754

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 2022, based upon the assessments of January 1, 2021, were billed on December 12, 2021, and due on February 10, 2022. Tax liens are issued 90 days after the due date. The tax rate of 10.0 mills for fiscal year 2022 was levied on November 9, 2021.

Other Taxes

$86,201 of sales taxes and $1,205 of other taxes are also included in taxes receivable.

7. Lease Receivable

In 2013, the City entered into a five year lease with a cell phone service provider to provide the tenant the right to a portion of real property, together with the right to use the tower located thereon. The lease provides for four additional, five-year terms. Under the lease, the tenant paid the Authority a monthly payment of $2,000 per month for the first 12 months of the lease. On the annual anniversary date of the commencement date, the monthly rent amount is increased by 2.5% of the rent paid in the previous year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 2.784%. During the current fiscal year, the Authority recognized $16,246 of lease revenue (reported as other revenue on the statement of activities) and $13,057 of interest revenue under the lease.

Annual requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 17,446	$ 12,589	$ 30,035
2024	18,699	12,087	30,786
2025	20,005	11,550	31,555
2026	21,369	10,976	32,345
2027	22,790	10,363	33,153
2028-2032	137,472	41,149	178,621
2033-2037	183,096	18,996	202,092
2038	39,243	548	39,791
Totals	$ 460,120	$ 118,258	$ 578,378

8. 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	Nonmajor Sanitation	$ 69,709
Water and Sewer Utility	Nonmajor governmental	11,856
		$ 81,565

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
American Rescue Plan Act	Water and Sewer Utility	$ 128,281
	Natural Gas Utility	7,536
	Nonmajor Sanitation	2,153
Franklin County SPLOST #5	Water and Sewer Utility	76,850
	Natural Gas Utility	24,360
Nonmajor governmental	Water and Sewer Utility	11,946
Total Interfund Transfers		$ 251,126

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.

9. 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	$ 515,144	$ 0	$ 0	$ 515,144
Construction in progress	135,893	101,404	(25,173)	212,124
Total non-depreciable assets	651,037	101,404	(25,173)	727,268
Depreciable assets				
Buildings	4,447,293	5,189	0	4,452,482
Infrastructure	2,460,011	55,774	0	2,515,785
Vehicles and equipment	3,075,674	149,582	(10,200)	3,215,056
Software	94,030	0	0	94,030
Furniture and fixtures	78,513	0	(19,283)	59,230
Total depreciable assets	10,155,521	210,545	(29,483)	10,336,583
Accumulated depreciation				
Buildings	(2,458,526)	(77,686)	0	(2,536,212)
Infrastructure	(683,254)	(58,271)	0	(741,525)
Vehicles and equipment	(2,672,773)	(207,575)	10,200	(2,870,148)
Software	(9,403)	(9,403)	0	(18,806)
Furniture and fixtures	(68,486)	(2,291)	18,960	(51,817)
Total accumulated depreciation	(5,892,442)	(355,226)	29,160	(6,218,508)
Total depreciable assets, net	4,263,079	(144,681)	(323)	4,118,075
Governmental activities capital assets, net	$ 4,914,116	$ (43,277)	$ (25,496)	$ 4,845,343
Business-type activities				
Non-depreciable assets				
Land	$ 81,702	$ 0	$ 0	$ 81,702
Construction in progress	0	171,644	0	171,644
Total non-depreciable assets	81,702	171,644	0	253,346
Depreciable assets				
Buildings	206,501	0	0	206,501
Land improvements	24,644	0	0	24,644
Distribution system	14,528,546	85,863	0	14,614,409
Vehicles and equipment	1,786,387	5,859	(64,920)	1,727,326
Total depreciable assets	16,546,078	91,722	(64,920)	16,572,880
Accumulated depreciation				
Buildings	(141,624)	(5,030)	0	(146,654)
Land improvements	(21,685)	(1,643)	0	(23,328)
Distribution system	(7,320,159)	(263,067)	0	(7,583,226)
Vehicles and equipment	(1,262,766)	(139,784)	64,578	(1,337,972)
Total accumulated depreciation	(8,746,234)	(409,524)	64,578	(9,091,180)
Total depreciable assets, net	7,799,844	(317,802)	(342)	7,481,700
Business-type activities capital assets, net	$ 7,881,546	$ (146,158)	$ (342)	$ 7,735,046

9. 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	(7,824)	(3,345)	0	(11,169)
Downtown Development Authority				
Component Unit, net	$ 159,384	$ (3,345)	$ 0	$ 156,039

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 34,834
Public Safety	123,183
Public Works	68,461
Culture and Recreation	66,323
Total depreciation expense for governmental activities	$ 292,801
Business-type activities	
Water and Sewer Utility	$ 215,067
Natural Gas Utility	131,598
Nonmajor Sanitation	62,859
Total depreciation expense for business-type activities	$ 409,524
Component Unit	
Downtown Development Authority	$ 3,345

	Governmental Activities	Business-type Activities
Current year depreciation expense	$ 292,801	$ 409,524
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component units	62,425	0
Additions to accumulated depreciation	$ 355,226	$ 409,524

10. Long-Term Debt

Notes from Direct Borrowings

On February 27, 2015, the City entered into an agreement with Branch Bank and Trust for the financed purchase of certain equipment in the original amount of $684,780. The note is secured by the equipment. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The note bears interest at a rate of 2.51% to 3.05% and requires monthly payments of $21,573 to $21,955 through June 2025. The remaining principal balance at the end of the current fiscal year is $190,268.

On November 7, 2017, the City entered into an agreement with 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 $1,723,847.

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

Year Ending June 30,	Principal	Interest	Total
2023	$ 166,202	$ 30,990	$ 197,192
2024	170,061	27,131	197,192
2025	107,650	23,677	131,327
2026	87,202	22,170	109,372
2027	88,563	20,809	109,372
2028-2032	463,990	82,871	546,861
2033-2037	501,354	45,507	546,861
2038-2041	329,093	8,138	337,231
Totals	$ 1,914,115	$ 261,293	$ 2,175,408

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	$ 54,147	$ 56,284	$ (56,345)	$ 54,086	$ 48,679
Business-type activities					
Notes from direct borrowings	$ 2,076,555	$ 0	$ (162,440)	$ 1,914,115	$ 166,202
Compensated absences	36,825	38,783	(46,761)	28,847	25,962
Total business-type activities	$ 2,113,380	$ 38,783	$ (209,201)	$ 1,942,962	$ 192,164

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 $34,265.

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	Component Unit
Cost of capital assets	$ 11,063,850	$ 16,826,226	$ 167,208
Accumulated Depreciation	(6,218,507)	(9,091,180)	(11,169)
Book value	4,845,343	7,735,046	156,039
Notes payable	0	(1,914,115)	0
Capital-related accounts payable	(46,460)	0	0
Net investment in capital assets	$ 4,798,883	$ 5,820,931	$ 156,039

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, 2022, the date of the most recent actuarial valuation, the participants consisted of the following:

Retirees and beneficiaries currently receiving benefits	20
Terminated vested participants entitled to but not yet receiving benefits	21
Active participants	47
Total number of participants	88

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 $129,250, or 8.56% of covered payroll. The City's covered payroll for employees participating in the Plan for the current fiscal year was $1,510,308. 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 $67,216. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. 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 $14,025.

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	$ 2,076	$ (38,126)
Changes of assumptions	27,240	0
Net difference between projected and actual earnings on pension plan investments	0	(286,753)
City contributions subsequent to the measurement date	97,870	0
Totals	$ 127,186	$ (324,879)

The $97,870 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	
2023	$ (77,796)
2024	(57,890)
2025	(85,840)
2026	(74,037)
Totals	$ (295,563)

13. Pension Plan (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2022 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, 2022 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	40.00%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
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 9/30/20	$ 2,561,433	$ 2,104,202	$ 457,231
Changes for the year:			
Service cost	66,304	0	66,304
Interest	190,101	0	190,101
Differences between expected and actual experience	(15,255)	0	(15,255)
Contributions—employer	0	129,561	(129,561)
Net investment income	0	510,861	(510,861)
Benefit payments, including refunds of employee contributions	(100,206)	(100,206)	0
Administrative expense	0	(9,257)	9,257
Net changes	140,944	530,959	(390,015)
Balances at 9/30/21	$ 2,702,377	$ 2,635,161	$ 67,216

Plan fiduciary net position as a percentage of the total pension liability	97.51%
Covered payroll	$ 1,571,624
Employer's net pension liability as percentage of covered payroll	4.28%

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%	$ 438,122
Current discount rate	7.375%	67,216
1% increase	8.375%	(241,869)

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 $3,481 to the plans based on covered salaries of $421,687. Plan members made voluntary contributions of $14,295 to the plans. Total payroll was $1,832,039.

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	$12,017	
Disbursements to		
Downtown Development Authority	$12,017	100% 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 $22,598 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. New Accounting Pronouncements

The City implemented GASB Statement No. 87, *Leases*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2021. The beginning balance of leases receivable and related deferred inflows of resources was established in the amount of $476,367. This adjustment had no effect on beginning net position.

21. Subsequent Events

Subsequent to June 30, 2022, 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.

22. Restricted and Assigned Fund Balances

A summary of restricted and assigned fund balances of the governmental funds as of the end of the current fiscal year is as follows:

	General	American Rescue Plan Act	Franklin County SPLOST #5	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Public Safety					
Police department	$ 40,138	$ 0	$ 0	$ 17,773	$ 57,911
Fire department	0	0	0	63,164	63,164
Grant specifications	0	382	0	0	382
Capital projects	4,500	0	906,330	0	910,830
	$ 44,638	$ 382	$ 906,330	$ 80,937	$ 1,032,287
Assigned for:					
Housing and Development					
Trade and tourism	$ 0	$ 0	$ 0	$ 845	$ 845
Capital outlay	40,680	0	0	0	40,680
	$ 40,680	$ 0	$ 0	$ 845	$ 41,525

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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, 2022
(Unaudited)

	Fiscal Year		
	2022	**2021**	**2020**
Total pension liability			
Service cost	$ 66,304	$ 61,407	$ 64,130
Interest	190,101	180,105	169,546
Differences between expected and actual experience	(15,255)	(13,799)	(4,561)
Benefit payments, including refunds of employee contributions	(100,206)	(93,960)	(91,930)
Other	0	0	48,041
Net change in total pension liability	140,944	133,753	185,226
Total pension liability - beginning	2,561,433	2,427,680	2,242,454
Total pension liability - ending (a)	2,702,377	2,561,433	2,427,680
Plan fiduciary net position			
Contributions - employer	$ 129,561	$ 124,974	$ 133,511
Net investment income	510,861	185,874	56,456
Benefit payments, including refunds of employee contributions	(100,206)	(93,960)	(91,930)
Administrative expense	(9,257)	(8,914)	(8,590)
Net change in total pension liability	530,959	207,974	89,447
Plan fiduciary net position - beginning	2,104,202	1,896,228	1,806,781
Plan fiduciary net position - ending (b)	$ 2,635,161	$ 2,104,202	$ 1,896,228
Net pension liability (asset) - ending : (a) - (b)	$ 67,216	$ 457,231	$ 531,452
Plan's fiduciary net position as a percentage of the total pension liability	97.51%	82.15%	78.11%
Covered payroll	$ 1,571,624	$ 1,532,818	$ 1,444,009
Net pension liabilty as a percentage of covered payroll	4.28%	29.83%	36.80%

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

Fiscal Year				
2019	2018	2017	2016	2015
$ 73,242	$ 81,578	$ 83,644	$ 90,691	$ 97,099
160,002	144,637	138,514	125,255	109,378
(11,124)	7,268	(84,767)	13,041	55,842
(79,565)	(55,901)	(60,829)	(55,011)	(48,664)
0	28,081	0	0	(5,620)
142,555	205,663	76,562	173,976	208,035
2,099,899	1,894,236	1,817,675	1,643,699	1,435,664
2,242,454	2,099,899	1,894,237	$ 1,817,675	$ 1,643,699
$ 138,032	$ 148,055	$ 152,823	$ 152,263	$ 149,721
160,594	203,670	126,653	7,629	95,129
(79,565)	(55,901)	(60,829)	(55,011)	(48,664)
(9,150)	(9,766)	(5,350)	(5,878)	(4,551)
209,911	286,058	213,297	99,003	191,635
1,596,870	1,310,812	1,097,515	998,512	806,877
$ 1,806,781	$ 1,596,870	$ 1,310,812	$ 1,097,515	$ 998,512
$ 435,673	$ 503,029	$ 583,425	$ 720,160	$ 645,187
80.57%	76.05%	69.20%	60.38%	60.75%
$ 1,389,033	$ 1,541,958	$ 1,579,149	$ 1,514,806	$ 1,566,779
31.37%	32.62%	36.95%	47.54%	41.18%

CITY OF ROYSTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year		
	2022	**2021**	**2020**
Actuarially determined contribution	$ 129,250	$ 123,549	$ 136,831
Contributions in relation to the actuarially determined contribution	(129,250)	(123,549)	(136,831)
Contribution deficiency (excess)	$ 0	$ 0	$ 0
Covered payroll	$ 1,510,308	$ 1,492,413	$ 1,578,162
Contributions as a percentage of covered payrol	8.56%	8.28%	8.67%

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

Fiscal Year					
2019	2018	2017	2016	2015
138,432	$ 148,055	$ 151,263	$ 153,343	$ 151,903
(138,432)	(148,055)	(151,263)	(153,343)	(151,903)
0	$ 0	$ 0	$ 0	$ 0
1,518,135	$ 1,469,871	$ 1,580,444	$ 1,696,036	$ 1,669,519
9.12%	10.07%	9.57%	9.04%	9.10%

See accompanying notes to the required supplementary information.

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2022, 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, 2023.

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 10 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

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

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROYSTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue			
	Confiscated Assets	Hotel/Motel Tax	Technology Surcharge	Fire Department
ASSETS				
Cash and cash equivalents	$ 4,755	$ 4,698	$ 14,103	$ 95,806
Taxes receivable	0	1,205	0	0
Intergovernmental receivable	0	0	0	2,481
Total assets	$ 4,755	$ 5,903	$ 14,103	$ 98,287
LIABILITIES				
Accounts payable	$ 0	$ 5,058	$ 1,085	$ 35,123
Due to other funds	0	0	0	0
Total liablilities	0	5,058	1,085	35,123
FUND BALANCES				
Restricted for Public Safety	4,755	0	13,018	63,164
Assigned for Housing and Development	0	845	0	0
Total fund balances	4,755	845	13,018	63,164
Total liabilities and fund balances	$ 4,755	$ 5,903	$ 14,103	$ 98,287

Capital Projects	Total
Hart County SPLOST #5	Nonmajor Governmental Funds
$ 0	$ 119,362
0	1,205
17,582	20,063
$ 17,582	$ 140,630
$ 5,726	$ 46,992
11,856	11,856
17,582	58,848
0	80,937
0	845
0	81,782
$ 17,582	$ 140,630

CITY OF ROYSTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	Special Revenue			
	Confiscated Assets	Hotel/Motel Tax	Technology Surcharge	Fire Department
REVENUES				
Taxes	$ 0	$ 12,017	$ 0	$ 0
Fines, fees, and forfeitures	0	0	9,442	0
Intergovernmental	0	0	0	37,956
Interest	0	0	13	0
Contributions	0	0	0	3,798
Total revenues	0	12,017	9,455	41,754
EXPENDITURES				
Current				
Public Safety	0	0	16,964	36,352
Housing and Development	0	12,017	0	0
Capital outlay	0	0	0	0
Total expenditures	0	12,017	16,964	36,352
Excess (deficiency) of revenues over (under) expenditures	0	0	(7,509)	5,402
Other financing sources (uses)				
Transfers out	0	0	0	0
Net change in fund balance	0	0	(7,509)	5,402
Fund balances, July 1	4,755	845	20,527	57,762
Fund balances, June 30	$ 4,755	$ 845	$ 13,018	$ 63,164

Capital Projects	Total
Hart County SPLOST #5	Nonmajor Governmental Funds
$ 0	$ 12,017
0	9,442
30,980	68,936
0	13
0	3,798
30,980	94,206
0	53,316
0	12,017
19,034	19,034
19,034	84,367
11,946	9,839
(11,946)	(11,946)
0	(2,107)
0	83,889
$ 0	$ 81,782

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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, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 1,168,399	$ 1,148,831
Certificates of deposit	82,714	82,385
Restricted assets		
Cash and cash equivalents	6,741	30,130
Receivables (net)		
Accounts	25,288	26,294
Taxes	97,955	89,708
Leases	460,120	476,367
Interest	99	263
Due from other funds	69,709	82,352
Inventories	2,563	1,371
Prepaid items	40,067	35,021
Total assets	$ 1,953,655	$ 1,972,722
LIABILITIES		
Payables		
Accounts	$ 78,277	$ 83,635
Refunds	309	350
Accrued salaries and payroll liabilities	57,031	50,817
Unearned revenue	2,649	2,633
Due to others	0	54,351
Total liabilities	138,266	191,786
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property tax	11,754	4,149
Leases	460,120	476,367
Total deferred inflows of resources	471,874	480,516
FUND BALANCES		
Nonspendable prepaid items	40,067	35,021
Nonspendable inventories	2,563	1,371
Restricted for Public Safety	40,138	25,630
Restricted for Culture and Recreation	4,500	4,500
Assigned for capital outlay	40,680	4,100
Unassigned	1,215,567	1,229,798
Total fund balances	1,343,515	1,300,420
Total liabilities, deferred inflows of resources, and fund balances	$ 1,953,655	$ 1,972,722

CITY OF ROYSTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
REVENUES		
Taxes	$ 2,027,809	$ 1,859,888
Licenses and permits	21,034	21,751
Fines, fees and forfeitures	42,572	69,272
Charges for services	242,444	174,902
Intergovernmental	22,598	156,415
Interest	14,100	1,724
Contributions	2,160	2,950
Other	80,154	70,647
Total revenues	2,452,871	2,357,549
EXPENDITURES		
Current		
General Government	582,950	615,588
Judicial	7,226	7,881
Public Safety	975,537	941,212
Public Works	504,971	507,683
Culture and Recreation	194,100	199,472
Housing and Development	155,342	144,268
Total expenditures	2,420,126	2,416,104
Excess (deficiency) of revenues over (under) expenditures before transfers	32,745	(58,555)
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Utility Fund	0	25,253
Natural Gas Utility Fund	0	275,253
Sanitation Fund	0	(109,388)
Sales of capital assets	10,350	28,246
Total other financing sources (uses)	10,350	219,364
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	43,095	160,809
Fund balances, July 1	1,300,420	1,139,611
Fund balances, June 30	$ 1,343,515	$ 1,300,420

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	$ 544,000	$ 597,780	$ 53,780	$ 573,113
Motor vehicle tax	48,500	71,550	23,050	69,366
Mobile home tax	800	1,247	447	1,091
Cost, penalties, and interest	2,500	4,181	1,681	1,908
Total general property taxes	595,800	674,758	78,958	645,478
Local option sales tax	624,000	839,169	215,169	711,451
Intangible tax	4,000	17,081	13,081	10,858
Franchise tax	182,000	173,898	(8,102)	178,831
Insurance premium tax	185,000	213,407	28,407	206,802
Beer and wine tax	71,000	75,121	4,121	78,277
Occupational tax	28,000	34,375	6,375	25,625
Other taxes	2,500	0	(2,500)	2,566
Total taxes	1,692,300	2,027,809	335,509	1,859,888
Licenses and Permits				
Building permits	1,750	8,284	6,534	9,251
Alcohol licenses and penalties	13,000	12,750	(250)	12,500
Total licenses and permits	14,750	21,034	6,284	21,751
Fines, fees and forfeitures	66,150	42,572	(23,578)	69,272
Charges for Services				
Cemetery lot sales	3,000	3,825	825	7,200
Indirect expenses	229,830	238,619	8,789	167,702
Total charges for services	232,830	242,444	9,614	174,902
Intergovernmental				
Grants and receipts	20,000	22,598	2,598	156,415
Interest	1,700	14,100	12,400	1,724
Contributions	6,500	2,160	(4,340)	2,950
Other	63,324	80,154	16,830	70,647
Total revenues	$ 2,097,554	$ 2,452,871	$ 355,317	$ 2,357,549

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 95,850	$ 94,931	$ 919	$ 91,306
Contractual services	41,000	42,857	(1,857)	24,383
Materials and supplies	8,950	5,962	2,988	3,771
Total Mayor and Council	145,800	143,750	2,050	119,460
Administration				
Personal services	296,175	282,825	13,350	284,098
Contractual services	129,425	130,935	(1,510)	100,367
Materials and supplies	26,400	21,630	4,770	46,197
Capital outlay	0	0	0	63,605
Payments to other agencies	800	0	800	190
Total Administration	452,800	435,390	17,410	494,457
Elections				
Contract services	4,900	3,370	1,530	306
Materials and supplies	625	440	185	1,365
Total Elections	5,525	3,810	1,715	1,671
Total General Government	604,125	582,950	21,175	615,588
Judicial				
Municipal Court				
Personal Services	10,050	7,226	2,824	7,881
Public Safety				
Police				
Personal services	704,093	716,678	(12,585)	680,182
Contractual services	129,580	104,470	25,110	77,973
Materials and supplies	85,485	65,449	20,036	56,910
Capital outlay	7,500	0	7,500	41,000
Payments to other agencies	14,000	5,282	8,718	3,430
Total Police Department	940,658	891,879	48,779	859,495
Fire				
Personal services	9,370	8,982	388	8,946
Contractual services	49,600	41,394	8,206	41,049
Materials and supplies	23,200	14,087	9,113	17,328
Capital outlay	21,224	5,867	15,357	5,249
Total Fire Department	103,394	70,330	33,064	72,572
Animal Control				
Contractual services	3,500	3,124	376	0
Materials and supplies	1,500	1,059	441	0
Payments to others agencies	9,200	9,145	55	9,145
Total Animal Control	14,200	13,328	872	9,145
Total Public Safety	1,058,252	975,537	82,715	941,212

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
Public Works				
Streets				
Personal services	$ 186,825	$ 162,829	$ 23,996	$ 179,989
Contractual services	93,520	108,117	(14,597)	69,648
Materials and supplies	117,100	114,860	2,240	105,498
Capital outlay	19,000	30,602	(11,602)	66,408
Total Streets	416,445	416,408	37	421,543
Maintenance Shop				
Personal services	79,990	69,099	10,891	62,807
Contractual services	5,350	3,504	1,846	6,816
Materials and supplies	8,950	7,862	1,088	11,913
Total Maintenance Shop	94,290	80,465	13,825	81,536
Cemetery				
Contractual services	8,100	8,098	2	4,604
Total Public Works	518,835	504,971	13,864	507,683
Culture and Recreation				
Library				
Contractual services	10,435	10,603	(168)	9,986
Materials and supplies	16,100	15,843	257	17,753
Payments to other agencies	20,000	20,000	0	20,000
Total Library	46,535	46,446	89	47,739
Parks and Recreation				
Personal services	81,870	77,020	4,850	44,226
Contractual services	14,585	17,318	(2,733)	15,969
Materials and supplies	18,850	18,916	(66)	15,866
Capital outlay	39,632	34,400	5,232	75,672
Total Parks and Recreation	154,937	147,654	7,283	151,733
Total Culture and Recreation	201,472	194,100	7,372	199,472
Housing and Development				
Code Enforcement				
Personal services	50,475	48,421	2,054	50,051
Contractual services	23,550	20,900	2,650	13,550
Materials and supplies	3,100	3,021	79	1,998
Total Code Enforcement	77,125	72,342	4,783	65,599

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
Housing and Development				
Better Hometown Program				
Personal services	$ 49,615	$ 49,516	$ 99	$ 48,669
Contractual services	22,990	21,997	993	17,667
Materials and supplies	7,100	7,895	(795)	5,333
Total Better Hometown Program	79,705	79,408	297	71,669
Agency allocations				
Downtown Development Authority	7,000	3,592	3,408	7,000
Total Housing and Development	163,830	155,342	8,488	144,268
Total expenditures	$ 2,556,564	$ 2,420,126	$ 136,438	$ 2,416,104

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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.

American Rescue Plan Act Fund - Used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

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
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2022

ASSETS	
Cash and cash equivalents	$ 278,372
LIABILITIES	
Unearned revenue	$ 277,990
FUND BALANCES	
Restricted for grant specifications	382
Total liabilities and fund balances	$ 278,372

CITY OF ROYSTON, GEORGIA
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 220,200	$ 214,661	$ (5,539)
Interest	0	382	382
Total revenues	220,200	215,043	(5,157)
EXPENDITURES			
Current			
General Governmnet			
Personal services	5,400	5,383	17
Public Safety			
Personal services	14,100	13,887	213
Public Works			
Personal services	22,100	5,383	16,717
Culture and Recreation			
Personal services	1,400	1,399	1
Capital outlay	50,000	48,485	1,515
Housing and Development			
Personal services	2,200	2,154	46
Total expenditures	95,200	76,691	18,509
Excess (deficiency) of revenues over (under) expenditures	125,000	138,352	13,352
Other financing sources (uses)			
Transfers in (out)			
Water and Sewer Utility Fund	(125,000)	(128,281)	3,281
Natural Gas Utility Fund	0	(2,153)	2,153
Sanitation Fund	0	(7,536)	7,536
Total other financing sources (uses)	(125,000)	(137,970)	12,970
Excess (deficiency) of revenues over (under) expenditures	0	382	382
Fund balances, July 1	0	0	0
Fund balances, June 30	$ 0	$ 382	$ 382

CITY OF ROYSTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
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, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES	$ 0	$ 0	$ 0	$ 0
EXPENDITURES	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	4,755	4,755	4,755
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, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 4,698	$ 0
Taxes receivable	1,205	845
Total assets	$ 5,903	$ 845
LIABILITIES		
Accounts payable	$ 5,058	$ 0
FUND BALANCES		
Assigned for Housing and Development	845	845
Total liabilities and fund balances	$ 5,903	$ 845

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, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 12,100	$ 12,017	$ (83)	$ 8,265
EXPENDITURES				
Current				
Housing and Development				
Agency allocations	12,100	12,017	83	7,702
Excess (deficiency) of revenues over (under) expenditures	0	0	0	563
Fund balances, July 1	0	845	845	282
Fund balances, June 30	$ 0	$ 845	$ 845	$ 845

CITY OF ROYSTON, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 14,103	$ 21,612
LIABILITIES		
Accounts payable	$ 1,085	$ 1,085
FUND BALANCES		
Restricted for Public Safety	13,018	20,527
Total liabilities and fund balances	$ 14,103	$ 21,612

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, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 17,300	$ 9,442	$ (7,858)	$ 15,582
Interest	25	13	(12)	30
Total revenues	17,325	9,455	(7,870)	15,612
EXPENDITURES				
Current				
Public Safety				
Contract services	23,000	16,511	6,489	14,700
Materials and supplies	2,000	453	1,547	0
Total expenditures	25,000	16,964	8,036	14,700
Excess (deficiency) of revenues over (under) expenditures	(7,675)	(7,509)	166	912
Fund balances, July 1	7,675	20,527	12,852	19,615
Fund balances, June 30	$ 0	$ 13,018	$ 13,018	$ 20,527

CITY OF ROYSTON, GEORGIA
FIRE DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 95,806	$ 56,680
Intergovernmental receivable	2,481	1,082
Total assets	$ 98,287	$ 57,762
LIABILITIES		
Accounts payable	$ 35,123	$ 0
FUND BALANCES		
Restricted for Public Safety	63,164	57,762
Total liabilities and fund balances	$ 98,287	$ 57,762

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, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 16,800	$ 37,956	$ 21,156	$ 16,983
Contributions	2,000	3,798	1,798	1,050
Total revenues	18,800	41,754	22,954	18,033
EXPENDITURES				
Current				
Public Safety				
Contract services	5,500	0	5,500	2,415
Materials and supplies	8,400	1,229	7,171	0
Capital outlay	38,000	35,123	2,877	0
Total expenditures	51,900	36,352	15,548	2,415
Excess (deficiency) of revenues over (under) expenditures	(33,100)	5,402	38,502	15,618
Fund balances, July 1	33,100	57,762	24,662	42,144
Fund balances, June 30	$ 0	$ 63,164	$ 63,164	$ 57,762

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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, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 838,279	$ 698,354
Intergovernmental receivable	73,281	65,256
Total assets	$ 911,560	$ 763,610
LIABILITIES		
Accounts payable	$ 5,230	$ 39,616
FUND BALANCES		
Restricted for capital projects	906,330	723,994
Total liabilities and fund balances	$ 911,560	$ 763,610

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, 2022 and 2021

	2022	2021
REVENUES		
Intergovernmental	$ 428,105	$ 370,931
Interest	592	1,092
Total revenues	428,697	372,023
EXPENDITURES		
Capital outlay		
General Government		
Administration	8,809	1,134
Public Safety		
Police	40,529	13,424
Fire	2,327	14,705
Public Works		
Streets	83,136	32,106
Sanitation	0	3,066
Culture and Recreation		
Recreation	10,350	55,886
Total expenditures	145,151	120,321
Excess (deficiency) of revenues over (under) expenditures	283,546	251,702
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Fund	(76,850)	(129,154)
Natural Gas Utility Fund	(24,360)	(30,506)
Sanitation Fund	0	(2,995)
Total other financing sources (uses)	(101,210)	(162,655)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	182,336	89,047
Fund balances, July 1	723,994	634,947
Fund balances, June 30	$ 906,330	$ 723,994

CITY OF ROYSTON, GEORGIA
HART COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Intergovernmental receivable	$ 17,582	$ 14,345
LIABILITIES		
Accounts payable	$ 5,726	$ 1,702
Due to other funds	11,856	12,643
Total liabilities	$ 17,582	$ 14,345

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, 2022 and 2021

	2022	2021
REVENUES		
Intergovernmental	$ 30,980	$ 56,921
EXPENDITURES		
Capital outlay		
Public Safety		
Police	0	1,702
Fire	5,635	0
Public Works		
Streets	0	10,335
Culture and Recreation		
Parks	13,399	786
Total expenditures	19,034	12,823
Excess (deficiency) of revenues over (under) expenditures	11,946	44,098
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Fund	(11,946)	(44,098)
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, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 768,405	$ 803,185
Accounts receivables (net)	147,625	138,077
Prepaid items	7,436	6,374
Due from other funds	11,856	0
Total current assets	935,322	947,636
Restricted assets		
Customer Deposits		
Cash and cash equivalents	36,202	27,265
Capital assets		
Land	61,586	61,586
Construction in progress	171,644	0
Land improvements	24,644	24,644
Buildings	94,400	94,400
Vehicles and equipment	812,128	823,100
Water system	9,697,593	9,611,730
Accumulated depreciation	(5,814,752)	(5,616,174)
Total capital assets (net of accumulated depreciation)	5,047,243	4,999,286
Total assets	6,018,767	5,974,187
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	26,675	26,692
LIABILITIES		
Current liabilities		
Accounts payable	30,587	17,055
Accrued salaries	7,869	7,080
Compensated absences	9,894	17,133
Unearned revenue	7,889	11,840
Notes payable	83,242	82,600
Total current liabilities	139,481	135,708
Current liabilities payable from restricted assets		
Customer deposits payable	36,202	27,265

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
Noncurrent liabilities		
Compensated absences	$ 1,099	$ 1,904
Net pension liability	14,098	85,160
Notes payable	1,640,605	1,723,210
Total noncurrent liabilities	1,655,802	1,810,274
Total liabilities	1,831,485	1,973,247
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	68,139	13,218
NET POSITION		
Net investment in capital assets	3,323,396	3,193,476
Unrestricted	822,422	820,938
Total net position	$ 4,145,818	$ 4,014,414

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, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 664,845	$ 679,383
Sewer charges	355,883	354,887
Other	52,049	72,058
Total operating revenues	1,072,777	1,106,328
OPERATING EXPENSES		
Costs of sales and services	540,894	610,440
Personal services	376,282	374,425
Depreciation	215,067	219,503
Total operating expenses	1,132,243	1,204,368
Operating income (loss)	(59,466)	(98,040)
Non-operating revenues (expenses)		
Interest revenue	744	1,463
Interest expense	(27,409)	(14,902)
Gain (loss) on sale of assets	458	0
Total non-operating revenues (expenses)	(26,207)	(13,439)
Income (loss) before transfers	(85,673)	(111,479)
Transfers in (out)		
General Fund	0	(25,253)
American Rescue Plan Act Fund	128,281	0
Franklin County SPLOST #5 Fund	76,850	129,154
Hart County SPLOST #5 Fund	11,946	44,098
Total transfers	217,077	147,999
Change in net position	131,404	36,520
Net position, July 1	4,014,414	3,977,894
Net position, June 30	$ 4,145,818	$ 4,014,414

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Receipts from customers	$ 1,016,166	$ 1,040,828
Payments to suppliers	(528,424)	(600,555)
Payments to employees	(399,661)	(385,343)
Other receipts	52,049	72,058
Net cash provided (used) by operating activities	140,130	126,988
Cash flows from non-capital financing activities:		
Payments to other funds	0	(25,253)
Cash flows from capital and related financing activities:		
Receipts from other funds	217,077	173,252
Payments to other funds	(11,856)	0
Interest paid	(27,409)	(14,902)
Acquisition of capital assets	(263,366)	(79,810)
Proceeds from sale of capital assets	800	0
Principal payments - notes	(81,963)	(118,690)
Net cash provided (used) by capital and related financing activities	(166,717)	(40,150)
Cash flows from investing activities:		
Interest received	744	1,463
Net increase (decrease) in cash and cash equivalents	(25,843)	63,048
Cash and cash equivalents, July 1	830,450	767,402
Cash and cash equivalents, June 30	$ 804,607	$ 830,450

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (59,466)	$ (98,040)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	215,067	219,503
(Increase) decrease in accounts receivable	(9,548)	4,181
(Increase) decrease in prepaid items	(1,062)	3,946
(Increase) decrease in deferred outflows related to pension	17	3,284
Increase (decrease) in accounts payable	13,532	5,939
Increase (decrease) in unearned revenue	(3,951)	(803)
Increase (decrease) in deposits payable	8,937	3,180
Increase (decrease) in deferred inflows related to pension	54,921	3,568
Increase (decrease) in net pension liability	(71,062)	(15,574)
Increase (decrease) in accrued payroll liabilities	(7,255)	(2,196)
Total adjustments	199,596	225,028
Net cash provided (used) by operating activities	$ 140,130	$ 126,988
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 768,405	$ 803,185
Customers Deposits		
Cash and cash equivalents	36,202	27,265
Total cash and cash equivalents	$ 804,607	$ 830,450

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,674,683	$ 2,669,572
Certificates of deposit	155,011	154,701
Receivables		
Accounts (net)	231,059	211,210
Interest	66	87
Inventories	125,194	132,020
Prepaid items	5,225	4,155
Total current assets	4,191,238	3,171,745
Restricted assets		
Customer Deposits		
Cash and cash equivalents	109,074	75,349
Capital assets		
Land	13,687	13,687
Buildings	65,000	65,000
Vehicles and equipment	439,038	487,128
Natural gas system	4,916,817	4,916,817
Accumulated depreciation	(2,896,573)	(2,813,065)
Total capital assets (net of accumulated depreciation)	2,537,969	2,669,567
Total assets	6,838,281	5,916,661
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	29,201	21,436

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 74,447	$ 38,851
Sales tax	6,194	3,978
Interest	484	971
Accrued salaries	6,744	6,166
Other payroll liabilities	4,452	3,768
Compensated absences	9,223	9,384
Unearned revenue	35,644	19,996
Notes payable	82,960	80,477
Total current liabilities	220,148	163,591
Current liabilities payable from restricted assets		
Customer deposits payable	109,074	75,349
Noncurrent liabilities		
Compensated absences	1,025	1,043
Net pension liability	15,432	68,000
Notes payable	107,308	190,268
Total noncurrent liabilities	123,765	259,311
Total liabilities	452,987	498,251
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	74,588	11,602
NET POSITION		
Net investment in capital assets	2,347,701	2,368,316
Unrestricted	3,992,206	3,059,928
Total net position	$ 6,339,907	$ 5,428,244

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, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Charges for sales and services		
Gas sales	$ 2,955,354	$ 2,818,713
Gas services and repairs	5,989	9,142
Other	8,466	32,441
Total operating revenues	2,969,809	2,860,296
OPERATING EXPENSES		
Costs of sales and services	1,583,575	1,258,383
Personal services	370,587	357,197
Depreciation	131,598	137,047
Total operating expenses	2,085,760	1,752,627
Operating income (loss)	884,049	1,107,669
Non-operating revenues (expenses)		
Interest revenue	2,574	4,000
Interest expense	(6,856)	(10,174)
Total non-operating revenues (expenses)	(4,282)	(6,174)
Income (loss) before transfers	879,767	1,101,495
Transfers in (out)		
General Fund	0	(275,253)
Franklin County SPLOST #5 Fund	31,896	30,506
Total transfers	31,896	(244,747)
Change in net position	911,663	856,748
Net position, July 1	5,428,244	4,571,496
Net position, June 30	$ 6,339,907	$ 5,428,244

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Receipts from customers	$ 2,993,083	$ 2,862,374
Payments to suppliers	(1,511,717)	(1,222,765)
Payments to employees	(366,851)	(367,515)
Other receipts	8,466	32,441
Net cash provided (used) by operating activities	1,122,981	1,304,535
Cash flows from non-capital financing activities:		
Payments to other funds	0	(275,253)
Cash flows from capital and related financing activities:		
Principal payments - notes payable	(80,477)	(112,513)
Interest paid	(7,343)	(10,175)
Receipts from other funds	31,896	30,506
Acquisition of capital assets	0	(52,549)
Payment of capital related accounts payable	(30,506)	0
Net cash provided (used) by capital and related financing activities	(86,430)	(144,731)
Cash flows from investing activities:		
Interest received	2,595	4,132
Proceeds from maturities of investments	154,701	153,931
Purchase of investments	(155,011)	(154,701)
Net cash provided (used) by investing activities	2,285	3,362
Net increase (decrease) in cash and cash equivalents	1,038,836	887,913
Cash and cash equivalents, July 1	2,744,921	1,857,008
Cash and cash equivalents, June 30	$ 3,783,757	$ 2,744,921

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 884,049	$ 1,107,669
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	131,598	137,047
(Increase) decrease in accounts receivable	(19,849)	(8,302)
(Increase) decrease in intergovernmental receivable	0	46,239
(Increase) decrease in inventories	6,826	31,084
(Increase) decrease in prepaid items	(1,070)	4,220
(Increase) decrease in deferred outflows related to pension	(7,765)	3,638
Increase (decrease) in accounts payable	66,102	314
Increase (decrease) in deposits payable	33,725	15,975
Increase (decrease) in sales tax payable	2,216	191
Increase (decrease) in unearned revenue	15,648	(19,584)
Increase (decrease) in deferred inflows related to pension	62,986	3,908
Increase (decrease) in net pension liability	(52,568)	(17,058)
Increase (decrease) in accrued payroll liabilities	1,083	(806)
Total adjustments	238,932	196,866
Net cash provided (used) by operating activities	$ 1,122,981	$ 1,304,535
Cash and cash equivalents reconciliation:		
Cash and cash eqivalents	$ 3,674,683	$ 2,669,572
Customer deposits		
Cash and cash equivalents	109,074	75,349
Total cash and cash equivalents	$ 3,783,757	$ 2,744,921

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $0 and $30,506 for the fiscal years ended June 30, 2022 and 2021, respectively.

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 211,691	$ 128,465
Accounts receivable (net)	42,189	69,017
Prepaid items	2,733	6,318
Total current assets	256,613	203,800
Capital assets		
Land	6,429	6,429
Buildings	47,100	47,100
Vehicles and equipment	476,164	476,164
Accumulated depreciation	(379,859)	(317,000)
Total capital assets (net of accumulated depreciation)	149,834	212,693
Total assets	406,447	416,493
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	5,145	11,573
LIABILITIES		
Current liabilities		
Accounts payable	21,662	8,476
Accrued salaries	1,439	1,411
Other payroll liablities	1,423	1,376
Compensated absences	6,845	6,625
Unearned revenue	5,237	3,989
Due to other funds	69,709	69,709
Total current liabilities	106,315	91,586
Noncurrent liabilities		
Compensated absences	761	736
Net pension liability	2,719	37,380
Total noncurrent liabilities	3,480	38,116
Total liabilities	109,795	129,702
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	13,141	4,655
NET POSITION		
Investment in capital assets	149,834	212,693
Unrestricted	138,822	81,016
Total net position	$ 288,656	$ 293,709

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	$ 336,463	$ 311,925
Other	13,943	16,349
Total operating revenues	350,406	328,274
OPERATING EXPENSES		
Costs of sales and services	216,501	179,055
Personal services	78,398	116,914
Depreciation	62,859	64,046
Total operating expenses	357,758	360,015
Operating income (loss)	(7,352)	(31,741)
Non-operating revenue (expenses)		
Interest revenue	146	247
Gain (loss) on sale of capital assets	0	31,255
Total non-operating revenue (expenses)	146	31,502
Income (loss) before transfers	(7,206)	(239)
Transfers in (out)		
Franklin County SPLOST #5	0	2,995
American Rescue Plan Act Fund	2,153	0
General Fund	0	109,388
Total transfers in (out)	2,153	112,383
Change in net position	(5,053)	112,144
Net position, July 1	293,709	181,565
Net position, June 30	$ 288,656	$ 293,709

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Receipts from customers	$ 364,539	$ 285,331
Payments to suppliers	(199,730)	(180,685)
Payments to employees	(97,825)	(119,478)
Other receipts	13,943	16,349
Net cash provided (used) by operating activities	80,927	1,517
Cash flows from capital and related financing activities:		
Receipts from other funds	2,153	112,383
Proceeds from sale of capital assets	0	31,255
Acquisition of capital assets	0	(153,498)
Net cash provided (used) by capital and related financing activities	2,153	(9,860)
Cash flows from investing activities:		
Interest received	146	247
Net increase (decrease) in cash and cash equivalents	83,226	(8,096)
Cash and cash equivalents, July 1	128,465	136,561
Cash and cash equivalents, June 30	$ 211,691	$ 128,465
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (7,352)	$ (31,741)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	62,859	64,046
(Increase) decrease in accounts receivable	26,828	(29,739)
(Increase) decrease in prepaid items	3,585	(2,406)
(Increase) decrease in deferred outflows related to pension	6,428	594
Increase (decrease) in accounts payable	13,186	776
Increase (decrease) in unearned revenue	1,248	3,145
Increase (decrease) in deferred inflows related to pension	8,486	680
Increase (decrease) in net pension liability	(34,661)	(2,967)
Increase (decrease) in accrued payroll liabilities	320	(871)
Total adjustments	88,279	33,258
Net cash provided by operating activities	$ 80,927	$ 1,517

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, 2022 and 2021

	2022	2021
ASSETS		
Cash	$ 9,991	$ 10,775
LIABILITIES		
Accounts payable	$ 285	$ 0
FUND BALANCES		
Assigned for Housing and Development	9,706	10,775
Total liabilities and fund balances	$ 9,991	$ 10,775

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, 2022
(With comparative actual amounts for the fiscal year ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 15,500	$ 14,638	$ (862)	$ 14,702
Contributions	1,500	0	(1,500)	40
Event Fees	500	0	(500)	730
Miscellaneous	7,400	4,926	(2,474)	3,351
Total revenues	24,900	19,564	(5,336)	18,823
EXPENDITURES				
Current				
Housing and Development				
Contract services	8,150	5,923	2,227	5,965
Materials and supplies	16,750	13,535	3,215	9,216
Payments to others	0	1,175	(1,175)	0
Total expenditures	24,900	20,633	4,267	15,181
Excess (deficiency) of revenues over (under) expenditures	0	(1,069)	(1,069)	3,642
Fund balances, July 1	0	10,775	10,775	7,133
Fund balances, June 30	$ 0	$ 9,706	$ 9,706	$ 10,775

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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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2022, 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 December 14, 2022.

Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Royston, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Royston, Georgia's internal control.

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

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

2022-001

Condition: While performing audit procedures at the Downtown Development Authority, we noted there is a lack of maintenance of appropriate supporting documentation with evidence of proper approval.

Criteria: Proper internal controls require that sufficient, appropriate documentation with evidence of approval are maintained by management.

Effect: Failure to maintain proper supporting documentation with evidence of approval subjects the assets of the County to greater risk of misappropriation.

Cause: The Downtown Development Authority is not maintaining appropriate supporting documentation, including evidence of proper approval, for necessary transactions.

2022-001, continued

Recommendation: Supporting documentation with evidence of approval should be retained at the Downtown Development Authority's office.

Management Response: Management has provided a copy of this finding to the appropriate Department Head, and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2022-002

Condition: While performing audit procedures on disbursements, we noted that the City does not properly utilize a purchase order system.

Criteria: Proper internal controls require approval of purchases before requisition of supplies and materials.

Effect: Failure to approve purchases before requisition increases the City's risk of loss due to fraud.

Cause: The City is issuing purchase orders after the purchase has been made and the invoice has been received

Recommendation: We recommend that the City implement a purchasing system that requires issuance of a purchase order before the purchase is made.

Management Response: Management concurs with this finding. Management has a plan to improve the current purchase order system. Action was taken immediately upon receipt of the comment from our auditors.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Royston, Georgia's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Royston, Georgia's Response to Findings

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

Purpose of this Report

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

Gainesville, Georgia
December 14, 2022

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, 2022

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			$ 7,323	$ 8,809	$ 16,132
Police Facilities and Equipment			50,918	40,529	91,447
Fire Facilities and Equipment			21,061	2,327	23,388
Library Facillities and Equipment			2,600	0	2,600
Recreation Facilities and Equipment			69,801	10,350	80,151
Street Improvements and Equipment			9,153	5,856	15,009
Water and Sewer Facilities and Equipment			255,874	76,850	332,724
Natural Gas Facilities and Equipment			86,666	24,360	111,026
Sanitation Facilities and Equipment			60,756	0	60,756
Total	$ 1,440,000	$ 1,440,000	$ 564,152	$ 169,081	$ 733,233

Current year SPLOST expenditures	$ 169,081
Street Improvements and Equipment expenditures financed by other revenue sources	77,280
Total expenditures and transfers out of the Franklin County SPLOST #5 Fund	$ 246,361

CITY OF ROYSTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2022

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			$ 3,813	$ 5,635	$ 9,448
Capital Improvements to Streets, Sidwalks, and Bridges			10,335	0	10,335
Recreation Capital Improvements			786	13,399	14,185
Water System Capital Improvements and Debt Service			103,137	11,946	115,083
	$ 358,400	$ 358,400	$ 118,071	$ 30,980	$ 149,051

* 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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