CITY OF SANDERSVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Sandersville, Georgia

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 Sandersville, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Sandersville, Georgia's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Sandersville, 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Sandersville, 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 Sandersville, 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 (on pages 4-13) and budgetary comparison for the General Fund, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of Employer Contributions (on pages 48- 51) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sandersville, Georgia's basic financial statements The combining and individual nonmajor fund financial statements, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Wright, Wright, P.C.

Sandersville, Georgia
June 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Sandersville, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures follow this section.

Financial Highlights

- The City's assets exceeded its liabilities by $44,434,097 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  (1) Net investment in capital assets, of $16,717,029 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $1,592,939 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $26,124,129 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of $3,503,889 this year. This compares to the prior year ending fund balance of $2,801,120 showing an increase of $702,769 during the current year. Unassigned fund balance of $1,856,246 at December 31, 2021 shows a $447,569 increase from the prior year of $1,408,677.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $ 1,856,492 or 31.5% of total General Fund expenditures, as compared to 25.6% at December 31, 2020.
- Overall, the City continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the water and sewer systems, electrical system, sanitation and telecom.

The government-wide financial statements are presented on pages 14 & 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16 - 19 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as enterprise funds. These enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for these funds. The basic enterprise fund financial statements are presented on pages 20 – 23 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 24 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. Also included are notes to the RSI.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Note that because of some reclassifications in this fiscal year from last fiscal year, it is difficult to explain some comparisons.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $44,434,097 as compared to $40,582,323 at December 31, 2020. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Percentage
	2021	2020	2021	2020	2021	2020	of Total
Assets:							
Current assets	$ 4,494,595	$ 2,888,479	$ 27,102,758	$ 21,603,081	$ 31,597,353	$ 24,491,560	47%
Capital assets	10,565,927	10,150,554	24,314,929	21,055,304	$ 34,880,856	31,205,858	52%
Deferred outflows	261,172	1,110,812	-	-	261,172	1,110,812	1%
Total assets	15,321,694	14,149,845	51,417,687	42,658,385	66,739,381	56,808,230	100%
Liabilities:							
Current liabilities	1,098,936	116,232	2,043,352	928,391	3,142,288	1,044,623	14%
Long-term liabilities	871,880	2,914,021	17,000,515	12,188,757	17,872,395	15,102,778	80%
Deferred inflows	1,290,601	78,516	-	-	1,290,601	78,516	6%
Total liabilities	3,261,417	3,108,769	19,043,867	13,117,148	22,305,284	16,225,917	100%
Net position:							
Net investment in capital assets	10,026,137	10,150,554	6,690,892	8,522,104	16,717,029	18,672,658	38%
Restricted	1,592,939	1,332,553	2,440,391	-	4,033,330	1,332,553	9%
Unrestricted	441,201	(442,031)	23,242,537	21,019,143	23,683,738	20,577,112	53%
Total net position	$ 12,060,277	$ 11,041,076	$ 32,373,820	$ 29,541,247	$ 44,434,097	$ 40,582,323	100%

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.1 to 1 as compared to 24.9 to 1 at December 31, 2020. The current ratio for business-type activities is 13.3 to 1 as compared to 23.3 to 1 at December 31, 2020.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $1,019,201 or 9.2% for governmental activities, and increased $2,832,573 or 9.6% for business-type activities. The City's overall financial position increased by $3,851,774 or 9.5% during fiscal year 2021.

Note that 83.1% of the governmental activities' net position is tied up in capital. The City uses these capital assets to provide services to its citizens. However, in business type activities, the City has spent 20.7% of its net position on capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 37.6% of the City's total net position is included in capital assets. The following is a summary of changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program:						
Charges for services & fines	$ 416,072	$ 417,292	$ 22,667,020	$ 17,171,705	23,083,092	17,588,997
Operating grants	825,821	1,137,603	-	-	825,821	1,137,603
Capital grants	663,852	486,450	131,724	-	795,576	486,450
General:	-	-			-	-
Taxes	4,729,346	4,362,355	-	-	4,729,346	4,362,355
Other	18,105	48,907	3,978	47,598	22,083	96,505
Total revenues	6,653,196	6,452,607	22,802,722	17,219,303	29,455,918	23,671,910
Program Expenses:						
General government	974,678	1,114,909	-	-	974,678	1,114,909
Judicial	126,015	146,775	-	-	126,015	146,775
Public safety	2,906,429	2,901,063	-	-	2,906,429	2,901,063
Public works	1,577,768	1,567,824	-	-	1,577,768	1,567,824
Health and welfare	43,060	53,579	-	-	43,060	53,579
Culture and recreation	52,856	56,231	-	-	52,856	56,231
Housing and devel.	367,573	609,560	-	-	367,573	609,560
Interest	6,908	1,378	-	-	6,908	1,378
Water and sewer	-	-	2,360,606	2,729,349	2,360,606	2,729,349
Electrical	-	-	16,053,393	10,183,705	16,053,393	10,183,705
Telecommunications	-	-	183,252	199,426	183,252	199,426
Solid waste	-	-	951,616	969,422	951,616	969,422
Total expenses	6,055,287	6,451,319	19,548,867	14,081,902	25,604,154	20,533,221
Revenues over (under) expenses	597,909	1,288	3,253,855	3,137,401	3,851,764	3,138,689
Transfers in (out)	421,282	470,079	(421,282)	(470,079)	-	-
Net changes in net position	1,019,201	471,367	2,832,573	2,667,322	3,851,774	3,138,689
Beginning net position	11,041,076	10,569,709	29,541,247	26,873,925	40,582,323	37,443,634
Prior period adjustment	-	-	-	-	-	-
Net position, beginning as restated	11,041,076	10,569,709	29,541,247	26,873,925	40,582,323	37,443,634
Ending net position	$ 12,060,277	$ 11,041,076	$ 32,373,820	$ 29,541,247	$ 44,434,097	$ 40,582,323

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 20.0% of the City's total governmental revenues in fiscal year 2021 as compared to 21.6% in fiscal year 2020. Sales taxes make up 16.6% of the City's total governmental revenues in fiscal year 2021 as compared to 15.4% in fiscal year 2020.

User charges and fines revenue source totaled $416,072 and operating grants totaled $825,831. Note that program revenues cover 31.5% of governmental operating expenses. If the capital grant revenue referenced above were excluded from program revenue, program revenue would only cover 20.5% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 79.5% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up 74.1% of the total governmental activities expenses as compared to 69.3% in fiscal year 2020. General government totaled $974,678 and the housing and development costs were $367,573.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net cost illustrates the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	%	Net Cost of Services	%
General government	$ 974,678	16.1%	$ (729,379)	17.6%
Judicial	126,015	2.1%	(126,015)	3.0%
Public safety	2,906,429	48.0%	(2,528,293)	60.9%
Public works	1,577,768	26.1%	(549,130)	13.2%
Health and welfare	43,060	0.7%	(43,060)	1.0%
Culture and recreation	52,856	0.9%	(42,856)	1.0%
Housing and development	367,573	6.1%	(123,891)	3.0%
Interest	6,908	0.1%	(6,908)	0.2%
Total	$ 6,055,287	100.0%	$ (4,149,532)	100.0%

Public safety totals 60.9% of the net cost of service while Public Works and General Government total 13.2% and 17.6%, respectively, of these costs.

BUSINESS-TYPE ACTIVITIES

Overall Analysis – For all enterprise funds, total operating revenues increased $5,495,315 or 32.0%. Operating expenses increased $5,413,535 or 38.9%. In total, the operating income increased $81,780. The total increase in the operating income relates primarily to an increase in the water & sewer fund operating income of $253,625 as compared to 2020. The solid waste fund experienced operating income of $81,280 and the telecom find experienced a loss of $61,977.

The operating income (loss) for each utility was as follows:

Electric	$2,726,026
Water and sewer	573,383
Telecom	(61,977)
Solid waste	81,280

The following includes an analysis of the fiscal year 2021 financial activities for each utility.

Electric Utility – The operating income of $2,726,026 in fiscal year 2021 compares to an increase in operating income of $3,047,558 in fiscal year 2020. This decrease in operating income of $321,532 from 2020 relates to a 74% increase in the cost of electricity purchased in the amount of $5,900,594. The fiscal year 2021 operating revenues increased $5,548,156 or 41.9% from fiscal year 2020.

Water and Sewerage System Utility – The operating income of $573,383 in fiscal year 2021 is an increase of $253,625 or 79.3% from the operating income of $319,758 in fiscal year 2020. Fiscal year 2021 operating revenues decreased $168,548 or

5.8% from fiscal year 2020. Operating expenses decreased $422,173 or 16.3%. Purchased services decreased $585,117 from the prior year or 55% while materials and supplies increased $45,808 or 30.0%.

Telecom - The operating loss of $61,977 in fiscal year 2021 is a decrease in the operating loss in fiscal year 2020 of $89,804. The fiscal year 2021 operating revenues increased $11,653 or 10.6% from fiscal year 2020. Operating expenses decreased $16,174 or 8.1%. Purchased services decreased from $150,973 in fiscal year 2020 to $71,387 in fiscal year 2021 for a decrease of 52.7%.

Solid Waste - The fiscal year 2021 operating income of $81,280 increased by 300.3%, or $121,860 from fiscal year 2020. The fiscal year 2021 operating revenues increased $104,054 over fiscal year 2020. Operating expenses decreased $17,806 or 1.8% from fiscal year 2020. Purchased services decreased $17,509 or 2.2%.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $3,503,889 as compared to the 2020 fiscal year amount of $2,801,120. Of this year-end total, $1,856,492 is unassigned indicating availability for continuing City service requirements. Fund balance includes $388,242 restricted for housing and development, $733,948 restricted for capital outlay, $455,625 restricted for transportation improvements as well as $15,124 restricted for public safety. Fund balance includes assets not available for spending in the amount of $54,704, which is tied up in inventory. The total ending fund balances of governmental funds show an increase of $702,769, or 25.1% over the prior year.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased $442,413, or 30.1% in fiscal year 2021. In fiscal year 2020, the fund balance increased $555,002, or 60.7%.

Total revenues increased $88,305 or 1.6% more than fiscal year 2020.

Local option sales taxes increased $112,106 or 11.3%. Motor vehicle property tax increased $26,953 or 46.0% and motor vehicle title tax increased $14,952 or 8.6%. Fines increased $8,252 or 11.5%.

Total expenditures increased $391,801 or 7.1% from fiscal year 2020.

The general government function increased $31,833 or 3.6% from fiscal year 2020.

The expenditures for most other functions were approximately equal to the fiscal year 2020 amount except for public safety which increased by $540,873, or 20.4% and public works which decreased by $189,512 or 13.4% resulting from a decrease in capital outlay for a streetscape project.

The general fund's ending unassigned fund balance of $1,856,492 represents an increase of $447,599 from the December 31, 2020 balance of $1,408,893. This balance represents the equivalent of 31.45% of annual expenditures, as compared to 25.6% last year.

2013 SPLOST Fund - This fund accounts for the cost of capital improvement projects in the City that are financed with the 2013 Special Purpose Local Option Sales Tax revenues including:

- Paving the City Hall parking lot
- The purchase of police vehicles and equipment
- The purchase of fire bunker gear and breathing apparatus
- Replacement of a vehicle in the Public Works Street Department
- The construction of a downtown parking lot.

In fiscal year 2021, this fund reported $4,226 in revenues and $415,514 in expenditures leaving a fund balance of $60,265.

2019 SPLOST Fund - This fund accounts for the cost of capital improvement projects in the City that are financed with the 2019 Special Purpose Local Option Sales Tax revenues.

In fiscal year 2021, this fund reported $619,866 in revenues and $21,000 in expenditures leaving a fund balance of $673,683.

The Proprietary Funds

The proprietary funds' statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2021, the City Council did amend the general fund budget. The revenue budget was amended upward by $227,189 to account for an increase in LOST revenue in the amount of $207,000 and for grant funds and donations in the amount of $20,189. The City recognized $112,056 more than anticipated in total revenues including an increase of $141,198 in franchise tax. Also, in fiscal year 2021, the City experienced a decrease in budgeted general property taxes in the amount of $142,634. Most other general fund revenue sources came in at or just above budgeted amounts except for motor vehicle property tax income which ended at $85,507 for an increase of $33,290 from the original budgeted amount of $52,217, motor vehicle title tax ending at $188,554 for an increase of $14,546, sales tax ending at $1,104,843 for an increase of $21,684, and insurance premium tax ending at $491,840 for an increase of $16,156.

The general fund expenditure budget was amended upward by $227,189. General government was increased by $18,730 and the public safety final budget was increased by $54,189; however, the actual budget came in $270,253 more than the final budget of $2,927,398 with an increase in expenditures in the police department of $296,271, a decrease in the fire department of $10,623, and in animal control of $15,395. The increase in the police department resulted from an increase in capital outlay of $389,507. The public works actual budget saw a decrease from the final budget by $89,556 resulting primarily from a decrease in the street department of $63,625.

On the expenditure side, each city department made every effort to minimize spending. Only the police department, as a result of $419,046 capital outlay, overspent their final amended 2021 budget. In total, the final budgeted amount was overspent by $30,469 primarily from public safety, which was overspent $270,253.

In total, the City expended 100.5 % of the final general fund budget.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2021, was $10,565,927 and $24,314,929 respectively. This was an increase in net investment in governmental activities of 4.1% and an increase of 15.5% for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Non-depreciable assets:						
Land	$ 960,416	$ 960,416	$ 222,257	$ 222,257	$ 1,182,673	$ 1,182,673
Construction in progress	160,433	412,597	10,992,972	7,700,817	11,153,405	8,113,414
Total non-depreciable assets:	1,120,849	1,373,013	11,215,229	7,923,074	12,336,078	9,296,087
Depreciable assets:						
Buildings	5,152,078	5,152,078	482,295	472,360	5,634,373	5,624,438
Equipment	6,071,969	5,530,764	5,649,536	5,768,129	11,721,505	11,298,893
Software	257,398	257,398	-	-	257,398	257,398
Infrastructure	5,543,319	4,938,449	29,266,348	28,413,350	34,809,667	33,351,799
Total depreciable assets	17,024,764	15,878,689	35,398,179	34,653,839	52,422,943	50,532,528
Less accumulated depreciation	7,579,686	7,101,148	22,298,479	21,521,609	29,878,165	28,622,757
Book value - depreciable assets	9,445,078	8,777,541	13,099,700	13,132,230	22,544,778	21,909,771
Percentage depreciated	45%	45%	63%	62%	57%	57%
Book value - all assets	$ 10,565,927	$ 10,150,554	$ 24,314,929	$ 21,055,304	$ 34,880,856	$ 31,205,858

At December 31, 2021, the depreciable capital assets for governmental activities were 45% depreciated. This compares to 45% at the December 31, 2020. This comparison indicates that the City is replacing its assets at the same rate as they are depreciating which is a positive indicator.

In the City's business type activities, 63% of the asset values were depreciated at December 31, 2021 compared to 62% at December 31, 2020.

Long-term Debt

At the end of this fiscal year, the City reported $18,163,827 of outstanding long-term debt including $2,387,507 in GEFA loans, $15,236,530 in USDA loans, and 539,790 in GMA loans. Following are the changes in the GEFA and GMA loans during 2021 and the addition of the USDA loans.

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW00-023	$ 249,464	$ -	$ 44,549	$ 204,915	$ 45,864	$ 159,051
GEFA loan - 2002-L22WS	683,312	-	183,143	500,169	191,264	308,905
GEFA loan - 2010-L06WJ	757,640	-	57,601	700,039	59,835	640,204
GEFA loan - CW15003	1,041,572	-	59,188	982,384	59,800	922,584
GEFA Construction Loans:						
GEFA loan - DW2018010	2,805,732	310,968	3,116,700	-	-	-
GEFA loan - CW2018014	3,995,480	2,983,164	6,978,644	-	-	-
GEFA loan - GF2019007	3,000,000	-	3,000,000	-	-	-
USDA Loans:						
2021A		9,995,000	28,760	9,966,240	174,492	9,791,748
2021B		2,797,000	8,049	2,788,951	48,825	2,740,126
2021C		2,488,500	7,161	2,481,339	43,442	2,437,897
Total Business-Type Activities	$ 12,533,200	$ 18,574,632	$ 13,483,795	$ 17,624,037	$ 623,522	$ 17,000,515
Governmental-Type Activities						
GMA loans	$ 187,439	$ 402,032	$ 49,681	$ 539,790	$ 109,280	$ 430,510
	$ 187,439	$ 402,032	$ 49,681	$ 539,790	$ 109,280	$ 430,510

See Note 3-F for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The June 2022 unemployment rate for Washington County was 3.4% compared to Georgia at 3% and the U.S. at 3.6%, all considerably lower than a year ago at 4.9%, 4.10% and 5.4% respectively, indicating a much improved economy from FY 2021. In FY 2021 the City of Sandersville has continued to experience marked improvements in the local economy with the return of new retail and the expansion of local industry. As a result, the financial condition of the all of the enterprise funds including the Electric Fund, the Water/ Sewer Fund, the Solid Waste Fund, and Telecom Fund have continued to improve. The net position in the City's Electric Fund increased in FY 2021 by $2,403,186 compared to an increase in FY 2020 of $2,795,407. This fund had experienced significant operating income losses in recent years due to the increase in the cost to purchase power and the City's excess power capacity and contractual obligation to purchase 15MW of Project One Power Sales Contract including premium payments associated with this contract. The City has not had this contractual obligation since March, 2021 however, the FY 2021 cost to purchase power increased from $7,975,573 in FY 2020 to $13,876,167 as a result of providing electric service to a Bitcoin industry. The operating income in this fund was $3,047,558 in FY 2020 and by $2,726,026 in FY 2021. The FY 2021 operating income was $573,383 in the Water & Sewer Fund and $81,280 in the Solid Waste Fund, The Telcom Fund experienced an operating loss of $61,977.

In FY 2021, General Fund revenues increased 1.6% from $5,380,332 in FY 2020 to $5,468,637. Local Option Sales Tax (LOST) revenues increased 11.3% from $992,737 in 2020 to $1,104,843 in 2021 and Insurance Premium Tax increased $16,155 from $475,685 in FY 2020 to $491,840 in FY 2021, all indications of improved economic activity. The millage rate for property taxes levied in 2020 and collected in 2021 was increased in 2020 from 5.635 to 6.635, increasing property tax revenue in FY 2020 $218,109 and $433 in FY 2021 . Increased property values are another indicator of positive economic growth. The gross property tax digest for the City of Sandersville has increased four of the last six years from $223,676,339 in 2016 to $234,675,629 in 2021. Other revenues for the City include the franchise tax where the city received $1,295,464, an increase of 17.5%, in FY 2021.

In November 2019, the voters of Washington County approved a referendum to continue the collection of the 1% sales tax, which provides the necessary revenue for capital projects, many of which could not be funded without these SPLOST funds. The 2019 SPLOST, along with the remaining proceeds of the 2013 SPLOST, will provide the City with an estimated $2.9 million in funding for these capital projects for FY 2022 - FY 2027. During this period, the City will continue to invest in infrastructure while funding a scheduled preventative maintenance program for vehicles, facilities and equipment. With the continued support of tax revenue for equipment and training our Police and Fire departments will maintain State Certification and a Class 3 ISO rating, both of which have reduced our risk and prepared us to better serve and protect the citizens of our City. In FY 2022, the 2019 Special Purpose Local Option Sales Tax (SPLOST) will fund the purchase and lease/purchase of 9 police vehicles and conversions in the amount of $233,972, and assist in funding $294,180 for equipment and lease payments

for a new fire apparatus – aerial device. Remaining 2019 SPLOST funds budgeted for FY 2022 will be used to install new gutters on the Public Works annex building, extend a building with a new bay for Fleet Maintenance, replace a JCB backhoe, build a new equipment shed, purchase LED signs for the Fall Line Freeway and a mosquito sprayer for the Street Construction Department, replace a 2009 Ford F150 for the Cemetery crew and a Knuckle Boom Loader for Solid Waste Collection

Our City leadership has been proactive in financing major upgrades to infrastructure that provide quality water and sewer resources and improved transportation throughout the City. In May, 2019 the City closed on USDA funded loans in the amount of $12,605,010 for water and sewer infrastructure projects with an additional $1,913,054 to refinance current GEFA debt for a total USDA loan of $14,518,064. The debt will be repaid over 40 years at a fixed rate of 2.25%. These funds were used to upgrade the Wastewater Treatment Plant, rehab the South Water Treatment Plant and provide upgrades to the Davisboro Road lift station and lines that feed this station. The sewer system supporting West Church Street, W. Haynes Street and Cook Street was replaced and the City extended water and sewer services to unserved areas inside and adjacent to the City, creating new revenue sources. These projects were closed out in October, 2021.

In March, 2021 the voters of Sandersville, Washington County along with voters in the Central Savannah Regional Area approved the extension of a regional 1% transportation SPLOST in which 75% of the funding will be used for a pre-determined list of priority projects in the region while the remaining 25% will be provided to the local governments in the region as discretionary funds to be used on their individual transportation projects. The City established a Transportation Fund in the FY 2013 budget to account for the receipt and disbursement of these funds as well as LMIG (Local Maintenance and Improvement Grant) funds from the Georgia Department of Transportation. In FY 2022, LMIG and TSPLOST funds in the amount of $496,778 will fund paving improvements throughout the City and sidewalk improvements on West Church Street, West Haynes Street, and M. Friedman Drive, of which will improve access and the quality of life for our citizens.

In FY 2021, the ARPA Fund was created to account for funds received through the American Rescue Plan Act to provide COVID-19 relief to state and local governments. The use of these funds is restricted for the purpose of revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; COVID-19 expenditures or negative economic impacts of COVID-19 including assistance to small businesses, households, and hard-hit industries, and economic recovery; premium pay for essential workers, and investments in water, sewer and broadband infrastructure. The City received $39,760 in ARPA funds in FY 2021 and expended $39,760 in FY 2021. In FY 2022, the City plans to expend $1,008,092 in ARPA funds for premium pay for City essential workers, to upgrade the City Hall drive thru window for our customers, and to upgrade the City's broadband infrastructure.

Contacting the City's Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Administrator at 141 West Hayes Street, Sandersville, Georgia, 31082 or call 478-552-2525.

City of Sandersville, Georgia
Statement of Net Position
December 31, 2021

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 4,104,987	$ 11,566,781	$ 15,671,768	$ 64,354
Cash in Georgia Fund I	-	8,696,624	8,696,624	-
Investments	-	3,625	3,625	-
Receivables:				
Accounts	109,496	2,963,734	3,073,230	547,952
Taxes	7,407	-	7,407	-
Intergovernmental	204,279	-	204,279	-
Internal balances	13,722	-	13,722	-
Inventories	54,704	701,834	756,538	-
Restricted cash	-	2,440,391	2,440,391	-
Prepaid expenses	-	729,769	729,769	-
Total Current Assets	4,494,595	27,102,758	31,597,353	612,306
Noncurrent Assets				
Capital assets (Note 3D)				
Nondepreciable	960,416	222,257	1,182,673	-
Construction in progress	160,433	10,992,972	11,153,405	-
Depreciable, net	9,445,078	13,099,700	22,544,778	-
Total Noncurrent Assets	10,565,927	24,314,929	34,880,856	-
Deferred outflows of resources				
Deferred outflows related to pensions	261,172	-	261,172	-
Total Assets	15,321,694	51,417,687	66,739,381	612,306
Liabilities				
Current Liabilities				
Accounts payable	6,595	69,257	75,852	-
Sales taxes payable	1,007	131,460	132,467	-
Customer deposits	-	1,219,113	1,219,113	-
Intergovernmental payable	-	-	-	598,045
Interfund payable	13,722	-	13,722	-
Unearned revenue	968,332	-	968,332	-
Notes payable, current portion	109,280	623,522	732,802	-
Total Current Liabilities	1,098,936	2,043,352	3,142,288	598,045
Long-term Liabilities: (net of current portion) (Note 3F)				
Notes payable	430,510	17,000,515	17,431,025	-
Net pension liability	441,370	-	441,370	-
Total Liabilities	1,970,816	19,043,867	21,014,683	598,045
Deferred inflows of resources:				
Deferred inflows related to pensions	1,290,601	-	1,290,601	-
Total Liabilities and deferred inflows of resources	3,261,417	19,043,867	22,305,284	598,045
Net Position				
Net investment in capital assets (Note 3H)	10,026,137	6,690,892	16,717,029	-
Restricted for housing and development	388,242	-	388,242	-
Restricted for capital outlay	733,948	-	733,948	-
Restricted for public safety	15,124	-	15,124	-
Restricted for transportation	455,625	-	455,625	-
Restricted for debt service	-	2,440,391	2,440,391	-
Unrestricted	441,201	23,242,537	23,683,738	14,260
Total Position	$ 12,060,277	$ 32,373,820	$ 44,434,097	$ 14,260

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2021

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary Government								
Governmental Activities								
General government	$ 974,678	$ 168,089	$ 37,450	$ 39,760	$ (729,379)	$ -	$ (729,379)	$ -
Judicial	126,015	-	-	-	(126,015)	-	(126,015)	-
Public safety	2,906,429	91,823	286,313	-	(2,528,293)	-	(2,528,293)	-
Public works	1,577,768	-	404,546	624,092	(549,130)	-	(549,130)	-
Health and welfare	43,060	-	-	-	(43,060)	-	(43,060)	-
Culture and recreation	52,856	10,000	-	-	(42,856)	-	(42,856)	-
Housing and development	367,573	146,160	97,522	-	(123,891)	-	(123,891)	-
Interest	6,908	-	-	-	(6,908)	-	(6,908)	-
Total Governmental Activities	6,055,287	416,072	825,831	663,852	(4,149,532)	-	(4,149,532)	-
Business-type Activities:								
Water and sewerage	2,360,606	2,733,430	-	131,724	-	504,548	504,548	-
Electrical	16,053,393	18,779,419	-	-	-	2,726,026	2,726,026	-
Telecom	183,252	121,275	-	-	-	(61,977)	(61,977)	-
Solid waste	951,616	1,032,896	-	-	-	81,280	81,280	-
Total Business-type Activities:	19,548,867	22,667,020	-	131,724	-	3,249,877	3,249,877	-
Total - Primary Government	$ 25,604,154	$ 23,083,092	$ 825,831	$ 795,576	$ (4,149,532)	3,249,877	(899,655)	-
Component Unit								
Downtown Development Authority	$ 21,185	$ -	$ 8,273	$ -	$ -	-	-	(12,912)
		General Revenues						
		Property taxes levied for general government purposes			1,412,956	-	1,412,956	-
		Sales tax			1,104,843	-	1,104,843	-
		Insurance premium tax			491,840	-	491,840	-
		Franchise tax			1,295,464	-	1,295,464	-
		Alcohol tax			136,594	-	136,594	-
		Other taxes			287,649		287,649	-
		Gain on disposition of capital assets			-	-	-	-
		Investment earnings (loss)			-	3,978	3,978	161
		Miscellaneous			18,105	-	18,105	-
		Total General Revenues			4,747,451	3,978	4,751,429	161
		Transfers			421,282	(421,282)	-	-
		Total General Revenues and Transfers			5,168,733	(417,304)	4,751,429	161
		Change in Net Position			1,019,201	2,832,573	3,851,774	(12,751)
		Net Position Beginning of Year			11,041,076	29,541,247	40,582,323	27,011
		Net Position End of Year			$ 12,060,277	$ 32,373,820	$ 44,434,097	$ 14,260

See accompanying notes to the basic financial statements

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

	General	TSPLOST Fund	ARPA Fund	2013 SPLOST	2019 SPLOST	CDBG 2017	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	$ 1,628,001	$ 437,141	$ 968,332	$ 60,265	$ 607,606	$ -	$ 403,642	$ 4,104,987
Receivables:								
Accounts	109,496	-	-	-	-	-	-	109,496
Taxes	1,050	-	-	-	-	-	6,357	7,407
Intergovernmental	106,280	18,484	-	-	66,077	13,438	-	204,279
Interfund	13,722	-	-	-	-	-	-	13,722
Inventories	54,704	-	-	-	-	-	-	54,704
Prepaid expenses	-	-	-	-	-	-	-	-
Total Assets	$ 1,913,253	$ 455,625	$ 968,332	$ 60,265	$ 673,683	$ 13,438	$ 409,999	$ 4,494,595
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,595	$ 6,595
Accrued expenditures	1,007	-	-	-	-	-	-	1,007
Interfund payable	-	-	-	-	-	13,654	68	13,722
Unearned revenue	-	-	968,332	-	-	-	-	968,332
Total Liabilities	1,007	-	968,332	-	-	13,654	6,663	989,656
Deferred Inflows of Resources								
- Property Taxes	1,050	-	-	-	-	-	-	1,050
Total Liabilities and Deferred Inflows of Resources	2,057	-	968,332	-	-	13,654	6,663	990,706
Fund Balances								
Nonspendable								
Inventory	54,704	-	-	-	-	-	-	54,704
Prepaid expenses	-	-	-	-	-	-	-	-
Restricted	-	455,625	-	60,265	673,683	-	403,366	1,592,939
Unassigned	1,856,492	-	-	-	-	(216)	(30)	1,856,246
Total Fund Balances	1,911,196	455,625	-	60,265	673,683	(216)	403,336	3,503,889
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,913,253	$ 455,625	$ 968,332	$ 60,265	$ 673,683	$ 13,438	$ 409,999	$ 4,494,595

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

Total Governmental Fund Balances		$ 3,503,889
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Cost of capital assets	$ 18,145,613	
Less accumulated depreciation	(7,579,686)	10,565,927
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Accounts receivable, net of allowance for doubtful accounts of $0		1,050
Net pension liability		(441,370)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds		(1,029,429)
Long-term notes payable are not due and payable in the current period and therefore are not reported in the funds:		
Capital lease		(539,790)
Net Position of Governmental Activities		$ 12,060,277

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	TSPLOST Fund	ARPA Fund	2013 SPLOST	2019 SPLOST	CDBG 2017	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	$ 4,729,208	$ 182,664	$ -	$ -	$ -	$ -	$ 77,614	$ 4,989,486
Licenses and permits	168,089	-	-	-	-	-	-	168,089
Intergovernmental	462,856	217,401	39,760	4,226	619,866	-	19,908	1,364,017
Charges for services	19,142	-	-	-	-	-	10,313	29,455
Fines and forfeitures	79,818	-	-	-	-	-	-	79,818
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	9,524	-	-	-	-	-	182	9,706
Total Revenues	5,468,637	400,065	39,760	4,226	619,866	-	108,017	6,640,571
Expenditures								
Current:								
General government	912,028	-	-	-	-	-	-	912,028
Judicial	126,015	-	-	-	-	-	-	126,015
Public safety	3,197,651	-	-	-	-	-	4,973	3,202,624
Public works	1,229,919	220,518	-	-	-	-	-	1,450,437
Health and welfare	35,150	-	-	-	-	-	-	35,150
Culture and recreation	50,099	-	-	-	-	-	-	50,099
Housing and development	315,851	-	-	-	-	-	51,722	367,573
Capital Outlay	-	158,091	39,760	415,514	-	-	-	613,365
Debt Service:								
Principal	30,363	-	-	-	19,311	-	-	49,674
Interest	5,219	-	-	-	1,689	-	-	6,908
Total Expenditures	5,902,295	378,609	39,760	415,514	21,000	-	56,695	6,813,873
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433,658)	21,456	-	(411,288)	598,866	-	51,322	(173,302)
Other Financing Sources (Uses)								
Proceeds from the disposition of capital assets	12,997	-	-	-	-	-	-	12,997
Proceeds from capital lease	402,032	-	-	-	-	-	-	402,032
Transfers in	461,042	-	-	-	-	-	-	461,042
Transfers (out)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	876,071	-	-	-	-	-	-	876,071
Net Change in Fund Balances	442,413	21,456	-	(411,288)	598,866	-	51,322	702,769
Fund Balances Beginning of Year	1,468,783	434,169	-	471,553	74,817	(216)	352,014	2,801,120
Fund Balances End of Year	$ 1,911,196	$ 455,625	$ -	$ 60,265	$ 673,683	$ (216)	$ 403,336	$ 3,503,889

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

Net Changes In Fund Balances - Total Governmental Funds		$ 702,769
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded the capitalized capital outlay in the current period.		
Depreciation expense	$ (582,660)	
Capital outlay	998,033	415,373
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement less book value of traded-in asset capitalized.		-
Capital assets received as contributions on the government-wide statement of activities but not reported on the governmental fund type operating statement.		-
Cost of benefits earned net of employee contribution		253,779
Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.		
Liability @ 12/31/20	$ (1,412)	
Liability @ 12/31/21	1,050	(362)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:		
Issuance of long-term debt	(402,032)	
Repayment of long-term debt	49,674	(352,358)
Change In Net Position of Governmental Activities		$ 1,019,201

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 2,423,787	$ 8,424,129	$ 555,823	$ 163,042	$ 11,566,781
Cash in Georgia Fund I	725,966	7,970,658	-	-	8,696,624
Investments	-	3,625	-	-	3,625
Receivables					
Accounts	267,816	2,581,147	7,939	106,832	2,963,734
Interfund	-	-	-	-	-
Intergovernmental receivable	131,724	598,045	-	-	729,769
Restricted assets					
Cash	2,440,391	-	-	-	2,440,391
Inventory	46,927	645,086	9,821	-	701,834
Total Current Assets	6,036,611	20,222,690	573,583	269,874	27,102,758
Noncurrent Assets					
Capital assets					
Nondepreciable	168,636	53,621	-	-	222,257
Depreciable, net	10,761,677	2,147,202	122,011	68,810	13,099,700
Construction in progress	10,791,193	186,446	15,333	-	10,992,972
Total Noncurrent Assets	21,721,506	2,387,269	137,344	68,810	24,314,929
Total Assets	27,758,117	22,609,959	710,927	338,684	51,417,687
Liabilities					
Current Liabilities					
Accounts payable	6,156	53,319	-	1,832	61,307
Accrued expenses payable	7,950	-	-	-	7,950
Current portion of notes payable	623,522	-	-	-	623,522
Sales tax payable	-	131,460	-	-	131,460
Customer deposits	8,946	1,210,117	50	-	1,219,113
Interfund payable	-	-	-	-	-
Total Current Liabilities	646,574	1,394,896	50	1,832	2,043,352
Long-Term Liabilities (net of current portion)					
Due to electrical fund	-	-	-	-	-
Notes payable	17,000,515	-	-	-	17,000,515
Total Liabilities	17,647,089	1,394,896	50	1,832	19,043,867
Net Position					
Net investment in capital assets	4,097,469	2,387,269	137,344	68,810	6,690,892
Restricted for debt service	2,440,391	-	-	-	2,440,391
Unrestricted	3,573,168	18,827,794	573,533	268,042	23,242,537
Total Net Position	$ 10,111,028	$ 21,215,063	$ 710,877	$ 336,852	$ 32,373,820

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues					
Charges for services	$ 2,727,648	$ 18,706,694	$ 118,400	$ 1,032,896	$ 22,585,638
Miscellaneous	5,782	72,725	2,875	-	81,382
Total Operating Revenues	2,733,430	18,779,419	121,275	1,032,896	22,667,020
Operating Expenses					
Personal services - salaries	523,839	496,494	47,961	76,626	1,144,920
Personal services - benefits	218,819	169,251	10,211	33,240	431,521
Electricity purchased	-	13,876,167	-	-	13,876,167
Franchise fees	-	734,592	5,862	-	740,454
Purchased services	478,596	415,557	71,387	794,503	1,760,043
Materials and supplies	198,316	161,217	6,765	20,497	386,795
Miscellaneous	44,980	49,906	8,176	9,883	112,945
Depreciation	695,497	150,209	32,890	16,867	895,463
Total Operating Expenses	2,160,047	16,053,393	183,252	951,616	19,348,308
Operating Income (Loss)	573,383	2,726,026	(61,977)	81,280	3,318,712
Non-Operating Revenues (Expenses)					
Interest expense	(200,559)	-	-	-	(200,559)
Change in fair market value of investments	-	-	-	-	-
GEFA loan fees	-	-	-	-	-
Intergovernmental grants	131,724	-	-	-	131,724
Interest and dividend income	332	3,646	-	-	3,978
Total Non-Operating Revenues (Expenses)	(68,503)	3,646	-	-	(64,857)
Income (Loss) Before Contributions and Transfers In (Out)	504,880	2,729,672	(61,977)	81,280	3,253,855
Contributions	39,760	-	-	-	39,760
Transfers In	-	119,977	148,873	-	268,850
Transfers Out	(285,670)	(446,463)	(3,308)	5,549	(729,892)
Change in Net Position	258,970	2,403,186	83,588	86,829	2,832,573
Net Position Beginning of Year	9,852,058	18,811,877	627,289	250,023	29,541,247
Net Position End of Year	$ 10,111,028	$ 21,215,063	$ 710,877	$ 336,852	$ 32,373,820

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 2,745,422	$ 17,486,293	$ 125,139	$ 1,009,095	$ 21,365,949
Cash payments for personal services	(742,658)	(665,745)	(58,172)	(109,865)	(1,576,440)
Cash payments for goods and services	(577,426)	(15,146,292)	(240,266)	(830,485)	(16,794,469)
Other cash receipts (payments)	-	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	1,425,338	1,674,256	(173,299)	68,745	2,995,040
Cash Flows from Noncapital Financing Activities					
Operating grants received	-	-	-	-	-
Transfers in	-	119,977	148,873	-	268,850
Transfers out	(285,670)	(446,463)	(3,308)	5,549	(729,892)
Net Cash Provided by (Used in) Noncapital Financing Activities	(285,670)	(326,486)	145,565	5,549	(461,042)
Cash Flows from Capital and Related Financing Activities					
Capital grants	-	-	-	-	-
Principal paid on notes and leases	(776,343)	-	-	-	(776,343)
Interest paid on notes and leases	(200,559)	-	-	-	(200,559)
GEFA loan fees paid	-	-	-	-	-
Proceeds from notes payable	5,867,180	-	-	-	5,867,180
Payments for capital acquisitions	(3,529,127)	(586,201)	-	-	(4,115,328)
Net Cash (Used in) Capital and Related Financing Activities	1,361,151	(586,201)	-	-	774,950
Cash Flows from Investing Activities					
Net purchase of investments	-	-	-	-	-
Interest and dividend income	332	3,646			3,978
Investment earnings	-	2,563	-	-	2,563
Net Cash Provided by (Used in) Investing Activities	332	6,209	-	-	6,541
Net Increase (Decrease) in Cash and Cash Equivalents	2,501,151	767,778	(27,734)	74,294	3,315,489
Cash and Cash Equivalents Beginning of Year	3,088,993	15,627,009	583,557	88,748	19,388,307
Cash and Cash Equivalents End of Year	$ 5,590,144	$ 16,394,787	$ 555,823	$ 163,042	$ 22,703,796
Cash and Cash Equivalents	$ 2,423,787	$ 8,424,129	$ 555,823	$ 163,042	$ 11,566,781
Cash in Georgia Fund I	725,966	7,970,658	-	-	8,696,624
Restricted Cash	2,440,391	-	-	-	2,440,391
Total	$ 5,590,144	$ 16,394,787	$ 555,823	$ 163,042	$ 22,703,796

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ 573,383	$ 2,726,026	$ (61,977)	$ 81,280	$ 3,318,712
Adjustments					
Depreciation	695,497	150,209	32,890	16,867	895,463
Loss on sale of capital assets	-	-	-	-	-
(Increase) Decrease in Assets					
Accounts receivable	11,989	(1,293,126)	3,864	(23,801)	(1,301,074)
Inventory	19,114	(175,822)	-	-	(156,708)
Prepaid expenses	-	(598,045)	797	-	(597,248)
Interfund receivable	119,977	154,422	-	-	274,399
Increase (Decrease) in Liabilities					
Accounts payable	(3,172)	(359)	-	(52)	(3,583)
Accrued expenses	7,950	-	-	(5,549)	2,401
Sales tax payable	-	99,288	-	-	99,288
Interfund payable	-	(119,977)	-	-	(119,977)
Customer deposits payable	600	731,640	(148,873)	-	583,367
Net Cash Provided by (Used in) Operating Activities	$ 1,425,338	$ 1,674,256	$ (173,299)	$ 68,745	$ 2,995,040

See accompanying notes to the basic financial statements

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The City of Sandersville, Georgia (the "City") was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater, electric, solid waste and telecom).

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

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

1-A. Reporting Entity

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

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

The following separate entity is the discretely presented component unit of the City.

The City of Sandersville Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. More specifically, the Development Authority was created by a resolution of the City Council of Sandersville on April 12, 2001, to promote the development of the downtown area of the City. The Mayor and City Council appoint all members of the Development Authority and one member of the City Council also serves as a member. A separately issued financial report is available for the Development Authority and is available at 141 West Haynes Street, Sandersville, Georgia, 31082.

1-B. Basis of Presentation

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

The ten major individual funds, the general fund, the 2013 SPLOST fund, the 2019 SPLOST fund, the ARPA fund, the TSPLOST fund, the 2017 CDBG Fund, the water and sewer system fund, the electric fund, the telecom fund and the solid waste fund are reported in separate columns.

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

> ***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following is the City's major governmental fund:
>
> ***The General Fund*** – The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.
>
> ***2013 SPLOST Fund*** - This fund accounts for the cost of certain capital improvement projects in the City that are financed with the 2013 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including the purchase of public safety vehicles and equipment, improvements to the fire station, tools and equipment for public works, reflective signage in the street department and funding the downtown master plan.
>
> ***2019 SPLOST Fund*** – As collections in the 2013 SPLOST Fund sunset, this fund continues to account for the cost of certain capital improvement projects in the City that are financed with the 2019 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including the purchase of public safety vehicles and equipment, improvements to the fire station, tools and equipment for public works, and other general government capital projects.

Note 1 - Summary of Significant Accounting Policies (Continued)

TSPLOST Fund - This fund accounts for the receipt and disbursement of Transportation Investment Act funds generated from a regional 1% sales tax to fund transportation projects and for the receipt and disbursement of LMIG, Local Maintenance and Improvement Grant, funds from the Georgia Department of Transportation.

2017 CDBG Fund - This fund accounts for the receipt of a $750,000 CDBG used to renovate the facilities of the Boys and Girls Club of Washington County. All grant funds were expended by December 31, 2020.

ARPA Fund - The American Rescue Plan Act (ARPA) Grant Fund accounts for the receipt of funds to assist with recovery efforts as a result of the COVID-19 pandemic. The City received $1,008,092 in Coronavirus State and Local Fiscal Recovery Funds during the year ended December 31, 2021 with $968,332 of the funds being reported as unearned revenues at December 31, 2021.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's four proprietary funds are classified as major enterprise funds.

The Water and Sewerage System Fund –This fund is used for the operation of the City's water and sewerage system which renders services to the residents and businesses located within the City.

The Electrical Fund –This fund is used for the operation of the City's electrical system which renders services to the residents and businesses located within the City.

The Telecom Fund –This fund is used for the operation of the City's non-voice telecommunications including internet access for the residents and businesses located within the City.

The Solid Waste Fund –This fund is used for the operation of the City's solid waste collection and disposal services for the residents and businesses located within the City.

1-C. Measurement Focus

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

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

1-D. Basis of Accounting

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

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

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

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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

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

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

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible, where applicable. Unbilled utility charges are accrued as receivables and revenue at December 31, 2021.

1-E-3 Interfund Balances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-4. Consumable Inventories

On the government-wide financial statements and in the enterprise fund financial, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-E-5 Prepaid Items

For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

1-E-6 Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of fifteen hundred dollars within an estimated life of two years or more. The City began capitalizing its infrastructure in December 2002. The City capitalizes our infrastructure retroactively to 1980. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized. The total interest expense incurred by the City during the current fiscal year was $200,559. Of this amount, none was included as part of the cost of capital assets under construction in connection with public building construction projects.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives
Buildings and improvements	30-40 Years
Infrastructure	40-50 Years
Land improvements	8-20 Years
Machinery and equipment	5-25 Years

1-E-7 Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-8 Fund Equity

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

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

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. By motion, the City Council has authorized the City Administrator to assign fund balances.

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

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used 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, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9 Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts, are deferred and amortized over the life of the using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

1-E-10 Restricted Assets

The Water and Sewer Fund, based on certain debt covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash) that can only be used to service outstanding debt.

1-E-11 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services. Operating expenses are necessary costs incurred to provide the water and sewerage services. All other revenues and expenses are classified as non-operating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings or losses on investments.

1-E-12 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-13 Interfund Activity

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

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

1-E-14 Estimates

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

1-E-15 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance, and Accountability

2-A Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and all enterprise funds. The City also adopts a project length budget for all capital projects funds.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Administrator may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. During 2021 the City's budget was amended twice.

All unexpended annual appropriations lapse at year-end.

2-B Excess of Expenditures over Appropriations

No City department had expenditures in excess of departmental appropriations in FY 2021 except the Police Department where the total budget was overspent by $296,271 resulting from the $389,507 purchase of vehicles and equipment budgeted in the 2019 SPLOST fund and financed through the Georgia Municipal Association lease pool. In addition debt service – principal had expenditures in excess of appropriations of $30,363 related to the debt payments for the above referenced vehicles.

These overexpenditures were funded by greater than anticipated revenues and by available fund balance. The Mayor and Council plan in the future to more closely monitor expenditures to determine if budget amendments need to be made or if cost cutting measures need to be formulated.

Note 3 - Detailed Notes on All Funds

3-A Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2021, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at December 31, 2021:

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a $1.00 per share value. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer.

Funds included in this Pool are not required to be collateralized.

The fair value of the City's position in the pool approximates the value of the City's pool shares. Credit risk, value, and interest risk at December 31, 2021 are as follows:

Note 3 - Detailed Notes on All Funds (Continued)

Credit Risk	Value	Interest Risk
AAAf rated	$ 8,696,624	46 day WAM

The City classifies its investments in Georgia Fund I as cash and cash equivalents.

3-B Receivables

Receivables at December 31, 2021, consisted of taxes, fines, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. At December 31, 2021, allowances for uncollectables were reported as follows:

General fund (fines)	$283,917
Water and sewerage fund (charges for services)	112,775
Electrical fund (charges for services)	692,182
Solid Waste (charges for services)	51,551
Telecom (charges for services)	260,255

In November 2021, the Sandersville Downtown Development Authority entered into a note agreement with a local restaurant to finance a portion of its construction and renovation costs. The total loan amount was $598, 045 and is due in monthly payments of $4,984 beginning when construction is completed. The note bears 0% interest and is secured by building and equipment. At December 31, 2021, the business had drawn $547,952 of the total amount.

3-C. Property Taxes

The City Council levied property taxes on December 6, 2021. Property taxes attach as an enforceable lien on property as of June 22, 2022. Property taxes were billed on January 5, 2021 and were payable on March 31, 2022.

The City is subject to tax abatements granted by the Development Authority of Washington County for the purpose of economic development and revitalization of employment in the area,

For the year ended December 31, 2021, the City had no property tax abatements as the Trojan Battery 100% property tax abatement on the first $10,000,000 of personal property expired in 2020.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

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

	Beginning Balance 1/1/2021	Additions	Deductions	Ending Balance 12/31/21
Governmental activities:				
Not being depreciated:				
Land	$ 960,416	$ -	$ -	$ 960,416
Construction-in-progress	412,597	352,706	(604,870)	160,433
Subtotal	1,373,013	352,706	(604,870)	1,120,849
Other capital assets:				
Buildings	5,152,078	-	-	5,152,078
Equipment	5,530,764	645,327	(104,122)	6,071,969
Software	257,398	-	-	257,398
Infrastructure	4,938,449	644,630	(39,760)	5,543,319
Subtotal	17,251,702	1,642,663	(748,752)	18,145,613
Accumulated depreciation:				
Buildings	2,071,599	148,757	-	2,220,356
Equipment	3,852,447	277,533	(104,122)	4,025,858
Software	217,005	-	-	217,005
Infrastructure	960,097	156,370	-	1,116,467
Subtotal	7,101,148	582,660	(104,122)	7,579,686
Net capital assets	$ 10,150,554	$ 1,060,003	$ (644,630)	$ 10,565,927

Governmental activities depreciation expense:

General government	$ 147,243
Public safety	207,444
Public works	217,306
Culture and recreation	2,757
Housing and development	7,910
Total governmental activities depreciation expense	$ 582,660

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2021, was as follows:

	Beginning Balance 1/1/2021	Additions	Deductions	Ending Balance 12/31/2021
Capital assets not being depreciated:				
Land	$ 222,257	$ -	$ -	$ 222,257
Construction-in-progress	7,700,817	3,405,537	(113,382)	10,992,972
Total capital assets not being depreciated	7,923,074	3,405,537	(113,382)	11,215,229
Other capital assets:				
Buildings	472,360	9,935	-	482,295
Machinery and equipment	5,768,129	-	(118,593)	5,649,536
Infrastructure	28,413,350	852,998	-	29,266,348
Total other capital assets	34,653,839	862,933	(118,593)	35,398,179
Total capital assets	42,576,913	4,268,470	(231,975)	46,613,408
Accumulated depreciation:				
Buildings	351,765	6,181	-	357,946
Machinery and equipment	3,046,267	255,809	(118,593)	3,183,483
Infrastructure	18,123,577	633,473	-	18,757,050
Total accumulated depreciation	21,521,609	895,463	(118,593)	22,298,479
Business-type activities capital assets, net	$ 21,055,304	$ 3,373,007	$ (113,382)	$ 24,314,929

3-E Interfund Balances

Interfund Receivables/Payables – The following are interfund balances between funds:

	Payable from:							
Receivable to:	General	TSPLOST Fund	CDBG 2017	Telecom	Electrical	Solid Waste	CHIP 2018	Total
General	$ -	$ -	$ 13,654	$ -	$ -	$ -	$ 68	$ 13,722
2013 SPLOST	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-
Electrical	-	-	-	-	-	-		-
Telcommunications	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ 13,654	$ -	$ -	$ -	$ 68	$ 13,722

Interfund balances at December 31, 2021, consisted of interfund loans between funds for cash flow purposes and for other budgeted purposes.

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers – Interfund transfers for the year ended December 31, 2021, consisted of the following::

	Transfers from:						
Transfers to:	General	Nonmajor Governmental	Water & Sewer	Electrical	Telecom	Solid Waste	Total
General	$ -	$ -	$ 165,693	$ 292,041	$ 3,308	$ -	$ 461,042
Telecom	-	-	-	148,873	-	-	148,873
Solid Waste	-	-	-	5,549	-	-	5,549
Electrical	-	-	119,977	-	-	-	119,977
Total	$ -	$ -	$ 285,670	$ 446,463	$ 3,308	$ -	$ 735,441

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F Long-term Debt

At December 31, 2021, the City has four loans outstanding with the Georgia Environmental Finance Authority (GEFA).

GEFA Loan–DW00023 – In October 2006, the City borrowed $758,724 at an interest rate of 3% for water distribution system upgrades. Quarterly principal and interest payments are $12,884 with a final maturity date of January 1, 2026.

Annual debt service requirements to amortize this loan as of December 31, 2020 follows:

Year	Principal	Interest	Total
2022	$ 45,864	$ 5,671	$ 51,535
2023	47,259	4,276	51,535
2024	48,696	2,839	51,535
2025	50,177	1,358	51,535
2026	12,919	103	13,022
	$ 204,915	$ 14,247	$ 219,162

GEFA Loan–2002-L22WS - In February 2006, the City borrowed $2,650,913 at an interest rate of 4.35% for water distribution system upgrades. Monthly principal and interest payments are $17,436 with a final maturity date of July 1, 2024.

Annual debt service requirements to amortize this loan as of December 31, 2021 follows:

Year	Principal	Interest	Total
2022	$ 191,264	$ 17,969	$ 209,233
2023	199,752	9,481	209,233
2024	109,153	1,467	110,620
	$ 500,169	$ 28,917	$ 529,086

Note 3 - Detailed Notes on All Funds (Continued)

GEFA Loan — 2010L06WJ – In November 2011, the City borrowed $1,195,000 at an interest rate of 3.81% for water distribution system upgrades. Monthly principal and interest payments are $7,122 with a final maturity date of November 1, 2031.

Annual debt service requirements to amortize this loan as of December 31, 2021 follows:

Year	Principal	Interest	Total
2022	$ 59,835	$ 25,634	$ 85,469
2023	62,155	23,314	85,469
2024	64,565	20,904	85,469
2025	67,068	18,401	85,469
2026	69,668	15,800	85,468
2027 - 2031	376,748	36,351	413,099
	$ 700,039	$ 140,404	$ 840,443

GEFA Loan — CW15003 – In April 2017, the City borrowed $1,258,180 at an interest rate of 1.03% for sewer upgrades. Monthly principal and interest payments are $5,803 with a final maturity date of March 1, 2037.

Annual debt service requirements to amortize this loan as of December 31, 2021 follows:

Year	Principal	Interest	Total
2022	$ 59,800	$ 9,837	$ 69,637
2023	60,419	9,218	69,637
2024	61,044	8,593	69,637
2025	61,676	7,961	69,637
2026	62,314	7,323	69,637
2027 - 2031	321,378	26,806	348,184
2032 - 2036	338,355	9,829	348,184
2037	17,398	30	17,428
	$ 982,384	$ 79,597	$ 1,061,981

Georgia Municipal Association – In September 2020, the City borrowed $194,950 at an interest rate of 3.05% for the lease purchase of a 2020 Freightliner Tymco 600 Streetsweeper for the Public Works Street Department. Payments are made in the amount of $2,965 monthly with a final maturity date of August 26, 2026.

Annual debt service requirements to amortize this loan as of December 31, 2021 follow:

Year	Principal	Interest	Total
2022	$ 31,220	$ 4,362	$ 35,582
2023	32,185	3,397	35,582
2024	33,181	2,401	35,582
2025	34,207	1,375	35,582
2026	26,277	338	26,615
	$ 157,070	$ 11,873	$ 168,943

Note 3 - Detailed Notes on All Funds (Continued)

In July 2021, the City borrowed $402,032 at an interest rate of 1.7% for the lease purchase of police cars. Payments are made quarterly in the amount of $21,000 through July 2026.

Annual debt service requirements to amortize this loan as of December 31, 2021 follow:

Year	Principal	Interest	Total
2022	$ 78,060	$ 5,940	$ 84,000
2023	79,379	4,621	84,000
2024	80,721	3,279	84,000
2025	82,086	1,914	84,000
2026	62,474	526	63,000
	$ 382,720	$ 16,280	$ 399,000

USDA - In October 2021, the City closed on three USDA funded loans totaling $15,280,500 at an interest rate of 1.75% for the purpose of consolidating current water and sewer debt and to fund additional water and sewer expansion and upgrades including the reconstruction of the South Water Treatment Plant and the Davisboro Road Basin rehabilitation, the extension of water and sewer services on Anderson Drive, and the replacement of the sewer system on West Church, West Haynes and Cook Streets.

USDA Loan – Series 2021A- Payments are made in the amount of $28,986 monthly with a final maturity date of December 18, 2061.

Year	Principal	Interest	Total
2022	$ 174,492	$ 173,340	$ 347,832
2023	177,576	170,256	347,832
2024	180,715	167,117	347,832
2025	183,909	163,923	347,832
2026	187,159	160,673	347,832
2027 - 2031	986,601	752,559	1,739,160
2032 - 2036	1,076,927	662,233	1,739,160
2037 - 2041	1,175,521	563,639	1,739,160
2042 - 2046	1,283,145	456,016	1,739,161
2047 - 2051	1,400,620	338,540	1,739,160
2052 - 2056	1,528,850	210,310	1,739,160
2057 - 2061	1,610,725	70,382	1,681,107
	$ 9,966,240	$ 3,888,988	$ 13,855,228

Note 3 - Detailed Notes on All Funds (Continued)

USDA Loan – Series 2021B- Payments are made in the amount of $8,112 monthly with a final maturity date of December 18 2061.

Year	Principal	Interest	Total
2022	$ 48,825	$ 48,519	$ 97,344
2023	49,689	47,655	97,344
2024	50,567	46,777	97,344
2025	51,461	45,883	97,344
2026	52,371	44,973	97,344
2027 - 2031	276,075	210,645	486,720
2032 - 2036	301,355	185,365	486,720
2037 - 2041	328,951	157,769	486,720
2042 - 2046	359,075	127,645	486,720
2047 - 2051	391,957	94,763	486,720
2052 - 2056	427,850	58,870	486,720
2057 - 2061	450,775	19,703	470,478
	$ 2,788,951	$ 1,088,567	$ 3,877,518

USDA Loan - Series 2021C - Payments are made in the amount of $7,217 monthly with a final maturity date of December 18, 2061.

Year	Principal	Interest	Total
2022	$ 43,442	$ 43,162	$ 86,604
2023	44,210	42,394	86,604
2024	44,991	41,613	86,604
2025	45,787	40,817	86,604
2026	46,596	40,008	86,604
2027 - 2031	245,630	187,390	433,020
2032 - 2036	268,119	164,901	433,020
2037 - 2041	292,670	140,350	433,020
2042 - 2046	319,468	113,553	433,021
2047 - 2051	348,718	84,302	433,020
2052 - 2056	380,651	52,370	433,021
2057 - 2061	401,057	17,528	418,585
	$ 2,481,339	$ 968,388	$ 3,449,727

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2021:

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW00-023	$ 249,464	$ -	$ 44,549	$ 204,915	$ 45,864	$ 159,051
GEFA loan - 2002-L22WS	683,312	-	183,143	500,169	191,264	308,905
GEFA loan - 2010-L06WJ	757,640	-	57,601	700,039	59,835	640,204
GEFA loan - CW15003	1,041,572	-	59,188	982,384	59,800	922,584
GEFA Construction Loans:						
GEFA loan - DW2018010	2,805,732	310,968	3,116,700	-	-	2,805,733
GEFA loan - CW2018014	3,995,480	2,983,164	6,978,644	-	-	3,995,480
GEFA loan - GF2019007	3,000,000	-	3,000,000	-	-	3,000,000
USDA Loans:						
2021A		9,995,000	28,760	9,966,240	174,492	9,791,748
2021B		2,797,000	8,049	2,788,951	48,825	2,740,126
2021C		2,488,500	7,161	2,481,339	43,442	2,437,897
Total Business-Type Activities	$ 12,533,200	$ 18,574,632	$ 13,483,795	$ 17,624,037	$ 623,522	$ 17,000,515
Governmental-Type Activities						
GMA loans	$ 187,439	$ 402,032	$ 49,681	$ 539,790	$ 109,280	$ 430,510
	$ 187,439	$ 402,032	$ 49,681	$ 539,790	$ 109,280	$ 430,510

The City's GEFA loans and USDA loans payable are being repaid from the City's Water and Sewer fund. The City's Georgia Municipal Association loans are being repaid in the City's general fund.

3-G Pension

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

All full-time City employees (i.e., 30 hours per week) with one year of service are eligible to participate in the plan with benefits vesting after 5 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

At July 1, 2021, the date of the most recent actuarial valuation, there were 191 participants consisting of the following:

Note 3 - Detailed Notes on All Funds (Continued)

Funding Policy – The obligations to contribute for both the City and its employees are established by the City council through ordinance. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 9.40% of annual covered payroll. City employees hired prior to March 1, 2017 are not required to contribute to GMEBS, however; employees hired or rehired after this date are required to contribute 2% of their earnings.

Contributions – The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2021, the actuarially determined contribution rate was 9.40% of covered payroll.

For the year ended December 31, 2021, the City's recommended and actual contribution was $361,742 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report dated July 1, 2021 and included in the government-wide statement of activities amounted to $356,249.

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at March 31, 2021*	$ 8,962,199	$ 6,205,332	$ 2,756,867
Changes for the year:			
Service Cost	135,293	-	135,293
Interest	654,531	-	654,531
Differences between expected and	41,873		41,873
actual experience	-	-	-
Contributions - employer	-	356,249	(356,249)
Contributions - employee	-	20,959	(20,959)
Net investment income	-	2,789,020	(2,789,020)
Benefit payments, including refunds	(444,992)	(444,992)	-
of employee contributions	-	-	-
Administrative expense	-	(19,034)	19,034
Other	-	-	-
Net changes	386,705	2,702,202	(2,315,497)
Balances at March 31, 2021**	$ 9,348,904	$ 8,907,534	$ 441,370

* *Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2020 are used to measure TPL as of March 31, 2021. The balances as of March 31, 2021 constitute measurements of the NPL for the fiscal year ending December 31, 2021.*

***Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2021 are used to measure TPL as of March 31, 2021. The balances as of March 31, 2021 constitute measurements of the NPL for the fiscal year ending December 31, 2021.*

Note 3 - Detailed Notes on All Funds (Continued)

Pension Expense for the Year Ended December 31, 2021

Service cost	$ 135,293
Interest on TPL	654,531
Employee contribution	(20,959)
Administrative expenses	19,034
Expected return on assets	(454,442)
Expensed portion of current year period differences between expected and actual experience in TPL	10,469
Expensed portion of current year period assumption changes	
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investments earnings	(466,914)
Current year recognition of deferred inflows and outflows established in prior years	225,465
Total expense	$ 102,477

Deferred Outflows/Inflows of Resources related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 237,697	$ -
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	23,475	(52,344)
	-	(1,238,257)
Total	$ 261,172	$ (1,290,601)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2021	$ (127,130)
2022	(173,474)
2023	(261,909)
2024	(466,916)
	$ (1,029,429)

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Assumptions

Current Valuation Date	July 1, 2021
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay (Closed)
Remaining Amortization Period	Varies for the Bases with a Net Effect Amortization Period of Ten Years
Asset Valuation Method	Sum of actuarial value at beginning of year, 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.
Actuarial Assumptions:	
Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus age and service based merit increases
Cost of Living Adjustments	N/A
Mortality Rates –	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality with rates multiplied by 1.25.
Plan Termination Basis (all lives)	1994 Group Annuity Reserving Unisex Table

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real Estate	10%	4.50%
Global Fixed Income	5%	1.25%
Cash	0%	
Total	100%	

Note 3 - Detailed Notes on All Funds (Continued)

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate:

1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
$ 1,593,010	$ 441,370	$ (521,402)

3-J. Fund Equity

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:	
Inventories	$ 54,704

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Hotel - Motel Tax	$ 388,242
Confiscated Assets	15,124
Total	$ 403,366
Major Capital Projects Funds:	
TSPLOST	$ 455,625
Capital Projects - 2013 SPLOST	$ 60,265
Capital Projects - 2019 SPLOST	673,683
Total	$ 1,189,573

Note 3 - Detailed Notes on All Funds (Continued)

- ***Unassigned*** – The following fund balances include the General Fund unassigned amount of $1,856,492.:

Governmental Funds:	
Unassigned	$ 1,856,492

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2021 are as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	$ 18,145,613	$ 46,613,408
Less accumulated depreciation	7,579,686	22,298,479
Book value	10,565,927	24,314,929
Less capital related debt	539,790	17,624,037
Net investment in capital assets	$ 10,026,137	$ 6,690,892

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

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

The funds are to defend and protect the members of the funds against any liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Funds are to pay all costs assessed to its members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Settled claims in the last three years have not exceeded coverage. The City also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

Note 4 - Other Notes (Continued)

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2021. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Central Savannah River Area Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

Central Savannah River Area Regional Development Center
3626 Walton Way Extension # 3000
P.O. Box 2800
Augusta, GA 30914-2800

4-D. Hotel/Motel Taxes

The City levies a 5% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended December 31, 2021 follows:

Fund balance, December 31, 2020	$	342,230
Add:		
Hotel/motel taxes and misc.		77,796
Less:		
Expenditures		31,784
Transfers to General Fund		-
Fund balance, December 31, 2021	$	388,242

Expenditures of $31,784 (40.9% of current year's receipts) were for promotion of tourism as required by OCGA 48-13-51. This complies with the expenditure requirements of OCGA 48-13-51.

4-E. Contract Commitment

The City has commitments for contracts with the following organizations.

Municipal Electric Authority of Georgia – The City has contracted for a period not to exceed 50 years, to purchase all of its electric power from the Municipal Electric Authority of Georgia (MEAG). MEAG agrees to provide the generating capacity necessary for reliable and economical power for the City's needs.

MEAG has issued bonds for the purpose of building generation, transmission, and telecommunications facilities. Each participant, such as the City, is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The City's contingent contractual obligation varies by individual MEAG project and totals approximately $37,059,668 at December 31, 2021. The contingent obligations are general obligations of the City to which the City's full faith, credit and taxing powers are pledged.

Note 4 - Other Notes (Continued)

In 2007 the City purchased additional interest in MEAG's power sales contract from the City of College Park. Through an Inter-participant contract, in addition to premium payments to College Park in the amount of $41.7 million, the City purchased 15 MW of College Park's Project One Power Sales Contract. In fiscal year 2017, the City elected to discontinue paying the premium payments due in the amount of $1,025,583 for FY 2017, $1,027,291 for FY 2018, $439,381 for FY 2019 and $1,402,528 for FY 2020, leaving a remaining balance due of $40,347,676. In October, 2021 after litigation in the Superior Court in Washington County and an appeal to the Georgia Court of Appeals, the Georgia Supreme Court upheld the decision of the Court of Appeals in favor of the City of Sandersville ending this contractual obligation with College Park.

On April 12, 1999 the City adopted the provisions of a Municipal Competitive Trust agreement with MEAG. Under the agreement, MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (the participating Cities). The Trust was created to provide a means of accumulating funds to mitigate the expected differential between market rates for power and the associated costs of generating that power after the anticipated deregulation of the electric industry. The Trust provides for three types of accounts that are held by the trustee in the name of the City.

The flexible operating trust account includes funds that are available for withdrawal at the discretion of the City. This amount is included in investments and had a zero balance December 31, 2021. The two additional accounts created were the credit support operating trust account and the reserve funded debt trust account. The funds in the credit support operating trust account can only be used to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. There was a zero balance in this account as of December 31, 2021.

The funds in the reserve funded debt trust account can only be used for charges related to MEAG's bond obligations. There was a zero balance in this account at December 31, 2021. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of net position.

In accordance with the First Amendment of the Municipal Competitive Trust, MEAG Power withdrew funds from the credit support operation account and the reserve funded debt account on behalf of the Participants for the purpose of lowering the annual generation charges for the period of January 1, 2009 through December 31, 2021. The annual amount for the City for 2021 was zero.

In accordance with the Second Amendment of the Municipal Competitive Trust, effective August 10, 2009, MEAG Power amended the restrictions and broadened the circumstances under which a Participant may withdraw funds from the New Generation Trust, which was established earlier in 2009 to provide for the future funding of the construction of new power generation facilities, including, but not limited to the Plant Vogtle expansion project. The voluntary funding of the New Generation Trust by Participants will improve the overall credit rating of MEAG Power in the municipal bond market, both now and in the future. The Generation Trust Account balance at December 31, 2021 was $3,625.

Note 5 – Subsequent Events

The City performed an evaluation of subsequent events through June 29, 2022, the date upon which the City's financial statements were available for issue. The City has not evaluated subsequent events after this date. No substantial events were identified that would have required a change to the financial statements or note disclosures in the notes to the financial statements.

City of Sandersville, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 4,427,367	$ 4,634,367	$ 4,729,208	$ 94,841
Licenses and permits	162,507	162,507	168,089	5,582
Intergovernmental	420,731	438,770	462,856	24,086
Charges for services	14,500	14,500	19,142	4,642
Fines and forfeitures	100,000	100,000	79,818	(20,182)
Miscellaneous	4,287	6,437	9,524	3,087
Total Revenues	5,129,392	5,356,581	5,468,637	112,056
Expenditures				
Current:				
General government	926,869	945,599	912,028	33,571
Municipal Court	148,182	148,182	126,015	22,167
Public safety	2,873,209	2,927,398	3,197,651	(270,253)
Public works	1,229,751	1,319,475	1,229,919	89,556
Health and welfare	35,150	35,150	35,150	-
Culture and recreation	70,479	70,479	50,099	20,380
Housing and development	354,838	419,384	315,851	103,533
Debt Service:				
Principal	-	-	30,363	(30,363)
Interest and fiscal charges	6,159	6,159	5,219	940
Total Expenditures	5,644,637	5,871,826	5,902,295	(30,469)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(515,245)	(515,245)	(433,658)	81,587
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	5,000	5,000	12,997	7,997
Proceeds from capital lease	-	-	402,032	402,032
Transfers in	510,245	510,245	461,042	(49,203)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	515,245	515,245	876,071	360,826
Net Change in Fund Balances	$ -	$ -	442,413	$ 442,413
Fund Balances Beginning of Year			1,468,783	
Fund Balances End of Year			$ 1,911,196	

City of Sandersville, Georgia
ARPA Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ -	$ 39,760	$ 39,760	$ -
Miscellaneous	-	-	-	-
Total Revenues	-	39,760	39,760	-
Expenditures				
Current:				
General government	-	-	-	-
Capital Outlay	-	39,760	39,760	-
Total Expenditures	-	39,760	39,760	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -
Fund Balances Beginning of Year			-	
Fund Balances End of Year			$ -	

City of Sandersville, Georgia
Required Supplementary Information
Georgia Municipal Employees Benefit System
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Years Ended December 31,

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:							
Service cost	$ 135,293	$ 128,692	$ 128,571	$ 144,127	$ 136,371	$ 127,807	$ 119,816
Interest	654,531	630,779	602,417	562,396	561,884	532,346	496,859
Difference between expected and actual experience	41,873	251,511	92,968	286,477	(253,042)	128,906	218,391
Changes of assumptions	-	-	-	117,377	-	-	(15,167)
Changes of benefit terms	-	(104,687)	21,242	-	-	-	-
Benefit payments, including refunds of employee contributions	(444,992)	(451,586)	(482,737)	(444,154)	(433,043)	(382,805)	(341,205)
Net change in total pension liability	386,705	454,709	362,461	666,223	12,170	406,254	478,694
Total pension liability, beginning	8,962,199	8,507,490	8,145,029	7,478,806	7,466,636	7,060,382	6,581,688
Total pension liability, ending (a)	9,348,904	8,962,199	8,507,490	8,145,029	7,478,806	7,466,636	7,060,382
Plan Fiduciary Net Position:							
Contributions - employer	356,249	344,033	331,563	296,590	319,700	306,982	334,711
Contributions - employee	20,959	13,302	7,636	2,861	-	-	-
Net investment income	2,789,020	(467,650)	239,144	756,662	692,234	17,302	500,215
Benefit payments	(444,992)	(451,586)	(482,737)	(444,154)	(433,043)	(382,805)	(341,205)
Administrative expense	(19,034)	(27,607)	(19,456)	(16,967)	(17,456)	(11,934)	(10,926)
Other	-	-	-	-	-	-	-
Net change in fiduciary net position	2,702,202	(589,508)	76,150	594,992	561,435	(70,455)	482,795
Plan fiduciary net position, beginning	6,205,332	6,794,840	6,718,690	6,123,698	5,562,263	5,632,718	5,149,923
Plan fiduciary net position, ending (b)	8,907,534	6,205,332	6,794,840	6,718,690	6,123,698	5,562,263	5,632,718
Net pension liability, ending (a) - (b)	$ 441,370	$ 2,756,867	$ 1,712,650	$1,426,339	$1,355,108	$1,904,373	$ 1,427,664
Plan's fiduciary net position as a % of the total pension liability	95.28%	69.24%	79.87%	82.49%	81.88%	74.49%	79.78%
Covered-employee payroll	$ 3,805,087	$ 3,612,695	$ 3,288,568	$3,268,860	$3,333,519	$3,396,739	$ 3,239,785
Net pension liability as a % of covered-employee payroll	11.60%	76.31%	52.08%	43.63%	40.65%	56.06%	44.07%

Note: Schedule is intended to show information for the last 10 years. Additional years will be displayed as they become available.

City of Sandersville, Georgia
Required Supplementary Information
Georgia Municipal Employees Benefit System
Schedule of Contributions
For the Years Ended December 31,

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 361,742	$ 377,442	$ 342,577	$ 295,112	$ 330,361	$ 316,146	$ 303,927
Contributions in relation to the actuarially determined contribution	356,249	344,033	342,314	294,969	330,198	341,473	278,600
Contribution deficiency (excess)	$ 5,493	$ 33,409	$ 263	$ 143	$ 163	$ (25,327)	$ 25,327
City's covered payroll	$ 3,805,087	$ 3,612,695	$ 3,288,568	$ 3,268,860	$3,333,519	$ 3,396,739	$ 3,239,785
Contributions as a percentage of covered payroll	9.36%	9.52%	10.41%	9.02%	9.91%	10.05%	8.60%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 403,604	$ 38	$ 403,642
Receivables:			
Sales taxes	-	-	-
Hotel/motel taxes	6,357	-	6,357
Intergovernmental	-	-	-
Total Assets	$ 409,961	$ 38	$ 409,999
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 6,595	$ -	$ 6,595
Interfund payable	-	68	68
Unearned revenue	-	-	-
Total Liabilities	6,595	68	6,663
Fund Balances			
Restricted	403,366	-	403,366
Unassigned (deficit)	-	(30)	(30)
Total Fund Balances	403,366	(30)	403,336
Total Liabilities and Fund Balances	$ 409,961	$ 38	$ 409,999

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - By Fund Type

For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 77,614	$ -	$ 77,614
Sales taxes	-	-	-
Intergovernmental	-	19,908	19,908
Fines and forfeitures	10,313	-	10,313
Investment earnings	-	-	-
Miscellaneous	182	-	182
Total Revenues	88,109	19,908	108,017
Expenditures			
Current:			
Public safety	4,973	-	4,973
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	31,784	19,938	51,722
Capital Outlay	-	-	-
Total Expenditures	36,757	19,938	56,695
Excess of Revenues Over Expenditures	51,352	(30)	51,322
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	51,352	(30)	51,322
Fund Balances (Deficits) Beginning of Year	352,014	-	352,014
Fund Balances End of Year	$ 403,366	$ (30)	$ 403,336

City of Sandersville, Georgia
General Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 1,628,001	$ 1,193,100
Receivables (net, where applicable):		
Property taxes	1,050	1,412
Accounts	109,496	179,593
Interfund	13,722	14,040
Intergovernmental	106,280	85,392
Inventories	54,704	59,890
Prepaid expenses	-	-
Total Assets	$ 1,913,253	$ 1,533,427
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Accrued expenditures	1,007	62,435
Unearned revenue	-	-
Interfund payable	-	797
Total Liabilities	1,007	63,232
Deferred Inflows of Resources		
- Property Taxes	1,050	1,412
Total Liabilities and Deferred Inflows of Resources	2,057	64,644
Fund Balances		
Restricted	-	-
Nonspendable	54,704	59,890
Unassigned	1,856,492	1,408,893
Total Fund Balances	1,911,196	1,468,783
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,913,253	$ 1,533,427

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Taxes	$ 4,729,208	$ 4,363,465
Licenses and permits	168,089	174,784
Intergovernmental	462,856	696,587
Charges for services	19,142	20,592
Fines and forfeitures	79,818	71,566
Miscellaneous	9,524	53,338
Total Revenues	5,468,637	5,380,332
Expenditures		
Current:		
General government	912,028	880,195
Municipal Court	126,015	146,775
Public safety	3,197,651	2,656,778
Public works	1,229,919	1,419,431
Health and welfare	35,150	35,150
Culture and recreation	50,099	53,007
Housing and development	315,851	310,269
Debt Service:		
Principal payments	30,363	7,511
Interest and fiscal charges	5,219	1,378
Total Expenditures	5,902,295	5,510,494
Deficiency of Revenues (Under) Expenditures	(433,658)	(130,162)
Other Financing Sources (Uses)		
Proceeds from the disposition of capital assets	12,997	7,286
Proceeds from capital lease	402,032	194,950
Transfers in	461,042	496,961
Transfers out	-	(14,033)
Total Other Financing Sources (Uses)	876,071	685,164
Net Change in Fund Balances	442,413	555,002
Fund Balances Beginning of Year	1,468,783	913,781
Fund Balances End of Year	$ 1,911,196	$ 1,468,783

City of Sandersville, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 1,475,344	$ 1,475,344	$ 1,332,710	$ (142,634)
General property tax - delinquent	-	-	-	-
Motor vehicle property tax - current	52,217	52,217	85,507	33,290
Motor vehicle title adv tax	174,008	174,008	188,554	14,546
Mobile home - personal property	5,235	5,235	7,047	1,812
Public utility taxes	56,810	56,810	61,348	4,538
Real estate transfer taxes	2,735	2,735	5,619	2,884
Intangible taxes	9,500	9,500	13,278	3,778
Other	100	100	-	(100)
Penalties and interest on taxes	6,500	6,500	6,404	(96)
Total real and personal property taxes	1,782,449	1,782,449	1,700,467	(81,982)
Selective taxes:				
Sales tax	876,159	1,083,159	1,104,843	21,684
Franchise tax	1,154,266	1,154,266	1,295,464	141,198
Alcoholic beverage tax	138,809	138,809	136,594	(2,215)
Insurance premium tax	475,684	475,684	491,840	16,156
Total selective taxes	2,644,918	2,851,918	3,028,741	176,823
Licenses and permits:				
Alcoholic beverages	23,325	23,325	24,755	1,430
General business license	30,617	30,617	30,337	(280)
General business license - insurance	16,000	16,000	15,600	(400)
Financial institutions	51,636	51,636	53,850	2,214
Building structure and equipment permit	23,000	23,000	20,922	(2,078)
Permits	6,600	6,600	11,448	4,848
Other	11,129	11,129	11,041	(88)
Business license penalties	200	200	136	(64)
Total licenses and permits:	162,507	162,507	168,089	5,582
Intergovernmental				
Police grants	-	18,039	20,194	2,155
FEMA/GEMA emergency grant funds	-	-	8,612	8,612
Forest land protection grant	1,570	1,570	2,326	756
GMA health grant	8,000	8,000	12,000	4,000
GMA safety liability grant	8,000	8,000	7,420	(580)
County reimbursement - public safety	161,236	161,236	161,236	-
County reimbursement - animal control	90,000	90,000	99,143	9,143
County development authority	146,160	146,160	146,160	-
Housing authority - payments in lieu of taxes	5,765	5,765	5,765	-
Total intergovernmental	420,731	438,770	462,856	24,086
Fines and forfeitures:				
Court fines	100,000	100,000	79,818	(20,182)
Charges for services:				
General government	3,925	3,925	936	(2,989)
Animal control	2,700	2,700	6,514	3,814
Public safety	3,175	3,175	1,692	(1,483)
Sale of cemetery lots	4,700	4,700	10,000	5,300
Total charges for services	14,500	14,500	19,142	4,642
Miscellaneous:				
Private donations	1,700	3,850	5,034	1,184
Miscellaneous	2,587	2,587	4,490	1,903
Total miscellaneous	4,287	6,437	9,524	3,087
Total revenues	5,129,392	5,356,581	5,468,637	112,056
Other financing sources:				
Transfers in	510,245	510,245	461,042	(49,203)
Proceeds from capital lease	-	-	402,032	402,032
Proceeds from the disposition of capital assets	5,000	5,000	12,997	7,997
Total revenues and other financing sources	$ 5,644,637	$ 5,871,826	$ 6,344,708	$ 472,882

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government				
Governing body:				
Personal services	$ 90,989	$ 90,989	$ 86,564	$ 4,425
Purchased services	51,862	51,862	42,199	9,663
Supplies	800	800	311	489
Miscellaneous	500	500	106	394
Total governing body	144,151	144,151	129,180	14,971
General administration				
Personal services	625,555	636,573	627,450	9,123
Purchased services	131,683	139,373	129,655	9,718
Supplies	14,200	14,200	14,707	(507)
Miscellaneous	2,000	2,000	1,735	265
Capital Outlays	-	-	-	-
Total general administration	773,438	792,146	773,547	18,599
General administration fees:				
Miscellaneous	9,280	9,302	9,301	1
Total general government	926,869	945,599	912,028	33,571
Municipal court				
Personal services	102,094	102,094	85,347	16,747
Purchased services	45,557	45,557	37,759	7,798
Supplies	531	531	2,859	(2,328)
Miscellaneous	-	-	50	(50)
Total municipal court	148,182	148,182	126,015	22,167
Public safety:				
Police:				
Personal services	1,471,170	1,471,170	1,394,274	76,896
Purchased services	210,153	220,153	187,711	32,442
Supplies	70,900	72,900	90,107	(17,207)
Miscellaneous	1,500	1,500	395	1,105
Capital outlay	11,500	29,539	419,046	(389,507)
Total police	1,765,223	1,795,262	2,091,533	(296,271)
Total carried forward	2,840,274	2,889,043	3,129,576	(240,533)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 2,840,274	$ 2,889,043	$ 3,129,576	$ (240,533)
Fire:				
Personal services	721,576	735,576	717,040	18,536
Purchased services	48,565	53,565	62,274	(8,709)
Supplies	23,900	27,550	27,014	536
Miscellaneous	500	500	240	260
Capital outlay	-	-	-	-
Total fire	794,541	817,191	806,568	10,623
Animal control:				
Personal services	146,465	146,465	135,043	11,422
Purchased services	16,780	16,780	14,535	2,245
Supplies	5,700	5,700	4,472	1,228
Miscellaneous	500	500	-	500
Capital outlay	-	-	-	-
Total animal control	169,445	169,445	154,050	15,395
EMA/E-911 Fee	144,000	145,500	145,500	-
Total public safety	2,873,209	2,927,398	3,197,651	(270,253)
Public works:				
Public works - operations:				
Personal services	175,967	175,967	159,396	16,571
Purchased services	23,381	23,381	24,044	(663)
Supplies	5,500	5,500	3,995	1,505
Miscellaneous	500	500	126	374
Total - public works - operations	205,348	205,348	187,561	17,787
Street department				
Personal services	568,466	568,466	513,585	54,881
Purchased services	49,450	49,450	33,545	15,905
Supplies	69,100	69,100	73,803	(4,703)
Miscellaneous	500	500	875	(375)
Street repairs	20,000	20,000	30,271	(10,271)
Capital outlays	-	13,570	5,382	8,188
Total street department	707,516	721,086	657,461	63,625
Total carried forward	4,861,124	4,947,613	5,080,716	(133,103)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 4,861,124	$ 4,947,613	$ 5,080,716	$ (133,103)
Fleet maintenance				
Personal services	62,950	62,950	62,704	246
Purchased services	8,725	14,685	11,158	3,527
Supplies	8,100	8,100	7,663	437
Miscellaneous	500	500	25	475
Capital Outlays	-	-	-	-
Total fleet maintenance	80,275	86,235	81,550	4,685
Parks and Cemetery				
Personal services	192,562	249,189	248,400	789
Purchased services	33,350	37,541	34,580	2,961
Supplies	10,200	19,576	19,467	109
Capital outlay	-	-	-	-
Miscellaneous	500	500	900	(400)
Total parks and cemetery	236,612	306,806	303,347	3,459
Total public works	1,229,751	1,319,475	1,229,919	89,556
Health and welfare				
Payments for senior center	35,150	35,150	35,150	-
Culture and recreation				
Disc Golf				
Personal services	-	-	-	-
Purchased services	7,100	7,100	3,202	3,898
Supplies	10,482	10,482	-	10,482
Capital outlay	-	-	-	-
Miscellaneous	6,000	6,000	-	6,000
Total disc golf	23,582	23,582	3,202	20,380
Parks:				
Payments to DAR	1,710	1,710	1,710	-
Forestry and nursery:				
Payments to Tree City	1,000	1,000	1,000	-
Total carried forward	5,239,453	5,402,096	5,506,675	(104,579)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	5,239,453	5,402,096	5,506,675	(104,579)
Libraries:				
Payment to Rosa M. Tarbutton Library	44,187	44,187	44,187	-
Total culture and recreation	70,479	70,479	50,099	20,380
Housing and development:				
Planning and zoning				
Personal services	159,477	159,477	119,679	39,798
Purchased services	30,991	30,991	18,601	12,390
Supplies	3,700	3,700	908	2,792
Capital outlay	-	-	-	-
Miscellaneous	500	500	100	400
Total planning and zoning	194,668	194,668	139,288	55,380
Economic development and assistance				
Personal services	60,295	60,295	47,846	12,449
Purchased services	28,275	73,275	38,466	34,809
Supplies	1,600	1,600	705	895
UGA Archway	15,000	15,000	15,000	-
Historical society	-	17,273	17,273	-
Washington County Hospital	-	-	-	-
Downtown development authority	6,000	8,273	8,273	-
Downtown tourism	-	-	-	-
Public facilities authority	-	-	-	-
Payment to WACO airport	19,000	19,000	19,000	-
Payment to WACO chamber of commerce	30,000	30,000	30,000	-
Total economic development and assistance	160,170	224,716	176,563	48,153
Total housing and development	354,838	419,384	315,851	103,533
Debt Service:				
Principal	-	-	30,363	(30,363)
Interest and fiscal charges	6,159	6,159	5,219	940
Total Debt Service	6,159	6,159	35,582	(29,423)
Total Expenditures	5,644,637	5,871,826	5,902,295	(30,469)
Other financing Uses:				
Transfers out	-	-	-	-
Total Expenditures and Transfers	$ 5,644,637	$ 5,871,826	$ 5,902,295	$ (30,469)

City of Sandersville, Georgia
Comparative Balance Sheet
ARPA Fund
December 31, 2021

	2021	2020
Assets		
Cash and cash equivalents	$ 968,332	$ -
Intergovernmental receivable	-	-
Total Assets	$ 968,332	$ -
Liabilities and Fund Balances		
Liabilities		
Unearned revenues	$ 968,332	$ -
Fund Balances		
Restricted	-	-
Total Liabilities and Fund Balances	$ 968,332	$ -

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

ARPA Fund

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Intergovernmental	$ -	$ 39,760	$ 39,760	$ -	$ -
Miscellaneous	-	-	-	-	-
Total Revenues	-	39,760	39,760	-	-
Expenditures:					
Capital Outlays	-	39,760	39,760	-	-
Excess of Revenues Over Expenditure	-	-	-	-	-
Other Financing (Uses)					
Transfers out	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	$ 381,885	$ 21,719	$ 403,604
Intergovernmental receivable	-	-	-
Taxes receivable	6,357	-	6,357
Total Assets	$ 388,242	$ 21,719	$ 409,961
Liabilities			
Account payables	-	6,595	6,595
Fund Balances			
Restricted	$ 388,242	$ 15,124	$ 403,366
Unassigned (deficit)	-	-	$ -
Total Liabilities and Fund Balances	$ 388,242	$ 21,719	$ 409,961

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	$ 77,614	$ -	$ 77,614
Fines and forfeitures	-	10,313	10,313
Intergovernmental	-	-	-
Miscellaneous	182	-	182
Total Revenues	77,796	10,313	88,109
Expenditures			
Current:			
Public safety	-	4,973	4,973
Housing and development	31,784	-	31,784
Capital Outlay	-	-	-
Total Expenditures	31,784	4,973	36,757
Excess of Revenues Over Expenditures	46,012	5,340	51,352
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Net Change in Fund Balances	46,012	5,340	51,352
Fund Balances Beginning of Year	342,230	9,784	352,014
Fund Balances End of Year	$ 388,242	$ 15,124	$ 403,366

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 381,885	$ 337,178
Hotel/motel taxes receivable	6,357	5,052
Total Assets	$ 388,242	$ 342,230
Fund Balances		
Restricted for housing and development	$ 388,242	$ 342,230

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Hotel/Motel Tax Fund

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 63,200	$ 63,200	$ 77,614	$ 14,414	$ 66,084
Miscellaneous	75	75	182	107	319
Total Revenues	63,275	63,275	77,796	14,521	66,403
Expenditures					
Current:					
Housing and development	40,252	34,284	31,784	2,500	40,891
Excess of Revenues Over Expenditures	23,023	28,991	46,012	17,021	25,512
Other Financing (Uses)					
Transfers out	-	-	-	-	-
Net Change in Fund Balances	$ 23,023	$ 28,991	46,012	$ 17,021	25,512
Fund Balances Beginning of Year			342,230		316,718
Fund Balances End of Year			$ 388,242		$ 342,230

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2021

	2021	2020
Assets		
Cash and cash equivalents	$ 21,719	$ 18,195
Intergovernmental receivable	-	264
Total Assets	$ 21,719	$ 18,459
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 6,595	$ 8,675
Fund Balances		
Restricted for public safety	15,124	9,784
Total Liabilities and Fund Balances	$ 21,719	$ 18,459

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Confiscated Assets Fund

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ 1,200	$ 1,200	$ 10,313	$ 9,113	$ 7,937
Miscellaneous	-	-	-	-	-
Total Revenues	1,200	1,200	10,313	9,113	7,937
Expenditures					
Current:					
Public Safety	1,800	5,751	4,973	778	772
Capital Outlay	-	-	-	-	-
Total Expenditures	1,800	5,751	4,973	778	772
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	(4,551)	5,340	9,891	7,165
Other Financing Uses					
Transfers Out	-	-	-	-	-
Net Change in Fund Balances	$ (600)	$ (4,551)	5,340	$ 9,891	7,165
Fund Balances Beginning of Year			9,784		2,619
Fund Balances End of Year			$ 15,124		$ 9,784

City of Sandersville, Georgia
Comparative Balance Sheet
T-SPLOST Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 437,141	$ 417,820
Intergovernmental receivable	18,484	16,349
Total Assets	$ 455,625	$ 434,169
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Unearned revenue	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for transportation	455,625	434,169
Total Fund Balances	455,625	434,169
Total Liabilities and Fund Balances	$ 455,625	$ 434,169

City of Sandersville, Georgia
Comparitve Statement of Expenditures
and Changes in Fund Balance
T-SPLOST Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues:		
Sales Tax	$ 182,664	$ 167,663
Intergovernmental revenue	217,401	79,246
Total Revenues	400,065	246,909
Expenditures		
Public works	220,518	107,691
Capital Outlays	158,091	-
Total Expenditures	378,609	107,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,456	139,218
Other Financing Sources		
Transfers out	-	-
Fund Balances Beginning of Year	434,169	294,951
Fund Balances End of Year	$ 455,625	$ 434,169

City of Sandersville, Georgia
Comparative Balance Sheet
2013 SPLOST Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 60,265	$ 471,553
Receivables:		
Intergovernmental	-	-
Total Assets	$ 60,265	$ 471,553
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for capital purchases	60,265	471,553
Liabilities and Fund Balances	$ 60,265	$ 471,553

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2013 SPLOST Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Intergovernmental	$ 4,226	$ 380,173
Expenditures		
Current:		
General government	$ -	$ -
Public works	-	-
Housing and economic development	-	-
Capital Outlay	415,514	295,409
Total Expenditures	415,514	295,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	(411,288)	84,764
Other Financing Sources		
Transfers in	-	-
Net Change in Fund Balances	(411,288)	84,764
Fund Balances Beginning of Year	471,553	386,789
Fund Balances End of Year	$ 60,265	$ 471,553

City of Sandersville, Georgia
Comparative Balance Sheet
2019 SPLOST Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 607,606	$ -
Receivables:		
Intergovernmental	66,077	74,817
Total Assets	$ 673,683	$ 74,817
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for capital purchases	673,683	74,817
Liabilities and Fund Balances	$ 673,683	$ 74,817

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2019 SPLOST Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Intergovernmental	$ 619,866	$ 74,817
Expenditures		
Current:		
General government	$ -	$ -
Public works	-	-
Housing and economic development	-	-
Debt Service:		
Principal	19,311	-
Interest	1,689	-
Capital Outlay	-	-
Total Expenditures	21,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	598,866	74,817
Other Financing Sources		
Transfers in	-	-
Net Change in Fund Balances	598,866	74,817
Fund Balances Beginning of Year	74,817	-
Fund Balances End of Year	$ 673,683	$ 74,817

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2017 Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ -	$ 318
Intergovernmental receivable	13,438	13,438
Total Assets	$ 13,438	$ 13,756
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	13,654	13,972
Total Liabilities	13,654	13,972
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(216)	(216)
Total Fund Balances	(216)	(216)
Total Liabilities and Fund Balances	$ 13,438	$ 13,756

City of Sandersville, Georgia
Comparitive Statement of Revenues and Changes in Fund Balances
CDBG 2017 Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues:		
Intergovernmental revenue	$ -	$ 31,460
Expenditures		
Housing and development	-	17,458
Capital Outlays	-	-
Total Expenditures	-	17,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	14,002
Other Financing Sources		
Transfer in	-	-
Fund Balances Beginning of Year	(216)	(14,218)
Fund Balances End of Year	$ (216)	$ (216)

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	CHIP 2018	Total Nonmajor Capital Projects Funds
Assets		
Cash and cash equivalents	$ 38	$ 38
Receivables:		
Intergovernmental	-	-
Sales taxes	-	-
Total Assets	$ 38	$ 38
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	68	68
Unearned revenue	-	-
Total Liabilities	68	68
Fund Balances		
Restricted for transportation	-	-
Unassigned (deficit)	(30)	(30)
Total Liabilities and Fund Balances	$ 38	$ 38

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2021

	CHIP 2018	Total Nonmajor Capital Projects Funds
Revenues:		
Sales taxes	$ -	$ -
Intergovernmental	19,908	19,908
Total Revenues	19,908	19,908
Expenditures		
Current:		
Public works	-	-
Housing and development	19,938	19,938
Capital Outlay	-	-
Total Expenditures	19,938	19,938
Excess of Revenues Over Expenditures	(30)	(30)
Other Financing Sources (Uses)		
Transfers in	-	-
Transfers out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balances	(30)	(30)
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ (30)	$ (30)

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2018 Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 38	$ 68
Intergovernmental receivable	-	-
Total Assets	$ 38	$ 68
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 68	$ 68
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(30)	-
Total Fund Balances	(30)	-
Total Liabilities and Fund Balances	$ 38	$ 68

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2018 Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues:		
Intergovernmental revenue	$ 19,908	$ 258,400
Expenditures		
Housing and Development	19,938	258,400
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30)	-
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	(30)	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ (30)	$ -

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2014 Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ -
Fund Balances		
Restricted	-	-
Unassigned (deficit)	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	-	$ -

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2014 Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues:		
Intergovernmental revenue	$ -	$ -
Expenditures		
Housing and development	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfer in	-	14,033
Net Change in Fund Balances	-	14,033
Fund Balances Beginning of Year	-	(14,033)
Fund Balances End of Year	$ -	$ -

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,423,787	$ 2,363,359
Investments	725,966	725,634
Receivable:		
Accounts (net)	267,816	279,808
Interfund	-	119,977
Due from OneGeorgia Authority	131,724	-
Prepaid expenses	-	-
Restricted assets:		
Cash	2,440,391	-
Inventories	46,927	66,041
Total Current Assets	6,036,611	3,554,819
Noncurrent Assets:		
Capital assets:		
Nondepreciable	168,636	168,636
Depreciable, net	10,761,677	11,293,823
Construction in progress	10,791,193	7,385,657
Total Noncurrent Assets	21,721,506	18,848,116
Total Assets	27,758,117	22,402,935
Liabilities		
Current Liabilities:		
Accounts payable	6,156	9,328
Accrued expenses payable	7,950	-
Loans payable	623,522	344,443
Customer deposits held	8,946	8,346
Total Current Liabilities	646,574	362,117
Long-term Liabilities (net of current portion):		
Loans payable	17,000,515	12,188,760
Total Liabilities	17,647,089	12,550,877
Net Position		
Net investment in capital assets	4,097,469	6,314,913
Restricted for debt service	2,440,391	-
Unrestricted	3,573,168	3,537,145
Total Net Position	$ 10,111,028	$ 9,852,058

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 2,727,648	$ 2,862,048
Miscellaneous	5,782	39,930
Total Operating Revenues	2,733,430	2,901,978
Operating Expenses		
Personal services - salaries	523,839	516,317
Personal services - benefits	218,819	201,280
Purchased services	478,596	1,063,713
Materials and supplies	198,316	152,508
Miscellaneous	44,980	35,239
Depreciation	695,497	613,163
Total Operating Expenses	2,160,047	2,582,220
Operating Income	573,383	319,758
Non-Operating Revenues (Expenses)		
Interest and dividend income	332	3,970
OneGeorgia grant	131,724	-
GEFA loan fees	-	(17,630)
Interest and fiscal charges	(200,559)	(129,499)
Total Non-Operating Revenues (Expenses)	(68,503)	(143,159)
Income Before Contributions and Transfers In (Out)	504,880	176,599
Contributions	39,760	-
Transfer In	-	-
Transfers Out	(285,670)	(156,320)
Change in Net Position	258,970	20,279
Net Position Beginning of Year	9,852,058	9,831,779
Net Position End of Year	$ 10,111,028	$ 9,852,058

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 2,745,422	$ 2,879,038
Cash payments to employees for services	(742,658)	(717,597)
Cash payments for goods and services	(577,426)	(1,242,138)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	1,425,338	919,303
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund receivable	-	-
Transfers in	-	-
Transfers out	(285,670)	(156,320)
Net Cash Provided by (Used in) Noncapital Financing Activities	(285,670)	(156,320)
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	(776,343)	(332,611)
Interest paid on notes	(200,559)	(129,499)
GEFA loan fees	-	(17,630)
Proceeds from notes payable	5,867,180	8,444,426
Acquisition of capital assets	(3,529,127)	(8,734,488)
Net Cash Provided by (Used in) Capital and Related Financing Activities	1,361,151	(769,802)
Cash Flows from Investing Activities		
Interest and dividend income	332	3,970
Investment earnings	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	2,501,151	(2,849)
Cash and Cash Equivalents Beginning of Year	3,088,993	3,091,842
Cash and Cash Equivalents End of Year	$ 5,590,144	$ 3,088,993
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 2,423,787	$ 2,363,359
Cash in Georgia Fund I	725,966	725,634
Restricted cash	2,440,391	-
Total Cash and Cash Equivalents	$ 5,590,144	$ 3,088,993

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2021 and 2020

(continued)

	2021	2020
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 573,383	$ 319,758
Adjustments:		
Depreciation and amortization	695,497	613,163
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	11,989	(22,940)
Inventories	19,114	-
Prepaid expenses	-	-
Interfund receivable	119,977	-
Increase (Decrease) in Liabilities:		
Accounts payable	(3,172)	9,328
Accrued expenses payable	7,950	-
Customer deposits payable	600	(9)
Net Cash Provided by (Used in) Operating Activities	$ 1,425,338	$ 919,300

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 8,424,129	$ 7,659,997
Cash in Georgia Fund I	7,970,658	7,967,012
Investments	3,625	6,188
Receivable:		
Accounts (net)	2,581,147	1,288,021
Interfund	-	154,422
Intergovernmental	598,045	-
Inventories	645,086	469,264
Total Current Assets	20,222,690	17,544,904
Noncurrent Assets:		
Capital assets:		
Nondepreciable	53,621	53,621
Depreciable, net	2,147,202	1,597,829
Construction in progress	186,446	299,827
Total Noncurrent Assets	2,387,269	1,951,277
Total Assets	22,609,959	19,496,181
Liabilities		
Current Liabilities:		
Accounts payable	53,319	53,678
Accrued expenses payable	-	-
Sales tax payable	131,460	32,172
Interfund payable	-	119,977
Customer deposits payable	1,210,117	478,477
Total Current Liabilities	1,394,896	684,304
Net Position		
Investment in capital assets	2,387,269	1,951,277
Unrestricted	18,827,794	16,860,600
Total Net Position	$ 21,215,063	$ 18,811,877

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 18,706,694	$ 13,213,168
Miscellaneous	72,725	18,095
Total Operating Revenues	18,779,419	13,231,263
Operating Expenses		
Personal services - salaries	496,494	470,764
Personal services - benefits	169,251	148,683
Electricity purchased	13,876,167	7,975,573
Purchased services	415,557	718,693
Franchise fee	734,592	519,775
Materials and supplies	161,217	170,270
Miscellaneous	49,906	36,111
Depreciation	150,209	143,836
Total Operating Expenses	16,053,393	10,183,705
Operating Income (Loss)	2,726,026	3,047,558
Non-Operating Revenues (Expenses)		
Interest and dividend income	3,646	43,592
Change in fair market value of investments	-	36
Interest and fiscal charges	-	-
Federal Grant	-	-
Total Non-Operating Revenues (Expenses)	3,646	43,628
Income (Loss) Before Contributions and Transfers In (Out)	2,729,672	3,091,186
Contributions	-	-
Transfers In	119,977	-
Transfers Out	(446,463)	(295,779)
Change in Net Position	2,403,186	2,795,407
Net Position Beginning of Year	18,811,877	16,016,470
Net Position End of Year	$ 21,215,063	$ 18,811,877

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 17,486,293	$ 13,059,284
Cash payments to employees for services	(665,745)	(619,447)
Cash payments for goods and services	(15,146,292)	(9,247,961)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	1,674,256	3,191,876
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund receivable	-	-
Interfund payable	-	-
Transfers in (out)	(446,463)	(295,779)
Net Cash Provided by (Used in) Noncapital Financing Activities	(446,463)	(295,779)
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Interest paid	-	-
Acquisition of capital assets	(586,201)	(505,700)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(586,201)	(505,700)
Cash Flows from Investing Activities		
Investment earnings (loss)	2,563	-
Interest and dividend income	3,646	43,592
Net (purchase) sale of investments	-	-
Cash Flows from Investing Activities	6,209	43,592
Net Increase (Decrease) in Cash and Cash Equivalents	647,801	2,433,989
Cash and Cash Equivalents Beginning of Year	15,627,009	13,193,020
Cash and Cash Equivalents End of Year	$ 16,274,810	$ 15,627,009
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 8,424,129	$ 7,659,997
Cash in Georgia Fund I	7,970,658	7,967,012
Total Cash and Cash Equivalents	$ 16,394,787	$ 15,627,009

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2021 and 2020

(continued)

	2021	2020
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 2,726,026	$ 3,047,558
Adjustments:		
Depreciation	150,209	143,836
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	(1,293,126)	(171,979)
Inventories	(175,822)	-
Intergovernmental receivable	(598,045)	-
Interfund receivable	154,422	
Increase (Decrease) in Liabilities:		
Accounts payable	(359)	468
Accrued expenses payable	-	-
Sales tax payable	99,288	5,494
Interfund payable	(119,977)	-
Customer deposits	731,640	166,499
Net Cash Provided by (Used in) Operating Activities	$ 1,674,256	$ 3,191,876

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 555,823	$ 583,557
Receivable:		
Accounts (net)	7,939	11,803
Interfund	-	797
Prepaid expenses	-	-
Inventory	9,821	9,821
Total Current Assets	573,583	605,978
Noncurrent Assets:		
Capital assets:		
Depreciable, net	122,011	154,901
Construction in progress	15,333	15,333
Total Assets	710,927	776,212
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Customer deposits payable	50	50
Interfund payable	-	-
Total Current Liabilities	50	50
Long-term Liabilities (net of current portion):		
Due to electrical fund	-	148,873
Total Liabilities	50	148,923
Net Position		
Net investment in capital assets	137,344	170,234
Unrestricted	573,533	457,055
Total Net Position	$ 710,877	$ 627,289

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 118,400	$ 109,622
Miscellaneous	2,875	-
Total Operating Revenues	121,275	109,622
Operating Expenses		
Personal services - salaries	47,961	-
Personal services - benefits	10,211	-
Franchise fee	5,862	6,144
Purchased services	71,387	150,973
Materials and supplies	6,765	5,203
Depreciation	32,890	32,440
Miscellaneous	8,176	4,666
Total Operating Expenses	183,252	199,426
Income (Loss) Before Contributions and Transfers In (Out)	(61,977)	(89,804)
Capital Contributions	-	26,882
Transfers In	148,873	-
Transfers Out	(3,308)	(3,372)
Change in Net Position	83,588	(66,294)
Net Position Beginning of Year	627,289	693,583
Net Position End of Year	$ 710,877	$ 627,289

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 125,139	$ 123,980
Cash payments to employees for services	(58,172)	-
Cash payments for goods and services	(240,266)	(166,985)
Net Cash Provided by (Used in) Operating Activities	(173,299)	(43,005)
Cash Flows from Noncapital Financing Activities		
Transfers in (out)	(3,308)	(3,372)
Net Cash Provided by (Used in) Noncapital Financing Activities	(3,308)	(3,372)
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(176,607)	(46,377)
Cash and Cash Equivalents Beginning of Year	583,557	629,934
Cash and Cash Equivalents End of Year	$ 406,950	$ 583,557
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 555,823	$ 629,934

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2021 and 2020

(continued)

	2021	2020
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ (61,977)	$ (89,804)
Adjustments:		
Depreciation	32,890	32,440
(Increase) Decrease in Assets:		
Accounts receivable	3,864	14,359
Inventories	-	-
Interfund receivable	797	-
Increase (Decrease) in Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Interfund payable	(148,873)	-
Net Cash Provided by (Used in) Operating Activities	$ (173,299)	$ (43,005)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 163,042	$ 88,748
Due from FEMA	-	-
Accounts receivable (net)	106,832	83,031
Prepaid expenses	-	-
Total Current Assets	269,874	171,779
Noncurrent Assets:		
Capital assets:		
Depreciable, net	68,810	85,677
Total Assets	338,684	257,456
Liabilities		
Current Liabilities:		
Accounts payable	1,832	1,884
Current portion of notes payable	-	-
Interfund payable	-	5,549
Total Current Liabilities	1,832	7,433
Noncurrent Liabilities		
Notes Payable, net of current portion	-	-
Total Liabilities	1,832	7,433
Net Position		
Net investment in capital assets	68,810	85,677
Unrestricted	268,042	164,346
Total Net Position	$ 336,852	$ 250,023

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 1,032,896	$ 928,842
Miscellaneous	-	-
Total Operating Revenues	1,032,896	928,842
Operating Expenses		
Personal services - salaries	76,626	85,233
Personal services - benefits	33,240	34,852
Purchased services	794,503	812,012
Materials and supplies	20,497	11,757
Depreciation	16,867	16,971
Miscellaneous	9,883	8,597
Total Operating Expenses	951,616	969,422
Operating Income	81,280	(40,580)
Non-Operating Revenues (Expenses)		
Interest Expense	-	-
Federal Grant	-	-
Total Non-Operating Revenues	-	-
Income (Loss) Before Contributions and Transfers In (Out)	81,280	(40,580)
Transfers In (Out)	5,549	(41,490)
Capital Contributions	-	-
Change in Net Position	86,829	(82,070)
Net Position Beginning of Year	250,023	332,093
Net Position End of Year	$ 336,852	$ 250,023

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2021 and 2020

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 1,009,095	$ 934,643
Cash payments to employees for services	(109,865)	(120,084)
Cash payments for goods and services	(830,485)	(830,539)
Net Cash Provided by (Used in) Operating Activities	68,745	(15,980)
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Transfers in (out)	5,549	(41,490)
Net Cash Provided by (Used in) Noncapital Financing Activities	5,549	(41,490)
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	-	-
Interest paid on notes	-	-
Payments for capital acquisitions	-	-
Net Cash (Used in) Capital and Related Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	74,294	(57,470)
Cash and Cash Equivalents Beginning of Year	88,748	146,218
Cash and Cash Equivalents End of Year	$ 163,042	$ 88,748
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 163,042	$ 88,748

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2021 and 2020

(continued)

	2021	2020
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 81,280	$ (40,580)
Adjustments:		
Depreciation	16,867	16,971
(Increase) Decrease in Assets:		
Accounts receivable	(23,801)	5,801
Prepaid expenses	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	(52)	1,828
Interfund payable	(5,549)	-
Net Cash Provided by (Used in) Operating Activities	$ 68,745	$ (15,980)

City of Sandersville, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended December 31, 2021

Project	Original Estimated Cost	Revised Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
2013 Tax:						
Fire protection	$ 100,000	$ 100,000	$ 154,826	$ 145,572	$ 300,398	300.4%
Transportation improvements	500,000	500,000	414,554	-	414,554	82.9%
Economic development	400,000	400,000	12,527	-	12,527	3.1%
Capital outlays:						
Street department equipment	300,000	300,000	139,142	-	139,142	46.4%
Water & sewer system equipment & upgrades	500,000	500,000	-	-	-	0.0%
General & admin equipment	100,000	100,000	517,743	192,273	710,016	710.0%
Police department vehicles & equipment	200,000	200,000	234,309	77,669	311,978	156.0%
Electrical fund equipment	200,000	200,000	41,610	-	41,610	20.8%
2019 Tax:						
Fire protection	$ 100,000	$ 100,000	$ -	$ -	$ -	0.0%
Transportation improvements	500,000	500,000	-	-	-	0.0%
Economic development	400,000	400,000	-	-	-	0.0%
Capital outlays:						
Street department equipment	300,000	300,000	-	-	-	0.0%
Water & sewer system equipment & upgrades	500,000	500,000	-	-	-	0.0%
General & admin equipment	300,000	300,000	-	-	-	0.0%
Police department vehicles & equipment	200,000	200,000	-	21,000	21,000	10.5%
Electrical fund equipment	200,000	200,000	-	-	-	0.0%

SINGLE AUDIT SECTION

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

To the Mayor and Council
City of Sandersville, 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 Sandersville, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Sandersville, Georgia's basic financial statements and have issued our report thereon dated June 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Sandersville, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Sandersville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Sandersville, 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sandersville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* described in the accompanying schedule of findings and questioned costs as items 21-1.

City of Sandersville, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Sandersville, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Sandersville, 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 on the response.

Purpose of This Report

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

Wright & Wright, P.C.

Sandersville, Georgia
June 29, 2022

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

To the Mayor and Council
City of Sandersville, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Sandersville, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Wyatt & Wyatt, P.C.

Sandersville, Georgia
June 29, 2022

City of Sandersville, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
U.S. Environmental Protection Agency			
Passed-Through Georgia Environmental Finance Authority			
Capitalization Grant for Clean Water State Revolving Fund	66.458	CW2018014	$ 2,719,110
Capitalization Grant for Drinking Water State Revolving Fund	66.468	DW2018010	245,673
			2,964,783
U.S. Department of Agriculture			
Direct Awards			
Water and Waste Disposal Loans and Grants	10.760		15,340,844
U.S. Department of the Treasury			
Direct Awards			
American Rescue Plan Act 2021	21.027		39,760
U.S. Department of Housing and Urban Development			
Direct Awards			
Community Home Improvement Program	14.228	2018-112	19,938
			19,938
Total Expenditures of Federal Awards			$ 18,365,325

City of Sandersville, Georgia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note 1 – Basis of Presentation

The Schedule of expenditures of expenditures of federal awards includes the federal grant activity of the City of Sandersville, Georgia (the "City") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of the financial statements.

Note 2 – Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Note 3 – De Minimis Indirect Cost Rate

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

Note 4 – Payments to Subrecipients

For the current year, the City did not pass federal funds through to subrecipients.

City of Sandersville, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

1. *Summary of Auditor's Results*

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified	
Internal control over financial reporting:		
Material Weakness Identified?	X Yes	___ No
Signficant deficiencies identified	___ Yes	X None Reported
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Signficant deficiencies identified	___ Yes	X None Reported
Type of auditor's report issued on compliance for major federal programs	Unmodified	
Any audit findings disclosed that are to be reported in accordance with the 2 CFR 200.516(a)?	___ Yes	X No

Identification of major programs:

66.458 Capitalization Grant for Clean Water State Revolving Fund
66.468 Capitalization Grant for Drnking Water State Revolving Fund

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

2. *Financial Statement Findings and Questioned Costs*

Current Year Audit Findings

21-1 Budgetary

Condition: In the City's General Fund, actual expenditures exceeded budget appropriations in two departments. This is a violation of state law.

Effect: Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendations: The City should monitor the budget and amend it when appropriate.

Management Response: Our City Council will analyze budgetary financial data periodically and amend the budget when appropriate.

Prior Year Audit Findings Follow-Ups

None reported.

3. *Federal Award Findings and Questioned Costs*

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*