CITY OF SYLVANIA, GEORGIA

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Sylvania, Georgia
Annual Financial Report
For the Year Ended December 31, 2020

TABLE OF CONTENTS

	Page
Financial Section	
Independent Auditors' Report	4
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Statement of Cash Flows	23
Notes to the Basic Financial Statements	25
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *General Fund*	52
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *UDAG Fund*	53
Notes to the Required Supplementary Information	54
Defined Benefit Plan -	
Schedule of Changes in the Net Pension Liability and Related Ratios	55
Schedule of Contributions	57
Postemployment Benefits Other Than Pensions (Health Insurance) -	
Schedule of Funding Progress	59

Page

Supplementary Information
Combining and Individual Fund Statements and Schedules:
Governmental Funds
***General Fund*:**
Comparative Balance Sheet 60
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances 61
***UDAG Fund*:**
Comparative Balance Sheet 62
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances 63

Nonmajor Governmental Funds
Combining Balance Sheet - By Fund Type 64
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - By Fund Type 65

Nonmajor Special Revenue Funds:
Combining Balance Sheet 66
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances 67
Hotel/Motel Tax Fund
Comparative Balance Sheet 68
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 69
Confiscated Assets Fund
Comparative Balance Sheet 70
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 71

Nonmajor Capital Projects Fund - SPLOST
Combining Balance Sheet 72
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances 73
2019 SPLOST Capital Projects Fund
Comparative Balance Sheet 74
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances 75
2013 SPLOST Capital Projects Fund
Comparative Balance Sheet 76
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances 77

Page

Proprietary Funds
Enterprise Funds
Major Enterprise Funds
Water and Sewer Fund
Comparative Schedule of Net Position 78
Comparative Schedule of Revenues, Expenses and Changes in Fund Net Position 79
Electricity Utility Fund
Comparative Schedule of Net Position 80
Comparative Schedule of Revenues, Expenses and Changes in Fund Net Position 81
Gas Utility Fund
Comparative Schedule of Net Position 82
Comparative Schedule of Revenues, Expenses and Changes in Fund Net Position 83

Nonmajor Enterprise Fund
Solid Waste Collection Fund
Comparative Schedule of Net Position 84
Comparative Schedule of Revenues, Expenses and Changes in Fund Net Position 85

Other Supplementary Schedules
Schedule of Hotel/Motel Tax 86
Schedule of Projects Constructed with Special Local Option Sales Tax Proceeds 87
Community Development Block Grant Program
Project Cost Schedule - Fiscal Year 2015 CDBG Fund 88
Source and Application of Funds Schedule - Fiscal Year 2015 CDBG Fund 89
Project Cost Schedule - Fiscal Year 2019 CDBG Fund 90
Source and Application of Funds Schedule - Fiscal Year 2019 CDBG Fund 91

Government Auditing Standards Section
Independent Auditors' 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* 92

Schedule of Findings and Responses 94

CAINES HODGES
CERTIFIED PUBLIC ACCOUNTANTS

Donald T. Caines, CPA
Carlton H. Hodges, CPA
Matthew E. Caines, CPA
Amanda S. Futrell, MAcc

Caines, Hodges & Company, P.C.
5302 Frederick Street • Suite 203
Savannah, GA 31405
Tel: (912) 233-6383
www.caineshodges.com

Member American Institute of Certified Public Accountants
and Georgia Society of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
City of Sylvania, Georgia

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Sylvania, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvania, Georgia, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-14, the budgetary comparison information on pages 52-54, the schedule of changes in net pension liability and related ratios and schedule of contributions on pages 55-58, and the schedule of funding progress information for postemployment benefits other than pensions on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sylvania, Georgia's basic financial statements. The combining and individual fund statements, the schedule of Hotel/Motel Tax, the schedules of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds, and the Community Development Block Grant Project Cost Schedule and Source and Application of Funds Schedule (pages 60 through 89) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information included on pages 60 through 89 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, on our consideration of City of Sylvania, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sylvania, Georgia's internal control over financial reporting and

Caines, Hodges & Company, P.C.

September 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Sylvania, Georgia's (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 calendar year ended December 31, 2020. We discuss and analyze the City's financial performance within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by $11,370,786 (net position) for the calendar year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $10,144,824 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 $1,555,847 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Negative unrestricted net position of $329,885.

- The City's governmental funds reported total ending fund balance of $2,077,878 this year. This compares to the prior year ending fund balance of $2,411,560 showing an decrease of $333,682 during the current year. Unassigned general fund balance of $497,238 for calendar year 2020 shows a decrease of $471,901 from the prior year balance.

- At the end of the current calendar year, unassigned fund balance for the General Fund was $497,238 or 15% of total General Fund expenditures.

- Overall, the City's financial position has increased by approximately $620,857 due to increased utility operating income.

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.

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 calendar 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 property taxes and sales taxes 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, public safety, and streets. Business-type activities include the water and sewer system, the electric system, the gas system and sanitation services.

The government-wide financial statements are presented on pages 15 & 16 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 non-major 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 calendar 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 17-20 of this report.

Individual fund information for non-major governmental funds is found in combining and individual fund statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The four City proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for water and sewer, gas and electric utilities and sanitation services.

The basic enterprise fund financial statements are presented on pages 21-24 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning some of the City's budget presentations as well as some comparative information. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 59.

Financial Analysis of the City as a Whole

The City's net position at December 31, 2020, is $11,370,786. The following table provides a summary of the City's net position:

Summary of Net Assets

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	$ 1,184,542	$ 4,964,767	$ 6,149,309	$ 1,595,091	$ 6,995,936	$ 8,591,027
Restricted assets	1,142,517	787	1,143,304	1,078,167	782	1,078,949
Capital assets	2,941,849	8,986,058	11,927,907	2,925,461	9,082,111	12,007,572
Total assets	5,268,908	13,951,612	19,220,520	5,598,719	16,078,829	21,677,548
Deferred outflows of resources - pension	762,186	436,615	1,198,801	338,570	224,236	562,806
Liabilities:						
Current liabilities	294,390	2,977,605	3,271,995	287,788	6,424,473	6,712,261
Long-term liabilities	2,502,535	3,230,395	5,732,930	1,737,061	3,013,327	4,750,388
Total liabilities	2,796,925	6,208,000	9,004,925	2,024,849	9,437,800	11,462,649
Deferred inflows of resources - pension	27,727	15,883	43,610	16,710	11,066	27,776
Net position:						
Net investment in capital assets	2,900,699	7,244,125	10,144,824	2,861,303	7,289,403	10,150,706
Restricted	1,555,060	787	1,555,847	1,421,304	782	1,422,086
Unrestricted	(1,249,317)	919,432	(329,885)	(386,877)	(435,986)	(822,863)
Total net position	$ 3,206,442	$ 8,164,344	$ 11,370,786	$ 3,895,730	$ 6,854,199	$ 10,749,929

The City continues to maintain an adequate 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 4.02 to 1, which is a decrease from 2019 due to a decrease in cash and cash equivalents. For business-type activities, the current ratio is 1.67 to 1 which is an increase from 2019 due to a decrease in accounts payable. For the City overall, the current ratio is 1.88 to 1.

The City reported positive balances in net position for governmental and business-type activities. Net position decreased $689,288 for governmental activities and increased $1,310,145 for business-type activities. The City's overall financial position has improved and stabilized. The City continues to be threatened financially due to the volatility in the energy market, which could result in future decreases in the operating profits of the electric and gas utilities.

Note that approximately 90% of the governmental activities' net position is invested in capital. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has invested approximately 89% of its net position in capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. Ninety percent of the City's total net position is included in capital assets.

The following table provides a comparative summary of the City's changes in net position:

Summary of Changes in Net Position

	2020				2019			
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Governmental Activities	Business-type Activities	Total	Percentage of Total
Revenues:								
Program:								
Charges for services	$ 205,278	$ 27,546,960	$ 27,752,238	94.0%	$ 247,260	$ 32,435,286	$ 32,682,546	93.7%
Operating grants and other	220,742	-	220,742	0.7%	73,033	-	73,033	0.2%
Capital grants and other	419,056	56,745	475,801	1.6%	340,104	709,618	1,049,722	3.0%
General:								
Taxes	994,634		994,634	3.4%	972,270		972,270	2.8%
Other	80,447	13,418	93,865	0.3%	44,883	66,899	111,782	0.3%
Total revenues	1,920,157	27,617,123	29,537,280	100%	1,677,550	33,211,803	34,889,353	100%
Program expenses:								
General government	804,760		804,760	2.8%	762,493		762,493	2.2%
Judicial	49,771		49,771	0.2%	67,664		67,664	0.2%
Public safety - fire	821,025		821,025	2.8%	647,025		647,025	1.8%
Public safety - police	925,591		925,591	3.2%	1,118,603		1,118,603	3.2%
Public safety - animal control	5,793		5,793	0.0%	8,472		8,472	0.0%
Public works - streets	704,303		704,303	2.4%	431,100		431,100	1.2%
Public works - garage	270,757		270,757	0.9%	206,844		206,844	0.6%
Public works - airport infrastructure	-		-		5,500		5,500	
Health and welfare	163,583		163,583	0.6%	138,091		138,091	0.4%
Culture and recreation	19,873		19,873	0.1%	28,739		28,739	0.1%
Housing and development	62,385		62,385	0.2%	90,986		90,986	0.3%
Interest	1,763		1,763	0.0%	1,220		1,220	0.0%
Water and sewer		1,451,374	1,451,374	5.0%		1,226,758	1,226,758	3.5%
Electric		21,640,817	21,640,817	74.8%		26,758,466	26,758,466	76.4%
Gas		1,735,653	1,735,653	6.0%		3,056,193	3,056,193	8.7%
Solid Waste		258,975	258,975	0.9%		460,590	460,590	1.3%
Total expenses	3,829,604	25,086,819	28,916,423	100%	3,506,737	31,502,007	35,008,744	100%
Excess (deficiency)	(1,909,447)	2,530,304	620,857		(1,829,187)	1,709,796	(119,391)	
Transfers	1,220,159	(1,220,159)	-		1,682,345	(1,682,345)	-	
Change in net position	(689,288)	1,310,145	620,857		(146,842)	27,451	(119,391)	
Beginning net position	3,895,730	6,854,199	10,749,929		4,042,572	6,826,748	10,869,320	
Ending net position	$ 3,206,442	$ 8,164,344	$ 11,370,786		$ 3,895,730	$ 6,854,199	$ 10,749,929	

GOVERNMENTAL REVENUES

The City has a diversified revenue stream. The City is heavily reliant on property taxes to support governmental operations and capital. Property taxes provided only 21% of the City's total governmental revenues. Local option sales taxes are the second largest revenue source with approximately $225 thousand of revenues or 12% of the total. The insurance premium taxes generate $209,854 and $109,906 from alcohol taxes. Also, note that program revenues cover approximately 22% of governmental operating expenses. This means that the government's taxpayers, the City's other general governmental revenues, and transfers from business-type activities fund 78% of the governmental activities. As a result, the general economy and the City businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The police function spends about 25% of the governmental funds budget; the fire function spends about 19% of the governmental funds budget; and the general government function spends about 22% of the total governmental funds budget.

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 costs illustrate the financial burden that has been placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	Net Cost of Services
General government	$ 804,760	$ 475,025
Judicial	49,771	49,771
Public safety - fire	821,025	756,559
Public safety - police	925,591	739,043
Public safety - animal control	5,793	5,793
Public works - streets	704,303	537,116
Public works - garage	270,757	270,757
Health and welfare	163,583	66,991
Cultural and recreation	19,873	19,425
Housing and development	62,385	62,285
Interest	1,763	1,763
Total	$ 3,829,604	$ 2,984,528

After reducing gross expenses by program revenues, the police function totals 25% of the net cost of services and the fire function totals 25% of these costs. Finally, the general government function is 16% of the total.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for the utility funds were 15% below 2019 and operating expenses were 22% below 2019. Within the total business type activities of the City, these activities reported $2,931,243 in operating income compared to operating income of $977,571 in the prior year, which is an increase of 200% from 2019.

However, after transfers in and out between other funds and non-operating revenues and expenses, these funds reported an increase in net position of $1,310,145 in 2020 compared to net increase in net position of $27,451 in 2019. Each specific fund reported the following changes in net position:

	2020 Amounts	2019 Amounts
Water and sewer fund	$ (207,195)	$ 681,919
Electric utility fund	1,306,408	(735,386)
Gas utility fund	(4,741)	36,466
Sanitation fund	215,673	44,452

The water and sewer fund has an operating loss for 2020 of $147,781, which is a decrease of $194,792 from 2019. During 2020, the revenues were slightly higher than the prior year. The 2020 expenses increased $243,628. Over $154 thousand of this increase was due to retirement and other post-employment benefits

The electric utility fund reported a decrease in revenues of 13% or $3.5 million. This decrease is due to a decrease in usage. Expenses reported a decrease of approximately 21% or approximately $5.5 million. The decrease in expenses relates to a decrease in electricity cost. The electricity utility transferred approximately $861 thousand to other funds. Transfers between the utility funds and the general fund are common since all operating cash (i.e., receipts and disbursements) are recorded and included in the general fund. The interfund transfer is a function of activity and is forced to balance based on cash activity in individual funds.

The gas utility fund operating revenue decreased in calendar year 2020 by approximately $1.45 million or 43% and operating expenses decreased approximately $1.32 million or 43%. Operating revenues and expenses decreased due to decreased demand, especially from industrial customers. This fund transferred $213,522 to the other funds as explained above.

The solid waste collection fund operating revenue increased in calendar year 2020 by $32,486 and operating expenses decreased $201,167 or 44%. The decrease in the fund's expenses is due to a decrease in employees and retirement costs being reallocated.

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 $2,077,878. Of this year-end total, $497,238 is unassigned indicating availability for continuing City service requirements and $1,580,640 is legally restricted for program purposes.

The total ending fund balances of governmental funds shows a decrease of $333,682 compared to an increase of $150,547 in the prior year amount. This increase is due to an increase in capital projects.

Continued on next page.

Major Governmental Funds

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 decreased by approximately $457 thousand. In calendar year 2019, the fund balance decreased by approximately $54 thousand.

Overall, general fund revenues were 17% above the 2019 revenues. Intergovernmental increased $246,137 due to additional grant funds. Total taxes increased $817 from calendar 2019. General fund licenses and permits decreased $10,268 when compared to calendar 2019. Fines and forfeitures decreased $29,971 from calendar 2019 due to a decrease in citations.

On the expenditure side, the 2020 expenditures increased $160,063 above the 2019 amount. The police and fire functions decreased by $111,193 when compared to 2019. The street function's expenditures increased 82% when compared to 2019 due to an increase in capital expenditures and an increase in employees.

The General Fund's ending fund balance decreased 43%, and represents the equivalent of 17% of annual expenditures.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The analysis is presented above.

Budgetary Highlights

The General Fund –The City realized 116% of the final revenue budget. Taxes were above budget due to an increase in local options sales taxes and insurance premium taxes. Fines and forfeitures were below budget due to a lower number of citations written. Intergovernmental was above budget due to additional Cares Act Funding.

The City spent 98% of the appropriated 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, 2020, was $2,941,849 and $8,986,058 respectively. This represents a 1% increase in net investment for governmental-type and a 1% decrease for business-type activities. The overall decrease was approximately .7% for the City as a whole. See Note 7 for additional information about changes in capital assets during the calendar year and on hand at the end of the year. The following table provides a summary of capital asset activity.

Continued on next page.

	Capital Assets					
	Governmental Activities		Business - Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	$ 286,006	$ 278,506	$ 23,057	$ 23,057	$ 309,063	$ 301,563
Construction in progress					-	-
	286,006	278,506	23,057	23,057	309,063	301,563
Depreciable assets:						
Buildings	2,123,118	2,123,118			2,123,118	2,123,118
Land and building improvements	95,531	63,346			95,531	63,346
Machinery and equipment	678,444	643,622			678,444	643,622
Vehicles	1,188,651	1,159,151			1,188,651	1,159,151
Furniture and fixtures	98,983	89,483			98,983	89,483
Infrastructure	3,319,177	3,190,395			3,319,177	3,190,395
Water system			11,891,473	11,799,028	11,891,473	11,799,028
Electric system			5,176,634	5,009,010	5,176,634	5,009,010
Gas system			1,045,131	982,971	1,045,131	982,971
Solid waste operations			597,512	597,512	597,512	597,512
Total depreciable assets	7,503,904	7,269,115	18,710,750	18,388,521	26,214,654	25,657,636
Less accumulated depreciation	4,848,061	4,622,160	9,747,749	9,329,467	14,595,810	13,951,627
Book value - depreciable assets	2,655,843	2,646,955	8,963,001	9,059,054	11,618,844	11,706,009
Percentage depreciated	65%	64%	52%	51%	56%	54%
Book value - all assets	$ 2,941,849	$ 2,925,461	$ 8,986,058	$ 9,082,111	$ 11,927,907	$ 12,007,572

At December 31, 2020, the depreciable capital assets for governmental activities were 65% depreciated compared to 64% at December 31, 2019.

With the City's business type activities, 52% of the asset values were depreciated at December 31, 2020, compared to 51% at December 31, 2019.

Long-term Debt

At the end of the calendar year, the City had capital lease obligations outstanding of $41,150 for governmental activities and $35,157 outstanding for business-type activities. The business type activities also owed $1,706,776 in GEFA notes payable.

During the year, the City retired $71,716 of outstanding capital lease obligations and incurred $45,900 in new capital lease obligations.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		%
	2020	2019	2020	2019	2020	2019	Change
Capital leases	$ 41,150	$ 64,158	$ 35,157	$ 37,965	$ 76,307	$ 102,123	-25%
Notes	-	-	1,706,776	1,754,743	1,706,776	1,754,743	-3%
Total	$ 41,150	$ 64,158	$ 1,741,933	$ 1,792,708	$ 1,783,083	$ 1,856,866	-4%

See Note 11 for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City is physically located in the southeastern portion of the State of Georgia and is perfectly centered between Augusta and Port of Savannah. The 2019 US Census reported the City's estimated population as 2,463. The City is the county seat for Screven County, Georgia. In 2019, the City's median household income was $31,910 according to the US Census. In 2020, Screven County's unemployment rate was 8.2% and in Georgia, the unemployment rate was 12.05%.

Since the City relies primarily on property and sales taxes for its operating revenue, changes in the economy definitely affect these revenue streams. Since sales taxes are an "elastic revenue stream" in a sluggish economy, the sales tax revenues are reduced immediately. Property taxes are considered "inelastic" in the short-term; this revenue stream is more stable. Fortunately, the City, because of its revenue stream make-up, has been able to survive financially in a slow economy.

The City's electric utility fund sells an estimated 74% of its power to industrial customers, with 67% of total sales from one customer. In 2020, the City was able to pay off an outstanding balance with MEAG Power that will save the City interest and plans to increase reserves in order to help offset any future declines in the energy markets.

The County per capita income in 2019 was $22,213, reported by the US Census Bureau. Per capita income is total personal income (including wages, dividends, interest, rent, and government payments) divided by the total population. It is commonly used as an indicator of the quality of consumer markets and the economic well being of a community.

From an economic development perspective, the City is constantly trying to secure funding to replace the City's aging infrastructure. In 2018 and 2016, the City was awarded a Community Development Block Grant for sewer line improvements totaling $1,500,000. In 2015, $1.7 million of improvements were made to the wastewater treatment plant through a GEFA loan. Manufacturing plays an important role in the fabric of the City and in 2016 KOYO Bearings added a new line, which in turn brought their employment numbers up to 446. This was an additional 30 jobs. Also, in 2016 ELK Industries announced the opening of a distribution warehouse for their lighting products resulting in a 100 jobs with a $2 million investment. This company is located within the city limits and the City supplies utilities. In 2018, Claxton Poultry announced the opening of a deboning facility in the County's industrial park where the City will be providing all utilities. Claxton Poultry provides over 200 jobs. Other industries leading job growth in the City include professional, scientific, management and administration jobs. Unfortunately, due to Covid-19, the City's largest natural gas customer had to cut back operations significantly but has resumed operations back to normal in 2021.

Contacting the City's Financial 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 Manager at:

City of Sylvania
104 South Main Street
Sylvania, GA 30467

City of Sylvania, Georgia
Statement of Net Position
December 31, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Current assets				
Cash and cash equivalents	$ 737,806	$ 184,788	$ 922,594	$ 19,013
Investments		294,674	294,674	
Receivables				
Accounts	44,876	4,464,506	4,509,382	
Intergovernmental	5,970	5,625	11,595	
Property taxes	71,995		71,995	
Other	5,183		5,183	
Notes	293,132		293,132	
Prepaid items	25,580	15,174	40,754	
Restricted assets				
Cash	1,142,517		1,142,517	
Investments		787	787	
Capital assets (Note 7)				
Nondepreciable capital assets	286,006	23,057	309,063	19,207
Depreciable capital assets, net	2,655,843	8,963,001	11,618,844	
Total assets	5,268,908	13,951,612	19,220,520	38,220
Deferred outflows of resources				
Pension:				
Difference between expected and actual experience	41,921	24,014	65,935	
Difference between projected and actual earnings on plan investments	400,062	229,174	629,236	
Changes in assumptions	152,893	87,584	240,477	
Contributions after measurement date	167,310	95,843	263,153	
Total deferred outflows of resources	762,186	436,615	1,198,801	0
Liabilities				
Current liabilities				
Accounts payable	166,427	2,460,487	2,626,914	
Accrued salaries and wages	39,237	22,667	61,904	
Sales tax payable		29,526	29,526	
Accrued interest payable	281	3,135	3,416	
Customer deposits payable		300,034	300,034	
Compensated absences payable	75,631	45,101	120,732	
Post-employment benefits payable		10,483	10,483	
Capital leases payable	12,814	8,810	21,624	
Notes payable		97,362	97,362	
Long-term liabilities (Note 11)				
Compensated absences payable (net of current portion)	78,796	94,755	173,551	
Net pension liability	2,156,800	1,235,508	3,392,308	
Post-employment benefits payable (net of current portion)	238,603	264,371	502,974	
Capital leases payable (net of current portion)	28,336	26,347	54,683	
Notes payable (net of current portion)		1,609,414	1,609,414	
Total liabilities	2,796,925	6,208,000	9,004,925	0
Deferred inflows of resources				
Pension:				
Difference between expected and actual experience	27,727	15,883	43,610	0
Net Position				
Net investment in capital assets (Note 15)	2,900,699	7,244,125	10,144,824	
Restricted for:				
MEAG power generation		787	787	
Public safety - police	9,075		9,075	
Public works - streets	109,746		109,746	
Recreation	5,670		5,670	
Program purposes	1,438,251		1,438,251	38,220
Unrestricted	(1,256,999)	919,432	(337,567)	
Total net position	$ 3,206,442	$ 8,164,344	$ 11,370,786	$ 38,220

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

City of Sylvania, Georgia
Statement of Activities
For the Year Ended December 31, 2020

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary government								
Governmental activities								
General government	$ 804,760	$ 71,369	5,000	$ 253,366	$ (475,025)		$ (475,025)	
Judicial	49,771				(49,771)		(49,771)	
Public safety								
Fire	821,025		64,466		(756,559)		(756,559)	
Police	925,591	99,482	64,466	22,600	(739,043)		(739,043)	
Animal control	5,793				(5,793)		(5,793)	
Public works								
Streets	704,303	24,545		142,642	(537,116)		(537,116)	
Garage	270,757				(270,757)		(270,757)	
Health and welfare	163,583	9,782	$ 86,810		(66,991)		(66,991)	
Culture and recreation	19,873			448	(19,425)		(19,425)	
Housing and development	62,385	100			(62,285)		(62,285)	
Interest	1,763				(1,763)		(1,763)	
Total governmental activities	3,829,604	205,278	220,742	419,056	(2,984,528)	$ 0	(2,984,528)	
Business-type activities								
Water and sewer	1,451,374	1,286,232		56,745		(108,397)	(108,397)	
Electric utility	21,640,817	23,795,401				2,154,584	2,154,584	
Gas utility	1,735,653	1,944,434				208,781	208,781	
Solid waste collection	258,975	520,893				261,918	261,918	
Total business-type activities	25,086,819	27,546,960	0	56,745	0	2,516,886	2,516,886	
Total primary government	$ 28,916,423	$ 27,752,238	$ 220,742	$ 475,801	(2,984,528)	2,516,886	(467,642)	
Component Unit								
Downtown Development Authority of Sylvania	$ 13,060	$ 792	$	$				$ (12,268)
		General Revenues						
		Property taxes levied for general government purposes			401,890		401,890	
		Local option sales and use taxes			225,236		225,236	
		Insurance premium taxes			209,854		209,854	
		Alcohol taxes			109,906		109,906	
		Hotel-motel taxes			24,634		24,634	
		Franchise taxes			23,114		23,114	
		Investment earnings			23,475	13,418	36,893	
		Miscellaneous			56,972		56,972	
		Total general revenues			1,075,081	13,418	1,088,499	0
		Transfers			1,220,159	(1,220,159)	0	
		Total general revenues and transfers			2,295,240	(1,206,741)	1,088,499	0
		Change in net position			(689,288)	1,310,145	620,857	(12,268)
		Net position beginning of year			3,895,730	6,854,199	10,749,929	50,488
		Net position end of year			$ 3,206,442	$ 8,164,344	$ 11,370,786	$ 38,220

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

City of Sylvania, Georgia
Balance Sheet
Governmental Funds
December 31, 2020

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 737,806			$ 737,806
Restricted cash and cash equivalents	14,745	$ 634,211	$ 493,561	1,142,517
Receivables:				
Accounts	40,524		4,352	44,876
Intergovernmental	5,970			5,970
Property taxes	71,995			71,995
Other	5,183			5,183
Notes		293,132		293,132
Interfund balances	58,551	68,896	2,650	130,097
Prepaid items	25,580			25,580
Total assets	$ 960,354	$ 996,239	$ 500,563	$ 2,457,156
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 166,427			$ 166,427
Accrued expenditures	39,237			39,237
Interfund balances	71,546		$ 58,551	130,097
Total liabilities	277,210	$ 0	58,551	335,761
Deferred inflows of resources				
Property taxes	43,517			43,517
Total liabilities and deferred inflows of resources	320,727	0	58,551	379,278
Fund balances				
Nonspendable - prepaid items	25,580			25,580
Restricted for:				
Capital projects	109,746		433,760	543,506
Public safety	9,075		8,252	17,327
Recreation	5,670			5,670
Housing and development		996,239		996,239
Unassigned	489,556			489,556
Total fund balances	639,627	996,239	442,012	2,077,878
Total liabilities, deferred inflows of resources and fund balances	$ 960,354	$ 996,239	$ 500,563	$ 2,457,156

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

City of Sylvania, Georgia
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2020

Total governmental fund balances		$ 2,077,878
Amounts reported for governmental activities in the statement of net position are different because:		
Property taxes are deferred in the governmental funds because they are not available but they are reported as revenue in the statement of activities		43,517
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 7,789,910	
Less accumulated depreciation	(4,848,061)	2,941,849
The deferred outflows of resources below are not current assets or financial resources and the deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at December 31, 2020, are:		
Deferred outflows		762,186
Deferred inflows		(27,727)
Liabilities, including notes payable, compensated absences and post-employment benefits are not due and payable in the current period and therefore are not reported at the fund financial reporting level, however, these liabilities are reported at the government-wide reporting level:		
Capital lease liability	(41,150)	
Accrued interest payable	(281)	
Compensated absences payable	(154,427)	
Net pension obligation	(2,156,800)	
Post-employment benefits payable	(238,603)	(2,591,261)
Net position of governmental activities		$ 3,206,442

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

City of Sylvania, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 967,638		$ 24,634	$ 992,272
Intergovernmental	421,815		253,366	675,181
Licenses and permits	63,212			63,212
Charges for services	44,153			44,153
Fines and forfeitures	97,913			97,913
Investment earnings	7,460	$ 16,015	448	23,923
Miscellaneous	56,972			56,972
Total revenues	1,659,163	16,015	278,448	1,953,626
Expenditures				
Current:				
General government				
Legislative	19,242			19,242
Executive - Mayor	5,267			5,267
Executive - Manager	209,471			209,471
Financial administration	402,502			402,502
Purchase/contract services	28,668			28,668
Judicial	49,771			49,771
Public safety:				
Police	917,136		181	917,317
Fire	645,015			645,015
Animal control	5,919			5,919
Public works:				
Streets	610,107			610,107
Garage	206,533			206,533
Health and welfare	193,840			193,840
Culture and recreation	5,234			5,234
Housing and development -				
Economic development and assistance	42,203	2,511	16,328	61,042
Capital outlays			122,533	122,533
Debt service:				
Principal retirement	23,008			23,008
Interest and fiscal charges	1,998			1,998
Total expenditures	3,365,914	2,511	139,042	3,507,467
Excess (deficit) of revenues to expenditures	(1,706,751)	13,504	139,406	(1,553,841)
Other financing sources (uses)				
Interfund transfers	1,293,792		(73,633)	1,220,159
Net change in fund balances	(412,959)	13,504	65,773	(333,682)
Fund balances beginning of year	1,052,586	982,735	376,239	2,411,560
Fund balances end of year	$ 639,627	$ 996,239	$ 442,012	$ 2,077,878

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

City of Sylvania, 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, 2020

Net changes in fund balances - total governmental funds		$ (333,682)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (225,901)	
Capital outlay	242,289	16,388
Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 12/31/20	43,517	
Deferred at 12/31/19	(41,155)	2,362
Intergovernmental revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 12/31/20	0	
Deferred at 12/31/19	(35,831)	(35,831)
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability at 12/31/20	(281)	
Liability at 12/31/19	516	235
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		23,008
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability at 12/31/20	(154,427)	
Liability at 12/31/19	143,813	(10,614)
Net pension liability reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net pension liability		
Balance at 12/31/20	(2,156,800)	
Balance at 12/31/19	1,450,643	(706,157)
Deferred inflows/outflows of resources from pensions		
Balance at 12/31/20	734,459	
Balance at 12/31/19	(321,860)	412,599
Post-employment benefits reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability at 12/31/20	(238,603)	
Liability at 12/31/19	181,007	(57,596)
Change in net position of governmental activities		$ (689,288)

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

City of Sylvania, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Electricity Utility	Gas Utility	Solid Waste Collection (non-major)	Total
Assets					
Current assets					
Cash and cash equivalents	$ 68,788	$ 116,000			$ 184,788
Investments		294,674			294,674
Receivables:					
Accounts	168,440	3,838,176	$ 397,080	$ 60,810	4,464,506
Intergovernmental	5,625				5,625
Prepaid insurance	12,504	2,128	542		15,174
Total current assets	255,357	4,250,978	397,622	60,810	4,964,767
Noncurrent assets					
Restricted assets					
Investments - MEAG Competitive Trust		787			787
Capital assets					
Nondepreciable capital assets	16,550			6,507	23,057
Depreciable capital assets, net	6,129,872	2,431,586	326,334	75,209	8,963,001
Total noncurrent assets	6,146,422	2,432,373	326,334	81,716	8,986,845
Total assets	6,401,779	6,683,351	723,956	142,526	13,951,612
Deferred outflows of resources					
Pension:					
Difference between expected and actual experience	8,706	13,044	2,264		24,014
Difference between projected and actual earnings on plan investments	83,083	124,483	21,608		229,174
Changes in assumptions	31,752	47,574	8,258		87,584
Contributions after measurement date	34,746	52,060	9,037		95,843
Total deferred outflows of resources	158,287	237,161	41,167	0	436,615
Liabilities					
Current liabilities					
Accounts payable	86,198	2,142,499	201,919	29,871	2,460,487
Accrued payroll	5,740	11,413	4,454	1,060	22,667
Sales tax payable		29,526			29,526
Accrued interest payable	3,135				3,135
Customer deposits payable		300,034			300,034
Compensated absences payable	12,512	23,866	5,470	3,253	45,101
Post employment benefit payable	1,310	3,276		5,897	10,483
Capital lease payable		8,810			8,810
Notes payable	97,362				97,362
Total current liabilities	206,257	2,519,424	211,843	40,081	2,977,605
Long-term liabilities (net of current portion):					
Compensated absences payable	33,736	44,745	13,012	3,262	94,755
Post-employment benefit payable	109,930	104,791	10,281	39,369	264,371
Net pension liability	447,912	671,105	116,491		1,235,508
Capital lease payable		26,347			26,347
Notes payable	1,609,414				1,609,414
Total long-term liabilities	2,200,992	846,988	139,784	42,631	3,230,395
Total liabilities	2,407,249	3,366,412	351,627	82,712	6,208,000
Deferred inflows of resources					
Pension:					
Difference between expected and actual experience	5,758	8,627	1,498		15,883
Net Position					
Net investment in capital assets (Note 15)	4,439,646	2,396,429	326,334	81,716	7,244,125
Restricted - MEAG power generation		787			787
Unrestricted	(292,587)	1,148,257	85,664	(21,902)	919,432
Total net position	$ 4,147,059	$ 3,545,473	$ 411,998	$ 59,814	$ 8,164,344

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

City of Sylvania, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electricity Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Operating revenues					
Charges for services	$ 1,266,113	$ 23,791,836	$ 1,944,434	$ 520,893	$ 27,523,276
Miscellaneous	20,119	3,565			23,684
Total operating revenues	1,286,232	23,795,401	1,944,434	520,893	27,546,960
Operating expenses					
Cost of sales		20,182,577	1,485,263		21,667,840
Salaries	141,526	360,980	105,665	559	608,730
Social security	10,088	26,486	8,120	251	44,945
Group insurance	36,794	59,782	15,981	20	112,577
Retirement and other post-employment benefits	181,978	184,531	42,509	(228,143)	180,875
Workers' compensation	8,719	14,689	4,059		27,467
Contract labor and services	372,703	6,504		446,882	826,089
Chemicals	16,012				16,012
Materials and supplies	27,880	64,940	6,361		99,181
Gas, oil, and tires	7,485	11,724	2,367	501	22,077
Uniforms and safety equipment	1,613	809	1,269		3,691
Vehicle repairs	7,775	32,424	11,305		51,504
Engineering and consulting	39,240	22,652	6,244		68,136
Postage	6,125	3,115	3,054		12,294
Communications	1,695	2,036	1,686		5,417
Insurance	44,026	25,164	6,532	2,467	78,189
Public utilities	185,633	11,939	702		198,274
Maintenance and testing	100,032	9,771	15,134		124,937
Bad debts	6,414	24,970	448	4,378	36,210
Other	6,015	215	6,760		12,990
Depreciation	232,260	141,943	12,194	31,885	418,282
Total operating expenses	1,434,013	21,187,251	1,735,653	258,800	24,615,717
Operating income (loss)	(147,781)	2,608,150	208,781	262,093	2,931,243
Non-operating revenues (expenses)					
Interest and fiscal charges	(17,361)	(453,566)		(175)	(471,102)
Investment earnings	300	13,113			13,413
Grant proceeds	56,745				56,745
MEAG Generation Trust investment earnings		5			5
Total non-operating revenues (expenses)	39,684	(440,448)	0	(175)	(400,939)
Income (loss) before transfers	(108,097)	2,167,702	208,781	261,918	2,530,304
Interfund transfers	(99,098)	(861,294)	(213,522)	(46,245)	(1,220,159)
Change in net position	(207,195)	1,306,408	(4,741)	215,673	1,310,145
Net position beginning of year	4,354,254	2,239,065	416,739	(155,859)	6,854,199
Net position end of year	$ 4,147,059	$ 3,545,473	$ 411,998	$ 59,814	$ 8,164,344

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

City of Sylvania, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electric Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Cash flows from operating activities					
Cash received from customers	$ 1,353,592	$ 22,844,539	$ 1,963,013	$ 526,004	$ 26,687,148
Cash payments to employees for personal services	(615,232)	(541,936)	(147,958)	(3,983)	(1,309,109)
Cash payments for goods and services	(511,070)	(23,751,925)	(1,539,373)	(467,936)	(26,270,304)
Net cash provided by (used for) operating activities	227,290	(1,449,322)	275,682	54,085	(892,265)
Cash flows from noncapital financing activities					
Interfund transfers	(164,425)	(861,294)	(213,522)	(46,245)	(1,285,486)
Cash flows from capital and related financing activities					
Transfers from SPLOST	65,327				65,327
Grant proceeds	56,745				56,745
Proceeds from capital lease		45,900			45,900
Principal paid on debt	(47,967)	(41,044)		(7,665)	(96,676)
Interest paid on debt	(17,361)	(453,566)		(175)	(471,102)
Payments for capital acquisitions	(92,445)	(167,624)	(62,160)		(322,229)
Net cash used for capital and related financing activities	(35,701)	(616,334)	(62,160)	(7,840)	(722,035)
Cash flows from investing activities					
Investment earnings	300	13,118			13,418
Purchases of investments		2,914,637			2,914,637
Net cash provided by investing activities	300	2,927,755	0	0	2,928,055
Net increase in cash and cash equivalents	27,464	805	0	0	28,269
Cash and cash equivalents beginning of year	41,324	115,195			156,519
Cash and cash equivalents end of year	$ 68,788	$ 116,000	$ 0	$ 0	$ 184,788

(continued)

City of Sylvania, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

(continued)

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electric Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Reconciliation of operating income to net cash provided by operating activities					
Operating income (loss)	$ (147,781)	$ 2,608,150	$ 208,781	$ 262,093	$ 2,931,243
Adjustments:					
Depreciation	232,260	141,943	12,194	31,885	418,282
(Increase) decrease in assets:					
Accounts receivable	(27,352)	(958,487)	18,579	5,111	(962,149)
Intergovernmental receivable	94,712				94,712
Prepaid insurance	6,755	2,678	334	2,467	12,234
Increase (decrease) in liabilities:					
Accounts payable	(67,880)	(3,344,280)	7,418	(16,175)	(3,420,917)
Sales tax payable		(11,483)			(11,483)
Accrued liabilities	202	(3,002)	1,782	(84)	(1,102)
Compensated absences payable	3,383	(4,097)	(1,683)	(3,069)	(5,466)
Customer deposits		7,625			7,625
Post-retirement benefit payable	10,489	13,089	1,538	(47,541)	(22,425)
Net pension liability	122,502	98,542	26,739	(180,602)	67,181
Net cash provided by (used for) operating activities	$ 227,290	$ (1,449,322)	$ 275,682	$ 54,085	$ (892,265)

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

Note 1 - Reporting Entity

The City of Sylvania, Georgia (the City) was incorporated under the provisions of Georgia law March 1, 1963. The City operates under a Council-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets and lanes, water and sewer, sanitation, various administrative services, and electric and gas utilities.

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 may also include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

A brief description of the discretely presented component unit follows:

Downtown Development Authority of Sylvania (the Authority) - The Authority is a public corporation created in 1983. The primary purposes of the Authority are to promote revitalization and redevelopment of the central business district of the City and to develop trade, commerce, industry and employment opportunities. The City Council appoints all seven board members and assists with the Authority's funding. Separate financial statements are not issued at this time.

Note 2 - 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 of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

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

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 unit 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 fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City and it's discretely presented component unit at year-end.

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 are 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.

Major individual governmental and enterprise funds are reported in separate columns of the fund statements.

Fund Accounting - The City uses funds to maintain 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 funds 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 are the City's major governmental funds:

Note 2 - Summary of Significant Accounting Policies (continued)

The General Fund - The general fund accounts for all financial resources except those required to be accounted for 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 Georgia.

The UDAG Fund - The UDAG (Urban Development Action Grant) fund accounts for grant proceeds received in the 1990's that is to be used as a revolving loan fund for development in and around the City of Sylvania.

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

Water and Sewer Fund - This fund is used to account for the construction of facilities and operation of activities involved in providing water and sewer services.

Electric Utility Fund - This fund is used to account for the construction of facilities and operation of activities involved in providing electric services.

Gas Utility Fund - This fund is used to account for the construction of facilities and operation of activities involved in providing gas services.

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 balance reports the sources (i.e., revenues and other financing resources) 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, all proprietary fund types are 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 position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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. 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 and outflows of resources, and in the presentation of expenses versus expenditures.

Note 2 - 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 60 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 6). 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 60 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, interest and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

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.

Assets, Liabilities and Fund Equity

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

Note 2 - Summary of Significant Accounting Policies (continued)

Receivables
All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges, gas and electric charges and charges for sanitation services are accrued as receivables and revenue at December 31, 2020. The City reports utility receivables net of an allowance for uncollectible accounts.

Interfund Balances
On the fund financial statements, receivables and payables resulting from short term interfund loans are classified as interfund balances. 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.

Prepaid Items
Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is non-spendable as this amount is not available for general appropriation.

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 governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' 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 five thousand dollars. The City's infrastructure consists of roads, bridges, water lines and sewer lines. 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. The City has capitalized all infrastructure, including infrastructure acquired prior to the implementation of GASB Statement No. 34. The City's infrastructure includes assets acquired prior to June 30, 1980. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

The remainder of this page is intentionally left blank.

Note 2 - Summary of Significant Accounting Policies (continued)

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. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Useful Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings	25-50 Years	40 Years
Land and building improvements	10-25 years	
Machinery and equipment	5-10 years	3-10 Years
Furniture and fixtures	5 years	
Vehicles	5-8 years	3-4 Years
Infrastructure	25-40 years	
Building and pump stations		40 Years
Sewer collection system		50 Years
Water tank and wells		10-50 Years
Water mains and hydrants		30-50 Years
Meters and regulators		20 Years
Lines, transformers and poles		10-50 Years
Gas mains		50 Years
Other		3-50 Years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments. The cost of assets acquired with capital leases is capitalized and depreciated at the fund level for enterprise funds and at the government wide level for governmental activities and business-type activities.

Compensated Absences

Vacation and sick benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick benefits are payable only at retirement on a limited basis.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary fund reports total compensated absence liability at the fund level, if applicable. Governmental funds report compensated absence liability at the fund reporting level only "when due."

The remainder of this page is intentionally left blank.

Note 2 - Summary of Significant Accounting Policies (continued)

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 these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Bond Premiums, Discounts and Issuance Costs
On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

Debt issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

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 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 constraint on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable fund balance - amounts that are not in spendable form (such as prepaid items) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. the City Council). To be reported as committed, amounts cannot be used for any other purposes unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City or by an official or body to which the City Council delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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."

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance Flow Assumptions - It is the City's policy to consider restricted fund balance to have been used before 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 the fund balance in the following order: committed, assigned and then unassigned.

Net Position - Net position represents the difference between assets and liabilities. Net position component "net investment in capital assets," 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 position amount also is adjusted by any bond issuance deferral amounts. The net position is reported as restricted when there are limitations imposed on its 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. The balance of the net position is reported as unrestricted.

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 for water and sewer, electric, gas and solid waste programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Contribution of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

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 after the 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.

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.

The remainder of this page is intentionally left blank.

Note 3 - Stewardship, Compliance and Accountability

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.

Budgetary Information

The City adopts an annual operating budget for the general fund and each special revenue fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general and special revenue fund's budgets are adopted on a basis consistent with GAAP.

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. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

The City Manager may approve budget transfers within departments. All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended December 31, 2020, in the following department for the general fund:

General government - financial administration	$	11,852
Public safety - fire		11,670
Public works:		
Streets		65,637
Garage		26,933
Health and welfare - nutrition program		49,110

The overexpenditures in these areas were funded by underexpenditures in other areas, excess revenues or available unrestricted fund balance.

Note 4 - Deposits and Investments

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of December 31, 2020, the City was not exposed to custodial credit risk.

Investments - Municipal Competitive Trust - At year end, proprietary fund investments were $295,461 which are held by Wells Fargo in the Municipal Competitive Trust. The Municipal Competitive Trust consists of pooled funds from the members of Municipal Electric Authority of Georgia (MEAG) and is invested in United States Government securities held in the name of the Municipal Competitive Trust and allocated to members based on shares of ownership in the trust. Investments are stated at fair values based on quoted market prices. The investments would be classified as uninsured and uncollateralized because the securities are held by Wells Fargo in the name of the Municipal Competitive Trust.

Note 5 - Receivables

Receivables at December 31, 2020, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), 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.

Note 6 - Property Taxes

Property taxes are assessed based upon property values determined by the Screven County Assessor's Office at January 1, 2020. The levy date was September 17, 2020; the tax bills were mailed October 13, 2020; and were due December 20, 2020. The lien date is December 30, 2020.

Note 7 - Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2020, was follows:

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 278,506	$ 7,500		$ 286,006
Depreciable capital assets				
Buildings	2,123,118			2,123,118
Land and building improvements	63,346	$ 32,185		95,531
Machinery and equipment	643,622	34,822		678,444
Vehicles	1,159,151	29,500		1,188,651
Furniture and fixtures	89,483	9,500		98,983
Infrastructure	3,190,395	128,782		3,319,177
Total depreciable capital assets	7,269,115	234,789	$ 0	7,503,904
Total capital assets	7,547,621	242,289	0	7,789,910
Accumulated depreciation:				
Buildings	1,281,733	46,904		1,328,637
Land and building improvements	43,846	1,746		45,592
Machinery and equipment	468,305	47,568		515,873
Vehicles	994,813	57,894		1,052,707
Furniture and fixtures	88,337	1,258		89,595
Infrastructure	1,745,126	70,531		1,815,657
Total accumulated depreciation	4,622,160	225,901	0	4,848,061
Governmental activities capital assets, net	$ 2,925,461	$ 16,388	$ 0	$ 2,941,849

Note 7 - Capital Assets (continued)

Governmental activities depreciation expense	
General government	$ 17,169
Public safety - fire	68,857
Public safety - police	41,058
Public works - streets	74,577
Public works - garage	8,258
Recreation	14,639
Housing and development	1,343
Total governmental activities depreciation expense	$ 225,901

Capital asset activity for business-type activities for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
Business-type activities:				
Water and sewer fund:				
Capital assets not being depreciated:				
Land and rights	$ 16,550			$ 16,550
Depreciable capital assets:				
Building and pump stations	5,178,812			5,178,812
Sewer collection system	3,276,024	$ 76,866		3,352,890
Water tank and wells	869,178			869,178
Water mains and hydrants	1,292,587			1,292,587
Meters	83,084			83,084
Vehicles	327,679			327,679
Other	771,664	15,579		787,243
Total depreciable capital assets	11,799,028	92,445	$ 0	11,891,473
Total capital assets	11,815,578	92,445	0	11,908,023
Accumulated depreciation:				
Building and pump stations	1,590,258	67,673		1,657,931
Sewer collection system	1,363,877	103,040		1,466,917
Water tank and wells	613,667	11,850		625,517
Water mains and hydrants	857,735	23,207		880,942
Meters	81,455	109		81,564
Vehicles	327,679			327,679
Other	694,670	26,381		721,051
Total accumulated depreciation	5,529,341	232,260	0	5,761,601
Water and sewer capital assets, net	$ 6,286,237	$ (139,815)	$ 0	$ 6,146,422

The remainder of this page is intentionally left blank.

Note 7 - Capital Assets (continued)

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
Business-type activities:				
Electric utility fund:				
Depreciable capital assets:				
Buildings	$ 474,045			$ 474,045
Meters	73,199			73,199
Lines, transformers and poles	3,298,820	$ 121,724		3,420,544
Vehicles	809,234			809,234
Machinery and equipment	353,712	45,900		399,612
Total capital assets	5,009,010	167,624	$ 0	5,176,634
Accumulated depreciation:				
Buildings	227,337	14,792		242,129
Meters	73,270			73,270
Lines, transformers and poles	1,352,705	75,665		1,428,370
Vehicles	626,670	40,333		667,003
Machinery and equipment	323,123	11,153		334,276
Total accumulated depreciation	2,603,105	141,943	0	2,745,048
Electric utility capital assets, net	$ 2,405,905	$ 25,681	$ 0	$ 2,431,586
Gas utility fund:				
Depreciable capital assets:				
Buildings	$ 2,509			$ 2,509
Gas mains	740,307	$ 62,160		802,467
Meters and regulators	108,600			108,600
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total capital assets	982,971	$ 62,160	$ 0	1,045,131
Accumulated depreciation:				
Buildings	2,035	63		2,098
Gas mains	499,740	9,314		509,054
Meters and regulators	73,273	2,817		76,090
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total accumulated depreciation	706,603	12,194	0	718,797
Gas utility fund capital assets, net	$ 276,368	$ 49,966	$ 0	$ 326,334

The remainder of this page is intentionally left blank.

Note 7 - Capital Assets (continued)

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
Business-type activities:				
Solid Waste Collection fund				
Capital assets not being depreciated:				
Land and rights	$ 6,507			$ 6,507
Depreciable capital assets:				
Buildings	11,449			11,449
Vehicles	422,471			422,471
Machinery and equipment	163,592			163,592
Total depreciable capital assets	597,512	$ 0	$ 0	597,512
Total capital assets	604,019	0	0	604,019
Accumulated depreciation:				
Buildings	9,737	382		10,119
Vehicles	366,369	19,235		385,604
Machinery and equipment	114,312	12,268		126,580
Total accumulated depreciation	490,418	31,885	0	522,303
Solid waste collection fund capital assets, net	$ 113,601	$ (31,885)	$ 0	$ 81,716

Note 8 - Interfund Balances and Transfers

Interfund balances represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

General fund payable to the confiscated assets fund for amounts deposited in the general fund account which should have been deposited in the confiscated assets fund account was $2,650 at December 31, 2020.

General fund payable to the UDAG fund for amounts deposited in the general fund account which should have been deposited in the UDAG fund account was $68,896 at December 31, 2020.

Hotel/motel tax fund payable to the general fund for amounts receivable from taxpayers and due to the general fund was $2,054 at December 31, 2020.

2013 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $48,797 at December 31, 2020.

2019 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $7,700 at December 31, 2020.

Note 8 - Interfund Balances and Transfers (continued)

Interfund transfers for the year ended December 31, 2020, consisted of the following:

The hotel/motel tax fund transferred $8,306 to the general fund pursuant to provisions of state law.

The water/sewer fund transferred $164,425 to the general fund to supplement its finances.

The electric fund transferred $861,294 to the general fund to supplement its finances.

The natural gas fund (non-major) transferred $213,522 to the general fund to supplement its finances.

The solid waste collection fund transferred $46,245 to the general fund to supplement its finances.

The SPLOST capital projects fund (non-major) transferred $65,327 to the water/sewer fund for the payment of qualified expenditures.

Note 9- Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements of the City will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. This separate element, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. The differences between expected and actual experience related to pensions and the contributions made to the pension plan after the measurement date are the only items that qualify for reporting in this category.

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The portion of property taxes, grant revenues, and expense reimbursements from other entities that are not available for use (not received within 60 days subsequent to year end) are reported as deferred inflows of resources in the governmental funds balance sheet. This element is not present in the government-wide statement of net position. The changes in assumptions, the difference between expected and actual experience, and the difference between projected and actual earning on investments related to pensions are the only items that qualify for reporting in this category in the government-wide statement of net position for governmental activities.

Note 10 - Short-Term Debt

During the current year, the City has issued tax anticipation notes. The purpose of these notes was to provide temporary financing needed to cover shortfalls in anticipated tax revenues of the City for current expenses of the general fund. All balances were repaid at December 31, 2020.

Changes in Short-term Debt - Changes in the City's short-term obligations consisted of the following for the year ended December 31, 2020.

Governmental Activities	Outstanding 12/31/2019	Additions	Deductions	Outstanding 12/31/2020
Notes payable				
Farmers and Merchants Bank	$ 0	$ 3,200,000	$ 3,200,000	$ 0

Note 11 - Long-Term Liabilities

Governmental Capital Lease

The City has entered into capital leases for vehicles and equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The cost of the assets purchased with the capital lease are capitalized and depreciated over the estimated useful life of the asset. Depreciation expense on capital assets purchased with capital leases is reported as a direct expense in the activity that utilizes the asset.

Capital lease payable to Georgia Municipal Association in quarterly payments of $1,719. The vehicle acquired by the lease is included in governmental activities general capital assets with no carrying value (cost of $31,502 less accumulated depreciation of $31,502). This capital lease was paid off during the year ended December 31, 2020.

Capital lease payable to Georgia Municipal Association in annual payments of $3,942. The vehicle acquired by the lease is included in governmental activities general capital assets in the amount of $4,806 (cost of $23,073 less accumulated depreciation of $18,267). This capital lease was paid off during the year ended December 31, 2020.

Capital lease payable to United States Department of Agriculture (USDA) in annual payments of $2,970. The vehicle acquired by the lease is included in governmental activities general capital assets in the amount of $3,553 (cost of $30,437, less accumulated depreciation of $26,884). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this capital lease as of December 31, 2020, follow:

Year	Principal	Interest	Total
2021	$ 2,890	$ 80	$ 2,970

Capital lease payable to USDA in annual payments of $3,299. The vehicle acquired by the lease is included in governmental activities general capital assets in the amount of $15,660 (cost of $33,558, less accumulated depreciation of $17,898). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this capital lease as of December 31, 2020, follow:

Year	Principal	Interest	Total
2021	$ 2,997	$ 302	$ 3,299
2022	3,095	204	3,299
2023	3,193	106	3,299
	$ 9,285	$ 612	$ 9,897

The remainder of this page is intentionally left blank.

Note 11 - Long-Term Liabilities (continued)

Capital lease initiated in 2019 payable to USDA in annual payments of $7,796. The vehicle acquired by the lease is included in governmental activities general capital assets in the amount of $63,750 (cost of $84,941, less accumulated depreciation of $21,191). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this capital lease as of December 31, 2020, follow:

Year	Principal	Interest	Total
2021	$ 6,927	$ 869	$ 7,796
2022	7,135	661	7,796
2023	7,349	447	7,796
2024	7,564	232	7,796
	$ 28,975	$ 2,209	$ 31,184

Business-Type Activities

Capital lease payable to Georgia Municipal Association in quarterly payments of $7,709. The bucket trucks acquired by the lease are included in the electric utility fund capital assets in the amount of $51,666 (cost of $140,000 less accumulated depreciation of $88,334). This capital lease was paid off during the year ended December 31, 2020.

Capital lease initiated in 2020 and payable to Georgia Municipal Association in quarterly payments of $2,558. The boom mower acquired by the lease is included in the electric utility fund capital assets in the amount of $36,611 (cost of $45,900 less accumulated depreciation of $9,289). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this capital lease as of December 31, 2020, follow:

Year	Principal	Interest	Total
2021	$ 8,810	$ 1,422	$ 10,232
2022	9,209	1,023	10,232
2023	9,627	605	10,232
2024	7,511	163	7,674
	$ 35,157	$ 3,213	$ 38,370

Capital lease payable to Georgia Municipal Association in quarterly payments of $2,586. The backhoe acquired by the lease is included in the solid waste collection fund capital assets in the amount of $10,632 (cost of $47,000 less accumulated depreciation of $36,368). This capital lease was paid off during the year ended December 31, 2020.

The remainder of this page is intentionally left blank.

Note 11 - Long-Term Liabilities (continued)

GEFA 2015 Loan – Contract CWSRF 14-017 - payable to Georgia Environmental Finance Authority in equal monthly installments of $8,624 including interest at 2.03% beginning June 1, 2016 and ending May 1, 2036. The purpose of this loan was to upgrade the sewer system. Annual debt service requirements to amortize the loan outstanding as of December 31, 2020, follow:

Year	Principal	Interest	Total
2021	$ 75,715	$ 27,775	$ 103,490
2022	77,190	26,300	103,490
2023	78,772	24,718	103,490
2024	80,383	23,107	103,490
2025	82,033	21,457	103,490
2026-2030	436,073	81,378	517,451
2031-2035	482,617	34,834	517,451
2036	93,763	1,103	94,866
Total	$ 1,406,546	$ 240,672	$ 1,647,218

GEFA 2017 Loan – Contract 2016L07WQ - payable to Georgia Environmental Finance Authority in equal monthly installments of $2,264 including interest at 1.90% beginning December 1, 2017, and ending November 1, 2032. The purpose of this loan was to upgrade the sewer system. Annual debt service requirements to amortize the loan outstanding as of December 31, 2020, follow:

Year	Principal	Interest	Total
2021	$ 21,647	$ 5,517	$ 27,164
2022	22,062	5,102	27,164
2023	22,485	4,679	27,164
2024	22,916	4,248	27,164
2025	23,355	3,809	27,164
2026-2030	123,663	12,155	135,818
2031-2035	64,102	1,542	65,644
Total	$ 300,230	$ 37,052	$ 337,282

The remainder of this page is intentionally left blank.

Note 11- Long-Term Liabilities (continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2020:

Governmental Activities	Outstanding 12/31/2019	Additions	Reductions	Outstanding 12/31/2020	Amounts Due in One Year
Capital lease	$ 6,765		$ 6,765	$ 0	
Capital lease	3,801		3,801	0	
Capital lease	5,704		2,814	2,890	$ 2,890
Capital lease	12,188		2,903	9,285	2,997
Capital lease	35,700		6,725	28,975	6,927
Compensated absences	143,813	$ 76,583	65,969	154,427	75,631
Post-employment benefits	181,007	69,894	12,298	238,603	
Net pension liability	1,450,643	706,157		2,156,800	
Total Government-Type Activities	$ 1,839,621	$ 852,634	$ 101,275	$ 2,590,980	$ 88,445

Business-Type Activities	Outstanding 12/31/2019	Additions	Reductions	Outstanding 12/31/2020	Amounts Due in One Year
Capital lease (electric)	$ 30,300		$ 30,300	$ 0	
Capital lease (electric)		$ 45,900	10,743	35,157	$ 8,810
Capital lease (solid waste)	7,665		7,665	0	
GEFA loan - 2015	1,443,833		37,287	1,406,546	75,715
GEFA loan - 2017	310,910		10,680	300,230	21,647
Compensated absences	145,322	38,449	43,915	139,856	45,101
Post-employment benefits	297,279		22,425	274,854	10,483
Net pension liability	960,765	274,743		1,235,508	
Total Business-Type Activities	$ 3,196,074	$ 359,092	$ 163,015	$ 3,392,151	$ 161,756

The governmental activities capital lease payable is being financed through future general fund expendable available financial sources as they become due. The business-type activities capital lease payable is financed from income derived from the respective utility funds. Principal and interest payments related to the City's GEFA loans are financed from the income derived from the operation of the water and sewer system.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In 2020, compensated absences were liquidated through the general fund, water and sewer fund, electric utility fund, gas utility fund and solid waste collection fund.

The post-employment benefits liability will be paid from the fund from which the employees' salaries are paid. In 2020, post-employment benefit liabilities were liquidated through the general fund and solid waste collection fund.

The total interest expense for the year ended December 31, 2020, was $1,763 for governmental-type activities and $471,102 for business-type activities, all of which was charged to operations.

Note 12 - Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description - Prior to July 1, 2017, all full-time city employees were eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and an adoption agreement executed by City Council. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street SW, Atlanta, Georgia, 30303. Employees hired after June 30, 3017, are not eligible to participate in this plan but are eligible for the City's defined contribution plan. See Note 13.

Benefits Provided - GMEBS provides retirement, disability benefits and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with 5 years of total service are eligible to retire at age 55.

Employees Covered - At December 31, 2020, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	33
Active employees	38
Total	105

Contributions - The City's employee's participation is noncontributory. The City is subject to minimum standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following the notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The City's contributions to the plan were $367,966 for the year ended December 31, 2020.

The remainder of this page is intentionally left blank.

Note 12 - Defined Benefit Pension Plan (continued)

Net Pension Liability

The City's net pension liability (NPL) for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of March 31, 2020, using an annual actuarial valuation as of July 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	July 1, 2020
Measurement date	March 31, 2020
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount rate	7.375%
Inflation rate	2.25%
Net investment rate of return	7.375%
Projected salary increase	2.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The underlying mortality assumptions and all other actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period January 1, 2015, through June 30, 2019. Further details of the experience study can be obtained by contacting the Georgia Municipal Association.

Discount Rate - The discount rate used to measure the total pension liability was 7.375%. The discount rate was decreased from 7.50% since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020, (see the discussion of the pension plan's investment policy) are summarized in the following table.

Note 12 - Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Cash	0%	
Total	100%	

Changes in Net Pension Liability

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ Asset
Balances as of March 31, 2019	$ 7,887,739	$ 5,476,331	$ 2,411,408
Changes for the year:			
Service cost	82,827		82,827
Interest	583,328		583,328
Differences between expected and actual experience	(52,471)		(52,471)
Contributions - employer		397,601	(397,601)
Net investment income		(383,172)	383,172
Benefit payments	(385,732)	(385,732)	0
Changes of assumptions	360,718		360,718
Administrative expense		(20,927)	20,927
Net changes	588,670	(392,230)	980,900
Balances as of March 31, 2020	$ 8,476,409	$ 5,084,101	$ 3,392,308

Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease	Current Discount Rate	1% Increase
$ 4,370,829	$ 3,392,308	$ 2,565,428

The remainder of this page is intentionally left blank.

Note 12 - Defined Benefit Pension Plan (continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the City recognized pension expense of $728,706. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 65,935	$ (43,610)
Pension contributions subsequent to measurement date	263,153	
Net difference between projected and actual earnings on pension plan investments	629,236	
Changes of assumptions	240,477	
Total	$ 1,198,801	$ (43,610)

$263,153 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31:	
2021	$ 275,143
2022	258,162
2023	200,023
2024	158,710
	$ 892,038

Note 13 - Defined Contribution Plan

The City has a 457(b) defined contribution plan, established in 2017, which is administered by the Georgia Municipal Association. The City does not contribute to the plan or act in a fiduciary capacity, and individual participants determine investment decisions. The City employees contributed $35,996 in 2020.

For employees hired after June 30, 2017, the City established a 401(a) defined contribution plan which is administered by the Georgia Municipal Association. The City makes a basic contribution to the 401(a) plan in the amount of 3% of qualified compensation. In addition, the City matches participant contributions on a 1:1 ratio up to 2% of compensation. The employee-elected deferrals are deposited in the 457(b) plan, while the City's basic and matching contributions are deposited in the 401(a) plan. There were no employer or employee contributions to the 401(a) plan in 2020.

Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Participants are 100% vested in the 401(a) plan after 5 years of eligible employment. Prior to that date participants are 0% vested (cliff vesting).

Note 14 - Postemployment Benefits Other Than Pensions

Plan Description - The City has established a plan that allows for all full-time city employees that are 62 years old and older with 20 years of service to retire with the City providing health insurance until age 65 through the City's group health insurance plan, which covers both active and retired members. Benefit provisions were established by approval of City Council. The plan is a single-employer defined benefit plan administered by the City and is operated in conjunction with the City's health insurance plan. The plan does not issue a publicly available report.

Funding Policy - The City contributes the full amount of the current-year premiums for eligible retired plan members. The City is financing the postemployment benefits on a pay-as-you-go basis. The City had retired employees affecting 2020. One employee ceased receiving benefits during 2020; two continued receiving benefits in 2020. For 2020, the City recognized $53,619 of net benefit expenditures.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	$	39,270
Interest on net OPEB obligation		14,349
Annual OPEB cost		53,619
Contributions made		18,448
Increase in net OPEB obligation		35,171
Net OPEB obligation, beginning of year		478,286
Net OPEB obligation, end of year	$	513,457

Methods and Assumptions - The City has under 100 plan members as defined by GASB Statement 75 - Accounting and Financial Reporting by Employers for Post Employment Benefits other Than Pensions and, therefore, has elected to use the alternative measurement method allowed by the statement. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, which is consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:
Retirement age for active employees - Based on the historical average retirement age from the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Turnover - Based on historical turnover data for the City, all employees reaching 20 years of employment are assumed to remain employed with the City until age 62.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on actual historical increase for the City. A rate of 12 percent annual increase was used.

Note 14 - Postemployment Benefits Other Than Pensions (continued)

Health insurance premiums - January 2021 individual health insurance costs per employee for active employees were used as the basis for calculation of the present value of total benefits to be paid.

Based on a tax-exempt, high-quality municipal bond rate the City has used a discount rate of 3 percent.

Trend information - The City's annual OPEB cost , the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended	*OPEB Cost*	*Contribution*	*OPEB Cost*	*% of ARC*	*OPEB*
12/31/2013	66,778	66,778	9,358	14.01%	324,260
12/31/2014	5,497	5,497	14,875	270.60%	314,882
12/31/2015	179,281	179,281	20,419	11.39%	473,744
12/31/2016	9,319	9,319	19,023	204.13%	464,040
12/31/2017	(62,048)	(62,048)	11,183	-18.02%	390,809
12/31/2018	164,555	164,555	13,922	8.46%	541,442
12/31/2019	(39,404)	(39,404)	23,752	-60.28%	478,286
12/31/2020	53,619	53,619	18,448	34.41%	513,457

Funded Status and Funding Progress - The funded status and progress of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/2013	0	324,260	0	324,260	699,962	46.33%
12/31/2014	0	314,882	0	314,882	523,052	60.20%
12/31/2015	0	473,744	0	473,744	618,890	76.55%
12/31/2016	0	464,040	0	464,040	817,519	56.76%
12/31/2017	0	390,809	0	390,809	811,436	48.16%
12/31/2018	0	541,442	0	541,442	643,651	84.12%
12/31/2019	0	478,286	0	478,286	661,483	72.31%
12/31/2020	0	513,457	0	513,457	522,266	98.31%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about retirement age, future employment, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The remainder of this page is intentionally left blank.

Note 15 - Net Investment in Capital Assets

The "net investment in capital assets" amount as reported on the government-wide statement of net position as of December 31, 2020, is as follows:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 7,789,910	$ 18,733,807
Less accumulated depreciation	4,848,061	9,747,749
Book value	2,941,849	8,986,058
Less capital related debt	41,150	1,741,933
	$ 2,900,699	$ 7,244,125

Note 16 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions; and workers compensation for which the City carries the following insurance coverages.

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the city in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2020. No provisions have been made in the financial statements for the year ended December 31, 2020, for any estimate of potential unpaid claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (the Fund). As a participant in the Fund, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the Fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

The remainder of this page is intentionally left blank.

Note 17 - MEAG Power Contract

In 1976, the City along with 45 other cities and one county (the Participants), all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia (MEAG), a public corporation and instrumentality of the State of Georgia. Under the terms of the agreement, MEAG agrees to provide, and the Participants are obligated to purchase, all of their bulk power supply requirements for a period not to exceed 50 years. In 2004, the Participants unanimously voted to extend the contract with MEAG an additional 50 years. The Participants have agreed to purchase all their future power and energy requirements in excess of that received by the Participants through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each Participant has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At December 31, 2020, the outstanding debt of MEAG was approximately $8.7 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $95 million at December 31, 2020.

In 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the Trust), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two funds in which the City participates. The following is a brief description of each fund:

Flexible Operating Trust Account - This account is available to the City for withdrawal without restriction. This account has a balance of $294,674 at December 31, 2020, and is included as a current investment in the Electric Utility fund.

New Generation Trust Account - This account is available to the City for certain restricted purposes including funding of future generation projects created by MEAG or for the purchase of additional power sales contracts. This account has a balance of $787 at December 31, 2020, and is included as a non-current restricted investment in the Electric Utility fund.

Note 18 - Commitments

The city had conctractual commitments at December 31, 2020, of approximately $894,966, for water and sewer projects. Future appropriations will fund these commitments as work is performed.

Note 19 - Contingent Liabilities

Federal and State Grant Audits - 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.

Note 19 - Contingent Liabilities (continued)

Contractual Obligation - The City, through its cooperative participation in the MEAG, is contractually obligated to purchase additional energy that will be available from MEAG's additional future ownership in Plant Vogtle. This contractual obligation, based on management's estimates, will not materially affect the City's financial position. Management's estimates are based in part on increased industrial energy sales projected and the City's ability to increase consumer rates to cover energy cost increases.

Because the General Fund of the City relies heavily on the operating profits of the Utility Funds, the general fund financial position would be materially effected, should management's projections not be realized.

Economic Dependency - The City's electric utility fund sells an estimated 74% of its power to its industrial customers, with 67% of total sales from one customer. Should the gross profit from these industrial customers materially decrease, the City's financial position would be materially affected in the future. Additionally, the City purchases substantially all of the electricity it sells from MEAG and purchases all of the gas it sells from Municipal Gas Authority of Georgia.

Note 20 - Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (CRC) and is required to pay annual dues thereto. Membership in a CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a CRC. Separate financial statements may be obtained from CRC, 127 F Street, Brunswick, Georgia 31520.

Note 21 - Related Organizations

The Housing Authority of the City of Sylvania, Georgia (the Housing Authority) is considered a related organization. The Housing Authority is a legally separate entity having a board composed of members appointed primarily by the City of Waynesboro, Georgia. The City appoints one member to the board. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority is a related organization.

Note 22 Subsequent Events

Subsequent events have been evaluated by management through September 29, 2021, which is the date the financial statements were available to be issued. The COVID-19 outbreak in the United States has caused business disruptions through mandated and voluntary closings. The related impact on the City and duration cannot be reasonably estimated at this time.

City of Sylvania, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	$ 956,900	$ 956,900	$ 967,638	$ 10,738
Intergovernmental	215,084	215,084	421,815	206,731
Licenses and permits	71,450	71,450	63,212	(8,238)
Charges for services	37,450	37,450	44,153	6,703
Fines and forfeitures	128,000	128,000	97,913	(30,087)
Investment earnings	2,000	2,000	7,460	5,460
Miscellaneous	16,000	16,000	56,972	40,972
Total revenues	1,426,884	1,426,884	1,659,163	232,279
Expenditures				
Current:				
General government:				
Legislative	22,102	22,102	19,242	2,860
Executive - Mayor	8,418	8,418	5,267	3,151
Executive - Manager	217,849	217,849	209,471	8,378
Financial administration	390,650	390,650	402,502	(11,852)
Purchase/contractual services	80,450	80,450	28,668	51,782
Judicial	77,770	77,770	49,771	27,999
Public safety:				
Police	1,097,800	1,097,800	942,142	155,658
Fire	633,345	633,345	645,015	(11,670)
Animal control	13,580	13,580	5,919	7,661
Public works:				
Streets	544,470	544,470	610,107	(65,637)
Garage	179,600	179,600	206,533	(26,933)
Health and welfare - nutrition program	144,730	144,730	193,840	(49,110)
Culture and recreation	10,000	10,000	5,234	4,766
Housing and development				
Economic development and assistance	65,000	65,000	42,203	22,797
Total expenditures	3,485,764	3,485,764	3,365,914	119,850
Deficit of revenues to expenditures	(2,058,880)	(2,058,880)	(1,706,751)	352,129
Other financing sources				
Inception of capital lease	78,000	78,000		(78,000)
Proceeds from sale of assets	25,000	25,000		(25,000)
Interfund transfers	1,955,880	1,955,880	1,293,792	(662,088)
Total other financing sources	2,058,880	2,058,880	1,293,792	(765,088)
Net change in fund balances	$ 0	$ 0	(412,959)	$ (412,959)
Fund balances beginning of year			1,052,586	
Fund balances end of year			$ 639,627	

See the accompanying notes to the required supplementary information.

City of Sylvania, Georgia
UDAG Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment earnings	$ 1,700	$ 1,700	$ 16,015	$ 14,315
Expenditures				
Current:				
Housing and development - economic and assistance	238,000	238,000	2,511	235,489
Net change in fund balance	$ (236,300)	$ (236,300)	13,504	$ 249,804
Fund balances beginning of year			982,735	
Fund balances end of year			$ 996,239	

Note 1 - Budgetary Information

The City adopts an annual operating budget for the general fund, each special revenue fund, each capital projects fund and the debt service fund.

All budgets are adopted on a basis consistent with GAAP.

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 Manager may approve budget transfers within departments. Any changes to a fund total or departmental appropriation within a fund requires approval of the City Council. During the year, there were no budget revisions.

All unexpended annual appropriations lapse at year-end.

On the budgetary basis, debt service expenditures (i.e. $25,006) are budgeted within the functions but are reported as separate character classifications on the GAAP basis. The reconciliation to the Schedule of Revenue, Expenditures and Changes in Fund Balance is as follows:

	Financial Statement	Budgetary Adjustment	Budget
Public safety:			
Police	$ 917,136	$ 25,006	$ 942,142
Debt service:			
Principal	23,008	(23,008)	0
Interest and fiscal charges	1,998	(1,998)	0
	$ 942,142	$ 0	$ 942,142

City of Sylvania, Georgia
Schedule of Changes in the Net Pension Liability and Related Ratios
Defined Benefit Pension Plan
For the Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	$ 82,827	$ 74,159	$ 91,216	$ 89,693	$ 115,252	$ 101,131
Interest	583,328	549,385	474,552	455,175	435,093	396,159
Difference between expected and actual experience	(52,471)	197,804	282,358	(43,149)	(52,580)	292,465
Changes in assumptions	360,718					(60,862)
Benefit payments, including refunds of employee contributions	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Other			594,128			
Net change in total pension liability	588,670	452,169	1,182,381	258,207	263,992	509,619
Total pension liability - beginning	7,887,739	7,435,570	6,253,189	5,994,982	5,730,990	5,221,371
Total pension liability - ending	$ 8,476,409	$ 7,887,739	$ 7,435,570	$ 6,253,189	$ 5,994,982	$ 5,730,990
Plan fiduciary net position						
Contributions - employer	$ 397,601	$ 337,158	$ 271,675	$ 323,014	$ 303,069	$ 300,670
Net investment income	(383,172)	191,734	591,131	526,921	11,277	360,329
Benefit payments, including refunds of employee contributions	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Administrative expense	(20,927)	(19,989)	(19,772)	(21,328)	(14,786)	(13,703)
Net change in fiduciary net position	(392,230)	139,724	583,161	585,095	65,787	428,022
Plan fiduciary net position - beginning	5,476,331	5,336,607	4,753,446	4,168,351	4,102,564	3,674,542
Plan fiduciary net position - ending	$ 5,084,101	$ 5,476,331	$ 5,336,607	$ 4,753,446	$ 4,168,351	$ 4,102,564
Net pension liability - ending	$ 3,392,308	$ 2,411,408	$ 2,098,963	$ 1,499,743	$ 1,826,631	$ 1,628,426
Plan fiduciary net position as a percentage of total pension liability	59.98%	69.43%	71.77%	76.02%	69.53%	71.59%
Covered employee payroll	1,714,629	2,284,018	2,089,977	2,213,025	2,267,939	2,373,473
Net position liability as a percentage of covered-employee payroll	197.85%	105.58%	100.43%	67.77%	80.54%	68.61%

Changes in assumptions

Amounts reported for the fiscal year ending in 2020 reflect the following assumption changes based on the actuarial study conducted in November and December of 2019:

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

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

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

City of Sylvania, Georgia
Schedule of Changes in the Net Pension Liability and Related Ratios
Defined Benefit Pension Plan
For the Year Ended December 31, 2020

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

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

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

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

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

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

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

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

Changes in assumptions, (continued)
The inflation assumption was decreased from 2.75% to 2.25%.

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

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

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

The City implemented GASB 68 for the fiscal year ended December 31, 2015. In time, this schedule will present the required ten years of data.

City of Sylvania, Georgia
Schedule of Contributions
Defined Benefit Pension Plan
For the Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 390,385	$ 287,473	$ 298,350	$ 329,802	$ 294,158
Contributions in relation to actuarially determined contribution	*	$ 390,385 **	$ 287,473 **	$ 325,834 **	$ 303,393 **	$ 319,395 **
Contribution deficiency (excess)	*	$ 0	$ 0	$ (27,484)	$ 26,409	$ (25,237)
Covered-employee payroll	*	$ 2,284,018 ***	$ 2,089,977 ***	$ 2,213,025 ***	$ 2,267,939 ***	$ 2,373,473 ***
Contributions as a percentage of covered-employee payroll	*	17.09%	13.75%	14.72%	13.38%	13.46%

Notes to Schedule of Contributions

* 2020 information will be determined after fiscal year end and will be included in the 2021 valuation report.

** Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of noncompliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

*** Covered payroll is based on data collected as of February 28, of each respective year for the actuarial valuations for the respective years.

Valuation Date — The actuarially determined contribution rate was determined as of July 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2021.

The remainder of this page is intentionally left blank.

City of Sylvania, Georgia
Schedule of Contributions
Defined Benefit Pension Plan
For the Year Ended December 31, 2020

Notes to Schedule of Contributions (continued)

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of twelve years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	2.25%
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%
Retirement age	Retirement rates are adjusted to closely reflect actual experience
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 Table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The City implemented GASB 68 for the fiscal year ended December 31, 2015. In time this schedule will present the required ten years of data.

City of Sylvania, Georgia
Schedule of Funding Progress
Postemployment Benefits Other Than Pensions (Health Insurance)
For the Year Ended December 31, 2020

As of the most recent valuation date, December 31, 2020, the funded status of the Plan was as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL/(UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
12/31/2013	0	324,260	324,260	0.00%	699,962	46.33%
12/31/2014	0	314,882	314,882	0.00%	523,052	60.20%
12/31/2015	0	473,744	473,744	0.00%	618,890	76.55%
12/31/2016	0	464,040	464,040	0.00%	817,519	56.76%
12/31/2017	0	390,809	390,809	0.00%	811,436	48.16%
12/31/2018	0	541,442	541,442	0.00%	643,651	84.12%
12/31/2019	0	478,286	478,286	0.00%	661,483	72.31%
12/31/2020	0	513,457	513,457	0.00%	522,266	98.31%

The assumptions used in the preparation of the above schedule are disclosed in Note 14 to the financial statements.

City of Sylvania, Georgia
General Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 737,806	$ 1,079,919
Restricted cash and cash equivalents	14,745	14,745
Receivables:		
Accounts	40,524	41,198
Intergovernmental	5,970	44,151
Property taxes	71,995	68,555
Other	5,183	7,441
Interest		1,471
Interfund balances	58,551	39,033
Prepaid items	25,580	21,117
Total assets	$ 960,354	$ 1,317,630
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 166,427	$ 150,178
Accrued expenditures	39,237	29,534
Interfund balances	71,546	3,346
Unearned revenue		5,000
Total liabilities	277,210	188,058
Deferred inflows of resources		
Property taxes	43,517	41,155
Intergovernmental		35,831
Total deferred inflows of resources	43,517	76,986
Total liabilities and deferred inflows of resources	320,727	265,044
Fund balances		
Nonspendable - prepaid items	25,580	21,117
Restricted for		
Capital projects	109,746	47,585
Public safety - police	9,075	9,075
Recreation	5,670	5,670
Unassigned	489,556	969,139
Total fund balances	639,627	1,052,586
Total liabilities, deferred inflows of resources and fund balances	$ 960,354	$ 1,317,630

City of Sylvania, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Taxes	$ 967,638	$ 966,821
Intergovernmental	421,815	175,678
Licenses and permits	63,212	73,480
Charges for services	44,153	42,727
Fines and forfeitures	97,913	127,884
Investment earnings	7,460	6,997
Miscellaneous	56,972	26,938
Total revenues	1,659,163	1,420,525
Expenditures		
Current:		
General government		
Legislative	19,242	19,419
Executive - Mayor	5,267	6,926
Executive - Manager	209,471	232,943
Financial administration	402,502	426,752
Elections		4,061
Purchase/contract services	28,668	8,101
Judicial	49,771	67,664
Public safety		
Police	917,136	1,071,505
Fire	645,015	601,839
Animal control	5,919	8,472
Public works:		
Streets	610,107	359,189
Garage	206,533	189,431
Health and welfare - nutrition program	193,840	147,100
Culture and recreation	5,234	12,278
Housing and development - economic development and assistance	42,203	76,757
Debt service:		
Principal retirement	23,008	15,714
Interest and fiscal charges	1,998	1,496
Total expenditures	3,365,914	3,249,647
Deficit of revenues to expenditures	(1,706,751)	(1,829,122)
Other financing sources		
Inception of capital lease		35,700
Proceeds from sale of capital assets		648
Interfund transfers	1,293,792	1,738,528
Total other financing sources	1,293,792	1,774,876
Net change in fund balances	(412,959)	(54,246)
Fund balances beginning of year	1,052,586	1,106,832
Fund balances end of year	$ 639,627	$ 1,052,586

City of Sylvania, Georgia
UDAG Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	2020	2019
Assets		
Restricted cash and cash equivalents	$ 634,211	$ 667,107
Receivables - notes	293,132	315,628
Interfund balances	68,896	
Total assets	$ 996,239	$ 982,735
Liabilities and Fund Balances		
Fund Balances		
Restricted for housing and development	$ 996,239	$ 982,735

City of Sylvania, Georgia
UDAG Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Investment earnings	$ 16,015	$ 10,300
Expenditures		
Current:		
Housing and development - economic development and assistance	2,511	
Net change in fund balance	13,504	10,300
Fund balances beginning of year	982,735	972,435
Fund balances end of year	$ 996,239	$ 982,735

City of Sylvania, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Restricted cash and cash equivalents	$ 5,602	$ 487,959	$ 493,561
Accounts receivable	2,054	2,298	4,352
Interfund balances	2,650		2,650
Total assets	$ 10,306	$ 490,257	$ 500,563
Liabilities and Fund Balances			
Liabilities			
Interfund balances	$ 2,054	$ 56,497	$ 58,551
Fund Balances			
Restricted for:			
Capital projects		433,760	433,760
Public safety	8,252		8,252
Total fund balances	8,252	433,760	442,012
Total liabilities and fund balances	$ 10,306	$ 490,257	$ 500,563

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - By Fund Type
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 24,634		$ 24,634
Intergovernmental		$ 253,366	253,366
Investment earnings		448	448
Total revenues	24,634	253,814	278,448
Expenditures			
Current:			
Public safety - police	181		181
Housing and development - economic development and assistance	16,328		16,328
Capital outlays		122,533	122,533
Total expenditures	16,509	122,533	139,042
Excess of revenues to expenditures	8,125	131,281	139,406
Other financing uses			
Transfer to water and sewer fund	(8,306)	(65,327)	(73,633)
Net change in fund balances	(181)	65,954	65,773
Fund balances beginning of year	8,433	367,806	376,239
Fund balances end of year	$ 8,252	$ 433,760	$ 442,012

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Hotel/Motel Tax Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Assets			
Restricted cash and cash equivalents		$ 5,602	$ 5,602
Accounts receivable	$ 2,054		2,054
Interfund balance		2,650	2,650
Total assets	$ 2,054	$ 8,252	$ 10,306
Liabilities and Fund Balances			
Liabilities			
Interfund balance	$ 2,054		$ 2,054
Fund Balances			
Restricted for public safety		$ 8,252	8,252
Total liabilities and fund balances	$ 2,054	$ 8,252	$ 10,306

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	Hotel/Motel Tax Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	$ 24,634	$ 0	$ 24,634
Expenditures			
Current:			
Public safety - police		181	181
Housing and development - economic development and assistance	16,328		16,328
Total expenditures	16,328	181	16,509
Excess (deficit) of revenues to expenditures	8,306	(181)	8,125
Other financing uses			
Interfund transfers	(8,306)		(8,306)
Net change in fund balances	0	(181)	(181)
Fund balances beginning of year		8,433	8,433
Fund balances end of year	$ 0	$ 8,252	$ 8,252

City of Sylvania
Hotel/Motel Tax Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	2020	2019
Assets		
Accounts receivable	$ 2,054	$ 2,054
Liabilities and Fund Balances		
Interfund balance	$ 2,054	$ 2,054

City of Sylvania, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 22,400	$ 22,400	$ 24,634	$ 2,234	$ 19,069
Expenditures					
Current:					
Housing and development	14,000	14,000	16,328	(2,328)	12,886
Excess of revenues to expenditures	8,400	8,400	8,306	(94)	6,183
Other financing uses					
Interfund transfers	(8,400)	(8,400)	(8,306)	94	(6,183)
Net change in fund balance	$ 0	$ 0	0	$ 0	0
Fund balances beginning of year			0		0
Fund balances end of year			$ 0		$ 0

City of Sylvania
Confiscated Assets Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	2020	2019
Assets		
Restricted cash and cash equivalents	$ 5,602	$ 5,087
Interfund balance	2,650	3,346
Total assets	$ 8,252	$ 8,433
Liabilities and Fund Balances		
Restricted for public safety	$ 8,252	$ 8,433

City of Sylvania, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Fines and forfeitures	4,000	4,000	$ 0	$ 4,000	$ 3,169
Expenditures					
Current:					
Public safety - police	4,000	4,000	181	3,819	100
Net change in fund balance	$ 0	$ 0	(181)	$ 181	3,069
Fund balances beginning of year			8,433		5,364
Fund balances end of year			$ 8,252		$ 8,433

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020

	2019 SPLOST Fund	2013 SPLOST Fund	Total Nonmajor Capital Projects Funds
Assets			
Restricted cash and cash equivalents	$ 264,491	$ 223,468	$ 487,959
Accounts receivable	2,298		2,298
Total assets	$ 266,789	$ 223,468	$ 490,257
Liabilities and Fund Balances			
Liabilities			
Interfund balance	7,700	$ 48,797	$ 56,497
Fund Balances			
Restricted for capital projects	$ 259,089	174,671	433,760
Total liabilities and fund balances	$ 266,789	$ 223,468	$ 490,257

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

	2019 SPLOST Fund	2013 SPLOST Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$ 253,366		$ 253,366
Investment earnings		$ 448	448
Total revenues	253,366	448	253,814
Expenditures			
Capital outlays:			
General government - general administration		11,818	11,818
Public safety - police	29,500		29,500
Public works - streets	73,715		73,715
Housing and development - economic development and assistance	7,500		7,500
Total expenditures	110,715	11,818	122,533
Excess (deficit) of revenues to expenditures	142,651	(11,370)	131,281
Other financing uses			
Transfer to water and sewer fund	(65,327)		(65,327)
Net change in fund balances	77,324	(11,370)	65,954
Fund balances beginning of year	181,765	186,041	367,806
Fund balances end of year	$ 259,089	$ 174,671	$ 433,760

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	2020	2019
Assets		
Restricted cash and cash equivalents	$ 264,491	$ 168,208
Accounts receivable	2,298	13,557
Total assets	$ 266,789	$ 181,765
Liabilities and Fund Balances		
Liabilities		
Interfund balances	7,700	
Fund Balances		
Restricted for capital projects	259,089	181,765
Total liabilities and fund balances	$ 266,789	$ 181,765

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Intergovernmental	$ 253,366	$ 231,765
Expenditures		
Capital outlays:		
Public safety - police	29,500	
Public works - streets	73,715	
Housing and development - economic development and assistance	7,500	
Total expenditures	110,715	0
Excess of revenues to expenditures	142,651	231,765
Other financing uses		
Transfers to water and sewer fund	(65,327)	(50,000)
Net change in fund balance	77,324	181,765
Fund balances beginning of year	181,765	0
Fund balances end of year	$ 259,089	$ 181,765

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	2020	2019
Assets		
Restricted cash and cash equivalents	$ 223,468	$ 223,020
Liabilities and Fund Balances		
Liabilities		
Interfund balances	$ 48,797	$ 36,979
Fund Balances		
Restricted for capital projects	174,671	186,041
Total liabilities and fund balances	$ 223,468	$ 223,020

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Intergovernmental		$ 15,721
Investment earnings	$ 448	433
Total revenues	448	16,154
Expenditures		
Capital outlays:		
General government - general administration	11,818	995
Public works - airport infrastructure		5,500
Total expenditures	11,818	6,495
Net change in fund balance	(11,370)	9,659
Fund balances beginning of year	186,041	176,382
Fund balances end of year	$ 174,671	$ 186,041

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	$ 68,788	$ 41,324
Receivables:		
Accounts	168,440	141,088
Intergovernmental	5,625	100,337
Prepaid insurance	12,504	19,259
Total current assets	255,357	302,008
Noncurrent assets		
Capital assets		
Nondepreciable capital asset	16,550	16,550
Depreciable capital assets, net	6,129,872	6,269,687
Total noncurrent assets	6,146,422	6,286,237
Total assets	6,401,779	6,588,245
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	8,706	20,822
Difference between projected and actual earnings on plan investments	83,083	1,154
Changes in assumptions	31,752	2,903
Contributions after measurement date	34,746	26,976
Total deferred outflows of resources	158,287	51,855
Liabilities		
Current liabilities		
Accounts payable	86,198	154,078
Accrued interest payable	3,135	3,135
Accrued payroll	5,740	5,538
Compensated absences payable	12,512	6,946
Post-employment benefit payable	1,310	6,334
Notes payable	97,362	96,317
Total current liabilities	206,257	272,348
Long-term liabilities		
Compensated absences payable (net of current portion)	33,736	35,919
Post-employment benefit payable (net of current portion)	109,930	94,417
Net pension liability	447,912	222,177
Notes payable (net of current portion)	1,609,414	1,658,426
Total long-term liabilities	2,200,992	2,010,939
Total liabilities	2,407,249	2,283,287
Deferred inflows of resources		
Pension - difference between expected and actual experience	5,758	2,559
Net position		
Net investment in capital assets	4,439,646	4,531,494
Unrestricted	(292,587)	(177,240)
Total net position	$ 4,147,059	$ 4,354,254

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ 1,266,113	$ 1,226,433
Miscellaneous	20,119	10,963
Total operating revenues	1,286,232	1,237,396
Operating expenses		
Salaries	141,526	171,719
Social security	10,088	13,899
Group insurance	36,794	34,587
Retirement and other post-employment benefits	181,978	27,722
Workers' compensation	8,719	7,890
Contract services	372,703	283,173
Chemicals	16,012	19,919
Materials and supplies	27,880	15,543
Gas, oil, and tires	7,485	11,648
Uniforms and safety equipment	1,613	1,755
Vehicle repairs	7,775	13,869
Engineering and consulting	39,240	2,400
Postage	6,125	4,170
Communications	1,695	1,580
Insurance	44,026	62,610
Public utilities	185,633	174,973
Maintenance and testing	100,032	103,895
Bad debts	6,414	8,061
Other	6,015	7,807
Depreciation	232,260	223,165
Total operating expenses	1,434,013	1,190,385
Operating income (loss)	(147,781)	47,011
Non-operating revenues (expenses)		
Interest and fiscal charges	(17,361)	(36,373)
Grant proceeds	56,745	709,618
Investment earnings	300	14
Total non-operating revenues	39,684	673,259
Income (loss) before transfers	(108,097)	720,270
Interfund transfers	(99,098)	(38,351)
Change in net position	(207,195)	681,919
Net position beginning of year	4,354,254	3,672,335
Net position end of year	$ 4,147,059	$ 4,354,254

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 116,000	$ 115,195
Investments	294,674	3,209,315
Accounts receivable	3,838,176	2,879,689
Prepaid insurance	2,128	4,806
Total current assets	4,250,978	6,209,005
Noncurrent assets		
Restricted assets:		
Investments - MEAG Generation Trust	787	782
Capital assets:		
Depreciable capital assets, net	2,431,586	2,405,905
Total noncurrent assets	2,432,373	2,406,687
Total assets	6,683,351	8,615,692
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	13,044	41,434
Difference between projected and actual earnings on plan investments	124,483	2,297
Changes in assumptions	47,574	5,776
Contributions after measurement date	52,060	53,682
Total deferred outflows of resources	237,161	103,189
Liabilities		
Current liabilities		
Accounts payable	2,142,499	5,486,779
Sales tax payable	29,526	41,009
Accrued liabilities	11,413	14,415
Customer deposits payable	300,034	292,409
Compensated absences payable	23,866	17,513
Post employment benefits payable	3,276	
Capital lease	8,810	30,300
Total current liabilities	2,519,424	5,882,425
Long-term liabilities		
Compensated absences payable (net of current portion)	44,745	55,195
Post-employment benefit payable (net of current portion)	104,791	94,978
Net pension liability	671,105	442,125
Capital lease (net of current portion)	26,347	
	846,988	592,298
Total liabilities	3,366,412	6,474,723
Deferred inflows of resources		
Pension - difference between expected and actual experience	8,627	5,093
Net Position		
Net investment in capital assets	2,396,429	2,375,605
Restricted - MEAG power generation and credit support	787	782
Unrestricted	1,148,257	(137,322)
Total net position	$ 3,545,473	$ 2,239,065

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenues		
Charges for services	$ 23,791,836	$ 27,310,301
Miscellaneous	3,565	4,011
Total operating revenues	23,795,401	27,314,312
Operating expenses		
Cost of sales	20,182,577	25,812,827
Salaries	360,980	418,195
Social security	26,486	32,068
Group insurance	59,782	59,442
Retirement and other post-employment benefits	184,531	67,799
Workers' compensation	14,689	12,255
Contract labor and services	6,504	2,474
Materials and supplies	64,940	80,999
Gas, oil, and tires	11,724	17,739
Uniforms and safety equipment	809	2,207
Vehicle repairs	32,424	25,736
Engineering and consulting	22,652	11,111
Postage	3,115	3,142
Communications	2,036	2,015
Insurance	25,164	13,566
Public utilities	11,939	10,389
Maintenance and testing	9,771	12,579
Bad debts	24,970	36,478
Other	215	10,131
Depreciation	141,943	120,018
Total operating expenses	21,187,251	26,751,170
Operating income	2,608,150	563,142
Non-operating revenues (expenses)		
Interest and fiscal charges	(453,566)	(7,296)
Investment earnings	13,113	66,416
MEAG Generation Trust investment earnings	5	21
Total non-operating revenues (expenses)	(440,448)	59,141
Income before transfers	2,167,702	622,283
Interfund transfers	(861,294)	(1,357,669)
Change in net position	1,306,408	(735,386)
Net position beginning of year	2,239,065	2,974,451
Net position end of year	$ 3,545,473	$ 2,239,065

City of Sylvania, Georgia
Gas Utility Fund
Comparative Schedule of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Accounts receivable	$ 397,080	$ 415,659
Prepaid insurance	542	876
Total current assets	397,622	416,535
Noncurrent assets		
Capital assets		
Depreciable capital assets, net	326,334	276,368
Total assets	723,956	692,903
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	2,264	6,032
Difference between projected and actual earnings on plan investments	21,608	334
Changes in assumptions	8,258	841
Contributions after measurement date	9,037	7,815
Total deferred outflows of resources	41,167	15,022
Liabilities		
Current liabilities		
Accounts payable	201,919	194,501
Accrued payroll	4,454	2,672
Compensated absences payable	5,470	8,151
Total current liabilities	211,843	205,324
Long-term liabilities		
Compensated absences payable (net of current portion)	13,012	12,014
Post-employment benefit payable (net of current portion)	10,281	8,743
Net pension liability	116,491	64,364
	139,784	85,121
Total liabilities	351,627	290,445
Deferred inflows of resources		
Pension - difference between expected and actual experience	1,498	741
Net Position		
Net investment in capital assets	326,334	276,368
Unrestricted	85,664	140,371
Total net position	$ 411,998	$ 416,739

Gas Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenues		
Charges for services	$ 1,944,434	$ 3,395,171
Operating expenses		
Cost of sales	1,485,263	2,877,428
Salaries	105,665	110,386
Social security	8,120	7,976
Group insurance	15,981	14,132
Retirement and other post-employment benefits	42,509	(30,424)
Workers' compensation	4,059	3,294
Materials and supplies	6,361	7,115
Gas, oil, and tires	2,367	2,981
Uniforms and safety equipment	1,269	1,009
Vehicle repairs	11,305	2,888
Engineering and consulting	6,244	1,784
Postage	3,054	3,072
Communications	1,686	2,518
Insurance	6,532	2,492
Public utilities	702	1,060
Repairs, maintenance and testing	15,134	23,607
Bad debts	448	1,433
Other	6,760	11,987
Depreciation	12,194	11,455
Total operating expenses	1,735,653	3,056,193
Operating income	208,781	338,978
Non-operating revenues		
Gain on sale of fixed assets		448
Income before transfers	208,781	339,426
Interfund transfers	(213,522)	(302,960)
Change in net position	(4,741)	36,466
Net position beginning of year	416,739	380,273
Net position end of year	$ 411,998	$ 416,739

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Accounts receivable	$ 60,810	$ 65,921
Prepaid insurance		2,467
Total current assets	60,810	68,388
Noncurrent assets		
Capital assets		
Nondepreciable capital assets	6,507	6,507
Depreciable capital assets, net	75,209	107,094
Total noncurrent assets	81,716	113,601
Total assets	142,526	181,989
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience		21,751
Difference between projected and actual earnings on plan investments		1,206
Changes in assumptions		3,032
Contributions after measurement date		28,181
Total deferred outflows of resources	0	54,170
Liabilities		
Current liabilities		
Accounts payable	29,871	46,046
Accrued payroll	1,060	1,144
Compensated absences payable	3,253	3,187
Post-employment benefit payable	5,897	6,334
Capital lease		7,665
Total current liabilities	40,081	64,376
Long-term liabilities		
Compensated absences payable (net of current portion)	3,262	6,397
Post-employment benefit payable (net of current portion)	39,369	86,473
Net pension liability		232,099
	42,631	324,969
Total liabilities	82,712	389,345
Deferred inflows of resources		
Pension - difference between expected and actual experience		2,673
Net position		
Net investment in capital assets	81,716	105,936
Unrestricted	(21,902)	(261,795)
Total net position	$ 59,814	$ (155,859)

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenues		
Charges for services	$ 520,893	$ 488,407
Operating expenses		
Salaries	559	221,790
Social security	251	16,956
Group insurance	20	45,574
Retirement and other post-employment benefits	(228,143)	(4,414)
Workers' compensation		6,558
Contract services	446,882	74,857
Gas, oil, and tires	501	19,780
Uniforms and safety equipment		3,171
Vehicle repairs		12,892
Insurance	2,467	6,996
Repairs, maintenance and testing		7,899
Tipping fees		15,266
Bad debts	4,378	3,691
Other		841
Depreciation	31,885	28,110
Total operating expenses	258,800	459,967
Operating income	262,093	28,440
Non-operating expenses		
Interest and fiscal charges	(175)	(623)
Income before transfers	261,918	27,817
Interfund transfers	(46,245)	16,635
Change in net position	215,673	44,452
Net position beginning of year	(155,859)	(200,311)
Net position end of year	$ 59,814	$ (155,859)

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2020

In accordance with O.C.G.A. 48-13-51, the City of Sylvania levies a 8% tax on hotel/motel lodging and disburses collected funds to the Screven County Chamber of Commerce and the Sylvania Downtown Development authority to use for the promotion of tourism and transfers up to 3 cents of each 8 cents collected to the general fund.

This schedule provides information on the amount of Hotel/Motel tax cash receipts and the amount of such receipts which were disbursed or contractually committed to be disbursed to the Screven County Chamber of Commerce and the Sylvania Downtown Development Authority.

Revenues and expenditures for the year ended December 31, 2020, were as follows.

	Amount	Amount as a percentage of revenue
Hotel/Motel tax cash receipts	$ 24,634	
Expenditures to:		
Screven County Chamber of Commerce	$ 11,028	
Sylvania Downtown Development Authority	5,300	
Transfers to general fund	8,306	
	$ 24,634	100.00%

City of Sylvania, Georgia
Schedules of Projects Constructed with
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2020

2013 SPLOST	Original Estimated Cost	Revised Estimated Cost	Actual Cost: Prior Years	Actual Cost: Current Year	Actual Cost: Total	Estimated Percentage Complete
Upgrade city facilities	$ 315,500	$ 100,000	$ 48,392	$ 11,818	$ 60,210	60.21%
Street paving, sidewalks, bike paths, curbs and gutters	478,855	341,165	206,284		206,284	60.46%
Sanitation trucks	327,600	134,645	134,645		134,645	100.00%
Airport infrastructure	136,500	38,964	38,964		38,964	100.00%
Retire GEFA debt	227,500	321,714	321,714		321,714	100.00%
Passive parks and nature center development	158,250	37,909	37,909		37,909	100.00%
	$ 1,644,205	$ 974,397	$ 787,908	$ 11,818	$ 799,726	

2019 SPLOST	Original Estimated Cost	Revised Estimated Cost	Actual Cost: Prior Years	Actual Cost: Current Year	Actual Cost: Total	Estimated Percentage Complete
Retire GEFA debt			$ 50,000	$ 65,327	$ 115,327	
Public safety equipment				29,500	29,500	
Street paving, drainage, sidewalks curbs and gutters				73,715	73,715	
Downtown capital infrastructure				7,500	7,500	
Retire GEFA debt; street paving, drainage, sidewalks, curbs and gutters; heavy equipment and vehicles; public safety equipment; public parks improvements; downtown capital infrastructure	$ 1,299,978	$ 1,299,978	$ 50,000	$ 176,042	$ 226,042	17.39%

CITY OF SYLVANIA, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
EMPLOYMENT INCENTIVE PROGRAM
PROJECT COST SCHEDULE
GRANT AWARE NUMBER: 14q-z-124-2-6044
FOR THE YEAR ENDED DECEMBER 31, 2020

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grant Total of Expenditures to Date	Questioned Costs (if applicable)
Water/Sewer Improvements - Construction	E17B-00	$ 638,000	$ 597,618	$ 95,059	$ 692,677	NA
Water/Sewer Improvements - Engineering	T-17B-00	67,000	67,000		67,000	NA
Administration	A-21A-00	45,000	45,000		45,000	NA
		$ 750,000	$ 709,618 *	$ 95,059	$ 804,677	

**Project has been completed, with remaining $40,382 in available funds unused.*

CITY OF SYLVANIA, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
EMPLOYMENT INCENTIVE PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
GRANT AWARE NUMBER: 14q-z-124-2-6044
FOR THE YEAR ENDED DECEMBER 31, 2020

Total Fiscal Year 2015 CDBG Funds Awarded to Recipient	$ 750,000
Total Amount Drawdown by Recipient from DCA	709,618
Funds Still Available*	$ 0
CDBG Funds Expended by Recipient	709,618
Amount of Fiscal Year 2014 CDBG Funds held by Recipient	$ 0

**Project has been completed, with remaining $40,382 in available funds unused.*

CITY OF SYLVANIA, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
EMPLOYMENT INCENTIVE PROGRAM
PROJECT COST SCHEDULE
GRANT AWARE NUMBER: 19p-x-124-2-6092
FOR THE YEAR ENDED DECEMBER 31, 2020

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grant Total of Expenditures to Date	Questioned Costs (if applicable)
Sewer Facilities	P-03J-02	$ 550,000			$ 0	NA
Engineering - Street improvements/Flood & Drainage	T-03K-00	37,000	$ 30,495	$ 20,705	51,200	NA
Street Improvements	P-03K-01	118,000			0	NA
Administration	A-21A-00	45,000	26,250		26,250	NA
		$ 750,000	$ 56,745	$ 20,705	$ 77,450	

CITY OF SYLVANIA, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
EMPLOYMENT INCENTIVE PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
GRANT AWARE NUMBER: 19p-x-124-2-6092
FOR THE YEAR ENDED DECEMBER 31, 2020

Total Fiscal Year 2019 CDBG Funds Awarded to Recipient	$ 750,000
Total Amount Drawdown by Recipient from DCA	56,745
Funds Still Available	$ 693,255
CDBG Funds Expended by Recipient	56,745
Amount of Fiscal Year 2019 CDBG Funds held by Recipient	$ 0

CAINES HODGES
CERTIFIED PUBLIC ACCOUNTANTS

Donald T. Caines, CPA
Carlton H. Hodges, CPA
Matthew E. Caines, CPA
Amanda S. Futrell, MAcc

Caines, Hodges & Company, P.C.
5302 Frederick Street • Suite 203
Savannah, GA 31405
Tel: (912) 233-6383
www.caineshodges.com

Member American Institute of Certified Public Accountants
and Georgia Society of Certified Public Accountants

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

To the Mayor and Council
City of Sylvania, 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 City of Sylvania, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Sylvania, Georgia's basic financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Sylvania, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Sylvania, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Sylvania, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal conrol described in teh accompanying schedule of findings and responses as items 2020-01 through 2020-03 that we consider to be material weaknesses.

Compliance and Other Matters

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

City of Sylvania, Georgia's Response to Findings

City of Sylvania, Georgia's response to the findings identified in our audit is described in the acompanying schedule of findings and responses. City of Sylvania, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

September 29, 2021

INTERNAL CONTROL

2020-01 Accounts receivable and other receivables not reconciled

Condition: Accounts receivable and other receivables in the trial balance were not reconciled to underlying subsidiary ledgers.

Context: Procedures should be designed and implemented sufficient to ensure the general ledger balances of receivables are reconciled to the detail listing of receivables.

Effect: Prior to adjustment, accounts receivable were materially misstated; without such adjustments, the financial statements would have been materially misstated.

Cause: Procedures designed to reconcile accounts receivable periodically throughout the year were not implemented.

Recommendation: Ensure that procedures designed to periodically reconcile accounts and other receivables to subsidiary ledgers are implemented and that general ledger balances are adjusted accordingly.

Management response: Management agrees with the finding and will periodically reconcile accounts receivable to the underlying subsidiary ledgers to ensure accurate balances are reflected in the trial balance.

2020-02 Accounts payable and other payables not reconciled

Condition: Accounts payable and other payables trial balance were not reconciled to underlying detail.

Context: Procedures should be designed and implemented sufficient to ensure the general ledger balances of accounts payable are reconciled to the detail listing of accounts payable.

Effect: Prior to adjustment, payables were materially misstated; without such adjustments, the financial statements would have been materially misstated.

Cause: Procedures designed to reconcile payables were not effectively implemented throughout the year.

Recommendation: Implement procedures designed to periodically reconcile accounts payable and other payables.

Management response: Management agrees with the finding and will periodically reconcile accounts and other payables to ensure accurate balances are reflected in the trial balance.

2020-03 Misclassification of revenue and expenditure transactions

Condition: Various revenues and expenses were misclassified among funds or as other items (i.e., miscellaneous revenues, etc.).

Context: Procedures should be designed and implemented sufficiently to ensure that misclassifications of general ledger entries are detected and corrected in a timely manner.

Effect: Prior to audit detection, the classifications of revenues and expenditures in the financial statements were materially misstated.

Cause: Lack of review of general ledger activity for proper classification of revenue and expenditure recording.

Recommendation: Implement procedures properly designed to ensure that general ledger activity is periodically reviewed to detect and correct misclassified transactions in a timely manner.

Management response: Management agrees with the finding and will periodically perform analytical procedures on the trial balance and other general ledger review procedures to ensure that misclassifications are detected and corrected in a timely manner.