CITY OF SYLVANIA, GEORGIA

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2021

City of Sylvania, Georgia
Annual Financial Report
For the Year Ended December 31, 2021

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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvania, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Sylvania, Georgia's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Sylvania, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Sylvania, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-15, the budgetary comparison information on pages 53-55, the schedule of changes in net pension liability and related ratios and schedule of contributions on pages 56-59, and the schedule of funding progress information for postemployment benefits other than pensions on page 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide

us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sylvania, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of Hotel/Motel tax, the schedules of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds, the Community Development Block Grant Project Cost Schedule and Source and Application of Funds Schedule (pages 61 through 92) and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of Hotel/Motel tax, the schedules of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds, the Community Development Block Grant Project Cost Schedule and Source and Application of Funds Schedule, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, 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 compliance.

Caines, Hodges & Company, P.C.

July 18, 2022

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, 2021. 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 $13,240,394 (net position) for the calendar year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $11,003,761 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 $1,719,384 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $517,249.

- The City's governmental funds reported total ending fund balance of $3,226,400 this year. This compares to the prior year ending fund balance of $2,077,878 showing an increase of $1,148,522 during the current year. Unassigned general fund balance of $1,484,614 for calendar year 2021 shows an increase of $995,455 from the prior year balance.

- At the end of the current calendar year, unassigned fund balance for the General Fund was $1,484,614 or 42% of total General Fund expenditures.

- Overall, the City's financial position has increased by approximately $1,869,600 due to nonoperating utility grant proceeds of approximately $965 thousand.

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 16 & 17 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 18-21 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 22-25 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 26 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, 2021, is $13,240,294. The following table provides a summary of the City's net position:

Summary of Net Assets

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	$ 1,999,104	$ 6,225,137	$ 8,224,241	$ 1,184,542	$ 4,964,767	$ 6,149,309
Restricted assets	1,639,678	-	1,639,678	1,142,517	787	1,143,304
Advances to (from) other funds	275,200	(275,200)	-	-	-	-
Capital assets	3,061,555	10,028,440	13,089,995	2,941,849	8,986,058	11,927,907
Total assets	6,975,537	15,978,377	22,953,914	5,268,908	13,951,612	19,220,520
Deferred outflows of resources - pension	423,901	233,170	657,071	762,186	436,615	1,198,801
Liabilities:						
Current liabilities	748,472	4,557,259	5,305,731	294,390	2,977,605	3,271,995
Long-term liabilities	1,581,697	2,445,783	4,027,480	2,502,535	3,230,395	5,732,930
Total liabilities	2,330,169	7,003,042	9,333,211	2,796,925	6,208,000	9,004,925
Deferred inflows of resources - pension	669,251	368,129	1,037,380	27,727	15,883	43,610
Net position:						
Net investment in capital assets	2,920,779	8,082,982	11,003,761	2,900,699	7,244,125	10,144,824
Restricted	1,719,384	-	1,719,384	1,555,060	787	1,555,847
Unrestricted	(240,145)	757,394	517,249	(1,249,317)	919,432	(329,885)
Total net position	$ 4,400,018	$ 8,840,376	$ 13,240,394	$ 3,206,442	$ 8,164,344	$ 11,370,786

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 2.67 to 1, which is a decrease from 2020 due to an increase in unearned revenue. For business-type activities, the current ratio is 1.37 to 1 which is a decrease from 2020 due to an increase in accounts payable. For the City overall, the current ratio is 1.55 to 1.

The City reported positive balances in net position for governmental and business-type activities. Net position increased $1,193,576 for governmental activities and increased $676,032 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 67% 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 92% of its net position in capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. Eighty-four 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

	2021				2020			
	Governmental Activities	**Business-type Activities**	**Total**	**Percentage of Total**	**Governmental Activities**	**Business-type Activities**	**Total**	**Percentage of Total**
Revenues:								
Program:								
Charges for services	$ 171,631	$ 42,292,549	$ 42,464,180	94.3%	$ 205,278	$ 27,546,960	$ 27,752,238	94.0%
Operating grants and other	111,843	-	111,843	0.2%	220,742	-	220,742	0.7%
Capital grants and other	372,724	965,162	1,337,886	3.0%	419,056	56,745	475,801	1.6%
General:								
Taxes	1,055,593		1,055,593	2.3%	994,634		994,634	3.4%
Other	62,936	(10,531)	52,405	0.1%	80,447	13,418	93,865	0.3%
Total revenues	1,774,727	43,247,180	45,021,907	100%	1,920,157	27,617,123	29,537,280	100%
Program expenses:								
General government	735,746		735,746	1.7%	804,760		804,760	2.8%
Judicial	47,426		47,426	0.1%	49,771		49,771	0.2%
Public safety - fire	742,751		742,751	1.7%	821,025		821,025	2.8%
Public safety - police	999,150		999,150	2.3%	925,591		925,591	3.2%
Public safety - animal control	7,401		7,401	0.0%	5,793		5,793	0.0%
Public works - streets	625,585		625,585	1.4%	704,303		704,303	2.4%
Public works - garage	228,171		228,171	0.5%	270,757		270,757	0.9%
Public works - airport infrastructure	-		-		-		-	
Health and welfare	116,152		116,152	0.3%	163,583		163,583	0.6%
Culture and recreation	20,844		20,844	0.0%	19,873		19,873	0.1%
Housing and development	54,331		54,331	0.1%	62,385		62,385	0.2%
Interest	2,459		2,459	0.0%	1,763		1,763	0.0%
Water and sewer		1,332,214	1,332,214	3.1%		1,451,374	1,451,374	5.0%
Electric		33,934,764	33,934,764	78.6%		21,640,817	21,640,817	74.8%
Gas		3,832,627	3,832,627	8.9%		1,735,653	1,735,653	6.0%
Solid Waste		472,678	472,678	1.1%		258,975	258,975	0.9%
Total expenses	3,580,016	39,572,283	43,152,299	100%	3,829,604	25,086,819	28,916,423	100%
Excess (deficiency)	(1,805,289)	3,674,897	1,869,608		(1,909,447)	2,530,304	620,857	
Transfers	2,998,865	(2,998,865)	-		1,220,159	(1,220,159)	-	
Change in net position	1,193,576	676,032	1,869,608		(689,288)	1,310,145	620,857	
Beginning net position	3,206,442	8,164,344	11,370,786		3,895,730	6,854,199	10,749,929	
Ending net position	$ 4,400,018	$ 8,840,376	$ 13,240,394		$ 3,206,442	$ 8,164,344	$ 11,370,786	

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 24% of the City's total governmental revenues. Local option sales taxes are the second largest revenue source with approximately $258 thousand of revenues or 15% of the total. The insurance premium taxes generate $215,398 and $101,031 from alcohol taxes. Also, note that program revenues cover approximately 18% 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 82% 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 28% of the governmental funds budget; the fire function spends about 20% of the governmental funds budget; and the general government function spends about 20% 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	$ 735,746	$ 332,348
Judicial	47,426	47,426
Public safety - fire	742,751	719,184
Public safety - police	999,150	849,557
Public safety - animal control	7,401	7,401
Public works - streets	625,585	601,890
Public works - garage	228,171	228,171
Health and welfare	116,152	60,549
Cultural and recreation	20,844	20,602
Housing and development	54,331	54,231
Interest	2,459	2,459
Total	$ 3,580,016	$ 2,923,818

After reducing gross expenses by program revenues, the police function totals 23% of the net cost of services and the fire function totals 20% of these costs. Finally, the general government function is 9% of the total.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for the utility funds were 54% above 2020 and operating expenses were 61% above 2020. Within the total business type activities of the City, these activities reported $2,755,261 in operating income compared to operating income of $2,931,243 in the prior year, which is a decrease of 6% from 2020.

However, after transfers in and out between other funds and non-operating revenues and expenses, these funds reported an increase in net position of $676,032 in 2021 compared to net increase in net position of $1,310,145 in 2020. Each specific fund reported the following changes in net position:

	2021 Amounts	2020 Amounts
Water and sewer fund	$ 515,005	$ (207,195)
Electric utility fund	(249,022)	1,306,408
Gas utility fund	454,490	(4,741)
Sanitation fund	(44,441)	215,673

The water and sewer fund has an operating gain for 2021 of $89,828, which is an increase of $237,609 from 2020. During 2021, the revenues were slightly higher than the prior year. The 2021 expenses decreased $135,373. Over $161 thousand of this decrease was due to retirement and other post-employment benefits

The electric utility fund reported an increase in revenues of 53% or $12.5 million. This increase is due to an increase in usage. Expenses reported an increase of approximately 61% or approximately $12.7 million. The increase in expenses relates to an increase in electricity cost. The electricity utility transferred approximately $2.5 million 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 increased in calendar year 2021 by approximately $2.2 million or 112% and operating expenses increased approximately $2.1 million or 121%. Operating revenues and expenses increased due to increased demand, especially from industrial customers. This fund transferred $369,867 to the other funds as explained above.

The solid waste collection fund operating revenue increased in calendar year 2021 by $7,158 and operating expenses increased $213,878 or 83%. The increase in the fund's expenses is due to an increase 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 $3,226,400. Of this year-end total, $1,484,614 is unassigned indicating availability for continuing City service requirements and $1,741,786 is legally restricted for program purposes.

The total ending fund balances of governmental funds shows an increase of $1,148,522 compared to a decrease of $333,682 in the prior year amount. This increase is due to an increase in notes receivables and advances to other funds.

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 increased by approximately $1.0 million. In calendar year 2020, the fund balance decreased by approximately $456 thousand.

Overall, general fund revenues were 17% below the 2020 revenues. Intergovernmental decreased $282,770 due to less grant funds. Total taxes increased $70 thousand from calendar 2020. General fund licenses and permits decreased $12,891 when compared to calendar 2020. Fines and forfeitures decreased $20,361 from calendar 2020 due to a decrease in citations.

On the expenditure side, the 2021 expenditures increased $141,759 above the 2020 amount. The police and fire functions increased by $198,027 when compared to 2020. The street function's expenditures decreased 2% when compared to 2020.

The General Fund's ending fund balance increased 157%, and represents the equivalent of 47% 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 99% 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 below 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, 2021, was $3,061,555 and $10,028,440 respectively. This represents a 4% increase in net investment for governmental-type and a 12% increase for business-type activities. The overall increase was approximately 10% 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	
	2021	2020	2021	2020	2021	2020
Non-depreciable assets:						
Land	$ 286,506	$ 286,006	$ 23,057	$ 23,057	$ 309,563	$ 309,063
Construction in progress					-	-
	286,506	286,006	23,057	23,057	309,563	309,063
Depreciable assets:						
Buildings	2,246,190	2,123,118			2,246,190	2,123,118
Land and building improvements	95,531	95,531			95,531	95,531
Machinery and equipment	784,448	678,444			784,448	678,444
Vehicles	1,186,610	1,188,651			1,186,610	1,188,651
Furniture and fixtures	98,983	98,983			98,983	98,983
Infrastructure	3,330,677	3,319,177			3,330,677	3,319,177
Water system			12,604,570	11,891,473	12,604,570	11,891,473
Electric system			5,078,058	5,176,634	5,078,058	5,176,634
Gas system			1,772,562	1,045,131	1,772,562	1,045,131
Solid waste operations			536,421	597,512	536,421	597,512
Total depreciable assets	7,742,439	7,503,904	19,991,611	18,710,750	27,734,050	26,214,654
Less accumulated depreciation	4,967,390	4,848,061	9,986,228	9,747,749	14,953,618	14,595,810
Book value - depreciable assets	2,775,049	2,655,843	10,005,383	8,963,001	12,780,432	11,618,844
Percentage depreciated	64%	65%	50%	52%	54%	56%
Book value - all assets	$ 3,061,555	$ 2,941,849	$ 10,028,440	$ 8,986,058	$ 13,089,995	$ 11,927,907

At December 31, 2021, the depreciable capital assets for governmental activities were 64% depreciated compared to 65% at December 31, 2020.

With the City's business type activities, 50% of the asset values were depreciated at December 31, 2021, compared to 52% at December 31, 2020.

Long-term Debt

At the end of the calendar year, the City had capital lease obligations outstanding of $61,500 for governmental activities and $202,276 outstanding for business-type activities. The business type activities also owed $1,608,758 in GEFA notes payable.

During the year, the City retired $133,626 of outstanding capital lease obligations and incurred $161,577 in new capital lease obligations.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		%
	2021	2020	2021	2020	2021	2020	Change
Capital leases	$ 140,776	$ 41,150	$ 61,500	$ 35,157	$ 202,276	$ 76,307	165%
Notes	-	-	1,608,758	1,706,776	1,608,758	1,706,776	-6%
Total	$ 140,776	$ 41,150	$ 1,670,258	$ 1,741,933	$ 1,811,034	$ 1,783,083	2%

See Note 10 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 2020 Decennial Census reported the City's estimated population as 2,634. The City is the county seat for Screven County, Georgia. In 2020, the City's median household income was $30,595 according to the 2020 American Community Survey. In 2021, Screven County's unemployment rate was 5.6% and in Georgia, the unemployment rate was 3.9%.

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 81% of its power to industrial customers, with 76% 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 2020 was $37,694, reported by the US Bureau of Economic Analysis. 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. This past year the City, along with a grant from the federal government, completed a natural gas line expansion in the industrial park which included connecting Claxton Poultry's facility. In 2018, Claxton Poultry announced the opening of a deboning facility in the County's industrial park where the City supplies all utilities. Claxton Poultry provides over 200 jobs. The City hopes that with this natural gas line expansion it will encourage further industrial growth in the park. In 2018 and 2016, the City was awarded a Community Development Block Grant for sewer line improvements totaling $1,500,000. The City along with the Downtown Development Authority has developed an incentive plan to encourage new businesses to locate in the City and for existing businesses to make capital investments. These incentives include waiving taxes and fees. Other industries leading job growth in the City include professional, scientific, management and administration jobs.

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, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Current assets				
Cash and cash equivalents	$ 1,563,526	$ 161,064	$ 1,724,590	$ 19,013
Investments		570,643	570,643	
Receivables				
Accounts	72,987	5,366,172	5,439,159	
Intergovernmental	7,289	98,350	105,639	
Property taxes	63,651		63,651	
Other	8,810		8,810	
Notes	260,439		260,439	
Prepaid items	22,402	28,908	51,310	
Restricted assets - Cash	1,639,678		1,639,678	
Advances to (from) other funds	275,200	(275,200)	0	
Capital assets (Note 7)				
Nondepreciable capital assets	286,506	23,057	309,563	19,207
Depreciable capital assets, net	2,775,049	10,005,383	12,780,432	
Total assets	6,975,537	15,978,377	22,953,914	38,220
Deferred outflows of resources				
Pension:				
Difference between expected and actual experience	93,277	51,308	144,585	
Changes in assumptions	77,571	42,668	120,239	
Contributions after measurement date	253,053	139,194	392,247	
Total deferred outflows of resources	423,901	233,170	657,071	0
Liabilities				
Current liabilities				
Accounts payable	175,649	4,032,480	4,208,129	
Accrued salaries and wages	51,778	27,770	79,548	
Sales tax payable		29,526	29,526	
Accrued interest payable	133	3,135	3,268	
Unearned revenue	413,522		413,522	
Customer deposits payable		298,123	298,123	
Compensated absences payable	67,417	43,928	111,345	
Post-employment benefits payable	6,589	6,979	13,568	
Capital leases payable	33,384	17,056	50,440	
Notes payable		98,262	98,262	
Long-term liabilities (Note 10)				
Compensated absences payable (net of current portion)	100,034	69,477	169,511	
Net pension liability	1,113,625	612,560	1,726,185	
Post-employment benefits payable (net of current portion)	260,646	208,806	469,452	
Capital leases payable (net of current portion)	107,392	44,444	151,836	
Notes payable (net of current portion)		1,510,496	1,510,496	
Total liabilities	2,330,169	7,003,042	9,333,211	0
Deferred inflows of resources				
Pension:				
Difference between expected and actual experience	11,283	6,207	17,490	0
Difference between projected and actual earnings on plan investments	657,968	361,922	1,019,890	0
Total deferred inflows of resources	669,251	368,129	1,037,380	0
Net Position				
Net investment in capital assets (Note 14)	2,920,779	8,082,982	11,003,761	
Restricted for:				
Public safety - police	19,822		19,822	
Public works - streets	109,746		109,746	
Recreation	5,670		5,670	
Program purposes	1,584,146		1,584,146	38,220
Unrestricted	(240,145)	757,394	517,249	
Total net position	$ 4,400,018	$ 8,840,376	$ 13,240,394	$ 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, 2021

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	$ 735,746	$ 58,118	$ 46,365	$ 298,915	$ (332,348)		$ (332,348)	
Judicial	47,426				(47,426)		(47,426)	
Public safety								
Fire	742,751			23,567	(719,184)		(719,184)	
Police	999,150	81,831	17,762	50,000	(849,557)		(849,557)	
Animal control	7,401				(7,401)		(7,401)	
Public works								
Streets	625,585	23,695			(601,890)		(601,890)	
Garage	228,171				(228,171)		(228,171)	
Health and welfare	116,152	7,887	47,716		(60,549)		(60,549)	
Culture and recreation	20,844			242	(20,602)		(20,602)	
Housing and development	54,331	100			(54,231)		(54,231)	
Interest	2,459				(2,459)		(2,459)	
Total governmental activities	3,580,016	171,631	111,843	372,724	(2,923,818)	$ 0	(2,923,818)	
Business-type activities								
Water and sewer	1,332,214	1,388,468		429,752		486,006	486,006	
Electric utility	33,934,764	36,254,456				2,319,692	2,319,692	
Gas utility	3,832,627	4,121,574		535,410		824,357	824,357	
Solid waste collection	472,678	528,051				55,373	55,373	
Total business-type activities	39,572,283	42,292,549	0	965,162	0	3,685,428	3,685,428	
Total primary government	$ 43,152,299	$ 42,464,180	$ 111,843	$ 1,337,886	(2,923,818)	3,685,428	761,610	
Component Unit								
Downtown Development Authority of Sylvania								$ 0
		General Revenues						
		Property taxes levied for general government purposes			418,744		418,744	
		Local option sales and use taxes			258,326		258,326	
		Insurance premium taxes			215,398		215,398	
		Alcohol taxes			101,031		101,031	
		Hotel-motel taxes			27,799		27,799	
		Franchise taxes			34,295		34,295	
		Investment earnings (loss)			22,364	(10,531)	11,833	
		Miscellaneous			40,572		40,572	
		Total general revenues			1,118,529	(10,531)	1,107,998	0
		Transfers			2,998,865	(2,998,865)	0	
		Total general revenues and transfers			4,117,394	(3,009,396)	1,107,998	0
		Change in net position			1,193,576	676,032	1,869,608	0
		Net position beginning of year			3,206,442	8,164,344	11,370,786	38,220
		Net position end of year			$ 4,400,018	$ 8,840,376	$ 13,240,394	$ 38,220

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

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

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,563,526			$ 1,563,526
Restricted cash and cash equivalents	25,772	$ 478,058	$ 1,135,848	1,639,678
Receivables:				
Accounts	40,510		32,477	72,987
Intergovernmental	7,289			7,289
Property taxes	63,651			63,651
Other	8,810			8,810
Notes		260,439		260,439
Interfund balances	181,451			181,451
Prepaid items	22,402			22,402
Advances to other funds		275,200		275,200
Total assets	$ 1,913,411	$ 1,013,697	$ 1,168,325	$ 4,095,433
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 172,746		$ 2,903	$ 175,649
Accrued expenditures	51,778			51,778
Unearned revenue			413,522	413,522
Interfund balances			181,451	181,451
Total liabilities	224,524	$ 0	597,876	822,400
Deferred inflows of resources				
Property taxes	46,633			46,633
Total liabilities and deferred inflows of resources	271,157	0	597,876	869,033
Fund balances				
Nonspendable:				
Prepaid items	22,402			22,402
Notes receivable		224,108		224,108
Advances to other funds		275,200		275,200
Restricted for:				
Capital projects	109,746		562,088	671,834
Public safety	19,822		7,689	27,511
Recreation	5,670			5,670
Housing and development		514,389		514,389
Program purposes			672	672
Unassigned	1,484,614			1,484,614
Total fund balances	1,642,254	1,013,697	570,449	3,226,400
Total liabilities, deferred inflows of resources and fund balances	$ 1,913,411	$ 1,013,697	$ 1,168,325	$ 4,095,433

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, 2021

Total governmental fund balances		$ 3,226,400
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		46,633
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	$ 8,028,945	
Less accumulated depreciation	(4,967,390)	3,061,555
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, 2021, are:		
Deferred outflows		423,901
Deferred inflows		(669,251)
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	(140,776)	
Accrued interest payable	(133)	
Compensated absences payable	(167,451)	
Net pension obligation	(1,113,625)	
Post-employment benefits payable	(267,235)	(1,689,220)
Net position of governmental activities		$ 4,400,018

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, 2021

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 1,024,678		$ 27,799	$ 1,052,477
Intergovernmental	139,045		345,280	484,325
Licenses and permits	50,321			50,321
Charges for services	41,339			41,339
Fines and forfeitures	77,552		2,419	79,971
Investment earnings	4,234	$ 17,458	914	22,606
Miscellaneous	40,572			40,572
Total revenues	1,377,741	17,458	376,412	1,771,611
Expenditures				
Current:				
General government				
Legislative	19,260			19,260
Executive - Mayor	5,752			5,752
Executive - Manager	221,151			221,151
Financial administration	460,238			460,238
Elections	3,808			3,808
Purchase/contract services	39,295			39,295
Judicial	47,426			47,426
Public safety:				
Police	1,042,205		2,982	1,045,187
Fire	717,973			717,973
Animal control	7,401			7,401
Public works:				
Streets	595,007			595,007
Garage	203,809			203,809
Health and welfare	122,644			122,644
Culture and recreation	6,205			6,205
Housing and development -				
Economic development and assistance	35,614		17,374	52,988
Capital outlays			170,829	170,829
Debt service:				
Principal retirement	21,943			21,943
Interest and fiscal charges	1,738			1,738
Total expenditures	3,551,469	0	191,185	3,742,654
Excess (deficit) of revenues to expenditures	(2,173,728)	17,458	185,227	(1,971,043)
Other financing sources (uses)				
Inception of capital lease	120,700			120,700
Interfund transfers	3,055,655		(56,790)	2,998,865
Total other financing sources (uses)	3,176,355	0	(56,790)	3,119,565
Net change in fund balances	1,002,627	17,458	128,437	1,148,522
Fund balances beginning of year	639,627	996,239	442,012	2,077,878
Fund balances end of year	$ 1,642,254	$ 1,013,697	$ 570,449	$ 3,226,400

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, 2021

Net changes in fund balances - total governmental funds		$ 1,148,522
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (253,215)	
Capital outlay	372,921	119,706
Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 12/31/21	46,633	
Deferred at 12/31/20	(43,517)	3,116
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 12/31/21	(133)	
Liability at 12/31/20	281	148
The issuance of long-term debt (e.g., notes payable, capital leases) provides current financial resources to the governmental funds, but the receipt of proceeds from long-term debt increases long-term liabilities in the statement of net position.		(120,700)
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.		21,074
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 12/31/21	(167,451)	
Liability at 12/31/20	154,427	(13,024)
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 12/31/21	(1,113,625)	
Balance at 12/31/20	2,156,800	1,043,175
Deferred inflows/outflows of resources from pensions		
Balance at 12/31/21	(245,350)	
Balance at 12/31/20	(734,459)	(979,809)
Post-employment benefits reported in the statement of activities do not require the use of funds.		
Liability at 12/31/21	(267,235)	
Liability at 12/31/20	238,603	(28,632)
Change in net position of governmental activities		$ 1,193,576

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

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

	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	$ 40,881	$ 120,183			$ 161,064
Investments		570,643			570,643
Receivables:					
Accounts	185,575	4,534,607	$ 568,822	$ 77,168	5,366,172
Intergovernmental			98,350		98,350
Prepaid insurance	20,907	6,477	1,524		28,908
Total current assets	247,363	5,231,910	668,696	77,168	6,225,137
Noncurrent assets					
Capital assets					
Nondepreciable capital assets	16,550			6,507	23,057
Depreciable capital assets, net	6,622,030	2,304,882	1,035,147	43,324	10,005,383
Total noncurrent assets	6,638,580	2,304,882	1,035,147	49,831	10,028,440
Total assets	6,885,943	7,536,792	1,703,843	126,999	16,253,577
Deferred outflows of resources					
Pension:					
Difference between expected and actual experience	19,151	24,858	7,299		51,308
Changes in assumptions	15,926	20,672	6,070		42,668
Contributions after measurement date	51,954	67,437	19,803		139,194
Total deferred outflows of resources	87,031	112,967	33,172	0	233,170
Liabilities					
Current liabilities					
Accounts payable	158,109	3,373,772	424,429	76,170	4,032,480
Accrued payroll	7,707	14,720	5,343		27,770
Sales tax payable		29,526			29,526
Accrued interest payable	3,135				3,135
Customer deposits payable		298,123			298,123
Compensated absences payable	13,233	23,454	3,919	3,322	43,928
Post employment benefit payable		6,979			6,979
Capital lease payable	7,847	9,209			17,056
Notes payable	98,262				98,262
Total current liabilities	288,293	3,755,783	433,691	79,492	4,557,259
Long-term liabilities (net of current portion):					
Compensated absences payable	29,042	26,708	13,727		69,477
Post-employment benefit payable	89,728	78,553	8,391	32,134	208,806
Net pension liability	228,639	296,775	87,146		612,560
Capital lease payable	27,307	17,137			44,444
Notes payable	1,510,496				1,510,496
Advances from other funds			275,200		275,200
Total long-term liabilities	1,885,212	419,173	384,464	32,134	2,720,983
Total liabilities	2,173,505	4,174,956	818,155	111,626	7,278,242
Deferred inflows of resources					
Pension:					
Difference between expected and actual experience	2,317	3,007	883		6,207
Difference between projected and actual earnings on plan investments	135,088	175,345	51,489		361,922
Total deferred inflows of resources	137,405	178,352	52,372	0	368,129
Net Position					
Net investment in capital assets (Note 15)	4,994,668	2,278,536	759,947	49,831	8,082,982
Unrestricted	(332,604)	1,017,915	106,541	(34,458)	757,394
Total net position	$ 4,662,064	$ 3,296,451	$ 866,488	$ 15,373	$ 8,840,376

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, 2021

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electricity Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Operating revenues					
Charges for services	$ 1,379,068	$ 36,249,570	$ 4,121,574	$ 528,051	$ 42,278,263
Miscellaneous	9,400	4,886			14,286
Total operating revenues	1,388,468	36,254,456	4,121,574	528,051	42,292,549
Operating expenses					
Cost of sales		32,950,648	3,547,410		36,498,058
Salaries	149,369	337,231	126,743		613,343
Social security	15,369	35,182	12,998	278	63,827
Group insurance	25,104	58,212	14,808		98,124
Retirement and other post-employment benefits	20,747	(23,355)	51,477	(13,132)	35,737
Workers' compensation	5,322	10,938	2,419		18,679
Contract labor and services	393,557	6,866		453,247	853,670
Chemicals	8,840				8,840
Materials and supplies	31,249	105,409	9,667		146,325
Gas, oil, and tires	5,975	13,913	3,588	400	23,876
Uniforms and safety equipment	1,952	1,400	878		4,230
Vehicle repairs	8,391	35,105	3,367		46,863
Engineering and consulting	64,568	14,456	2,700		81,724
Postage	2,511	514	287		3,312
Communications	1,716	2,761	1,990		6,467
Insurance	54,318	17,941	4,277		76,536
Public utilities	185,014	24,746	1,884		211,644
Maintenance and testing	77,573	190,750	22,659		290,982
Bad debts	2,820	(483)	3,377		5,714
Other	2,287	8,155	3,480		13,922
Depreciation	241,958	142,954	18,618	31,885	435,415
Total operating expenses	1,298,640	33,933,343	3,832,627	472,678	39,537,288
Operating income	89,828	2,321,113	288,947	55,373	2,755,261
Non-operating revenues (expenses)					
Interest and fiscal charges	(33,574)	(1,421)			(34,995)
Investment earnings (loss)	6	(2,268)			(2,262)
Grant proceeds	429,752		535,410		965,162
MEAG Generation Trust investment loss		(8,269)			(8,269)
Total non-operating revenues (expenses)	396,184	(11,958)	535,410	0	919,636
Income before transfers	486,012	2,309,155	824,357	55,373	3,674,897
Interfund transfers	28,993	(2,558,177)	(369,867)	(99,814)	(2,998,865)
Change in net position	515,005	(249,022)	454,490	(44,441)	676,032
Net position beginning of year	4,147,059	3,545,473	411,998	59,814	8,164,344
Net position end of year	$ 4,662,064	$ 3,296,451	$ 866,488	$ 15,373	$ 8,840,376

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, 2021

	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	$ 1,371,332	$ 35,556,114	$ 3,949,832	$ 511,693	$ 41,388,971
Cash payments to employees for personal services	(255,799)	(536,296)	(180,758)	(4,531)	(977,384)
Cash payments for goods and services	(865,923)	(32,145,257)	(3,384,137)	(407,348)	(36,802,665)
Net cash provided by operating activities	249,610	2,874,561	384,937	99,814	3,608,922
Cash flows from noncapital financing activities					
Interfund transfers	28,993	(2,558,177)	(369,867)	(99,814)	(2,998,865)
Cash flows from capital and related financing activities					
Grant proceeds	435,377		437,060		872,437
Proceeds from note payable			275,301		275,301
Principal paid on debt	(62,864)	(8,811)			(71,675)
Interest paid on debt	(33,574)	(1,421)			(34,995)
Payments for capital acquisitions	(645,455)	(16,250)	(727,431)		(1,389,136)
Net cash used for capital and related financing activities	(306,516)	(26,482)	(15,070)	0	(348,068)
Cash flows from investing activities					
Investment earnings	6	(10,537)			(10,531)
Purchases of investments		(275,182)			(275,182)
Net cash provided by (used for) investing activities	6	(285,719)	0	0	(285,713)
Net increase (decrease) in cash and cash equivalents	(27,907)	4,183	0	0	(23,724)
Cash and cash equivalents beginning of year	68,788	116,000			184,788
Cash and cash equivalents end of year	$ 40,881	$ 120,183	$ 0	$ 0	$ 161,064

(continued)

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

(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	$ 89,828	$ 2,321,113	$ 288,947	$ 55,373	$ 2,755,261
Adjustments:					
Depreciation	241,958	142,954	18,618	31,885	435,415
Increase in assets:					
Accounts receivable	(17,136)	(696,431)	(171,742)	(16,358)	(901,667)
Prepaid insurance	(8,403)	(4,349)	(982)		(13,734)
Increase (decrease) in liabilities:					
Accounts payable	(16,749)	1,231,273	222,409	46,299	1,483,232
Accrued liabilities	1,967	3,307	889	(1,060)	5,103
Compensated absences payable	(3,973)	(18,449)	(836)	(3,193)	(26,451)
Customer deposits		(1,911)			(1,911)
Post-retirement benefit payable	(21,512)	(22,535)	(1,890)	(13,132)	(59,069)
Net pension liability	(16,370)	(80,411)	29,524		(67,257)
Net cash provided by operating activities	$ 249,610	$ 2,874,561	$ 384,937	$ 99,814	$ 3,608,922

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, 2021. 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, 2021, 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.

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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."

Accrued Liabilities and Long-term Obligations

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

Note 2 - Summary of Significant Accounting Policies (continued)

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."

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Recent accounting Pronouncement, not yet adopted

In June 2017, GASB issued GASB Statement No. 87, "Leases." The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement requires recognition of certain lease assets and liabilities for leases that were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement is effective for the City in 2022. The City is currently assessing the financial statement impact of adopting this statement.

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.

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, 2021, the City was not exposed to custodial credit risk.

Investments - Municipal Competitive Trust - At year end, proprietary fund investments were $570,643 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, 2021, 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 7, 2021; the tax bills were mailed September 24, 2021; and were due December 20, 2021. The lien date is December 30, 2021.

Note 7 - Capital Assets

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

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 286,006	$ 500		$ 286,506
Depreciable capital assets				
Buildings	2,123,118	$ 123,072		2,246,190
Land and building improvements	95,531			95,531
Machinery and equipment	678,444	106,004		784,448
Vehicles	1,188,651	131,845	$ 133,886	1,186,610
Furniture and fixtures	98,983			98,983
Infrastructure	3,319,177	11,500		3,330,677
Total depreciable capital assets	7,503,904	372,421	133,886	7,742,439
Total capital assets	7,789,910	372,921	133,886	8,028,945
Accumulated depreciation:				
Buildings	1,328,637	47,707		1,376,344
Land and building improvements	45,592	2,067		47,659
Machinery and equipment	515,873	54,990		570,863
Vehicles	1,052,707	76,486	133,886	995,307
Furniture and fixtures	89,595	1,357		90,952
Infrastructure	1,815,657	70,608		1,886,265
Total accumulated depreciation	4,848,061	253,215	133,886	4,967,390
Governmental activities capital assets, net	$ 2,941,849	$ 119,706	$ 0	$ 3,061,555

Governmental activities depreciation expense	
General government	$ 18,048
Public safety - fire	74,060
Public safety - police	56,245
Public works - streets	80,622
Public works - garage	8,258
Recreation	14,639
Housing and development	1,343
Total governmental activities depreciation expense	$ 253,215

The remainder of this page is intentionally left blank.

Note 7 - Capital Assets (continued)

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

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
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	3,352,890	$ 693,239		4,046,129
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	40,877	$ 21,019	347,537
Other	787,243			787,243
Total depreciable capital assets	11,891,473	734,116	21,019	12,604,570
Total capital assets	11,908,023	734,116	21,019	12,621,120
Accumulated depreciation:				
Building and pump stations	1,657,931	67,673		1,725,604
Sewer collection system	1,466,917	105,276		1,572,193
Water tank and wells	625,517	11,850		637,367
Water mains and hydrants	880,942	23,207		904,149
Meters	81,564	109		81,673
Vehicles	327,679	6,813	21,019	313,473
Other	721,051	27,030		748,081
Total accumulated depreciation	5,761,601	241,958	21,019	5,982,540
Water and sewer capital assets, net	$ 6,146,422	$ 492,158	$ 0	$ 6,638,580
Business-type activities:				
Electric utility fund:				
Depreciable capital assets:				
Buildings	$ 474,045			$ 474,045
Meters	73,199			73,199
Lines, transformers and poles	3,420,544			3,420,544
Vehicles	809,234		$ 114,826	694,408
Machinery and equipment	399,612	$ 16,250		415,862
Total capital assets	5,176,634	16,250	114,826	5,078,058

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Note 7 - Capital Assets (continued)

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
Accumulated depreciation:				
Buildings	242,129	14,792		256,921
Meters	73,270			73,270
Lines, transformers and poles	1,428,370	75,736		1,504,106
Vehicles	667,003	40,333	114,826	592,510
Machinery and equipment	334,276	12,093		346,369
Total accumulated depreciation	2,745,048	142,954	114,826	2,773,176
Electric utility capital assets, net	$ 2,431,586	$ (126,704)	$ 0	$ 2,304,882
Gas utility fund:				
Depreciable capital assets:				
Buildings	$ 2,509			$ 2,509
Gas mains	802,467	$ 727,431		1,529,898
Meters and regulators	108,600			108,600
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total capital assets	1,045,131	$ 727,431	$ 0	1,772,562
Accumulated depreciation:				
Buildings	2,098	63		2,161
Gas mains	509,054	15,738		524,792
Meters and regulators	76,090	2,817		78,907
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total accumulated depreciation	718,797	18,618	0	737,415
Gas utility fund capital assets, net	$ 326,334	$ 708,813	$ 0	$ 1,035,147
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		$ 61,091	361,380
Machinery and equipment	163,592			163,592
Total depreciable capital assets	597,512	$ 0	61,091	536,421
Total capital assets	604,019	0	61,091	542,928

Note 7 - Capital Assets (continued)

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
Accumulated depreciation:				
Buildings	10,119	382		10,501
Vehicles	385,604	19,235	61,091	343,748
Machinery and equipment	126,580	12,268		138,848
Total accumulated depreciation	522,303	31,885	61,091	493,097
Solid waste collection fund capital assets, net	$ 81,716	$ (31,885)	$ 0	$ 49,831

Note 8 - Interfund Balances, Advances 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.

Hotel/motel tax fund payable to the general fund for amounts receivable from taxpayers and due to the general fund was $15,637 at December 31, 2021.

2013 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $101,380 at December 31, 2021.

2019 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $64,434 at December 31, 2021.

Advances to/from other funds represent loans made from one fund to another that are expected to be repaid within a time period greater than one year. The only advance outstanding at December 31, 2021, was $275,200 that was loaned from the UDAG fund to the gas utility fund for the construction of a gas line exension. This interfund loan will be repaid as revenues are received from new gas utility customers on the extension.

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

The hotel/motel tax fund transferred $10,425 to the general fund pursuant to provisions of state law.

The electric fund transferred $2,536,727 to the general fund to supplement its finances.

The natural gas fund (non-major) transferred $372,379 to the general fund to supplement its finances.

The solid waste collection fund transferred $99,814 to the general fund to supplement its finances.

The American Rescue special revenue fund (non-major) transferred $36,310 to the general fund for the payment of qualified expenditures.

The American Rescue special revenue fund (non-major) transferred $2,512 to the water/sewer fund for the payment of qualified expenditures.

The American Rescue special revenue fund (non-major) transferred $5,031 to the electric fund for the payment of qualified expenditures.

The American Rescue special revenue fund (non-major) transferred $2,512 to the natural gas fund for the payment of qualified expenditures.

The electric fund transferred $26,481 to the water and sewer fund to supplement its finances.

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 - 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 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 $0 (cost of $30,437, less accumulated depreciation of $30,437). This capital lease was paid off during the year ended December 31, 2021.

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 $8,948 (cost of $33,558, less accumulated depreciation of $24,610). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 3,095	$ 204	$ 3,299
2023	3,193	106	3,299
	$ 6,288	$ 310	$ 6,598

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Note 10 - Long-Term Liabilities (continued)

Capital lease payable to USDA in annual payments of $7,796. The vehicles acquired by the lease are included in governmental activities general capital assets in the amount of $46,762 (cost of $84,941, less accumulated depreciation of $38,179). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 7,135	$ 661	$ 7,796
2023	7,349	447	7,796
2024	7,563	233	7,796
	$ 22,047	$ 1,341	$ 23,388

Capital lease payable to USDA in annual payments of $9,753. The vehicles acquired by the lease are included in governmental activities general capital assets in the amount of $87,613 (cost of $97,347, less accumulated depreciation of $9,744). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 8,780	$ 973	$ 9,753
2023	8,966	787	9,753
2024	9,157	596	9,753
2025	9,351	402	9,753
2026	9,546	207	9,753
	$ 45,800	$ 2,965	$ 48,765

Capital lease payable to USDA in annual payments of $3,386. The vehicle acquired by the lease is included in governmental activities general capital assets in the amount of $31,048 (cost of $34,498, less accumulated depreciation of $3,450). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 3,048	$ 338	$ 3,386
2023	3,113	273	3,386
2024	3,179	207	3,386
2025	3,247	139	3,386
2026	3,313	73	3,386
	$ 15,900	$ 1,030	$ 16,930

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Note 10 - Long-Term Liabilities (continued)

Capital lease payable to Georgia Municipal Association in quarterly payments of $3,205. The vehicles acquired by the lease are included in governmental activities general capital assets in the amount of $57,531 (cost of $62,091, less accumulated depreciation of $4,560). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 11,326	$ 1,494	$ 12,820
2023	11,694	1,126	12,820
2024	12,074	746	12,820
2025	12,466	354	12,820
2026	3,181	24	3,205
	$ 50,741	$ 3,744	$ 54,485

Business-Type Activities

Capital lease payable to Georgia Municipal Association in quarterly payments of $2,220. The boom mower acquired by the lease is included in the water and sewer fund capital assets in the amount of $34,064 (cost of $40,877 less accumulated depreciation of $6,813). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 7,847	$ 1,035	$ 8,882
2023	8,102	780	8,882
2024	8,365	517	8,882
2025	8,637	245	8,882
2026	2,203	17	2,220
	$ 35,154	$ 2,594	$ 37,748

Capital lease 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 $32,786 (cost of $45,900 less accumulated depreciation of $13,114). 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 9,209	$ 1,023	$ 10,232
2023	9,627	605	10,232
2024	7,510	164	7,674
	$ 26,346	$ 1,792	$ 28,138

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Note 10 - 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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 76,408	$ 27,082	$ 103,490
2023	77,974	25,516	103,490
2024	79,572	23,918	103,490
2025	81,202	22,288	103,490
2026	82,866	20,624	103,490
2027-2031	440,507	76,944	517,451
2032-2036	487,524	29,927	517,451
2037	4,855	215	5,070
Total	$ 1,330,908	$ 226,514	$ 1,557,422

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, 2021, follow:

Year	Principal	Interest	Total
2022	$ 21,854	$ 5,310	$ 27,164
2023	22,272	4,892	27,164
2024	22,699	4,465	27,164
2025	23,134	4,030	27,164
2026	23,578	3,586	27,164
2027-2031	124,842	10,976	135,818
2032-2033	39,471	976	40,447
Total	$ 277,850	$ 34,235	$ 312,085

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Note 10 - 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, 2021:

Governmental Activities	Outstanding 12/31/2020	Additions	Reductions	Outstanding 12/31/2021	Amounts Due in One Year
Capital lease	$ 2,890		$ 2,890	$ 0	
Capital lease	9,285		2,997	6,288	$ 3,095
Capital lease	28,975		6,928	22,047	7,135
Capital lease		$ 45,800		45,800	8,780
Capital lease		15,900		15,900	3,048
Capital lease		59,000	8,259	50,741	11,326
Compensated absences	154,427	89,740	76,716	167,451	67,417
Post-employment benefits	238,603	29,982	1,350	267,235	6,589
Net pension liability	2,156,800		1,043,175	1,113,625	
Total Government-Type Activities	$ 2,590,980	$ 240,422	$ 1,142,315	$ 1,689,087	$ 107,390
Business-Type Activities					
Capital lease (water and sewer)		$ 40,877	$ 5,723	$ 35,154	$ 7,847
Capital lease (electric)	$ 35,157		8,811	26,346	9,209
GEFA loan - 2015	1,406,546		75,638	1,330,908	76,408
GEFA loan - 2017	300,230		22,380	277,850	21,854
Compensated absences	139,856	27,123	53,574	113,405	43,928
Post-employment benefits	274,854		59,069	215,785	6,979
Net pension liability	1,235,508		622,948	612,560	
Total Business-Type Activities	$ 3,392,151	$ 68,000	$ 848,143	$ 2,612,008	$ 166,225

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 2021, 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 2021, post-employment benefit liabilities were liquidated through the general fund, electric utility fund and solid waste collection fund.

The total interest expense for the year ended December 31, 2021, was $2,459 for governmental-type activities and $34,995 for business-type activities, all of which was charged to operations.

Note 11 - 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, 2017, are not eligible to participate in this plan but are eligible for the City's defined contribution plan. See Note 12.

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, 2021, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	34
Active employees	36
Total	106

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 $427,906 for the year ended December 31, 2021.

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Note 11 - 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, 2021, using an annual actuarial valuation as of July 1, 2021. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	July 1, 2021
Measurement date	March 31, 2021
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 eleven 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, 2021, 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 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, 2021, (see the discussion of the pension plan's investment policy) are summarized in the following table.

Note 11 - Defined Benefit Pension Plan (continued)

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

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, 2020	$ 8,476,409	$ 5,084,101	$ 3,392,308
Changes for the year:			
Service cost	69,339		69,339
Interest	613,302		613,302
Differences between expected and actual experience	216,876		216,876
Contributions - employer		298,910	(298,910)
Net investment income		2,285,867	(2,285,867)
Benefit payments	(459,587)	(459,587)	0
Administrative expense		(19,137)	19,137
Net changes	439,930	2,106,053	(1,666,123)
Balances as of March 31, 2021	$ 8,916,339	$ 7,190,154	$ 1,726,185

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

1% Decrease	Current Discount Rate	1% Increase
$ 2,748,872	$ 1,726,185	$ 860,963

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Note 11 - Defined Benefit Pension Plan (continued)

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

For the year ended December 31, 2021, the City recognized pension expense of $297,282. At December 31, 2021, 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	$ 144,585	$ (17,490)
Pension contributions subsequent to measurement date	392,247	
Net difference between projected and actual earnings on pension plan investments		(1,019,890)
Changes of assumptions	120,239	
Total	$ 657,071	$ (1,037,380)

$392,247 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, 2022. 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:	
2022	$ (53,055)
2023	(111,194)
2024	(224,798)
2025	(383,509)
	$ (772,556)

Note 12 - 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 $30,735 in 2021.

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. Employee and employer contributions to this plan were $13,259 and $15,706, respectively, in 2021.

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 13 - 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 2021. Two employee ceased receiving benefits during 2021; one began receiving benefits in 2021. For 2021, the City recognized negative benefit expense of $19,639.

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	$	(35,043)
Interest on net OPEB obligation		15,404
Annual OPEB cost		(19,639)
Contributions made		10,798
Decrease in net OPEB obligation		(30,437)
Net OPEB obligation, beginning of year		513,457
Net OPEB obligation, end of year	$	483,020

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 13 - 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
12/31/2021	(19,639)	(19,639)	10,798	-54.98%	483,020

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%
12/31/2021	0	483,020	0	483,020	647,212	74.63%

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.

Note 14 - 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, 2021, is as follows:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 8,028,945	$ 20,014,668
Less accumulated depreciation	4,967,390	9,986,228
Book value	3,061,555	10,028,440
Less capital related debt	140,776	1,945,458
	$ 2,920,779	$ 8,082,982

Note 15 - 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, 2021. No provisions have been made in the financial statements for the year ended December 31, 2021, 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.

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Note 16 - 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, 2021, the outstanding debt of MEAG was approximately $9.1 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $99 million at December 31, 2021.

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 a fund, the Flexible Operating Trust Account, in which the City participates. This account is available to the City for withdrawal without restriction. This account has a balance of $570,643 at December 31, 2021, and is included as a current investment in the electric utility fund.

Note 17 - Commitments

The city had contractual commitments at December 31, 2021, of approximately $281,849 for water and sewer projects. Future appropriations will fund these commitments as work is performed.

Note 18 - 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.

Contractual Obligation - The City, through its cooperative participation in 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.

Note 18 - Contingent Liabilities (continued)

Economic Dependency - The City's electric utility fund received approximately 81% of its sales revenue from its industrial customers, with 76% of total sales to 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 19 - 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 20 - 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 21 Subsequent Events

Subsequent events have been evaluated by management through July 18, 2022.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	$ 961,250	$ 961,250	$ 1,024,678	$ 63,428
Intergovernmental	193,800	193,800	139,045	(54,755)
Licenses and permits	61,850	61,850	50,321	(11,529)
Charges for services	32,750	32,750	41,339	8,589
Fines and forfeitures	127,200	127,200	77,552	(49,648)
Investment earnings	2,000	2,000	4,234	2,234
Miscellaneous	25,000	25,000	40,572	15,572
Total revenues	1,403,850	1,403,850	1,377,741	(26,109)
Expenditures				
Current:				
General government:				
Legislative	22,102	22,102	19,260	2,842
Executive - Mayor	8,418	8,418	5,752	2,666
Executive - Manager	211,950	221,250	221,151	99
Financial administration	402,475	460,275	460,238	37
Elections	4,000	4,000	3,808	192
Purchase/contractual services	55,450	55,450	39,295	16,155
Judicial	77,770	77,770	47,426	30,344
Public safety:				
Police	1,062,700	1,062,700	1,056,271	6,429
Fire	618,975	717,975	717,973	2
Animal control	8,960	8,960	7,401	1,559
Public works:				
Streets	606,150	606,150	604,622	1,528
Garage	197,000	203,900	203,809	91
Health and welfare - nutrition program	147,800	147,800	122,644	25,156
Culture and recreation	10,000	10,000	6,205	3,795
Housing and development				
Economic development and assistance	41,200	41,200	35,614	5,586
Total expenditures	3,474,950	3,647,950	3,551,469	96,481
Deficit of revenues to expenditures	(2,071,100)	(2,244,100)	(2,173,728)	70,372
Other financing sources				
Inception of capital lease	120,000	120,000	120,700	700
Proceeds from sale of assets	16,780	16,780		(16,780)
Interfund transfers	1,934,320	1,934,320	3,055,655	1,121,335
Total other financing sources	2,071,100	2,071,100	3,176,355	1,105,255
Net change in fund balances	$ 0	$ (173,000)	1,002,627	$ 1,175,627
Fund balances beginning of year			639,627	
Fund balances end of year			$ 1,642,254	

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, 2021

	Original Original Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 1,700	$ 17,458	$ 15,758
Expenditures			
Current:			
Housing and development - economic and assistance	238,000		238,000
Net change in fund balance	$ (236,300)	17,458	$ 253,758
Fund balances beginning of year		996,239	
Fund balances end of year		$ 1,013,697	

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 was one budget revision.

All unexpended annual appropriations lapse at year-end.

On the budgetary basis, debt service expenditures (i.e. $23,681) 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	$ 1,042,205	$ 14,066	$ 1,056,271
Public works:			
Streets	595,007	9,615	604,622
Debt service:			
Principal	21,943	(21,943)	0
Interest and fiscal charges	1,738	(1,738)	0
	$ 1,660,893	$ 0	$ 1,660,893

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, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	$ 69,339	$ 82,827	$ 74,159	$ 91,216	$ 89,693	$ 115,252	$ 101,131
Interest	613,302	583,328	549,385	474,552	455,175	435,093	396,159
Difference between expected and actual experience	216,876	(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	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Other				594,128			
Net change in total pension liability	439,930	588,670	452,169	1,182,381	258,207	263,992	509,619
Total pension liability - beginning	8,476,409	7,887,739	7,435,570	6,253,189	5,994,982	5,730,990	5,221,371
Total pension liability - ending	$ 8,916,339	$ 8,476,409	$ 7,887,739	$ 7,435,570	$ 6,253,189	$ 5,994,982	$ 5,730,990
Plan fiduciary net position							
Contributions - employer	$ 298,910	$ 397,601	$ 337,158	$ 271,675	$ 323,014	$ 303,069	$ 300,670
Net investment income	2,285,867	(383,172)	191,734	591,131	526,921	11,277	360,329
Benefit payments, including refunds of employee contributions	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Administrative expense	(19,137)	(20,927)	(19,989)	(19,772)	(21,328)	(14,786)	(13,703)
Net change in fiduciary net position	2,106,053	(392,230)	139,724	583,161	585,095	65,787	428,022
Plan fiduciary net position - beginning	5,084,101	5,476,331	5,336,607	4,753,446	4,168,351	4,102,564	3,674,542
Plan fiduciary net position - ending	$ 7,190,154	$ 5,084,101	$ 5,476,331	$ 5,336,607	$ 4,753,446	$ 4,168,351	$ 4,102,564
Net pension liability - ending	$ 1,726,185	$ 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	80.64%	59.98%	69.43%	71.77%	76.02%	69.53%	71.59%
Covered employee payroll	1,705,482	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	101.21%	197.85%	105.58%	100.43%	67.77%	80.54%	68.61%

Changes in assumptions

Amounts reported for the fiscal year ending in 2021 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, 2021

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.

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, 2021

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 418,066	$ 390,385	$ 287,473	$ 298,350	$ 329,802	$ 294,158
Contributions in relation to actuarially determined contribution	*	$ 343,227	$ 390,385 **	$ 287,473 **	$ 325,834 **	$ 303,393 **	$ 319,395 **
Contribution deficiency (excess)	*	$ 74,839	$ 0	$ 0	$ (27,484)	$ 26,409	$ (25,237)
Covered-employee payroll	*	$ 1,714,629	$ 2,284,018 ***	$ 2,089,977 ***	$ 2,213,025 ***	$ 2,267,939 ***	$ 2,373,473 ***
Contributions as a percentage of covered-employee payroll	*	20.02%	17.09%	13.75%	14.72%	13.38%	13.46%

Notes to Schedule of Contributions

* 2021 information will be determined after fiscal year end and will be included in the 2022 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, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2022.

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City of Sylvania, Georgia
Schedule of Contributions
Defined Benefit Pension Plan
For the Year Ended December 31, 2021

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, 2021

As of the most recent valuation date, December 31, 2021, 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%
12/31/2021	0	483,020	483,020	0.00%	647,212	74.63%

The assumptions used in the preparation of the above schedule are disclosed in Note 13 to the financial statements.

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

	2021	2020
Assets		
Cash and cash equivalents	$ 1,563,526	$ 737,806
Restricted cash and cash equivalents	25,772	14,745
Receivables:		
Accounts	40,510	40,524
Intergovernmental	7,289	5,970
Property taxes	63,651	71,995
Other	8,810	5,183
Interest		
Interfund balances	181,451	58,551
Prepaid items	22,402	25,580
Total assets	$ 1,913,411	$ 960,354
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 172,746	$ 166,427
Accrued expenditures	51,778	39,237
Interfund balances		71,546
Total liabilities	224,524	277,210
Deferred inflows of resources - property taxes	46,633	43,517
Total liabilities and deferred inflows of resources	271,157	320,727
Fund balances		
Nonspendable - prepaid items	22,402	25,580
Restricted for		
Capital projects	109,746	109,746
Public safety - police	19,822	9,075
Recreation	5,670	5,670
Unassigned	1,484,614	489,556
Total fund balances	1,642,254	639,627
Total liabilities, deferred inflows of resources and fund balances	$ 1,913,411	$ 960,354

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

	2021	2020
Revenues		
Taxes	$ 1,024,678	$ 967,638
Intergovernmental	139,045	421,815
Licenses and permits	50,321	63,212
Charges for services	41,339	44,153
Fines and forfeitures	77,552	97,913
Investment earnings	4,234	7,460
Miscellaneous	40,572	56,972
Total revenues	1,377,741	1,659,163
Expenditures		
Current:		
General government		
Legislative	19,260	19,242
Executive - Mayor	5,752	5,267
Executive - Manager	221,151	209,471
Financial administration	460,238	402,502
Elections	3,808	
Purchase/contract services	39,295	28,668
Judicial	47,426	49,771
Public safety		
Police	1,042,205	917,136
Fire	717,973	645,015
Animal control	7,401	5,919
Public works:		
Streets	595,007	610,107
Garage	203,809	206,533
Health and welfare - nutrition program	122,644	193,840
Culture and recreation	6,205	5,234
Housing and development - economic development and assistance	35,614	42,203
Debt service:		
Principal retirement	21,943	23,008
Interest and fiscal charges	1,738	1,998
Total expenditures	3,551,469	3,365,914
Deficit of revenues to expenditures	(2,173,728)	(1,706,751)
Other financing sources		
Inception of capital lease	120,700	
Interfund transfers	3,055,655	1,293,792
Total other financing sources	3,176,355	1,293,792
Net change in fund balances	1,002,627	(412,959)
Fund balances beginning of year	639,627	1,052,586
Fund balances end of year	$ 1,642,254	$ 639,627

City of Sylvania, Georgia
UDAG Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	2021	2020
Assets		
Restricted cash and cash equivalents	$ 478,058	$ 634,211
Receivables - notes	260,439	293,132
Interfund balances		68,896
Advances to gas utility fund	275,200	
Total assets	$ 1,013,697	$ 996,239
Liabilities and Fund Balances		
Fund Balances		
Nonspendable:		
Advances to gas utility fund	$ 275,200	
Notes receivable	224,108	$ 260,439
Restricted for housing and development	514,389	735,800
Total fund balances	$ 1,013,697	$ 996,239

City of Sylvania, Georgia
UDAG Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Investment earnings	$ 17,458	$ 16,015
Expenditures		
Current:		
Housing and development - economic development and assistance		2,511
Net change in fund balance	17,458	13,504
Fund balances beginning of year	996,239	982,735
Fund balances end of year	$ 1,013,697	$ 996,239

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Restricted cash and cash equivalents	$ 437,788	$ 698,060	$ 1,135,848
Accounts receivable	2,054	30,423	32,477
Total assets	$ 439,842	$ 728,483	$ 1,168,325
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 2,322	$ 581	$ 2,903
Unearned revenue	413,522		413,522
Interfund balances	15,637	165,814	181,451
Total liabilities	431,481	166,395	597,876
Fund Balances			
Restricted for:			
Capital projects		562,088	562,088
Public safety	7,689		7,689
Program purposes	672		672
Total fund balances	8,361	562,088	570,449
Total liabilities and fund balances	$ 439,842	$ 728,483	$ 1,168,325

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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 27,799		$ 27,799
Intergovernmental	46,365	$ 298,915	345,280
Fines and forfeitures	2,419		2,419
Investment earnings	672	242	914
Total revenues	77,255	299,157	376,412
Expenditures			
Current:			
Public safety - police	2,982		2,982
Housing and development - economic development and assistance	17,374		17,374
Capital outlays		170,829	170,829
Total expenditures	20,356	170,829	191,185
Excess of revenues to expenditures	56,899	128,328	185,227
Other financing uses			
Transfer to:			
General fund	(46,735)		(46,735)
Water and sewer fund	(2,512)		(2,512)
Electric utility fund	(5,031)		(5,031)
Gas utility fund	(2,512)		(2,512)
Total other financing uses	(56,790)	0	(56,790)
Net change in fund balances	109	128,328	128,437
Fund balances beginning of year	8,252	433,760	442,012
Fund balances end of year	$ 8,361	$ 562,088	$ 570,449

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

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Assets				
Restricted cash and cash equivalents	$ 15,905	$ 414,194	$ 7,689	$ 437,788
Accounts receivable	2,054			2,054
Total assets	$ 17,959	$ 414,194	$ 7,689	$ 439,842
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 2,322			$ 2,322
Unearned revenue		$ 413,522		413,522
Interfund balance	15,637			15,637
Total liabilities	17,959	413,522	$ 0	431,481
Fund Balances				
Restricted for:				
Public safety			7,689	7,689
Program purposes	0	672		672
Total fund balances	0	672	7,689	8,361
Total liabilities and fund balances	$ 17,959	$ 414,194	$ 7,689	$ 439,842

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

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	$ 27,799			$ 27,799
Intergovernmental		$ 46,365		46,365
Fines and forfeitures			$ 2,419	2,419
Investment earnings		672		672
Total revenues	27,799	47,037	2,419	77,255
Expenditures				
Current:				
Public safety - police			2,982	2,982
Housing and development - economic development and assistance	17,374			17,374
Total expenditures	17,374	0	2,982	20,356
Excess (deficit) of revenues to expenditures	10,425	47,037	(563)	56,899
Other financing uses				
Interfund transfers to:				
General fund	(10,425)	(36,310)		(46,735)
Water and sewer fund		(2,512)		(2,512)
Electric utility fund		(5,031)		(5,031)
Gas utility fund		(2,512)		(2,512)
Total other financing uses	(10,425)	(46,365)	0	(56,790)
Net change in fund balances	0	672	(563)	109
Fund balances beginning of year			8,252	8,252
Fund balances end of year	$ 0	$ 672	$ 7,689	$ 8,361

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

	2021	2020
Assets		
Restricted cash and cash equivalents	$ 15,905	
Accounts receivable	2,054	$ 2,054
Total assets	$ 17,959	$ 2,054
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 2,322	
Interfund balance	15,637	$ 2,054
Total liabilities	$ 17,959	$ 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, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 24,500	$ 27,800	$ 27,799	$ (1)	$ 24,634
Expenditures					
Current:					
Housing and development	15,300	17,375	17,374	1	16,328
Excess of revenues to expenditures	9,200	10,425	10,425	0	8,306
Other financing uses					
Interfund transfers	(9,200)	(10,425)	(10,425)	0	(8,306)
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
American Rescue Fund
Balance Sheet
December 31, 2021

	2021
Assets	
Restricted cash and cash equivalents	$ 414,194
Liabilities and Fund Balances	
Liabilities	
Unearned revenue	$ 413,522
Fund Balances	
Restricted for program purposes	672
Total liabilities and fund balances	$ 414,194

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

	2021			
	Original Budget	**Final Budget**	**Actual**	**Variance Positive (Negative)**
Revenues				
Intergovernmental		$ 459,887	$ 46,365	$ (413,522)
Investment earnings		675	672	
Total revenues	$ 0	460,562	47,037	(413,522)
Other financing uses				
Interfund transfers		(46,365)	(46,365)	0
Net change in fund balance	$ 0	$ (46,365)	672	$ 0
Fund balances beginning of year			0	
Fund balances end of year			$ 672	

City of Sylvania
Confiscated Assets Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	2021	2020
Assets		
Restricted cash and cash equivalents	$ 7,689	$ 5,602
Interfund balance		2,650
Total assets	$ 7,689	$ 8,252
Liabilities and Fund Balances		
Restricted for public safety	$ 7,689	$ 8,252

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, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			2020
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fines and forfeitures	$ 4,000	$ 2,419	$ 1,581	
Expenditures				
Current:				
Public safety - police	4,000	2,982	1,018	$ 181
Net change in fund balance	$ 0	(563)	$ 563	(181)
Fund balances beginning of year		8,252		8,433
Fund balances end of year		$ 7,689		$ 8,252

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

	2019 SPLOST Fund	2013 SPLOST Fund	Total Nonmajor Capital Projects Funds
Assets			
Restricted cash and cash equivalents	$ 516,393	$ 181,667	$ 698,060
Accounts receivable	30,423		30,423
Total assets	$ 546,816	$ 181,667	$ 728,483
Liabilities and Fund Balances			
Liabilities			
Accounts payable		$ 581	$ 581
Interfund balance	$ 64,434	101,380	165,814
Total liabilities	64,434	101,961	166,395
Fund Balances			
Restricted for capital projects	482,382	79,706	562,088
Total liabilities and fund balances	$ 546,816	$ 181,667	$ 728,483

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021

	2019 SPLOST Fund	2013 SPLOST Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$ 298,915		$ 298,915
Investment earnings		$ 242	242
Total revenues	298,915	242	299,157
Expenditures			
Capital outlays:			
General government - general administration		76,959	76,959
Public safety:			
Police		6,748	6,748
Fire	75,122		75,122
Public works - streets		11,500	11,500
Housing and development - economic development and assistance	500		500
Total expenditures	75,622	95,207	170,829
Net change in fund balances	223,293	(94,965)	128,328
Fund balances beginning of year	259,089	174,671	433,760
Fund balances end of year	$ 482,382	$ 79,706	$ 562,088

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	2021	2020
Assets		
Restricted cash and cash equivalents	$ 516,393	$ 264,491
Accounts receivable	30,423	2,298
Total assets	$ 546,816	$ 266,789
Liabilities and Fund Balances		
Liabilities		
Interfund balances	$ 64,434	$ 7,700
Fund Balances		
Restricted for capital projects	482,382	259,089
Total liabilities and fund balances	$ 546,816	$ 266,789

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Intergovernmental	$ 298,915	$ 253,366
Expenditures		
Capital outlays:		
Public safety:		
Police		29,500
Fire	75,122	
Public works - streets		73,715
Housing and development - economic development and assistance	500	7,500
Total expenditures	75,622	110,715
Excess of revenues to expenditures	223,293	142,651
Other financing uses		
Transfers to water and sewer fund		(65,327)
Net change in fund balance	223,293	77,324
Fund balances beginning of year	259,089	181,765
Fund balances end of year	$ 482,382	$ 259,089

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	2021	2020
Assets		
Restricted cash and cash equivalents	$ 181,667	$ 223,468
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 581	
Interfund balances	101,380	$ 48,797
Total liabilities	101,961	48,797
Fund Balances		
Restricted for capital projects	79,706	174,671
Total liabilities and fund balances	$ 181,667	$ 223,468

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Investment earnings	$ 242	448
Expenditures		
Capital outlays:		
General government - general administration	76,959	11,818
Public safety - police	6,748	
Public works - streets	11,500	
Total expenditures	95,207	11,818
Net change in fund balance	(94,965)	(11,370)
Fund balances beginning of year	174,671	186,041
Fund balances end of year	$ 79,706	$ 174,671

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Net Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 40,881	$ 68,788
Receivables:		
Accounts	185,575	168,440
Intergovernmental		5,625
Prepaid insurance	20,907	12,504
Total current assets	247,363	255,357
Noncurrent assets		
Capital assets		
Nondepreciable capital asset	16,550	16,550
Depreciable capital assets, net	6,622,030	6,129,872
Total noncurrent assets	6,638,580	6,146,422
Total assets	6,885,943	6,401,779
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	19,151	8,706
Difference between projected and actual earnings on plan investments		83,083
Changes in assumptions	15,926	31,752
Contributions after measurement date	51,954	34,746
Total deferred outflows of resources	87,031	158,287
Liabilities		
Current liabilities		
Accounts payable	158,109	86,198
Accrued interest payable	3,135	3,135
Accrued payroll	7,707	5,740
Compensated absences payable	13,233	12,512
Post-employment benefit payable		1,310
Capital leases payable	7,847	
Notes payable	98,262	97,362
Total current liabilities	288,293	206,257
Long-term liabilities		
Compensated absences payable (net of current portion)	29,042	33,736
Post-employment benefit payable (net of current portion)	89,728	109,930
Net pension liability	228,639	447,912
Capital leases payable (net of current portion)	27,307	
Notes payable (net of current portion)	1,510,496	1,609,414
Total long-term liabilities	1,885,212	2,200,992
Total liabilities	2,173,505	2,407,249
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	2,317	5,758
Difference between projected and actual earnings on plan investments	135,088	
Total deferred inflows of resources	137,405	5,758
Net position		
Net investment in capital assets	4,994,668	4,439,646
Unrestricted	(332,604)	(292,587)
Total net position	$ 4,662,064	$ 4,147,059

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, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 1,379,068	$ 1,266,113
Miscellaneous	9,400	20,119
Total operating revenues	1,388,468	1,286,232
Operating expenses		
Salaries	149,369	141,526
Social security	15,369	10,088
Group insurance	25,104	36,794
Retirement and other post-employment benefits	20,747	181,978
Workers' compensation	5,322	8,719
Contract services	393,557	372,703
Chemicals	8,840	16,012
Materials and supplies	31,249	27,880
Gas, oil, and tires	5,975	7,485
Uniforms and safety equipment	1,952	1,613
Vehicle repairs	8,391	7,775
Engineering and consulting	64,568	39,240
Postage	2,511	6,125
Communications	1,716	1,695
Insurance	54,318	44,026
Public utilities	185,014	185,633
Maintenance and testing	77,573	100,032
Bad debts	2,820	6,414
Other	2,287	6,015
Depreciation	241,958	232,260
Total operating expenses	1,298,640	1,434,013
Operating income (loss)	89,828	(147,781)
Non-operating revenues (expenses)		
Interest and fiscal charges	(33,574)	(17,361)
Grant proceeds	429,752	56,745
Investment earnings	6	300
Total non-operating revenues	396,184	39,684
Income (loss) before transfers	486,012	(108,097)
Interfund transfers	28,993	(99,098)
Change in net position	515,005	(207,195)
Net position beginning of year	4,147,059	4,354,254
Net position end of year	$ 4,662,064	$ 4,147,059

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Net Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 120,183	$ 116,000
Investments	570,643	294,674
Accounts receivable	4,534,607	3,838,176
Prepaid insurance	6,477	2,128
Total current assets	5,231,910	4,250,978
Noncurrent assets		
Restricted assets:		
Investments - MEAG Generation Trust		787
Capital assets:		
Depreciable capital assets, net	2,304,882	2,431,586
Total noncurrent assets	2,304,882	2,432,373
Total assets	7,536,792	6,683,351
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	24,858	13,044
Difference between projected and actual earnings on plan investments		124,483
Changes in assumptions	20,672	47,574
Contributions after measurement date	67,437	52,060
Total deferred outflows of resources	112,967	237,161
Liabilities		
Current liabilities		
Accounts payable	3,373,772	2,142,499
Sales tax payable	29,526	29,526
Accrued liabilities	14,720	11,413
Customer deposits payable	298,123	300,034
Compensated absences payable	23,454	23,866
Post employment benefits payable	6,979	3,276
Capital lease	9,209	8,810
Total current liabilities	3,755,783	2,519,424
Long-term liabilities		
Compensated absences payable (net of current portion)	26,708	44,745
Post-employment benefit payable (net of current portion)	78,553	104,791
Net pension liability	296,775	671,105
Capital lease (net of current portion)	17,137	26,347
Total long-term liabilities	419,173	846,988
Total liabilities	4,174,956	3,366,412
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	3,007	8,627
Difference between projected and actual earnings on plan investments	175,345	
Total deferred inflows of resources	178,352	8,627
Net Position		
Net investment in capital assets	2,278,536	2,396,429
Restricted - MEAG power generation and credit support		787
Unrestricted	1,017,915	1,148,257
Total net position	$ 3,296,451	$ 3,545,473

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating revenues		
Charges for services	$ 36,249,570	$ 23,791,836
Miscellaneous	4,886	3,565
Total operating revenues	36,254,456	23,795,401
Operating expenses		
Cost of sales	32,950,648	20,182,577
Salaries	337,231	360,980
Social security	35,182	26,486
Group insurance	58,212	59,782
Retirement and other post-employment benefits	(23,355)	184,531
Workers' compensation	10,938	14,689
Contract labor and services	6,866	6,504
Materials and supplies	105,409	64,940
Gas, oil, and tires	13,913	11,724
Uniforms and safety equipment	1,400	809
Vehicle repairs	35,105	32,424
Engineering and consulting	14,456	22,652
Postage	514	3,115
Communications	2,761	2,036
Insurance	17,941	25,164
Public utilities	24,746	11,939
Maintenance and testing	190,750	9,771
Bad debts	(483)	24,970
Other	8,155	215
Depreciation	142,954	141,943
Total operating expenses	33,933,343	21,187,251
Operating income	2,321,113	2,608,150
Non-operating revenues (expenses)		
Interest and fiscal charges	(1,421)	(453,566)
Investment earnings (loss)	(2,268)	13,113
MEAG Generation Trust investment earnings (loss)	(8,269)	5
Total non-operating revenues (expenses)	(11,958)	(440,448)
Income before transfers	2,309,155	2,167,702
Interfund transfers	(2,558,177)	(861,294)
Change in net position	(249,022)	1,306,408
Net position beginning of year	3,545,473	2,239,065
Net position end of year	$ 3,296,451	$ 3,545,473

City of Sylvania, Georgia
Gas Utility Fund
Comparative Schedule of Net Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Receivables:		
Accounts	$ 568,822	$ 397,080
Intergovernmental	98,350	
Prepaid insurance	1,524	542
Total current assets	668,696	397,622
Noncurrent assets		
Capital assets		
Depreciable capital assets, net	1,035,147	326,334
Total assets	1,703,843	723,956
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	7,299	2,264
Difference between projected and actual earnings on plan investments		21,608
Changes in assumptions	6,070	8,258
Contributions after measurement date	19,803	9,037
Total deferred outflows of resources	33,172	41,167
Liabilities		
Current liabilities		
Accounts payable	424,429	201,919
Accrued payroll	5,343	4,454
Compensated absences payable	3,919	5,470
Total current liabilities	433,691	211,843
Long-term liabilities		
Compensated absences payable (net of current portion)	13,727	13,012
Post-employment benefit payable	8,391	10,281
Net pension liability	87,146	116,491
Advance from UDAG fund	275,200	
Total long-term liabilities	384,464	139,784
Total liabilities	818,155	351,627
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience	883	1,498
Difference between projected and actual earnings on plan investments	51,489	
Total deferred inflows of resources	52,372	1,498
Net Position		
Net investment in capital assets	759,947	326,334
Unrestricted	106,541	85,664
Total net position	$ 866,488	$ 411,998

Gas Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating revenues		
Charges for services	$ 4,121,574	$ 1,944,434
Operating expenses		
Cost of sales	3,547,410	1,485,263
Salaries	126,743	105,665
Social security	12,998	8,120
Group insurance	14,808	15,981
Retirement and other post-employment benefits	51,477	42,509
Workers' compensation	2,419	4,059
Materials and supplies	9,667	6,361
Gas, oil, and tires	3,588	2,367
Uniforms and safety equipment	878	1,269
Vehicle repairs	3,367	11,305
Engineering and consulting	2,700	6,244
Postage	287	3,054
Communications	1,990	1,686
Insurance	4,277	6,532
Public utilities	1,884	702
Repairs, maintenance and testing	22,659	15,134
Bad debts	3,377	448
Other	3,480	6,760
Depreciation	18,618	12,194
Total operating expenses	3,832,627	1,735,653
Operating income	288,947	208,781
Non-operating revenues		
Grant proceeds	535,410	
Income before transfers	824,357	208,781
Interfund transfers	(369,867)	(213,522)
Change in net position	454,490	(4,741)
Net position beginning of year	411,998	416,739
Net position end of year	$ 866,488	$ 411,998

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Net Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Accounts receivable	$ 77,168	$ 60,810
Noncurrent assets		
Capital assets		
Nondepreciable capital assets	6,507	6,507
Depreciable capital assets, net	43,324	75,209
Total noncurrent assets	49,831	81,716
Total assets	126,999	142,526
Liabilities		
Current liabilities		
Accounts payable	76,170	29,871
Accrued payroll		1,060
Compensated absences payable	3,322	3,253
Post-employment benefit payable		5,897
Total current liabilities	79,492	40,081
Long-term liabilities		
Compensated absences payable (net of current portion)		3,262
Post-employment benefit payable (net of current portion)	32,134	39,369
Total long-term liabilities	32,134	42,631
Total liabilities	111,626	82,712
Net position		
Net investment in capital assets	49,831	81,716
Unrestricted	(34,458)	(21,902)
Total net position	$ 15,373	$ 59,814

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, 2021 and 2020

	2021	2020
Operating revenues		
Charges for services	$ 528,051	$ 520,893
Operating expenses		
Salaries		559
Social security	278	251
Group insurance		20
Retirement and other post-employment benefits	(13,132)	(228,143)
Contract services	453,247	446,882
Gas, oil, and tires	400	501
Insurance		2,467
Bad debts		4,378
Depreciation	31,885	31,885
Total operating expenses	472,678	258,800
Operating income	55,373	262,093
Non-operating expenses		
Interest and fiscal charges		(175)
Income before transfers	55,373	261,918
Interfund transfers	(99,814)	(46,245)
Change in net position	(44,441)	215,673
Net position beginning of year	59,814	(155,859)
Net position end of year	$ 15,373	$ 59,814

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, were as follows.

	Amount	Amount as a percentage of revenue
Hotel/Motel tax cash receipts	$ 27,799	
Expenditures to:		
Screven County Chamber of Commerce	$ 12,162	
Sylvania Downtown Development Authority	5,212	
Transfers to general fund	10,425	
	$ 27,799	100.00%

City of Sylvania, Georgia
Schedules of Projects Constructed with
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2021

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	$ 143,917	$ 60,210	$ 83,707	$ 143,917	100.00%
Street paving, sidewalks, bike paths, curbs and gutters	478,855	297,490	206,284	11,500	217,784	73.21%
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	$ 974,639	$ 799,726	$ 95,207	$ 894,933	

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			$ 115,327		$ 115,327	
Public safety equipment			29,500	$ 75,122	104,622	
Street paving, drainage, sidewalks curbs and gutters			73,715		73,715	
Downtown capital infrastructure			7,500	500	8,000	
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	$ 226,042	$ 75,622	$ 301,664	23.21%

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, 2021

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (if applicable)
Sewer Facilities	P-03J-02	$ 550,000	$ 404,694		$ 404,694	NA
Engineering - Street improvements/Flood & Drainage	T-03K-00	37,000	35,920	$ 135,714	171,634	NA
Street Improvements	P-03K-01	118,000	6,508		6,508	NA
Administration	A-21A-00	45,000	39,375		39,375	NA
		$ 750,000	$ 486,497	$ 135,714	$ 622,211	

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, 2021

Total Fiscal Year 2019 CDBG Funds Awarded to Recipient	$ 750,000
Total Amount Drawdown by Recipient from DCA	486,497
Funds Still Available	$ 263,503
CDBG Funds Expended by Recipient	486,497
Amount of Fiscal Year 2019 CDBG Funds held by Recipient	$ 0

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Programs for the Aging Cluster			
Department of Health and Human Services/Central Savannah River Area Regional Commission through Georgia Department of Human Services			
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	Georgia Department of Human Services, 22-0547	$ 30,210
Nutrition Services Incentive Program	93.053	Georgia Department of Human Services, 22-0547	8,655
Total Programs for the Aging Cluster			**38,865**
Other Programs			
Department of Agriculture			
Community Facilities Loans and Grants	10.766	11-024-586000673	95,800
Community Facilities Loans and Grants	10.766	11-024-688270456	34,300
Total Department of Agriculture			**130,100**
Department of Commerce			
Economic Adjustment Assistance	11.307	04-01-07402	**535,410**
Department of Housing and Urban Development			
Georgia Department of Community Affairs			
Georgia Community Development Block Grant	14.228	Georgia Deparment of Community Affairs,19p-x-124-2-6092	**429,752**
Department of the Tresury			
Coronavirus State and Local Fiscal Recovery Funds	21.027	AID-001630	**46,365**
Total expenditures of federal awards			$ **1,180,492**

NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Sylvania, Georgia (the City) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2 - Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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, 2021, 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 June 30, 2022.

Reporting on 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) as a basis for designing 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 identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2021-01 through 2021-03 that we consider to be material weaknesses.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* .

City of Sylvania, Georgia's Response to Findings

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

Purpose of this Report

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

Caines, Hodges & Company, P.C.

July 18, 2022

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Donald T. Caines, CPA
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and City Council
City of Sylvania, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Management's Responsibility for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Caines, Hodges & Company, P.C.

July 18, 2022

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

Section 1 - Summary of Auditor's Reports

Financial Statements

Type of auditors' report issued				Unmodified
Internal control over financial reporting:				
Material weakness(es) identified?	X	yes		no
Significant deficiencies identified not considered to be material		yes	X	none reported
Noncompliance material to financial statements noted?		yes	X	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		yes	X	no
Significant deficiencies identified not considered to be material		yes	X	none reported
Type of auditors' report on compliance for major programs				Unmodified
Any audit findings disclosed that are required to be reported in accordance with Unfirom Guidance?		yes	X	no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
11.307	Department of Commerce/Economic Adjustment Assistance
14.228	Department of Housing and Urban Development/Georgia Department of Community Affairs/Community Development Block Grant

Dollar threshold to distinguish between Type A and Type B programs				$ 750,000
Auditee qualified as low-risk auditee?		yes	X	no

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Section II - Financial Statement Findings

2021-01 Accounts payable and other payables not reconciled *(Prior year finding 2020-02)*

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

Context: Procedures should be designed and implemented sufficiently to ensure the balances of liability accounts are reconciled to the detail payables listings.

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 payable and other payables to ensure accurate balances are reflected in the trial balance.

2021-02 Misclassification of revenue and expenditure transactions *(Prior year finding 2020-03)*

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 to identify misclassification of revenues and expenditures.

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.

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2021-03 Accruals not properly recorded

Condition: Some accruals were not properly adjusted at the end of the current year.

Context: Procedures should be designed and implemented sufficiently to ensure that accruals are calculated and recorded in accordance with generally accepted accounting principles.

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

Cause: Some accrual entries from the prior year were not properly reversed in the current year, and some current year accruals were not properly calculated and recorded.

Recommendation: Establish procedures to ensure that all appropriate accruals and reversals of accruals are made in the appropriate periods.

Management response: Management agrees with finding. The City will establish procedures to ensure proper recording of revenues in accordance with generally accepted accounting principles.

Section III - Federal Award Findings and Questioned Costs

None

City of Sylvania, Georgia
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Auditor Reference Number	Disposition of prior audit findings
2020-01	This deficiency was corrected during 2021.
2020-02	This deficiency continues to exist in the current year and has been included in the current year schedule of findings and questioned costs as item 2021-01.
2020-03	This deficiency continues to exist in the current year and has been included in the current year schedule of findings and questioned costs as item 2021-02.

City of Sylvania, Georgia
Corrective Action Plan
July 18, 2022

City of Sylvania, Georgia, respectfully submits the following corrective action plan for the year ended December 31, 2021.

The findings from the December 31, 2021, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings - Financial Statements - Internal Control

2021-01

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

Action taken: The City concurs with this recommendation. This internal control finding resulted from unidentified reconciling items accumulating pursuant to not having reconciled accounts payable in the prior year. Management will reconcile all material payables accounts to the underlying detail on a quarterly basis and will continually assess the appropriateness of this frequency.

2021-02

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

Action taken: The City concurs with this recommendation. This internal control finding primarily resulted from adjustments that are traditionally performed throughout year-end closeout procedures having not been performed. Management will implement a quarterly review of general ledger account activity to identify misclassifictions and will ensure that an annual comprehensive review of those adjustments that are typically performed annually is performed as well.

2021-03

Recommendation: Establish procedures to ensure that all appropriate accruals and reversals of accruals are made in the appropriate periods.

Action taken: The City concurs with this recommendation. Related to 2021-02, this internal control finding primarily resulted from adjustments that are traditionally performed throughout year-end closeout procedures having not been performed. Management will ensure that year-end closeout procedures include a review of all accruals for completeness and accuracy in recording.