CITY OF SYLVANIA, GEORGIA

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of Sylvania, Georgia
Annual Financial Report
For the Year Ended December 31, 2022

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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, 2022, 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, 2022, 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 56-58, and the schedule of funding progress information for postemployment benefits other than pensions on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide

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

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 28, 2023, 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.

June 28, 2023

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, 2022. 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 $20,243,014 (net position) for the calendar year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $11,976,788 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 $1,865,475 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $6,400,751.

- The City's governmental funds reported total ending fund balance of $2,853,150 this year. This compares to the prior year ending fund balance of $3,226,400 showing a decrease of $373,250 during the current year. Unassigned general fund balance of $954,561 for calendar year 2022 shows a decrease of $530,053 from the prior year balance.

- At the end of the current calendar year, unassigned fund balance for the General Fund was $954,561 or 26% of total General Fund expenditures.

- Overall, the City's financial position has decreased by approximately $373,250 due to a reduction in nonoperating utility grant proceeds as compared to the prior year.

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, 2022, is $20,243,014. The following table provides a summary of the City's net position:

	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	$ 1,461,449	$ 12,739,074	$ 14,200,523	$ 1,999,104	$ 6,225,137	$ 8,224,241
Restricted assets	1,726,281	-	1,726,281	1,639,678	-	1,639,678
Advances to (from) other funds	275,200	(275,200)	-	275,200	(275,200)	-
Capital assets	3,202,785	10,895,843	14,098,628	3,061,555	10,028,440	13,089,995
Total assets	6,665,715	23,359,717	30,025,432	6,975,537	15,978,377	22,953,914
Deferred outflows of resources - pension	617,982	344,955	962,937	423,901	233,170	657,071
Liabilities:						
Current liabilities	680,529	4,728,175	5,408,704	748,472	4,557,259	5,305,731
Long-term liabilities	1,657,024	2,529,101	4,186,125	1,581,697	2,445,783	4,027,480
Total liabilities	2,337,553	7,257,276	9,594,829	2,330,169	7,003,042	9,333,211
Deferred inflows of resources - pension	738,371	412,155	1,150,526	669,251	368,129	1,037,380
Net position:						
Net investment in capital assets	3,075,762	8,901,026	11,976,788	2,920,779	8,082,982	11,003,761
Restricted	1,865,475	-	1,865,475	1,719,384	-	1,719,384
Unrestricted	(733,464)	7,134,215	6,400,751	(240,145)	757,394	517,249
Total net position	$ 4,207,773	$ 16,035,241	$ 20,243,014	$ 4,400,018	$ 8,840,376	$ 13,240,394

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 2.15 to 1, which is a decrease from 2021 due to a decrease in cash and cash equivalents. For business-type activities, the current ratio is 2.70 to 1 which is an increase from 2021 due to an increase in cash and cash equivalents. For the City overall, the current ratio is 2.63 to 1.

The City reported positive balances in net position for governmental and business-type activities. Net position decreased $179,708 for governmental activities and increased $7,194,865 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 73% 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 56% of its net position in capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. Fifty-nine 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

	2022				2021			
	Governmental Activities	**Business-type Activities**	**Total**	**Percentage of Total**	**Governmental Activities**	**Business-type Activities**	**Total**	**Percentage of Total**
Revenues:								
Program:								
Charges for services	$ 205,528	$ 68,290,198	$ 68,495,726	96.5%	$ 171,631	$ 42,292,549	$ 42,464,180	94.3%
Operating grants and other	580,775	-	580,775	0.8%	111,843	-	111,843	0.2%
Capital grants and other	465,984	322,993	788,977	1.1%	372,724	965,162	1,337,886	3.0%
General:								
Taxes	1,070,722		1,070,722	1.5%	1,055,593		1,055,593	2.3%
Other	92,936	(20,593)	72,343	0.1%	62,936	(10,531)	52,405	0.1%
Total revenues	2,415,945	68,592,598	71,008,543	100%	1,774,727	43,247,180	45,021,907	100%
Program expenses:								
General government	718,950		718,950	1.1%	735,746		735,746	1.7%
Judicial	50,161		50,161	0.1%	47,426		47,426	0.1%
Public safety - fire	669,434		669,434	1.0%	742,751		742,751	1.7%
Public safety - police	1,104,824		1,104,824	1.7%	999,150		999,150	2.3%
Public safety - animal control	5,682		5,682	0.0%	7,401		7,401	0.0%
Public works - streets	681,704		681,704	1.1%	625,585		625,585	1.4%
Public works - garage	198,410		198,410	0.3%	228,171		228,171	0.5%
Public works - airport infrastructure	-		-		-		-	
Health and welfare	125,448		125,448	0.2%	116,152		116,152	0.3%
Culture and recreation	10,301		10,301	0.0%	20,844		20,844	0.0%
Housing and development	95,269		95,269	0.1%	54,331		54,331	0.1%
Interest	4,222		4,222	0.0%	2,459		2,459	0.0%
Water and sewer		1,376,473	1,376,473	2.2%		1,332,214	1,332,214	3.1%
Electric		52,409,872	52,409,872	81.9%		33,934,764	33,934,764	78.6%
Gas		6,005,563	6,005,563	9.4%		3,832,627	3,832,627	8.9%
Solid Waste		537,073	537,073	0.8%		472,678	472,678	1.1%
Total expenses	3,664,405	60,328,981	63,993,386	100%	3,580,016	39,572,283	43,152,299	100%
Excess (deficiency)	(1,248,460)	8,263,617	7,015,157		(1,805,289)	3,674,897	1,869,608	
Transfers	1,068,752	(1,068,752)	-		2,998,865	(2,998,865)	-	
Change in net position	(179,708)	7,194,865	7,015,157		1,193,576	676,032	1,869,608	
Beginning net position (as restated)	4,387,481	8,840,376	13,227,857		3,206,442	8,164,344	11,370,786	
Ending net position	$ 4,207,773	$ 16,035,241	$ 20,243,014		$ 4,400,018	$ 8,840,376	$ 13,240,394	

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 17% of the City's total governmental revenues. Local option sales taxes are the second largest revenue source with approximately $288 thousand of revenues or 12% of the total. The insurance premium taxes generate $218,050 and $96,016 from alcohol taxes. Also, note that program revenues cover approximately 34% 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 66% 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 30% of the governmental funds budget; the fire function spends about 18% 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	$ 718,950	$ (131,407)
Judicial	50,161	50,161
Public safety - fire	669,434	625,435
Public safety - police	1,104,824	1,012,524
Public safety - animal control	5,682	5,682
Public works - streets	681,704	551,912
Public works - garage	198,410	198,410
Health and welfare	125,448	(10,024)
Cultural and recreation	10,301	10,134
Housing and development	95,269	95,069
Interest	4,222	4,222
Total	$ 3,664,405	$ 2,412,118

After reducing gross expenses by program revenues, the police function totals 42% of the net cost of services and the fire function totals 26% of these costs. Finally, the general government function covered all of its cost in program revenues with a surplus of $131,407.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for the utility funds were 61% above 2021 and operating expenses were 52% above 2021. Within the total business type activities of the City, these activities reported $7,998,048 in operating income compared to operating income of $2,755,261 in the prior year, which is an increase of 190% from 2021.

However, after transfers in and out between other funds and non-operating revenues and expenses, these funds reported an increase in net position of $7,194,865 in 2022 compared to net increase in net position of $676,032 in 2021. Each specific fund reported the following changes in net position:

	2022 Amounts	2021 Amounts
Water and sewer fund	$ 784,660	$ 515,005
Electric utility fund	6,410,122	(249,022)
Gas utility fund	1,384	454,490
Sanitation fund	(1,301)	(44,441)

The water and sewer fund has an operating gain for 2022 of $19,022, which is a decrease of $70,806 from 2021. During 2022, the revenues were slightly lower than the prior year. The 2022 expenses increased $46,010. Over $50 thousand of this increase was due to maintenance and testing within the system.

The electric utility fund reported an increase in revenues of 66% or $23.9 million. This increase is due to an increase in usage. Expenses reported an increase of approximately 54% or approximately $18.5 million. The increase in expenses relates to an increase in electricity cost. The electricity utility transferred approximately $1.28 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 2022 by approximately $2.1 million or 52% and operating expenses increased approximately $2.17 million or 57%. Operating revenues and expenses increased due to increased demand, especially from industrial customers. This fund transferred $320,382 to the other funds as explained above.

The solid waste collection fund operating revenue increased in calendar year 2022 by $1,736 and operating expenses increased $64,395 or 14%. The increase in the fund's expenses is due to an increase in contract labor and services.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $2,853,150. Of this year-end total, $954,561 is unassigned indicating availability for continuing City service requirements and $1,898,589 is legally restricted for program purposes.

The total ending fund balances of governmental funds shows a decrease of $373,250 compared to an increase of $1,148,522 in the prior year amount. This decrease is due to a reduction in advances to other funds and in interfund transfers.

Continued on next page.

Major Governmental Funds

The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance decreased by approximately $513 thousand. In calendar year 2021, the fund balance increased by approximately $1.0 million.

Overall, general fund revenues were 14% above the 2021 revenues. Intergovernmental increased $147,946 due to additional grant funds. Total taxes increased $7,511 from calendar 2021. General fund licenses and permits increased $32,845 when compared to calendar 2021. Fines and forfeitures increased $9,437 from calendar 2021 due to an increase in citations.

On the expenditure side, the 2022 expenditures increased $180,552 above the 2021 amount. The police and fire functions increased by $61,843 when compared to 2021. The street function's expenditures increased 8% when compared to 2021.

The General Fund's ending fund balance decreased 31%, and represents the equivalent of 30% 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 114% of the final revenue budget. Taxes were above budget due to an increase in intergovernmental revenues. Fines and forfeitures were below budget due to a lower number of citations written than budgeted.

The City spent 101.5% 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, 2022, was $3,195,898 and $10,895,843 respectively. This represents a 4% increase in net investment for governmental-type and a 9% increase for business-type activities. The overall increase was approximately 8% 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	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets:						
Land	$ 286,506	$ 286,506	$ 23,057	$ 23,057	$ 309,563	$ 309,563
Construction in progress					-	-
	286,506	286,506	23,057	23,057	309,563	309,563
Depreciable assets:						
Buildings	2,246,190	2,246,190			2,246,190	2,246,190
Land and building improvements	267,514	95,531			267,514	95,531
Machinery and equipment	836,256	784,448			836,256	784,448
Vehicles	1,280,260	1,186,610			1,280,260	1,186,610
Furniture and fixtures	98,983	98,983			98,983	98,983
Infrastructure	3,330,677	3,330,677			3,330,677	3,330,677
Water system			13,526,278	12,604,570	13,526,278	12,604,570
Electric system			5,327,899	5,078,058	5,327,899	5,078,058
Gas system			1,910,676	1,772,562	1,910,676	1,772,562
Solid waste operations			475,330	536,421	475,330	536,421
Total depreciable assets	8,059,880	7,742,439	21,240,183	19,991,611	29,300,063	27,734,050
Less accumulated depreciation	5,150,488	4,967,390	10,367,397	9,986,228	15,517,885	14,953,618
Book value - depreciable assets	2,909,392	2,775,049	10,872,786	10,005,383	13,782,178	12,780,432
Percentage depreciated	64%	64%	49%	50%	53%	54%
Book value - all assets	$ 3,195,898	$ 3,061,555	$ 10,895,843	$ 10,028,440	$ 14,091,741	$ 13,089,995

At December 31, 2022, the depreciable capital assets for governmental activities were 64% depreciated compared to 64% at December 31, 2021.

With the City's business type activities, 49% of the asset values were depreciated at December 31, 2022, compared to 50% at December 31, 2021.

Long-term Debt

At the end of the calendar year, the City had capital lease obligations outstanding of $107,393 for governmental activities and $210,069 outstanding for business-type activities. The business type activities also owed $1,509,548 in GEFA notes payable.

During the year, the City retired $149,650 of outstanding capital lease obligations and GEFA notes payable. They incurred $165,626 in new capital lease obligations.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		%
	2022	2021	2022	2021	2022	2021	Change
Capital leases	$ 107,393	$ 140,776	$ 210,069	$ 61,500	$ 317,462	$ 202,276	57%
Notes	-	-	1,509,548	1,608,758	1,509,548	1,608,758	-6%
Total	$ 107,393	$ 140,776	$ 1,719,617	$ 1,670,258	$ 1,827,010	$ 1,811,034	1%

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 2022, Screven County's unemployment rate was 4.5% and in Georgia, the unemployment rate was 2.6%.

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 93% of its power to industrial customers, with 88% 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. In 2022, due to increased electrical sales from crypto-currency operations the City was able to increase electrical reserves by over $6 million.

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. In 2022, the City was awarded a Community Development Block Grant for sewer line improvements totaling $750,000 and with help from the American Rescue Funds the City has focused on additional water and sewer infrastructure needs. In 2021, 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. 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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	$ 1,007,699	$ 6,078,118	$ 7,085,817	$ 11,883
Investments		1,490,260	1,490,260	
Receivables				
Accounts	131,409	5,149,761	5,281,170	
Property taxes	70,011		70,011	
Notes	204,568		204,568	
Other	14,648		14,648	
Prepaid items	33,114	20,935	54,049	
Restricted assets - Cash	1,726,281		1,726,281	
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	2,916,279	10,872,786	13,789,065	
Total assets	6,665,715	23,359,717	30,025,432	31,090
Deferred outflows of resources				
Pension:				
Difference between expected and actual experience	108,888	60,781	169,669	
Difference between projected and actual earnings on investments	277,209	154,736	431,945	
Contributions after measurement date	231,885	129,438	361,323	
Total deferred outflows of resources	617,982	344,955	962,937	0
Liabilities				
Current liabilities				
Accounts payable	72,596	3,832,731	3,905,327	
Accrued salaries and wages	58,767	18,651	77,418	
Sales tax payable		13,428	13,428	
Accrued interest payable	171	5,542	5,713	
Unearned revenue	422,270		422,270	
Customer deposits payable		679,538	679,538	
Compensated absences payable	75,680	24,906	100,586	
Post-employment benefits payable	9,166	14,258	23,424	
Financed purchases payable	34,316	38,874	73,190	
Leases payable	7,563		7,563	
Notes payable		99,820	99,820	
Long-term liabilities (Note 11)				
Compensated absences payable (net of current portion)	118,554	55,921	174,475	
Net pension liability	1,112,517	621,002	1,733,519	
Post-employment benefits payable (net of current portion)	340,809	271,682	612,491	
Financed purchases payable (net of of current portion)	73,077	171,195	244,272	
Leases payable (net of current portion)	12,067		12,067	
Notes payable (net of current portion)		1,409,728	1,409,728	
Total liabilities	2,337,553	7,257,276	9,594,829	0
Deferred inflows of resources				
Pension - difference between projected and actual earnings on plan investments	738,371	412,155	1,150,526	0
Net Position				
Net investment in capital assets (Note 15)	3,075,762	8,901,026	11,976,788	
Restricted for:				
Public safety - police	22,670		22,670	
Public works - streets	113,356		113,356	
Recreation	5,670		5,670	
Program purposes	1,723,779		1,723,779	31,090
Unrestricted	(733,464)	7,134,215	6,400,751	
Total net position	$ 4,207,773	$ 16,035,241	$ 20,243,014	$ 31,090

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

City of Sylvania, Georgia
Statement of Activities
For the Year Ended December 31, 2022

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	$ 718,950	$ 90,758	$ 451,138	$ 308,461	$ 131,407		$ 131,407	
Judicial	50,161				(50,161)		(50,161)	
Public safety								
Fire	669,434			43,999	(625,435)		(625,435)	
Police	1,104,824	92,300			(1,012,524)		(1,012,524)	
Animal control	5,682				(5,682)		(5,682)	
Public works								
Streets	681,704	16,435		113,357	(551,912)		(551,912)	
Garage	198,410				(198,410)		(198,410)	
Health and welfare	125,448	5,835	129,637		10,024		10,024	
Culture and recreation	10,301			167	(10,134)		(10,134)	
Housing and development	95,269	200			(95,069)		(95,069)	
Interest	4,222				(4,222)		(4,222)	
Total governmental activities	3,664,405	205,528	580,775	465,984	(2,412,118)	$ 0	(2,412,118)	
Business-type activities								
Water and sewer	1,376,473	1,363,672		263,503		250,702	250,702	
Electric utility	52,409,872	60,130,335				7,720,463	7,720,463	
Gas utility	6,005,563	6,266,404		59,490		320,331	320,331	
Solid waste collection	537,073	529,787				(7,286)	(7,286)	
Total business-type activities	60,328,981	68,290,198	0	322,993	0	8,284,210	8,284,210	
Total primary government	$ 63,993,386	$ 68,495,726	$ 580,775	$ 788,977	(2,412,118)	8,284,210	5,872,092	
Component Unit								
Downtown Development Authority of Sylvania	$ 9,130	$ 2,000						$ (7,130)
		General Revenues						
		Property taxes levied for general government purposes			416,544		416,544	
		Local option sales and use taxes			288,623		288,623	
		Insurance premium taxes			218,050		218,050	
		Alcohol taxes			96,016		96,016	
		Hotel-motel taxes			29,019		29,019	
		Franchise taxes			22,470		22,470	
		Investment earnings (loss)			32,877	(28,990)	3,887	
		Gain on sale of capital assets			23,996	8,397	32,393	
		Miscellaneous			36,063		36,063	
		Total general revenues			1,163,658	(20,593)	1,143,065	0
		Transfers			1,068,752	(1,068,752)	0	
		Total general revenues and transfers			2,232,410	(1,089,345)	1,143,065	0
		Change in net position			(179,708)	7,194,865	7,015,157	(7,130)
		Net position beginning of year - as restated			4,387,481	8,840,376	13,227,857	38,220
		Net position end of year			$ 4,207,773	$ 16,035,241	$ 20,243,014	$ 31,090

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

City of Sylvania, Georgia
Balance Sheet
Governmental Funds
December 31, 2022

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,007,699			$ 1,007,699
Restricted cash and cash equivalents	28,340	$ 504,353	$ 1,193,588	1,726,281
Receivables:				
Accounts	87,083		44,326	131,409
Property taxes	70,011			70,011
Notes		204,568		204,568
Other	14,648			14,648
Interfund balances	116,304	43,016	2,650	161,970
Prepaid items	33,114			33,114
Advances to other funds		275,200		275,200
Total assets	$ 1,357,199	$ 1,027,137	$ 1,240,564	$ 3,624,900
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 67,248		$ 5,348	$ 72,596
Accrued expenditures	58,767			58,767
Unearned revenue			422,270	422,270
Interfund balances	45,666		116,304	161,970
Total liabilities	171,681	$ 0	543,922	715,603
Deferred inflows of resources				
Property taxes	56,147			56,147
Total liabilities and deferred inflows of resources	227,828	0	543,922	771,750
Fund balances				
Nonspendable:				
Prepaid items	33,114			33,114
Advances to other funds		275,200		275,200
Notes receivable		181,158		181,158
Restricted for:				
Capital projects	113,356		685,034	798,390
Public safety	22,670		11,608	34,278
Recreation	5,670			5,670
Housing and development		570,779		570,779
Unassigned	954,561			954,561
Total fund balances	1,129,371	1,027,137	696,642	2,853,150
Total liabilities, deferred inflows of resources and fund balances	$ 1,357,199	$ 1,027,137	$ 1,240,564	$ 3,624,900

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, 2022

Total governmental fund balances		$ 2,853,150
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		56,147
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	$ 8,389,221	
Less accumulated depreciation	(5,186,436)	3,202,785
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, 2022, are:		
Deferred outflows		617,982
Deferred inflows		(738,371)
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:		
Financed purchases liability	(107,393)	
Lease liability	(19,630)	
Accrued interest payable	(171)	
Compensated absences payable	(194,234)	
Net pension obligation	(1,112,517)	
Post-employment benefits payable	(349,975)	(1,783,920)
Net position of governmental activities		$ 4,207,773

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, 2022

	General	UDAG	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 1,032,189		$ 29,019	$ 1,061,208
Intergovernmental	286,991		759,601	1,046,592
Licenses and permits	83,166			83,166
Charges for services	31,454			31,454
Fines and forfeitures	86,989		3,919	90,908
Investment earnings	17,503	$ 13,440	2,101	33,044
Miscellaneous	36,063			36,063
Total revenues	1,574,355	13,440	794,640	2,382,435
Expenditures				
Current:				
General government				
Legislative	23,381			23,381
Executive - Mayor	7,952			7,952
Executive - Manager	222,989			222,989
Financial administration	475,055			475,055
Purchase/contract services	23,129			23,129
Judicial	48,643			48,643
Public safety:				
Police	1,141,489			1,141,489
Fire	680,532			680,532
Animal control	5,682			5,682
Public works:				
Streets	640,729			640,729
Garage	201,539			201,539
Health and welfare	124,433			124,433
Culture and recreation	14,243			14,243
Housing and development -				
Economic development and assistance	76,297		17,629	93,926
Capital outlays			98,783	98,783
Debt service:				
Principal retirement	41,706			41,706
Interest and fiscal charges	4,222			4,222
Total expenditures	3,732,021	0	116,412	3,848,433
Excess (deficit) of revenues to expenditures	(2,157,666)	13,440	678,228	(1,465,998)
Other financing sources (uses)				
Proceeds from sale of assets	23,996			23,996
Interfund transfers	1,620,787		(552,035)	1,068,752
Total other financing sources (uses)	1,644,783	0	(552,035)	1,092,748
Net change in fund balances	(512,883)	13,440	126,193	(373,250)
Fund balances beginning of year	1,642,254	1,013,697	570,449	3,226,400
Fund balances end of year	$ 1,129,371	$ 1,027,137	$ 696,642	$ 2,853,150

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, 2022

Net changes in fund balances - total governmental funds		$ (373,250)
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	$ (191,665)	
Capital outlay	317,441	125,776
Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 12/31/22	56,147	
Deferred at 12/31/21	(46,633)	9,514
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 12/31/22	(171)	
Liability at 12/31/21	133	(38)
Repayment of financed purchases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		33,383
Repayment of lease liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		8,361
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 12/31/22	(194,234)	
Liability at 12/31/21	167,451	(26,783)
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 12/31/22	(1,112,517)	
Balance at 12/31/21	1,113,625	1,108
Deferred inflows/outflows of resources from pensions		
Balance at 12/31/22	(120,389)	
Balance at 12/31/21	245,350	124,961
Post-employment benefits reported in the statement of activities do not require the use of funds.		
Liability at 12/31/22	(349,975)	
Liability at 12/31/21	267,235	(82,740)
Change in net position of governmental activities		$ (179,708)

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

City of Sylvania, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2022

	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	$ 47,828	$ 6,030,290			$ 6,078,118
Investments		1,490,260			1,490,260
Receivables - accounts	90,571	4,534,231	$ 489,426	$ 35,533	5,149,761
Prepaid insurance	10,334	8,366	2,235		20,935
Total current assets	148,733	12,063,147	491,661	35,533	12,739,074
Noncurrent assets					
Capital assets					
Nondepreciable capital assets	16,550			6,507	23,057
Depreciable capital assets, net	7,302,978	2,409,761	1,144,209	15,838	10,872,786
Total noncurrent assets	7,319,528	2,409,761	1,144,209	22,345	10,895,843
Total assets	7,468,261	14,472,908	1,635,870	57,878	23,634,917
Deferred outflows of resources					
Pension:					
Difference between expected and actual experience	22,694	29,437	8,650		60,781
Difference between projected and actual earnings on plan investments	57,774	74,941	22,021		154,736
Contributions after measurement date	48,328	62,689	18,421		129,438
Total deferred outflows of resources	128,796	167,067	49,092	0	344,955
Liabilities					
Current liabilities					
Accounts payable	74,192	3,384,677	330,056	43,806	3,832,731
Accrued payroll	3,673	11,269	3,709		18,651
Sales tax payable		13,428			13,428
Accrued interest payable	2,478	3,064			5,542
Customer deposits payable		679,538			679,538
Compensated absences payable	8,243	12,367	4,296		24,906
Post employment benefit payable		11,712	2,546		14,258
Financed purchases payable	8,102	30,772			38,874
Notes payable	99,820				99,820
Total current liabilities	196,508	4,146,827	340,607	43,806	4,727,748
Long-term liabilities (net of current portion):					
Compensated absences payable	32,843	8,245	14,833		55,921
Post-employment benefit payable	106,297	125,967	39,418		271,682
Net pension liability	231,865	300,760	88,377		621,002
Financed purchases payable	19,205	151,990			171,195
Notes payable	1,409,728				1,409,728
Advances from other funds			275,200		275,200
Total long-term liabilities	1,799,938	586,962	417,828	0	2,804,728
Total liabilities	1,996,446	4,733,789	758,435	43,806	7,532,476
Deferred inflows of resources					
Pension:					
Difference between projected and actual earnings on plan investments	153,887	199,613	58,655		412,155
Total deferred inflows of resources	153,887	199,613	58,655	0	412,155
Net Position					
Net investment in capital assets (Note 15)	5,782,673	2,226,999	869,009	22,345	8,901,026
Unrestricted	(335,949)	7,479,574	(1,137)	(8,273)	7,134,215
Total net position	$ 5,446,724	$ 9,706,573	$ 867,872	$ 14,072	$ 16,035,241

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, 2022

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electricity Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Operating revenues					
Charges for services	$ 1,353,191	$ 60,120,732	$ 6,266,404	$ 529,787	$ 68,270,114
Miscellaneous	10,481	9,603			20,084
Total operating revenues	1,363,672	60,130,335	6,266,404	529,787	68,290,198
Operating expenses					
Cost of sales		51,222,764	5,705,659		56,928,423
Salaries	140,512	292,210	124,720		557,442
Payroll taxes	10,601	25,525	9,348		45,474
Group insurance	26,823	52,594	15,991		95,408
Retirement and other post-employment benefits	55,158	105,373	48,737	(32,134)	177,134
Workers' compensation	7,759	15,811	3,625		27,195
Contract labor and services	415,902	10,044	2,761	539,675	968,382
Chemicals	13,856				13,856
Materials and supplies	40,548	132,819	5,797		179,164
Gas, oil, and tires	11,785	23,895	5,382	20	41,082
Uniforms and safety equipment	3,157	2,105	2,227		7,489
Vehicle repairs	6,776	25,290	1,672		33,738
Engineering and consulting	743	7,000			7,743
Postage	4,279	2,023	2,041		8,343
Communications	2,087	2,883	2,496		7,466
Insurance	60,513	20,311	4,360		85,184
Public utilities	166,921	12,096	1,217		180,234
Maintenance and testing	129,412	274,476	32,634		436,522
Bad debts	3,646	15,852	4,355		23,853
Other	3,412	16,831	3,489	2,026	25,758
Depreciation	240,760	144,962	29,052	27,486	442,260
Total operating expenses	1,344,650	52,404,864	6,005,563	537,073	60,292,150
Operating income (loss)	19,022	7,725,471	260,841	(7,286)	7,998,048
Non-operating revenues (expenses)					
Interest and fiscal charges	(31,823)	(5,008)			(36,831)
Grant proceeds	263,503		59,490		322,993
Gain on sale of assets			1,435	6,962	8,397
Investment earnings (loss)	27	(29,017)			(28,990)
Total non-operating revenues (expenses)	231,707	(34,025)	60,925	6,962	265,569
Income (loss) before transfers	250,729	7,691,446	321,766	(324)	8,263,617
Interfund transfers	533,931	(1,281,324)	(320,382)	(977)	(1,068,752)
Change in net position	784,660	6,410,122	1,384	(1,301)	7,194,865
Net position beginning of year	4,662,064	3,296,451	866,488	15,373	8,840,376
Net position end of year	$ 5,446,724	$ 9,706,573	$ 867,872	$ 14,072	$ 16,035,241

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, 2022

	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	$ 1,458,675	$ 60,512,126	$ 6,345,800	$ 571,422	$ 68,888,023
Cash payments to employees for personal services	(251,564)	(501,221)	(177,405)	(3,322)	(933,512)
Cash payments for goods and services	(957,900)	(51,775,471)	(5,869,174)	(574,085)	(59,176,630)
Net cash provided by (used for) operating activities	249,211	8,235,434	299,221	(5,985)	8,777,881
Cash flows from noncapital financing activities					
Interfund transfers	533,931	(1,281,324)	(320,382)	(977)	(1,068,752)
Cash flows from capital and related financing activities					
Grant proceeds	#REF!		157,840		#REF!
Proceeds from financed purchases		165,626			165,626
Proceeds from sale of capital assets			1,435	6,962	8,397
Principal paid on debt	(107,056)	(9,210)			(116,266)
Interest paid on debt	(32,480)	(1,944)			(34,424)
Payments for capital acquisitions	(900,189)	(249,841)	(138,114)		(1,288,144)
Net cash provided by (used for) capital and related financing activities	#REF!	(95,369)	21,161	6,962	#REF!
Cash flows from investing activities					
Investment earnings	27	(29,017)			(28,990)
Purchases of investments		#REF!			#REF!
Net cash provided by (used for) investing activities	27	#REF!	0	0	#REF!
Net increase in cash and cash equivalents	#REF!	#REF!	0	0	#REF!
Cash and cash equivalents beginning of year	40,881	120,183			161,064
Cash and cash equivalents end of year	$ #REF!	$ #REF!	$ 0	$ 0	$ #REF!

(continued)

City of Sylvania, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

(continued)

	Business-type Activities - Enterprise Funds				
	Water and Sewer	**Electric Utility**	**Gas Utility**	**Solid Waste Collection (non-major)**	**Total**
Reconciliation of operating income to net cash provided by operating activities					
Operating income (loss)	$ 19,022	$ 7,725,471	$ 260,841	$ (7,286)	$ 7,998,048
Adjustments:					
Depreciation	240,760	144,962	29,052	27,486	442,260
Increase in assets:					
Accounts receivable	95,003	376	79,396	41,635	216,410
Prepaid insurance	10,573	(1,889)	(711)		7,973
Increase (decrease) in liabilities:					
Accounts payable	(105,436)	10,905	(94,373)	(32,364)	(221,268)
Accrued payroll	(4,034)	(3,451)	(1,634)		(9,119)
Sales tax payable		(16,098)			(16,098)
Compensated absences payable	(1,189)	(29,550)	1,483	(3,322)	(32,578)
Customer deposits		381,415			381,415
Post-retirement benefit payable	16,569	52,147	33,573	(32,134)	70,155
Net pension liability	(22,057)	(28,854)	(8,406)		(59,317)
Net cash provided by (used for) operating activities	$ 249,211	$ 8,235,434	$ 299,221	$ (5,985)	$ 8,777,881

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.

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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, 2022. 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 interfund balances.

Prepaid Items
Payments made to vendors for services that will benefit periods beyond December 31, 2022, 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.

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	

Note 2 - Summary of Significant Accounting Policies (continued)

Asset Class	Estimated Useful Lives: Governmental Activities	Estimated Useful Lives: Business-type Activities
Right to use leased equipment	Lesser of 5 years or lease term	
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 financed purchase contracts and leasing arrangements, 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 the financed purchase contract or lease arrangement 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.

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. 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 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 Adopted in Current Year
In June 2017, GASB issued Statement No. 87, Leases. This statement 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 this Statement, 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 deferred inflow of resources, for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract.

Note 3 - Restatement for Change in Accounting Principle

Pursuant to the adoption of GASB Statement No. 87 (see Note 1), the City is required to reevaluate the accounting treatment of leases. The new standard requires that the following restatement be made to account for the right to use leased assets and the commitment to make future lease payments existing at the beginning of the year.

	Governmental Activities Net Position
As previously stated	$ 4,400,018
Right to use leased assets, December 31, 2021	42,835
Accumulated amortization	(27,381)
Lease liability	(27,991)
As restated	$ 4,387,481

Note 4 - 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 budgeted transfers within departments. All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended December 31, 2022, in the following areas:

General Fund	
Legislative	1,279
Executive - Manager	39
Financial administration	45,881
Police	67,473
Fire	27,622
Streets	64,048
Garage	3,739
Culture and recreation	1,373
Economic development and assistance	8,897
Hotel/Motel Tax Fund	
Housing and development	2,329
Interfund transfers	2,190

Note 5 - 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, 2022, the City was not exposed to custodial credit risk.

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Note 5 - Deposits and Investments (continued)

Investments - Municipal Competitive Trust - At year end, proprietary fund investments were $1,490,260 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 6 - Receivables

Receivables at December 31, 2022, 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 7 - Property Taxes

Property taxes are assessed based upon property values determined by the Screven County Assessor's Office at January 1, 2022. The levy date was June 21, 2022; the tax bills were mailed October 7, 2022; and were due December 20, 2022. The lien date is December 30, 2022.

Note 8 - Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2022, was follows:

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 286,506			$ 286,506
Depreciable capital assets				
Buildings	2,246,190			2,246,190
Land and building improvements	95,531	$ 171,983		267,514
Machinery and equipment	784,448	51,808		836,256
Vehicles	1,186,610	93,650		1,280,260
Furniture and fixtures	98,983			98,983
Infrastructure	3,330,677			3,330,677
Right to use leased assets	42,835			42,835
Total depreciable capital assets	7,785,274	317,441	$ 0	8,102,715
Total capital assets	8,071,780	317,441	0	8,389,221

Note 8 - Capital Assets (continued)

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Accumulated depreciation:				
Buildings	1,376,344	49,969		1,426,313
Land and building improvements	47,659	3,372		51,031
Machinery and equipment	570,863	22,568		593,431
Vehicles	995,307	52,891		1,048,198
Furniture and fixtures	90,952	1,357		92,309
Infrastructure	1,886,265	52,941		1,939,206
Right to use leased assets	27,381	8,567		35,948
Total accumulated depreciation	4,994,771	191,665	0	5,186,436
Governmental activities capital assets, net	$ 3,077,009	$ 125,776	$ 0	$ 3,202,785

Governmental activities depreciation expense	
General government	$ 27,475
Judicial	1,518
Public safety - fire	64,877
Public safety - police	8,748
Public works - streets	64,478
Public works - garage	8,258
Recreation	14,968
Housing and development	1,343
Total governmental activities depreciation expense	$ 191,665

Capital asset activity for business-type activities for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
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	$ 701,777		5,880,589
Sewer collection system	4,046,129	219,931		4,266,060
Water tank and wells	869,178			869,178
Water mains and hydrants	1,292,587			1,292,587
Meters	83,084			83,084
Vehicles	347,537			347,537
Other	787,243			787,243
Total depreciable capital assets	12,604,570	921,708	$ 0	13,526,278
Total capital assets	12,621,120	921,708	0	13,542,828

Note 8 - Capital Assets (continued)

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Accumulated depreciation:				
Building and pump stations	1,725,604	67,500		1,793,104
Sewer collection system	1,572,193	117,930		1,690,123
Water tank and wells	637,367	11,850		649,217
Water mains and hydrants	904,149	22,816		926,965
Meters	81,673	109		81,782
Vehicles	313,473	8,175		321,648
Other	748,081	12,380		760,461
Total accumulated depreciation	5,982,540	240,760	0	6,223,300
Water and sewer capital assets, net	$ 6,638,580	$ 680,948	$ 0	$ 7,319,528
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	$ 76,368		3,496,912
Vehicles	694,408	173,473		867,881
Machinery and equipment	415,862			415,862
Total capital assets	5,078,058	249,841	$ 0	5,327,899
Accumulated depreciation:				
Buildings	256,921	8,231		265,152
Meters	73,270			73,270
Lines, transformers and poles	1,504,106	75,445		1,579,551
Vehicles	592,510	48,594		641,104
Machinery and equipment	346,369	12,692		359,061
Total accumulated depreciation	2,773,176	144,962	0	2,918,138
Electric utility capital assets, net	$ 2,304,882	$ 104,879	$ 0	$ 2,409,761
Gas utility fund:				
Depreciable capital assets:				
Buildings	$ 2,509			$ 2,509
Gas mains	1,529,898	$ 138,114		1,668,012
Meters and regulators	108,600			108,600
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total capital assets	1,772,562	$ 138,114	$ 0	1,910,676

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Note 8 - Capital Assets (continued)

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Accumulated depreciation:				
Buildings	2,161	63		2,224
Gas mains	524,792	26,188		550,980
Meters and regulators	78,907	2,801		81,708
Vehicles	83,926			83,926
Machinery and equipment	47,629			47,629
Total accumulated depreciation	737,415	29,052	0	766,467
Gas utility fund capital assets, net	$ 1,035,147	$ 109,062	$ 0	$ 1,144,209
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	361,380			361,380
Machinery and equipment	163,592			163,592
Total depreciable capital assets	536,421	$ 0	0	536,421
Total capital assets	542,928	0	0	542,928
Accumulated depreciation:				
Buildings	10,501	382		10,883
Vehicles	343,748	17,632		361,380
Machinery and equipment	138,848	9,472		148,320
Total accumulated depreciation	493,097	27,486	0	520,583
Solid waste collection fund capital assets, net	$ 49,831	$ (27,486)	$ 0	$ 22,345

Note 9 - 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.

General fund payable to the confiscated assets fund for revenues for the confiscated assets fund received into the general fund was $2,650 at December 31, 2022.

General fund payable to the UDAG fund for revenues for the UDAG fund received into the general fund was $43,016 at December 31, 2022.

2013 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $80,494 at December 31, 2022.

Note 9 - Interfund Balances, Advances and Transfers (continued)

2019 SPLOST fund payable to the general fund for SPLOST expenditures paid for by the general fund was $35,810 at December 31, 2022.

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, 2022, 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, 2022, consisted of the following:

The hotel/motel tax fund transferred $11,390 to the general fund pursuant to provisions of state law.
The water and sewer fund transferred $6,714 to the general fund to supplement its finances.
The electric fund transferred $1,281,324 to the general fund to supplement its finances.
The natural gas fund (non-major) transferred $320,382 to the general fund to supplement its finances.
The solid waste collection fund transferred $977 to the general fund to supplement its finances.
The American Rescue special revenue fund (non-major) transferred $453,745 to the water/sewer fund for the payment of qualified expenditures.
The 2019 SPLOST fund transferred $16,900 to the water and sewer fund for water and sewer capital additions and $70,000 to the water and sewer fund for qualified water and sewer debt service.

Note 10- 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 11 - Long-Term Liabilities

Governmental Financed Purchase Agreements

The City has entered into financed purchase contracts 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. Financed purchase contract 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.

Note 11 - Long-Term Liabilities (continued)

Financed purchase agreement with USDA requiring annual payments of $3,299. The vehicle acquired by the contract is included in governmental activities general capital assets in the amount of $0 (cost of $33,558, less accumulated depreciation of $33,558). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 3,193	$ 106	$ 3,299
	$ 3,193	$ 106	$ 3,299

Financed purchase agreement with USDA requiring annual payments of $7,796. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $29,774 (cost of $84,941, less accumulated depreciation of $55,167). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 7,349	$ 447	$ 7,796
2024	7,563	233	7,796
	$ 14,912	$ 680	$ 15,592

Financed purchase agreement with USDA requiring annual payments of $9,753. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $68,143 (cost of $97,347, less accumulated depreciation of $29,204). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 8,966	$ 787	$ 9,753
2024	9,157	596	9,753
2025	9,351	402	9,753
2026	9,546	207	9,753
	$ 37,020	$ 1,992	$ 39,012

Financed purchase agreement with USDA requiring annual payments of $3,386. The vehicle acquired by the contract is included in governmental activities general capital assets in the amount of $24,148 (cost of $34,498, less accumulated depreciation of $10,350). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 3,113	$ 273	$ 3,386
2024	3,179	207	3,386
2025	3,247	139	3,386
2026	3,313	73	3,386
	$ 12,852	$ 692	$ 13,544

Note 11 - Long-Term Liabilities (continued)

Financed purchase agreement with Georgia Municipal Association requiring quarterly payments of $3,205. The vehicles acquired by the contract are included in governmental activities general capital assets in the amount of $51,322 (cost of $62,091, less accumulated depreciation of $10,769). The outstanding balance of the corresponding liability is included in governmental activities general current debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 11,695	$ 1,125	$ 12,820
2024	12,074	746	12,820
2025	12,466	354	12,820
2026	3,181	24	3,205
	$ 39,416	$ 2,249	$ 41,665

Business-Type Activities

Financed purchase agreement with Georgia Municipal Association requiring quarterly payments of $2,220. The boom mower acquired by the contract is included in the water and sewer fund capital assets in the amount of $25,889 (cost of $40,877 less accumulated depreciation of $14,988). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 8,102	$ 780	$ 8,882
2024	8,365	517	8,882
2025	8,637	245	8,882
2026	2,203	17	2,220
	$ 27,307	$ 1,559	$ 28,866

Financed purchase agreement with Georgia Municipal Association requiring quarterly payments of $2,558. The boom mower acquired by the contract is included in the electric utility fund capital assets in the amount of $26,229 (cost of $45,900 less accumulated depreciation of $19,671). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 9,627	$ 605	$ 10,232
2024	7,509	165	7,674
	$ 17,136	$ 770	$ 17,906

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Note 11 - Long-Term Liabilities (continued)

Financed purchase agreement with Georgia Municipal Association in semi-annual payments of $13,532. The bucket truck acquired by the contract is included in the electric utility fund capital assets in the amount of $165,212 (cost of $173,473 less accumulated depreciation of $8,261). The outstanding balance of the corresponding liability is included in business activities long-term debt. Annual debt service requirements to amortize this contract as of December 31, 2022, follow:

Year	Principal	Interest	Total
2023	$ 21,145	$ 5,919	$ 27,064
2024	21,934	5,130	27,064
2025	22,750	4,314	27,064
2026	23,598	3,466	27,064
2027	24,477	2,587	27,064
2028-2029	51,722	2,406	54,128
	$ 165,626	$ 23,822	$ 189,448

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, 2022, follow:

Year	Principal	Interest	Total
2023	$ 77,548	$ 25,942	$ 103,490
2024	79,572	23,918	103,490
2025	81,202	22,288	103,490
2026	82,866	20,624	103,490
2027	84,564	18,926	103,490
2028-2032	449,533	67,918	517,451
2033-2037	398,475	20,556	419,031
Total	$ 1,253,760	$ 200,172	$ 1,453,932

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, 2022, follow:

Year	Principal	Interest	Total
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	24,030	3,134	27,164
2028-2032	127,235	8,583	135,818
2033	12,840	235	13,075
Total	$ 255,788	$ 28,925	$ 284,713

Note 11 - Long-Term Liabilities (continued)

Leases - The County has entered into various lease agreements for the rights to use various pieces of office equipment. As the arrangements meet the criteria of a lease under GASB Statement No. 87, adopted in the current year (see Note 1 and Note 3), they are required to be recorded as intangible right to lease assets and lease liabilities. The right to use assets are amortized over the shorter of the lease terms or the useful life of the underlying assets and the City is not taking ownership of the underlying assets. All of the lease terms are 5 years, The imputed interest rates range from 1.8% to 3.0%, with payments made monthly or quarterly. The following is a schedule of lease payments to maturity as of June 30, 2022:

Year	Principal	Interest	Total
2023	$ 7,563	$ 320	$ 7,883
2024	5,714	187	5,901
2025	4,214	87	4,301
2026	2,139	12	2,151
Total	$ 19,630	$ 606	$ 20,236

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2022:

Governmental Activities	Outstanding 12/31/2021	Additions	Reductions	Outstanding 12/31/2022	Amounts Due in One Year
Financed purchase contracts	$ 140,776		$ 33,383	$ 107,393	$ 34,316
Other leases	27,991		8,361	19,630	7,563
Compensated absences	167,451	$ 100,627	73,844	194,234	75,680
Post-employment benefits	267,235	85,136	2,396	349,975	9,166
Net pension liability	1,113,625		1,108	1,112,517	
Total Government-Type Activities	$ 1,717,078	$ 185,763	$ 119,092	$ 1,783,749	$ 126,725
Business-Type Activities					
GEFA loan - 2015	$ 1,330,908		$ 77,148	$ 1,253,760	$ 77,548
GEFA loan - 2017	277,850		22,062	255,788	22,272
Financed purchase contracts:					
Water and sewer fund	35,154		7,847	27,307	8,102
Electric utility fund	26,346	165,626	9,210	182,762	30,772
Compensated absences	113,405	28,069	60,647	80,827	24,906
Post-employment benefits	215,785	77,343	7,188	285,940	14,258
Net pension liability	612,560	8,442		621,002	
Total Business-Type Activities	$ 2,612,008	$ 279,480	$ 184,102	$ 2,707,386	$ 177,858

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.

Note 11 - Long-Term Liabilities (continued)

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In 2022, 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 2022, 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, 2022, was $4,222 for governmental-type activities and $36,831 for business-type activities, all of which was charged to operations.

Note 12 - Defined Benefit Pension Plan

General Information About the Pension Plan

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

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

Employees Covered - At December 31, 2022, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	38
Active employees	33
Total	110

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 $453,717 for the year ended December 31, 2022.

Note 12 - Defined Benefit Pension Plan (continued)

Net Pension Liability

The City's net pension liability (NPL) for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of March 31, 2022, using an annual actuarial valuation as of July 1, 2022. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	July 1, 2022
Measurement date	March 31, 2022
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount rate	7.375%
Inflation rate	2.25%
Net investment rate of return	7.375%
Projected salary increase	2.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The underlying mortality assumptions and all other actuarial assumptions used in the July 1, 2022, 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, 2022, (see the discussion of the pension plan's investment policy) are summarized in the following table.

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Note 12 - Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
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, 2021	$ 8,916,339	$ 7,190,154	$ 1,726,185
Changes for the year:			
Service cost	71,172		71,172
Interest	645,729		645,729
Differences between expected and actual experience	194,757		194,757
Contributions - employer		484,640	(484,640)
Net investment income		438,823	(438,823)
Benefit payments	(463,740)	(463,740)	0
Administrative expense		(19,139)	19,139
Net changes	447,918	440,584	7,334
Balances as of March 31, 2022	$ 9,364,257	$ 7,630,738	$ 1,733,519

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

1% Decrease	Current Discount Rate	1% Increase
$ 2,787,299	$ 1,733,519	$ 840,441

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Note 12 - Defined Benefit Pension Plan (continued)

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

For the year ended December 31, 2022, the City recognized pension expense of $268,329. At December 31, 2022, 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	$ 169,669	
Pension contributions subsequent to measurement date	361,323	
Net difference between projected and actual earnings on pension plan investments	431,945	$ (1,150,526)
Changes of assumptions		
Total	$ 962,937	$ (1,150,526)

$361,323 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, 2023. 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:	
2023	$ 4,488
2024	(206,495)
2025	(365,206)
2026	18,301
	$ (548,912)

Note 13 - Defined Contribution Plan

The City has a 457(b) defined contribution plan, established in 2017, which is administered by the Georgia Municipal Association. The City does not contribute to the plan or act in a fiduciary capacity, and individual participants determine investment decisions. The City employees contributed $39,504 in 2022.

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 $17,257 and $18,942, respectively, in 2022.

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

Note 14 - Postemployment Benefits Other Than Pensions

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

Funding Policy - The City contributes the full amount of the current-year premiums for eligible retired plan members. The City is financing the postemployment benefits on a pay-as-you-go basis. The City had retired employees affecting 2022. Two employee ceased receiving benefits during 2022; one began receiving benefits in 2022. For 2022, the City recognized negative benefit expense of $162,479.

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	$	147,988
Interest on net OPEB obligation		14,491
Annual OPEB cost		162,479
Contributions made		9,584
Increase in net OPEB obligation		152,895
Net OPEB obligation, beginning of year		483,020
Net OPEB obligation, end of year	$	635,915

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.

Health insurance premiums - January 2023 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.

Note 14 - Postemployment Benefits Other Than Pensions (continued)

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
12/31/2022	162,479	162,479	9,584	5.90%	666,352

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%
12/31/2022	0	483,020	0	483,020	647,212	74.63%
12/31/2022	0	666,913	0	666,913	748,285	89.13%

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.

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Note 15 - Net Investment in Capital Assets

The "net investment in capital assets" amount as reported on the government-wide statement of net position as of December 31, 2021, is as follows:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 8,389,221	$ 21,324,331
Less accumulated depreciation	5,186,436	10,428,488
Book value	3,202,785	10,895,843
Less capital related debt	127,023	1,994,817
	$ 3,075,762	$ 8,901,026

Note 16 - Risk Management

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

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2022. No provisions have been made in the financial statements for the year ended December 31, 2022, 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 17 - MEAG Power Contract

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

At December 31, 2022, the outstanding debt of MEAG was approximately $9.9 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $88 million at December 31, 2022.

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 $1,490,260 at December 31, 2022, and is included as a current investment in the electric utility fund.

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.

Economic Dependency - The City's electric utility fund received approximately 86% of its sales revenue from its industrial customers, with 77% 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 June 28, 2023.

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City of Sylvania, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	$ 1,007,050	$ 1,032,189	$ 25,139
Intergovernmental	172,775	286,991	114,216
Licenses and permits	57,850	83,166	25,316
Charges for services	37,100	31,454	(5,646)
Fines and forfeitures	93,600	86,989	(6,611)
Investment earnings	2,000	17,503	15,503
Miscellaneous	15,500	36,063	20,563
Total revenues	1,385,875	1,574,355	188,480
Expenditures			
Current:			
General government:			
Legislative	22,102	23,381	(1,279)
Executive - Mayor	8,418	7,952	466
Executive - Manager	222,950	222,989	(39)
Financial administration	436,450	482,331	(45,881)
Purchase/contractual services	73,200	23,129	50,071
Judicial	63,770	50,242	13,528
Public safety:			
Police	1,098,250	1,165,723	(67,473)
Fire	652,910	680,532	(27,622)
Animal control	8,960	5,682	3,278
Public works:			
Streets	589,500	653,548	(64,048)
Garage	197,800	201,539	(3,739)
Health and welfare - nutrition program	127,800	124,433	3,367
Culture and recreation	12,870	14,243	(1,373)
Housing and development			
Economic development and assistance	67,400	76,297	(8,897)
Total expenditures	3,582,380	3,732,021	(149,641)
Deficit of revenues to expenditures	(2,196,505)	(2,157,666)	38,839
Other financing sources			
Inception of capital lease	45,000		(45,000)
Proceeds from sale of assets		23,996	23,996
Interfund transfers	2,151,505	1,620,787	(530,718)
Total other financing sources	2,196,505	1,644,783	(551,722)
Net change in fund balances	$ 0	(512,883)	$ (512,883)
Fund balances beginning of year		1,642,254	
Fund balances end of year		$ 1,129,371	

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, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 9,200	$ 13,440	$ 4,240
Expenditures	0	0	0
Net change in fund balance	$ 9,200	13,440	$ 4,240
Fund balances beginning of year		1,013,697	
Fund balances end of year		$ 1,027,137	

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. $45,928) 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
General government - Financial administration	$ 475,055	$ 7,276	$ 482,331
Judicial	48,643	1,599	50,242
Public safety - Police	1,141,489	24,234	1,165,723
Public works - Streets	640,729	12,819	653,548
Debt service:			
Principal	41,706	(41,706)	0
Interest and fiscal charges	4,222	(4,222)	0
	$ 2,351,844	$ 0	$ 2,351,844

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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	$ 71,172	$ 69,339	$ 82,827	$ 74,159	$ 91,216	$ 89,693	$ 115,252	$ 101,131
Interest	645,729	613,302	583,328	549,385	474,552	455,175	435,093	396,159
Difference between expected and actual experience	194,757	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	(463,740)	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Other					594,128			
Net change in total pension liability	447,918	439,930	588,670	452,169	1,182,381	258,207	263,992	509,619
Total pension liability - beginning	8,916,339	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	$ 9,364,257	$ 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	$ 484,640	$ 298,910	$ 397,601	$ 337,158	$ 271,675	$ 323,014	$ 303,069	$ 300,670
Net investment income	438,823	2,285,867	(383,172)	191,734	591,131	526,921	11,277	360,329
Benefit payments, including refunds of employee contributions	(463,740)	(459,587)	(385,732)	(369,179)	(259,873)	(243,512)	(233,773)	(219,274)
Administrative expense	(19,139)	(19,137)	(20,927)	(19,989)	(19,772)	(21,328)	(14,786)	(13,703)
Net change in fiduciary net position	440,584	2,106,053	(392,230)	139,724	583,161	585,095	65,787	428,022
Plan fiduciary net position - beginning	7,190,154	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	$ 7,630,738	$ 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	$ 1,733,519	$ 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	81.49%	80.64%	59.98%	69.43%	71.77%	76.02%	69.53%	71.59%
Covered employee payroll	1,700,853	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	101.92%	101.21%	197.85%	105.58%	100.43%	67.77%	80.54%	68.61%

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

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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 427,906	$ 418,066	$ 390,385	$ 287,473	$ 298,350	$ 329,802	$ 294,158
Contributions in relation to actuarially determined contribution	*	$ 417,086	$ 343,227	$ 390,385 **	$ 287,473 **	$ 325,834 **	$ 303,393 **	$ 319,395 **
Contribution deficiency (excess)	*	$ 10,820	$ 74,839	$ 0	$ 0	$ (27,484)	$ 26,409	$ (25,237)
Covered-employee payroll	*	$ 1,705,482	$ 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	*	24.46%	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, 2022

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, 2022

As of the most recent valuation date, December 31, 2022, 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%
12/31/2022	0	666,913	666,913	0.00%	748,285	89.13%

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, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 1,007,699	$ 1,563,526
Restricted cash and cash equivalents	28,340	25,772
Receivables:		
Accounts	87,083	40,510
Intergovernmental		7,289
Property taxes	70,011	63,651
Other	14,648	8,810
Interfund balances	116,304	181,451
Prepaid items	33,114	22,402
Total assets	$ 1,357,199	$ 1,913,411
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 67,248	$ 172,746
Accrued expenditures	58,767	51,778
Interfund balances	45,666	
Total liabilities	171,681	224,524
Deferred inflows of resources - property taxes	56,147	46,633
Total liabilities and deferred inflows of resources	227,828	271,157
Fund balances		
Nonspendable - prepaid items	33,114	22,402
Restricted for		
Capital projects	113,356	109,746
Public safety - police	22,670	19,822
Recreation	5,670	5,670
Unassigned	954,561	1,484,614
Total fund balances	1,129,371	1,642,254
Total liabilities, deferred inflows of resources and fund balances	$ 1,357,199	$ 1,913,411

City of Sylvania, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues		
Taxes	$ 1,032,189	$ 1,024,678
Intergovernmental	286,991	139,045
Licenses and permits	83,166	50,321
Charges for services	31,454	41,339
Fines and forfeitures	86,989	77,552
Investment earnings	17,503	4,234
Miscellaneous	36,063	40,572
Total revenues	1,574,355	1,377,741
Expenditures		
Current:		
General government		
Legislative	23,381	19,260
Executive - Mayor	7,952	5,752
Executive - Manager	222,989	221,151
Financial administration	475,055	460,238
Elections		3,808
Purchase/contract services	23,129	39,295
Judicial	48,643	47,426
Public safety		
Police	1,141,489	1,042,205
Fire	680,532	717,973
Animal control	5,682	7,401
Public works:		
Streets	640,729	595,007
Garage	201,539	203,809
Health and welfare - nutrition program	124,433	122,644
Culture and recreation	14,243	6,205
Housing and development - economic development and assistance	76,297	35,614
Debt service:		
Principal retirement	41,706	21,943
Interest and fiscal charges	4,222	1,738
Total expenditures	3,732,021	3,551,469
Deficit of revenues to expenditures	(2,157,666)	(2,173,728)
Other financing sources		
Inception of capital lease		120,700
Proceeds from sale of assets	23,996	
Interfund transfers	1,620,787	3,055,655
Total other financing sources	1,644,783	3,176,355
Net change in fund balances	(512,883)	1,002,627
Fund balances beginning of year	1,642,254	639,627
Fund balances end of year	$ 1,129,371	$ 1,642,254

City of Sylvania, Georgia
UDAG Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Restricted cash and cash equivalents	$ 504,353	$ 478,058
Receivables - notes	204,568	260,439
Interfund balances	43,016	
Advances to gas utility fund	275,200	275,200
Total assets	$ 1,027,137	$ 1,013,697
Liabilities and Fund Balances		
Fund Balances		
Nonspendable:		
Advances to gas utility fund	$ 275,200	$ 275,200
Notes receivable	181,158	224,108
Restricted for housing and development	570,779	514,389
Total fund balances	$ 1,027,137	$ 1,013,697

City of Sylvania, Georgia
UDAG Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues		
Investment earnings	$ 13,440	$ 17,458
Expenditures	0	0
Net change in fund balance	13,440	17,458
Fund balances beginning of year	1,013,697	996,239
Fund balances end of year	$ 1,027,137	$ 1,013,697

City of Sylvania, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Restricted cash and cash equivalents	$ 434,228	$ 759,360	$ 1,193,588
Accounts receivable	2,348	41,978	44,326
Interfund balance	2,650		2,650
Total assets	$ 439,226	$ 801,338	$ 1,240,564
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 5,348		$ 5,348
Unearned revenue	422,270		422,270
Interfund balances		$ 116,304	116,304
Total liabilities	427,618	116,304	543,922
Fund Balances			
Restricted for:			
Capital projects		685,034	685,034
Public safety	11,608		11,608
Total fund balances	11,608	685,034	696,642
Total liabilities and fund balances	$ 439,226	$ 801,338	$ 1,240,564

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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 29,019		$ 29,019
Intergovernmental	451,139	$ 308,462	759,601
Fines and forfeitures	3,919		3,919
Investment earnings	1,934	167	2,101
Total revenues	486,011	308,629	794,640
Expenditures			
Current:			
Housing and development - economic development and assistance	17,629		17,629
Capital outlays		98,783	98,783
Total expenditures	17,629	98,783	116,412
Excess of revenues to expenditures	468,382	209,846	678,228
Other financing uses			
Transfer to:			
General fund	(11,390)		(11,390)
Water and sewer fund	(453,745)	(86,900)	(540,645)
Total other financing uses	(465,135)	(86,900)	(552,035)
Net change in fund balances	3,247	122,946	126,193
Fund balances beginning of year	8,361	562,088	570,449
Fund balances end of year	$ 11,608	$ 685,034	$ 696,642

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Assets				
Restricted cash and cash equivalents		$ 425,270	$ 8,958	$ 434,228
Accounts receivable	$ 2,348			2,348
Interfund balance			2,650	2,650
Total assets	$ 2,348	$ 425,270	$ 11,608	$ 439,226
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 2,348	$ 3,000		$ 5,348
Unearned revenue		422,270		422,270
Total liabilities	2,348	425,270	$ 0	427,618
Fund Balances				
Restricted for public safety			11,608	11,608
Total liabilities and fund balances	$ 2,348	$ 425,270	$ 11,608	$ 439,226

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Hotel/Motel Tax Fund	American Rescue Fund	Confiscated Assets Fund	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	$ 29,019			$ 29,019
Intergovernmental		$ 451,139		451,139
Fines and forfeitures			$ 3,919	3,919
Investment earnings		1,934		1,934
Total revenues	29,019	453,073	3,919	486,011
Expenditures				
Current:				
Housing and development - economic	17,629			17,629
Excess of revenues to expenditures	11,390	453,073	3,919	468,382
Other financing uses				
Interfund transfers to:				
General fund	(11,390)			(11,390)
Water and sewer fund		(453,745)		(453,745)
Total other financing uses	(11,390)	(453,745)	0	(465,135)
Net change in fund balances	0	(672)	3,919	3,247
Fund balances beginning of year		672	7,689	8,361
Fund balances end of year	$ 0	$ 0	$ 11,608	$ 11,608

City of Sylvania
Hotel/Motel Tax Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Restricted cash and cash equivalents		$ 15,905
Accounts receivable	$ 2,348	2,054
Total assets	$ 2,348	$ 17,959
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 2,348	$ 2,322
Interfund balance		15,637
Total liabilities	$ 2,348	$ 17,959

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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 24,500	$ 27,800	$ 29,019	$ 1,219	$ 27,799
Expenditures					
Current:					
Housing and development	15,300	15,300	17,629	(2,329)	17,374
Excess of revenues to expenditures	9,200	12,500	11,390	(1,110)	10,425
Other financing uses					
Interfund transfers	(9,200)	(9,200)	(11,390)	(2,190)	(10,425)
Net change in fund balance	$ 0	$ 3,300	0	$ (3,300)	0
Fund balances beginning of year			0		0
Fund balances end of year			$ 0		$ 0

City of Sylvania
American Rescue Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Restricted cash and cash equivalents	$ 425,270	$ 414,194
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 3,000	
Unearned revenue	422,270	$ 413,522
Total liabilities	425,270	413,522
Fund Balances		
Restricted for program purposes	0	672
Total liabilities and fund balances	$ 425,270	$ 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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			2021
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	$ 460,000	$ 451,139	$ (8,861)	46,365
Investment earnings	500	1,934	1,434	672
Total revenues	460,500	453,073	(7,427)	47,037
Other financing uses				
Interfund transfers	(675,000)	(453,745)	221,255	(46,365)
Net change in fund balance	$ (214,500)	(672)	$ 213,828	672
Fund balances beginning of year		672		0
Fund balances end of year		$ 0		672

City of Sylvania
Confiscated Assets Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Restricted cash and cash equivalents	$ 8,958	$ 7,689
Interfund balance	2,650	
Total assets	$ 11,608	$ 7,689
Liabilities and Fund Balances		
Restricted for public safety	$ 11,608	$ 7,689

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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			2021
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fines and forfeitures	$ 4,000	$ 3,919	$ (81)	2,419
Expenditures				
Current:				
Public safety - police	4,000	0	4,000	$ 2,982
Net change in fund balance	$ 0	3,919	$ 3,919	(563)
Fund balances beginning of year		7,689		8,252
Fund balances end of year		$ 11,608		$ 7,689

City of Sylvania, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022

	2019 SPLOST Fund	2013 SPLOST Fund	Total Nonmajor Capital Projects Funds
Assets			
Restricted cash and cash equivalents	$ 678,866	$ 80,494	$ 759,360
Accounts receivable	41,978		41,978
Total assets	$ 720,844	$ 80,494	$ 801,338
Liabilities and Fund Balances			
Liabilities			
Interfund balance	$ 35,810	$ 80,494	$ 116,304
Fund Balances			
Restricted for capital projects	685,034	0	685,034
Total liabilities and fund balances	$ 720,844	$ 80,494	$ 801,338

City of Sylvania, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022

	2019 SPLOST Fund	2013 SPLOST Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$ 308,462		$ 308,462
Investment earnings		$ 167	167
Total revenues	308,462	167	308,629
Expenditures			
Capital outlays:			
Public works - streets	18,910		18,910
Culture and recreation		79,873	79,873
Total expenditures	18,910	79,873	98,783
Excess (deficit) of revenues to expenditures	289,552	(79,706)	209,846
Other financing uses			
Transfers to water and sewer fund	(86,900)	0	(86,900)
Net change in fund balances	202,652	(79,706)	122,946
Fund balances beginning of year	482,382	79,706	562,088
Fund balances end of year	$ 685,034	$ 0	$ 685,034

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Restricted cash and cash equivalents	$ 678,866	$ 516,393
Accounts receivable	41,978	30,423
Total assets	$ 720,844	$ 546,816
Liabilities and Fund Balances		
Liabilities		
Interfund balances	$ 35,810	$ 64,434
Fund Balances		
Restricted for capital projects	685,034	482,382
Total liabilities and fund balances	$ 720,844	$ 546,816

City of Sylvania
2019 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues		
Intergovernmental	$ 308,462	$ 298,915
Expenditures		
Capital outlays:		
Public safet - fire		75,122
Public works - streets	18,910	
Housing and development - economic development and assistance		500
Total expenditures	18,910	75,622
Excess of revenues to expenditures	289,552	223,293
Other financing uses		
Transfers to water and sewer fund	(86,900)	
Net change in fund balance	202,652	223,293
Fund balances beginning of year	482,382	259,089
Fund balances end of year	$ 685,034	$ 482,382

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Restricted cash and cash equivalents	$ 80,494	$ 181,667
Liabilities and Fund Balances		
Liabilities		
Accounts payable		$ 581
Interfund balances	$ 80,494	101,380
Total liabilities	80,494	101,961
Fund Balances		
Restricted for capital projects	0	79,706
Total liabilities and fund balances	$ 80,494	$ 181,667

City of Sylvania
2013 SPLOST Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues		
Investment earnings	$ 167	$ 242
Expenditures		
Capital outlays:		
General government - general administration		76,959
Public safety - police		6,748
Public works - streets		11,500
Culture and recreation	79,873	
Total expenditures	79,873	95,207
Net change in fund balance	(79,706)	(94,965)
Fund balances beginning of year	79,706	174,671
Fund balances end of year	$ 0	$ 79,706

City of Sylvania, Georgia
Water and Sewer Fund
Comparative Schedule of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	$ 47,828	$ 40,881
Receivables:		
Accounts	90,571	185,575
Prepaid insurance	10,334	20,907
Total current assets	148,733	247,363
Noncurrent assets		
Capital assets		
Nondepreciable capital asset	16,550	16,550
Depreciable capital assets, net	7,302,978	6,622,030
Total noncurrent assets	7,319,528	6,638,580
Total assets	7,468,261	6,885,943
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	22,694	19,151
Difference between projected and actual earnings on plan investments	57,774	
Changes in assumptions		15,926
Contributions after measurement date	48,328	51,954
Total deferred outflows of resources	128,796	87,031
Liabilities		
Current liabilities		
Accounts payable	74,192	158,109
Accrued payroll	3,673	7,707
Accrued interest payable	2,478	3,135
Compensated absences payable	8,243	13,233
Financed purchases payable	8,102	7,847
Notes payable	99,820	98,262
Total current liabilities	196,508	288,293
Long-term liabilities		
Compensated absences payable (net of current portion)	32,843	29,042
Post-employment benefit payable	106,297	89,728
Net pension liability	231,865	228,639
Financed purchases payable (net of current portion)	19,205	27,307
Notes payable (net of current portion)	1,409,728	1,510,496
Total long-term liabilities	1,799,938	1,885,212
Total liabilities	1,996,446	2,173,505
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience		2,317
Difference between projected and actual earnings on plan investments	153,887	135,088
Total deferred inflows of resources	153,887	137,405
Net position		
Net investment in capital assets	5,782,673	4,994,668
Unrestricted	(335,949)	(332,604)
Total net position	$ 5,446,724	$ 4,662,064

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, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for services	$ 1,353,191	$ 1,379,068
Miscellaneous	10,481	9,400
Total operating revenues	1,363,672	1,388,468
Operating expenses		
Salaries	140,512	149,369
Social security	10,601	15,369
Group insurance	26,823	25,104
Retirement and other post-employment benefits	55,158	20,747
Workers' compensation	7,759	5,322
Contract services	415,902	393,557
Chemicals	13,856	8,840
Materials and supplies	40,548	31,249
Gas, oil, and tires	11,785	5,975
Uniforms and safety equipment	3,157	1,952
Vehicle repairs	6,776	8,391
Engineering and consulting	743	64,568
Postage	4,279	2,511
Communications	2,087	1,716
Insurance	60,513	54,318
Public utilities	166,921	185,014
Maintenance and testing	129,412	77,573
Bad debts	3,646	2,820
Other	3,412	2,287
Depreciation	240,760	241,958
Total operating expenses	1,344,650	1,298,640
Operating income	19,022	89,828
Non-operating revenues (expenses)		
Interest and fiscal charges	(31,823)	(33,574)
Grant proceeds	263,503	429,752
Investment earnings	27	6
Total non-operating revenues	231,707	396,184
Income before transfers	250,729	486,012
Interfund transfers	533,931	28,993
Change in net position	784,660	515,005
Net position beginning of year	4,662,064	4,147,059
Net position end of year	$ 5,446,724	$ 4,662,064

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 6,030,290	$ 120,183
Investments	1,490,260	570,643
Accounts receivable	4,534,231	4,534,607
Prepaid insurance	8,366	6,477
Total current assets	12,063,147	5,231,910
Noncurrent assets		
Capital assets:		
Depreciable capital assets, net	2,409,761	2,304,882
Total assets	14,472,908	7,536,792
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	29,437	24,858
Difference between projected and actual earnings on plan investments	74,941	
Changes in assumptions		20,672
Contributions after measurement date	62,689	67,437
Total deferred outflows of resources	167,067	112,967
Liabilities		
Current liabilities		
Accounts payable	3,384,677	3,373,772
Accrued payroll	11,269	14,720
Sales tax payable	13,428	29,526
Accrued interest payable	3,064	
Customer deposits payable	679,538	298,123
Compensated absences payable	12,367	23,454
Post employment benefits payable	11,712	6,979
Financed purchases payable	30,772	9,209
Total current liabilities	4,146,827	3,755,783
Long-term liabilities		
Compensated absences payable (net of current portion)	8,245	26,708
Post-employment benefit payable (net of current portion)	125,967	78,553
Net pension liability	300,760	296,775
Financed purchases payable (net of current portion)	151,990	17,137
Total long-term liabilities	586,962	419,173
Total liabilities	4,733,789	4,174,956
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience		3,007
Difference between projected and actual earnings on plan investments	199,613	175,345
Total deferred inflows of resources	199,613	178,352
Net Position		
Net investment in capital assets	2,226,999	2,278,536
Unrestricted	7,479,574	1,017,915
Total net position	$ 9,706,573	$ 3,296,451

City of Sylvania, Georgia
Electricity Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating revenues		
Charges for services	$ 60,120,732	$ 36,249,570
Miscellaneous	9,603	4,886
Total operating revenues	60,130,335	36,254,456
Operating expenses		
Cost of sales	51,222,764	32,950,648
Salaries	292,210	337,231
Social security	25,525	35,182
Group insurance	52,594	58,212
Retirement and other post-employment benefits	105,373	(23,355)
Workers' compensation	15,811	10,938
Contract labor and services	10,044	6,866
Materials and supplies	132,819	105,409
Gas, oil, and tires	23,895	13,913
Uniforms and safety equipment	2,105	1,400
Vehicle repairs	25,290	35,105
Engineering and consulting	7,000	14,456
Postage	2,023	514
Communications	2,883	2,761
Insurance	20,311	17,941
Public utilities	12,096	24,746
Maintenance and testing	274,476	190,750
Bad debts	15,852	(483)
Other	16,831	8,155
Depreciation	144,962	142,954
Total operating expenses	52,404,864	33,933,343
Operating income	7,725,471	2,321,113
Non-operating expenses		
Interest and fiscal charges	(5,008)	(1,421)
Investment loss	(29,017)	(2,268)
MEAG Generation Trust investment loss		(8,269)
Total non-operating expenses	(34,025)	(11,958)
Income before transfers	7,691,446	2,309,155
Interfund transfers	(1,281,324)	(2,558,177)
Change in net position	6,410,122	(249,022)
Net position beginning of year	3,296,451	3,545,473
Net position end of year	$ 9,706,573	$ 3,296,451

City of Sylvania, Georgia
Gas Utility Fund
Comparative Schedule of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Receivables:		
Accounts	$ 489,426	$ 568,822
Intergovernmental		98,350
Prepaid insurance	2,235	1,524
Total current assets	491,661	668,696
Noncurrent assets		
Capital assets		
Depreciable capital assets, net	1,144,209	1,035,147
Total assets	1,635,870	1,703,843
Deferred outflows of resources		
Pension:		
Difference between expected and actual experience	8,650	7,299
Difference between projected and actual earnings on plan investments	22,021	
Changes in assumptions		6,070
Contributions after measurement date	18,421	19,803
Total deferred outflows of resources	49,092	33,172
Liabilities		
Current liabilities		
Accounts payable	330,056	424,429
Accrued payroll	3,709	5,343
Compensated absences payable	4,296	3,919
Post-employment benefit payable	2,546	
Total current liabilities	340,607	433,691
Long-term liabilities		
Compensated absences payable (net of current portion)	14,833	13,727
Post-employment benefit payable (net of current portion)	39,418	8,391
Net pension liability	88,377	87,146
Advance from UDAG fund	275,200	275,200
Total long-term liabilities	417,828	384,464
Total liabilities	758,435	818,155
Deferred inflows of resources		
Pension:		
Difference between expected and actual experience		883
Difference between projected and actual earnings on plan investments	58,655	51,489
Total deferred inflows of resources	58,655	52,372
Net Position		
Net investment in capital assets	869,009	759,947
Unrestricted	(1,137)	106,541
Total net position	$ 867,872	$ 866,488

Gas Utility Fund
Comparative Schedule of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating revenues		
Charges for services	$ 6,266,404	$ 4,121,574
Operating expenses		
Cost of sales	5,705,659	3,547,410
Salaries	124,720	126,743
Social security	9,348	12,998
Group insurance	15,991	14,808
Retirement and other post-employment benefits	48,737	51,477
Workers' compensation	3,625	2,419
Contract services	2,761	
Materials and supplies	5,797	9,667
Gas, oil, and tires	5,382	3,588
Uniforms and safety equipment	2,227	878
Vehicle repairs	1,672	3,367
Engineering and consulting		2,700
Postage	2,041	287
Communications	2,496	1,990
Insurance	4,360	4,277
Public utilities	1,217	1,884
Repairs, maintenance and testing	32,634	22,659
Bad debts	4,355	3,377
Other	3,489	3,480
Depreciation	29,052	18,618
Total operating expenses	6,005,563	3,832,627
Operating income	260,841	288,947
Non-operating revenues		
Grant proceeds	59,490	535,410
Gain on sale of assets	1,435	
Total non-operating revenues	60,925	535,410
Income before transfers	321,766	824,357
Interfund transfers	(320,382)	(369,867)
Change in net position	1,384	454,490
Net position beginning of year	866,488	411,998
Net position end of year	$ 867,872	$ 866,488

City of Sylvania, Georgia
Solid Waste Collection Fund
Comparative Schedule of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Accounts receivable	$ 35,533	$ 77,168
Noncurrent assets		
Capital assets		
Nondepreciable capital assets	6,507	6,507
Depreciable capital assets, net	15,838	43,324
Total noncurrent assets	22,345	49,831
Total assets	57,878	126,999
Liabilities		
Current liabilities		
Accounts payable	43,806	76,170
Compensated absences payable		3,322
Total current liabilities	43,806	79,492
Long-term liabilities		
Post-employment benefit payable (net of current portion)		32,134
Total liabilities	43,806	111,626
Net position		
Net investment in capital assets	22,345	49,831
Unrestricted	(8,273)	(34,458)
Total net position	$ 14,072	$ 15,373

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, 2022 and 2021

	2022	2021
Operating revenues		
Charges for services	$ 529,787	$ 528,051
Operating expenses		
Social security		278
Retirement and other post-employment benefits	(32,134)	(13,132)
Contract services	539,675	453,247
Gas, oil, and tires	20	400
Bad debts	2,026	
Depreciation	27,486	31,885
Total operating expenses	537,073	472,678
Operating income (loss)	(7,286)	55,373
Non-operating revenues		
Gain on sale of assets	6,962	
Income (loss) before transfers	(324)	55,373
Interfund transfers	(977)	(99,814)
Change in net position	(1,301)	(44,441)
Net position beginning of year	15,373	59,814
Net position end of year	$ 14,072	$ 15,373

CITY OF SYLVANIA, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2022

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	$ 29,019	
Expenditures to:		
Screven County Chamber of Commerce	$ 12,188	
Sylvania Downtown Development Authority	5,441	
Transfers to general fund	11,390	
	$ 29,019	100.00%

City of Sylvania, Georgia
Schedules of Projects Constructed with
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2022

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	$ 143,917		$ 143,917	100.00%
Street paving, sidewalks, bike paths, curbs and gutters	478,855	217,784	217,784		217,784	100.00%
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	117,782	37,909	$ 79,873	117,782	100.00%
	$ 1,644,205	$ 974,806	$ 894,933	$ 79,873	$ 974,806	

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			104,622		104,622	
Street paving, drainage, sidewalks curbs and gutters			73,715	$ 18,910	92,625	
Downtown capital infrastructure			8,000		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	$ 301,664	$ 18,910	$ 320,574	24.66%

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, 2022

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	$ 661,492	$ 108,086	$ 769,578	NA
Engineering - Street improvements/Flood & Drainage	T-03K-00	37,000	37,000	135,714	172,714	NA
Street Improvements	P-03K-01	118,000	6,508		6,508	NA
Administration	A-21A-00	45,000	45,000		45,000	NA
		$ 750,000	$ 750,000	$ 243,800	$ 993,800	

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, 2022

Total Fiscal Year 2019 CDBG Funds Awarded to Recipient	$ 750,000
Total Amount Drawdown by Recipient from DCA	750,000
Funds Still Available	$ 0
CDBG Funds Expended by Recipient	750,000
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, 2022

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	$ 14,782
Nutrition Services Incentive Program	93.053	Georgia Department of Human Services, 22-0547	1,714
Total Programs for the Aging Cluster			**16,496**
Other Programs			
Department of Commerce			
Economic Adjustment Assistance	11.307	04-01-07402	**59,490**
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	**263,503**
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027	AID-001630	**451,139**
Total expenditures of federal awards			$ **790,628**

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.

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

To the Mayor and Council
City of 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, 2022, 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 28, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

June 28, 2023

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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, 2022. 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, 2022.

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.

June 28, 2023

City of Sylvania, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 1 - Summary of Auditor's Reports

Financial Statements

Type of auditors' report issued			Unmodified
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiencies identified not considered to be material	____ yes	X no	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 no	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 program:

CFDA Number	Name of Federal Program or Cluster
12.027	Department of the Treasury/Coronavirus State and Local Fiscal Recovery Funds

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

Section II - Financial Statement Findings
None

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, 2022

Auditor Reference Number	Disposition of prior audit findings
2021-01	This deficiency was corrected during 2022.
2021-02	This deficiency was corrected during 2022.
2021-03	This deficiency was corrected during 2022.