CITY OF SYLVESTER, GEORGIA
ANNUAL FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
June 30, 2016

CITY OF SYLVESTER, GEORGIA
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Sylvester, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvester, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvester, Georgia, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in net pension liability and related ratios on page 47, schedule of contributions on pages 48 through 50 and budgetary comparison schedule on pages 51

through 52 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.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sylvester, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of Special Purpose Local Option Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the financial statements. The accompanying Project Cost Schedules and Source and Application of Funds Schedules are also presented for additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of Special Purpose Local Option Sales Tax Proceeds, Project Cost Schedules and Source and Application of Funds Schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of Special Purpose Local Option Sales Tax Proceeds, Project Cost Schedules and Source and Application of Funds Schedules, 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 December 22, 2016, on our consideration of the City of Sylvester, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Sylvester, Georgia's internal control over financial reporting and compliance.

Hudson & NeSmith, CPAs

Hudson & NeSmith, CPAs
Sylvester, Georgia
December 22, 2016

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE, 2016

BASIC FINANCIAL STATEMENTS

See accompanying notes to the financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Net Position
June 30, 2016

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Current Assets				
Cash	$ 802,245	$ 1,858,336	$ 2,660,581	$ 6,979
Investments	1,266,133	4,873,561	6,139,694	-
Receivables - Net	246,054	1,675,222	1,921,276	-
Interfund	(163,963)	163,963	-	-
Intergovernmental Receivable	98,917	74,447	173,364	-
Inventory	26,162	257,278	283,440	
Prepaid Items	93,952	-	93,952	-
Total Current Assets	2,369,500	8,902,807	11,272,307	6,979
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,306,157	4,384,284	5,690,441	-
Depreciable-Net	9,757,594	8,976,067	18,733,661	-
Total Noncurrent Assets	11,063,751	13,360,351	24,424,102	-
Total Assets	13,433,251	22,263,158	35,696,409	6,979
Deferred Outflows of Resources				
Pension Plan Activity	405,439	-	405,439	-
Total Assets and Deferred Outflows	13,838,690	22,263,158	36,101,848	6,979
Liabilities				
Current Liabilities				
Accounts Payable	$ 107,300	$ 781,900	$ 889,200	$ -
Accrued Expenses	80,114	39,259	119,373	-
Deposits	13,418	182,534	195,952	-
Capital Leases Payable	184,275	-	184,275	-
Notes Payable	-	118,615	118,615	-
Total Current Liabilities	385,107	1,122,308	1,507,415	-
Long-Term Liabilities				
Capital Leases Payable, Less Current Portion	708,066	-	708,066	-
Notes Payable, Less Current Portion	-	3,435,325	3,435,325	-
Net Pension Liability	1,706,881	-	1,706,881	-
Compensated Absenses	111,269	24,677	135,946	-
Total Long-Term Liabilities	2,526,216	3,460,002	5,986,218	-
Total Liabilities	2,911,323	4,582,310	7,493,633	-
Deferred Inflows of Resources				
Pension Plan Activity	267,493	-	267,493	-
Unearned Revenues	-	800	800	-
Total Liabilities and Deferred Inflows	3,178,816	4,583,110	7,761,926	-
Net Position				
Net Investment in Capital Assets	10,171,410	9,806,411	19,977,821	-
Restricted for				
Capital Projects	401,696	-	401,696	-
Debt Service	-	164,966	164,966	-
Public Welfare	10,626	-	10,626	-
Economic Development	267,629	-	267,629	-
Public Safety	4,280	-	4,280	-
Other	3,238	-	3,238	-
Downtown Development	-	-	-	6,979
Unresticted	(199,005)	7,708,671	7,509,666	-
Total Net Position	$ 10,659,874	$ 17,680,048	$ 28,339,922	$ 6,979

See accompanying notes to the financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General Government	$ 1,655,651	$ 231,329	$ 11,790	$ -
Public Safety	2,674,793	277,300	-	-
Public Works	926,809	-	-	814,682
Culture and Recreation	307,554	-	-	-
Community & Economic Development	95,668	-	8,667	-
Interest on Long-Term Debt	44,461	-	-	-
Total Governmental Activities	5,704,936	508,629	20,457	814,682
Business-Type Activities				
Electric	7,948,169	11,274,368	-	-
Water and Sewer	1,532,551	1,938,175	-	75,946
Natural Gas	705,120	1,087,663	-	-
Solid Waste	532,488	751,700	-	-
Telecommunications	92,072	182,685	-	-
Airport	30,218	4,800	-	1,792,534
Total Business-Type Activities	$ 10,840,618	$ 15,239,391	$ -	$ 1,868,480
Total Primary Government	$ 16,545,554	$ 15,748,020	$ 20,457	$ 2,683,162
Component Unit				
Downtown Development Authority	$ 4,908	$ 6,826	$ -	$ -
General Revenues:				
Property Taxes and Franchise Taxes				
Intangible and Transfer Taxes				
Insurance Premium Taxes				
Sales Taxes				
Alcoholic Beverage Tax				
Business Taxes				
Investment Earnings				
Gain on Investments				
Miscellaneous Revenue				
Transfers - Internal Activities				
Total General Revenues and Transfers				
CHANGE IN NET POSITION				
NET POSITION - JULY 1, 2015				
NET POSITION - JUNE 30, 2016				

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities (Continued)
Year Ended June 30, 2016

Governmental Activities	Business-Type Activities	Total	Component Unit Downtown Development Authority
	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
$ (1,412,532)	$ -	$ (1,412,532)	$ -
(2,397,493)	-	(2,397,493)	-
(112,127)	-	(112,127)	-
(307,554)	-	(307,554)	-
(87,001)		(87,001)	-
(44,461)	-	(44,461)	-
(4,361,168)	-	(4,361,168)	-
-	3,326,199	3,326,199	-
-	481,570	481,570	-
-	382,543	382,543	-
-	219,212	219,212	-
-	90,613	90,613	-
-	1,767,116	1,767,116	-
-	6,267,253	6,267,253	-
(4,361,168)	6,267,253	1,906,085	
-	-	-	1,918
777,058	-	777,058	-
10,156	-	10,156	-
356,558	-	356,558	-
426,861	-	426,861	-
101,021	-	101,021	-
56,912	-	56,912	-
6,932	6,038	12,970	3
-	133,519	133,519	-
54,774	-	54,774	-
4,560,034	(4,560,034)	-	-
6,350,306	(4,420,477)	1,929,829	3
1,989,138	1,846,776	3,835,914	1,921
8,670,736	15,833,272	24,504,008	5,058
$ 10,659,874	$ 17,680,048	$ 28,339,922	$ 6,979

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total
Assets				
Cash	$ 178,625	$ 338,002	$ 270,712	$ 787,339
Restricted Cash	14,906	-	-	14,906
Investments-Certificates of Deposit	1,266,133	-	-	1,266,133
Receivables-Net of Allowance for Uncollectible Accounts	149,645	-	96,409	246,054
Due from Other Funds	-	-	-	-
Due from Other Governments	35,323	63,594	-	98,917
Inventory	26,162	-	-	26,162
Prepaid Items	93,952	-	-	93,952
TOTAL ASSETS	$ 1,764,746	$ 401,596	$ 367,121	$ 2,533,463
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 107,300	$ -	$ -	$ 107,300
Accrued Liabilities	80,114	-	-	80,114
Due to Other Funds	157,376	-	6,587	163,963
Deposits	13,418	-	-	13,418
Total Liabilities	358,208	-	6,587	364,795
Deferred Inflows of Resources				
Unearned Revenue - Property Taxes	53,039	-	-	53,039
Unearned Revenue-GA DOT	-	-	89,567	89,567
Total Deferred Inflows of Resources	53,039	-	89,567	142,606
Fund Balances				
Nonspendable	120,114	-	-	120,114
Restricted	14,906	401,596	270,967	687,469
Unassigned	1,218,479	-	-	1,218,479
Total Fund Balances	1,353,499	401,596	270,967	2,026,062
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,764,746	$ 401,596	$ 367,121	$ 2,533,463

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2016

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 2,026,062
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. Those assets consist of:		
Land, Building and Improvements	$ 9,465,430	
Machinery and Equipment	2,083,294	
Vehicles	1,853,053	
Infrastructure	2,937,314	
Accumulated Depreciation	(5,275,340)	
		11,063,751
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.		
Capital Leases	(892,341)	
Compensated Absences	(111,269)	(1,003,610)
Certain revenues are not available to pay for current period expenditures and therefore are reported deferred inflows of resources in the governmental funds.		142,606
Deferred outflows of resources related to pension plan activity are not due and payable in the current period and therefore, are not reported in the governmental funds.		405,439
Deferred inflows of resources related to pension plan activity are not available to pay for current resources and therefore, are not reported in the governmental funds.		(267,493)
Net pension liability is not due and payable in the current period and therefore, is not reported in the governmental funds.		(1,706,881)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 10,659,874

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2016

	General Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
Taxes-Net	$ 1,718,646	$ -	$ 16,508	$ 1,735,154
Charges for Services	167,618	-	-	167,618
Fines & Forfeitures	277,300	-	-	277,300
Licenses and Permits	63,711	-	-	63,711
Intergovernmental	11,790	478,178	343,532	833,500
Interest Income	5,070	1,639	1,862	8,571
Miscellaneous	54,774	-	-	54,774
Total Revenues	2,298,909	479,817	361,902	3,140,628
EXPENDITURES				
Current				
General Government	1,640,216	-	-	1,640,216
Public Safety	2,497,294	-	-	2,497,294
Public Works	851,429	-	-	851,429
Culture and Recreation	810,355	-	-	810,355
Community & Economic Development	820,842	-	18,223	839,065
Capital Outlay	-	333,920	334,865	668,785
Debt Service				
Principal	79,187	142,283	-	221,470
Interest	2,750	41,711	-	44,461
TOTAL EXPENDITURES	6,702,073	517,914	353,088	7,573,075
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,403,164)	(38,097)	8,814	(4,432,447)
OTHER FINANCING SOURCES (USES)				
Capital Lease Transaction	30,757	-	-	30,757
Transfers In	4,566,534	-	-	4,566,534
Transfers Out	-	-	(6,500)	(6,500)
TOTAL OTHER FINANCING SOURCES (USES)	4,597,291	-	(6,500)	4,590,791
NET CHANGE IN FUND BALANCES	194,127	(38,097)	2,314	158,344
FUND BALANCE - JULY 1, 2015	$ 1,159,372	$ 439,693	$ 268,653	$ 1,867,718
FUND BALANCE - JUNE 30, 2016	$ 1,353,499	$ 401,596	$ 270,967	$ 2,026,062

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2016

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS		$ 158,344
Amounts reported for governmental activites in the Statement of Activities are different because		
Governmental funds report capital outlay 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 of capital assets aquired in the current period.		1,956,733
Depreciation expense on capital assets is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(435,340)
Pension expenses 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		110,269
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Deferred at June 30, 2016	$ 142,606	
Deferred at June 30, 2015	(149,194)	(6,588)
Long-term compensated absences are reported in the Statement of Activities but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds.		
Compensated Absences		
Liability at June 30, 2016	(111,269)	
Liability at June 30, 2015	126,276	15,007
The issuance of long-term debt provides current financial resources to Governmental Funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the Governmental Funds, but reduces long-term liabilities in the Statement of Net Position.		
Long-term debt proceeds	(30,757)	
Long-term debt payments	221,470	190,713
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,989,138

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position
June 30, 2016

	Electric Fund	Water and Sewer Fund	Airport Fund	Non-major Funds	Total
ASSETS					
Current Assets					
Cash	$ 961,698	$ 478,706	$ 50,447	$ 169,537	$ 1,660,388
Investment - Certificate of Deposit	193,038	183,563	-	-	376,601
Investments	4,331,994	-	-	-	4,331,994
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	1,281,602	227,694	-	165,926	1,675,222
Restricted Cash	84,092	89,567	-	24,289	197,948
Restricted Certificate of Deposit	-	164,966	-	-	164,966
Due from Other Funds	295,957	123,862	-	18,008	437,827
Inventory	207,228	50,050	-	-	257,278
Due from Other Governments	-	-	43,400	31,047	74,447
Total Current Assets	7,355,609	1,318,408	93,847	408,807	9,176,671
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets	137,630	940,086	3,304,068	2,500	4,384,284
Depreciable Capital Assets	4,148,201	15,842,380	498,856	1,494,936	21,984,373
Accumulated Depreciation	(2,858,669)	(8,590,636)	(320,748)	(1,238,253)	(13,008,306)
Total Noncurrent Assets	1,427,162	8,191,830	3,482,176	259,183	13,360,351
TOTAL ASSETS	8,782,771	9,510,238	3,576,023	667,990	22,537,022

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position
June 30, 2016

	Electric Fund	Water and Sewer Fund	Airport Fund	Non-major Funds	Total
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 672,376	$ 42,108	$ -	$ 67,416	$ 781,900
Notes Payable	-	118,615	-	-	118,615
Accrued Expenses	25,513	9,357	-	4,389	39,259
Due to Other Funds	68,234	73,234	27,189	105,207	273,864
Customer Deposits	81,249	78,490	-	22,795	182,534
Total Current Liabilities	847,372	321,804	27,189	199,807	1,396,172
Long-Term Liabilities					
Notes Payable	-	3,435,325	-	-	3,435,325
Accrued Vacation	16,369	6,842	-	1,466	24,677
Total Long-Term Liabilities	16,369	3,442,167	-	1,466	3,460,002
TOTAL LIABILITIES	863,741	3,763,971	27,189	201,273	4,856,174
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenues	-	-	800	-	800
NET POSITION					
Net Investment in Capital Assets	1,427,162	4,637,890	3,482,176	259,183	9,806,411
Restricted for Debt Service	-	164,966	-	-	164,966
Unrestricted	6,491,868	943,411	65,858	207,534	7,708,671
TOTAL NET POSITION	$ 7,919,030	$ 5,746,267	$ 3,548,034	$ 466,717	$ 17,680,048

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

	Electric Fund	Water and Sewer Fund	Airport Fund	Non-major Funds	Total
OPERATING REVENUES					
Operations	$ 11,274,368	$ 1,938,175	$ 4,800	$ 2,022,048	$ 15,239,391
OPERATING EXPENSES					
Operating Expenses	7,844,368	1,072,972	6,328	1,284,680	10,208,348
Depreciation	103,801	360,356	23,890	45,000	533,047
TOTAL OPERATING EXPENSES	7,948,169	1,433,328	30,218	1,329,680	10,741,395
OPERATING INCOME	3,326,199	504,847	(25,418)	692,368	4,497,996
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	4,420	1,566	-	52	6,038
Interest Expense	-	(99,223)	-	-	(99,223)
Principal Forgiveness on Long-Term Debt	-	75,946	-	-	75,946
Capital Grant	-	-	1,792,534	-	1,792,534
Market Gain on Investments	133,519	-	-	-	133,519
TOTAL NON-OPERATING REVENUES (EXPENSES)	137,939	(21,711)	1,792,534	52	1,908,814
Income Before Transfers	3,464,138	483,136	1,767,116	692,420	6,406,810
Transfers In	-	-	446,020	-	446,020
Transfers Out	(3,866,054)	(490,000)	-	(650,000)	(5,006,054)
CHANGE IN NET POSITION	(401,916)	(6,864)	2,213,136	42,420	1,846,776
NET POSITION - JULY 1, 2015	8,320,946	5,753,131	1,334,898	424,297	15,833,272
NET POSITION - JUNE 30, 2016	$ 7,919,030	$ 5,746,267	$ 3,548,034	$ 466,717	$ 17,680,048

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2016

	Electric Fund	Water and Sewer Fund	Airport Fund	Non-major Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	$ 11,421,133	$ 1,915,850	$ 4,800	$ 2,030,477	$ 15,372,260
Cash Payments to Suppliers	(7,444,787)	(704,951)	(6,385)	(1,202,699)	(9,358,822)
Cash Paid to Employees	(421,890)	(345,338)	-	(131,437)	(898,665)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,554,456	865,561	(1,585)	696,341	5,114,773
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments from Other Funds	-	-	446,030	-	446,030
Payments to Other Funds	(3,919,190)	(507,285)	-	(658,547)	(5,085,022)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(3,919,190)	(507,285)	446,030	(658,547)	(4,638,992)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase and Construction of Capital Assets	(137,630)	(616,708)	(2,158,646)	(38,197)	(2,951,181)
Capital Grants Received	-	-	1,758,576	-	1,758,576
Principal Paid on Capital Debt	-	(219,146)	-	-	(219,146)
Interest Paid on Capital Debt	-	(99,223)	-	-	(99,223)
Proceeds from Long Term Debt	-	699,588	-	-	699,588
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(137,630)	(235,489)	(400,070)	(38,197)	(811,386)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of Investments	691,017	-	-	-	691,017
Purchase of Investments	-	-	-	-	-
Interest Received	4,420	1,566	-	52	6,038
NET CASH PROVIDED BY INVESTING ACTIVITIES	695,437	1,566	-	52	697,055
Net Increase (Decrease) in Cash and Cash Equivalents	193,073	124,353	44,375	(351)	361,450
CASH AND CASH EQUIVALENTS - JULY 1, 2015	1,045,755	792,449	6,072	194,177	2,038,453
CASH AND CASH EQUIVALENTS - JUNE 30, 2016	$ 1,238,828	$ 916,802	$ 50,447	$ 193,826	$ 2,399,903
Displayed As:					
Restricted Assets	$ 84,092	$ 254,533	$ 23,504	$ 24,289	$ 386,418

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year End June 30, 2016

	Electric Fund	Water and Sewer Fund	Airport Fund	Non-major Funds	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	$ 3,326,199	$ 504,847	$ (25,418)	$ 692,368	$ 4,497,996
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	103,801	360,356	23,890	44,746	532,793
(Increase) Decrease in Assets:					
Accounts Receivable	144,115	(25,040)	-	7,838	126,913
Inventory	(6,806)	26,869	-	-	20,063
Due from Other Funds	-	-	-	-	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(9,614)	(192)	(57)	(32,112)	(41,975)
Accrued Expenses	(9,063)	2,353	-	(16,166)	(22,876)
Unearned Revenues	-	-	-	-	-
Customer Deposits	2,650	2,715	-	590	5,955
Accrued Vacation	3,174	(6,347)	-	(923)	(4,096)
NET CASH PROVIDED BY OPERATING ACTIVITES	$ 3,554,456	$ 865,561	$ (1,585)	$ 696,341	$ 5,114,773
Noncash Investing, Capital and Financing Activities					
Principal Forgiveness on Capital Debt	$ -	$ 75,946	$ -	$ -	$ 75,946
Increase in Fair Value of Investments	$ 133,519	$ -	$ -	$ -	$ 133,519

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Agency Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2016

ASSETS	
Cash	$ 4,143
TOTAL ASSETS	$ 4,143
LIABILITIES	
Due to Other Governments	$ 4,143
TOTAL LIABILITIES	$ 4,143

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Net Position
June 30, 2016

ASSETS	
Cash	$ 6,979
TOTAL ASSETS	$ 6,979
LIABILITIES	
Liabilities	$ -
NET POSITION	
Restricted:	
Downtown Development	$ 6,979
TOTAL NET POSITION	$ 6,979

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Activities
Year Ended June 30, 2016

EXPENSES	
Program Costs	$ 4,908
TOTAL EXPENSES	4,908
REVENUES	
Program Revenues	6,826
Net Program Revenue	1,918
GENERAL REVENUES	
Investment Earnings	3
CHANGE IN NET POSITION	1,921
NET POSITION-JULY 1, 2015	5,058
NET POSITION-JUNE 30, 2016	$ 6,979

See accompanying notes to financial statements.

The City of Sylvester, Georgia (the City) is a political subdivision of the State of Georgia. The City is governed by an elected body of five City Council members. The City's major services include general government, public safety, public works, and culture and recreation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental and financial reporting. The City does not follow subsequent private-sector guidance for enterprise funds.

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

A. REPORTING ENTITY

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

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

The component unit columns included on the government-wide financial statements identifies the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

Discretely Presented Component Unit:

Sylvester Downtown Development Authority (DDA) – Members of the governing board of the DDA are appointed by the City Council. Also, the DDA is fiscally dependent upon the City. Separate financial statements of the component unit may be obtained from:

Sylvester Downtown Development Authority
P.O. Box 370
Sylvester, GA 31791

Related Organizations:

The City of Sylvester And Worth County Recreation Authority (SWRA) – Members of the governing board of the SWRA are appointed jointly by the City Council and the Worth County governing body. It does not meet any other of the reporting entity criteria. The City provides funding of $100,000 per year to the organization.

The City of Sylvester, Georgia Housing Authority (the Authority) –The Authority was established under federal laws to carry on activities within the city of Sylvester. The City appoints board members at the recommendation of the existing board, but the City's accountability for the Authority does not extend beyond making the appointments. Separate audited financial statements of the Authority may be obtained from:

City of Sylvester Housing Authority
411 N. Jefferson Street
Sylvester, Georgia 31791

The City provides gasoline and security services to the Authority, which are billed to the Authority at an amount that approximates the City's cost of providing those items. This basis for billing has been used by the City consistently over the years to determine the amount of revenues and expenditures arising from quasi-external transactions.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 on all non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The primary government and the component unit are presented separately within these financial statements.

The statement of activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function of segment. The City does not allocate indirect expenses to functions in the statement of activities. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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, proprietary, and fiduciary funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue, and charges for services. All other revenue items are considered to be measurable and available only when cash is received. The City considers taxes as available in the period for which they were levied if they are collected within 60 days of the year end. A 90 day availability period is used for revenue recognition for all other governmental fund revenues.

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

Intergovernmental revenues are susceptible to accrual based on the compliance, legal, and contractual requirements of the individual programs. There are essentially two types of these revenues. For one type of revenue, monies must be expended for a specific purpose of project and revenues are recognized to the extent of such expenditures. Revenues of this type are deferred for monies received in advance of expenditures and accrued for expenditures in advance of monies received. For the other type of revenues, monies are virtually unrestricted as to the purpose of the expenditure. These resources are recognized as revenues when received, or earlier if susceptible to the accrual criteria.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The City reports the following major governmental funds:

General Fund – The General Fund is the City's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

SPLOST Capital Project Fund – The Special Purpose Local Option Sales Tax Fund is used to account for projects supported by the special purpose local option sales tax including construction of roads, sidewalks, water and sewer system improvements, and construction of municipal buildings. This fund is a capital projects type fund.

Proprietary Funds – Proprietary funds are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. The Water and Sewer Fund and Natural Gas Fund also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, including capital grants, investments earnings, and interest expense.

The City reports the following major proprietary funds:

Electric Fund – This fund accounts for charges for electric use by City residents and expenses for the maintenance and upgrading of the electric system.

Water and Sewer Fund – This fund accounts for charges for water and sewer use by City residents and expenses for the maintenance and upgrading of the water and sewer system.

Airport Fund – This fund accounts for charges for airport use by private aircraft and expenses for the maintenance and upgrading of the City's municipal airport.

Fiduciary Funds – The City's fiduciary funds are limited to agency funds which have no measurement focus, but use the accrual basis of accounting to recognize receivables and payables. Because, by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The City reports the following fiduciary funds:

Utility Energy Crisis Fund – This agency fund accounts for the intergovernmental payments of utility bills for certain qualified customers.

Downtown Sylvester Farmer's Market – This agency fund accounts for the operations of the local farmer's market through collection of fees and payments of expenses.

D. BUDGETS AND BUDGETARY ACCOUNTING

As set forth in the City Charter, the City Council adopts an annual budget for the general fund, the special revenue funds, and the proprietary funds. The annual budget for the general fund, special revenue funds and for the proprietary funds is adopted under a basis consistent with GAAP. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval. The Council approved supplemental appropriations during the year. Project budgets are adopted for the Capital Project Fund.

E. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the Governmental funds.

F. CASH AND INVESTMENTS

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposit accounts, amounts with fiscal agents, and investments with an original maturity of three months or less.

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

- Obligations of the State of Georgia or of other states
- Obligations issued by the U.S. government
- Obligations fully insured or guaranteed by the U.S. government of a government agency
- Obligations of any corporation of the U.S. government
- Prime bankers' acceptances
- The State of Georgia local government investment pool
- Repurchase agreements
- Obligations of other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of state or U.S. obligations.

Investments are stated at fair value based on quoted market prices. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities in the current period. All interest revenue related to investment activities is recorded in the respective fund holding the investment.

G. RECEIVABLES

All trade and property tax receivables are reported net of all allowance for uncollectible accounts, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2016. The delinquent taxes receivable account represents the past seven years of uncollected tax levies.

H. INVENTORIES

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

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when purchased (i.e., the purchases method). For governmental funds, a corresponding amount of fund balance is designated as nonspendable for inventory. Inventories of the proprietary funds are expensed when consumed.

I. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items at both reporting levels 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 for governmental funds a corresponding amount of fund balance is designated as nonspendable for prepaid items.

J. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered, or loans. These receivables and payables are classified as internal balances.

K. CAPITAL ASSETS

General capital assets are those assets not specifically related to activities 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 proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary 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's infrastructure consists of roads, curbs and gutters, sidewalks, bridges, drainage, traffic signals, water and sewer lines, natural gas lines, telecommunication lines and the electric distribution systems. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the proprietary funds is capitalized.

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Useful Lives	Capitalization Threshold
Plant, Building, and Improvements	5 – 40 Years	$ 3,000
Machinery and Equipment	5 – 15 Years	$ 3,000
Furniture and Fixtures	5 – 20 Years	$ 3,000
Vehicles	3 – 10 Years	$ 3,000
Infrastructure	40 Years	$ 20,000

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

L. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arise only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. 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, claims and unfunded pension benefits 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. Bonds and capital leases are recognized as a liability in the governmental fund financial statements "when due."

N. COMPENSATED ABSENCES

It is the policy of the City to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

O. FUND EQUITY

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

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

- *Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the city council through the adoption of a resolution. The city council also may modify or rescind the commitment.
- *Assigned* – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The intent can be expressed by either the highest level of decision making, or by a body or an official to which the city council has delegated the authority. The city manager has authority to express assignments.
- *Unassigned* – Fund balances are reported as unassigned as the residual amounts which cannot be properly classified in one of the other four categories.

  Flow Assumptions – When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

  - Committed
  - Assigned
  - Unassigned

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

- *Net investment in capital assets* – consists of capital assets net accumulated depreciation, and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets.
- *Restricted net position* – This amount is 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 of regulations of other governments.
- *Unrestricted net position* – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

P. PROPERTY TAX REVENUES

Property taxes are levied on October 1 and are due on December 20. The City contracts with the Worth County tax office for the billing and collection of its property taxes. Collections of taxes are made throughout the year. Liens may attach to property for unpaid taxes after the due date of December 20.

Q. LEASE REVENUE

The Airport Fund leases its property to an operator under a lease agreement at $400 per month. This lease is classified as an operating lease.

R. PENSIONS

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the Georgia Municipal Employees Benefit System (GMEBS) and additions to/deductions from GMEBS's fiduciary net position have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported are fair value.

S. POST-EMPLOYMENT HEALTH CARE BENEFITS

Retiree Benefits:
The City provides post-retirement term life insurance to its employees who retire from the City. See Note 16 for additional details.

COBRA Benefits:
Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration fee is paid in full by the insured on or before the fifth (5^{th}) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the City under this program, and no participants were in the program as of June 30, 2016.

T. 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. Comparative total data for the prior year has not been presented in the accompanying financial statements.

NOTE 2 – LEGAL COMPLIANCE - BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before the last Monday in May of each year, all departments of the City submit requests for appropriation to the City's mayor so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

- Before June 15, the proposed budget is presented to the City's council for review. The City's council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's mayor of the revenue estimates must be changed by an affirmative vote of majority of the City's council.

Results of operations are presented on the budgetary basis at the legal level of control in the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund in order to provide a meaningful comparison of actual results with the budget.

NOTE 3 – DEPOSITS AND INVESTMENTS

Total cash and cash equivalents as of June 30, 2016 consisted of the following:

Primary Government Fund Reporting Level		Cash and Cash Equivalents
Governmental Funds - Balance Sheet	$	2,063,472
Governmental Funds - Balance Sheet - Restricted		14,906
Proprietary Fund Type Statement of Net Position		2,036,989
Proprietary Fund Type Statement of Net Position - Restricted		362,914
Statement of Fiduciary Assets and Liabilities		4,143
Total	$	4,482,424

Investments

For fiscal year 2016, the City invested in certificates of deposits and obligations of the U.S. Government or its agencies and instrumentalities. All investments in obligations of the U.S. Government are held in an internal investment pool – MEAG Flexible Operating Account.

As of June 30, 2016, the City had the following investments:

Investment Types	Maturities		Fair Value
U.S. Government Obligations	less than 28 days	$	280,583
	less than 1 year		1,762,549
	1 to 5 years		557,253
	6 to 10 years		250,265
	more than 10 years		191,690
Municipal Bonds	less than 1 year		278,754
	1 to 5 years		511,332
	6 to 10 years		193,962
	more than 10 years		228,183
MEAG Note	more than 10 years		77,423
Bank Certificates of Deposit	various		1,807,700
TOTAL INVESTMENTS		$	6,139,694

Credit Risk

The City limits its credit risk by investing the majority of its investments in U.S. government agencies which are rated AAA.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, the City's investment policy has been established to structure the investment portfolio so that securities mature to meet the City's cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity as well as investing operating funds primarily in short-term securities, money market funds, certificates of deposit or similar investment pools.

Custodial Credit Risk

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

As of June 30, 2016, all of the City's bank deposits were covered either by FDIC coverage or collateralized with securities held by the City's agent in the City's name.

The City's U.S. government agency securities have varying maturities as listed above which range from July 26, 2016 through October 1, 2040. The weighted average maturity of the investments is less than 365 days.

Concentration of Credit Risk

GASB Statement 40 requires disclosure when the percent of investment is 5% or more in any one issuer. The City's investments consist of the following as of June 30, 2016:

Municipal Bonds	19.74%
Bank Certificates of Deposit	29.44%
Federal Home Loan Bank	49.55%

Given the restriction to the highest rating, the concentration is not considered to be an additional risk to the City.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2016, for the City's individual major funds and non-major funds in the aggregate, including the related allowance for uncollectible accounts, are as follows:

	General Fund	Capital Projects Fund	Electric Fund	Water and Sewer Fund	Airport Fund	Special Revenue Fund	Non-Major Enterprise Fund	Total
Receivables								
Taxes	$ 55,292	$ -	$ -	$ -	$ -	$ 2,246	$ -	$ 57,538
Accounts	21,715	-	1,291,602	230,194	-	-	168,426	1,711,937
Notes	-	-	-	-	-	94,163	-	94,163
Other Governments	35,323	63,594	-	-	43,400	-	-	142,317
Other	72,638	-	-	-	-	-	-	72,638
Gross Receivables	184,968	63,594	1,291,602	230,194	43,400	96,409	168,426	2,078,593
Less: Allowance for uncollectibles	-	-	(10,000)	(2,500)	-	-	(2,500)	(15,000)
Net Receivables	$ 184,968	$ 63,594	$ 1,281,602	$ 227,694	$ 43,400	$ 96,409	$ 165,926	$ 2,063,593

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the proprietary funds are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

NOTE 5 – RESTRICTED ASSETS

Restricted assets represent resources segregated as required by grant agreements, lease agreements, and policies of the City.

Certain proprietary fund resources are restricted for service of long-term debt and customer deposits. Restricted net position includes the excess of assets over certain liabilities restricted for the debt service on capital assets.

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended June 30, 2016:

Governmental Activities	Balance 7/1/2015	Increases	Decreases	Balance 6/30/2016
Capital assets not being depreciated:				
Land	$ 769,904	$ -	$ -	$ 769,904
Construction in progress	464,346	681,216	(609,309)	536,253
Total capital assets not being depreciated	1,234,250	681,216	(609,309)	1,306,157
Capital assets being depreciated:				
Plant, buildings, improvements	6,633,187	1,526,086	-	8,159,273
Machinery and equipment	2,056,074	27,220	-	2,083,294
Vehicles	1,853,053	-	-	1,853,053
Infrastructure	2,605,794	331,520	-	2,937,314
Total capital assets being depreciated	13,148,108	1,884,826	-	15,032,934
Less accumulated depreciation:				
Plant, building, improvements	(2,170,489)	(164,353)	-	(2,334,842)
Machinery and equipment	(1,486,720)	(112,659)	-	(1,599,379)
Vehicles	(960,433)	(108,632)	-	(1,069,065)
Infrastructure	(222,358)	(49,696)	-	(272,054)
Total accumulated depreciation	(4,840,000)	(435,340)	-	(5,275,340)
Net capital assets being depreciated	8,308,108	1,449,486	-	9,757,594
Total Capital Assets, Net	$ 9,542,358	$ 2,130,702	$ (609,309)	$ 11,063,751

Depreciation expense of the General Fund was charged to governmental functions as follows:

General Government	$ 54,271
Public Safety	241,390
Public Works	125,149
Culture and Recreation	14,266
Community and Economic Development	264
Total	$ 435,340

Business-Type Activities	Balance 7/1/2015	Increases	Decreases	Balance 6/30/2016
Capital assets not being depreciated:				
Land	$ 271,600	$ -	$ -	$ 271,600
Construction in progress	1,224,557	2,888,127	-	4,112,684
Total capital assets not being depreciated	1,496,157	2,888,127	-	4,384,284
Capital assets being depreciated:				
Plant, buildings, improvements	19,881,487	28,500	-	19,909,987
Machinery and equipment	1,090,918	-	-	1,090,918
Vehicles	948,914	34,553	-	983,467
Total capital assets being depreciated	21,921,319	63,053	-	21,984,372
Less accumulated depreciation:				
Plant, buildings, improvements	(10,862,573)	(483,793)	-	(11,346,366)
Machinery and equipment	(967,922)	(3,703)	-	(971,625)
Vehicles	(645,017)	(45,298)	-	(690,315)
Total accumulated depreciation	(12,475,512)	(532,794)	-	(13,008,306)
Net capital assets being depreciated	9,445,807	(469,741)	-	8,976,066
Total Capital Assets, Net	$ 10,941,964	$ 2,418,386	$ -	$ 13,360,350

NOTE 7 – OPERATING LEASES

The City leases copiers and a postage machine under operating leases expiring in various years through 2019. Total costs for such leases were approximately $13,153 for the year ended June 30, 2016.

The future minimum lease payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2016 are as follows:

Year ending June 30	Amounts
2017	$ 2,556
2018	2,418
2019	300
2020	-
2021	-
Total minimum future rental payments	$ 5,274

NOTE 8 – LONG – TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Capital leases	$ 1,083,054	$ 30,757	$ (221,470)	$ 892,341	$ 184,275
Compensated absences	126,276	12,628	(27,635)	111,269	-
Total Governmental Activities	1,209,330	43,385	(249,105)	1,003,610	184,275
Compensated absences are liquidated by the General Fund.					
Business-Type Activities					
Notes Payable	$ 3,149,444	$ 699,588	$ (295,092)	$ 3,553,940	$ 118,615
Compensated absences	28,773	5,707	(9,803)	24,677	-
Total Business-Type Activities	$ 3,178,217	$ 705,295	$ (304,895)	$ 3,578,617	$ 118,615

Compensated absences are liquidated by the Electric Fund, the Water and Sewer Fund, and the Natural Gas Fund.

NOTES PAYABLE

The City had the following notes payable as of June 30, 2016:

Business-Type Activities

Georgia Environmental Facilities Authority dated June 27, 2007 for $1,532,885 to be used for improvements to the Isabella water system. Loan is to be repaid in 240 monthly installments of $9,224 including interest at 3.92% beginning November 1, 2010. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $1,212,863

Georgia Environmental Facilities Authority dated June 27, 2007 for $570,139 to be used for the Isabella water system extension. Loan is to be repaid in 240 Monthly installments of $2,376 with no interest, beginning March 1, 2010. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $389,595

Georgia Environmental Facilities Authority dated October 6, 2011 for $549,000 to be used for water and sewer system improvements. Loan is to be repaid in 240 monthly installments of $3,272 including interest at 3.81%, beginning May 1, 2012. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $466,283

Georgia Environmental Facilities Authority originally dated January 15, 2013 and subsequently modified on June 28, 2016 for amounts up to $1,725,500 to be used for water and sewer system improvements. Loan is to be repaid in 239 monthly installments of $3,279 including interest at 1.82%, beginning July 1, 2017. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $1,338,354

Georgia Environmental Facilities Authority dated November 14, 2014 for amounts up to $2,245,667 to be used for water system improvements. Loan is to be repaid in 239 monthly installments of $10,641including interest at 1.31%, beginning the earlier of November 1, 2016 or the project completion date. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $147,347

The following schedule represents the annual requirements to amortize all notes payable outstanding as of June 30, 2016.

Year Ending June 30	Principal	Interest	Total
2017	$ 118,615	$ 88,898	$ 207,513
2018	183,340	88,419	271,759
2019	187,588	84,171	271,759
2020	193,114	78,645	271,759
2021	198,317	73,442	271,759
2022-2026	1,075,303	283,495	1,358,798
2027-2031	1,121,273	199,516	1,320,789
2032-2036	476,390	26,070	502,460
Total	$ 3,553,940	$ 922,656	$ 4,476,596

NOTE 9 - CAPITAL LEASES

The City has entered into capital lease agreements as lessee for financing the acquisition of a police building, police equipment, street equipment, vehicles, and a fire truck. These leases qualify as capital leases for accounting purposes (i.e., title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the lease. These capital leases are financed from General Fund resources. Amortization of assets recorded under capital leases is included with depreciation expense of the General Government, Public Safety, and Public Works functions of the City.

The net book value of assets acquired through capital leases is as follows:

Buildings	$	2,125,778
Equipment and Vehicles		1,173,748
	$	3,299,526
Less: Accumulated depreciation		(732,665)
Carrying Value	$	2,566,861

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year Ended June 30		Total
2017	$	220,259
2018		194,774
2019		183,994
2020		183,994
2021		183,994
2022-2026		30,666
Total minimum lease payments		997,681
Less amounts representing interest		(105,340)
Present value of minimum capital lease payments	$	892,341

NOTE 10 - INTERNAL BALANCES

Internal balances consist of transactions to alleviate cash deficits at year-end. The composition of internal balances as of June 30, 2016 is as follows:

Receivable Fund	Payable Fund		Amount		Due Within One Year
General	Water and Sewer	$	43,123	$	43,123
Water and Sewer	Natural Gas		25,618		25,618
General	Airport		26,227		26,227
General	Telecommunications		63,977		63,977
Electric	General		279,282		279,282
Electric	Natural Gas		15,612		15,612
Electric	Airport		963		963
Water and Sewer	Electric		68,234		68,234
General	Designated Grant		6,587		6,587
Solid Waste	General		1,348		1,348
Natural Gas	General		16,660		16,660
Total		$	547,631	$	547,631

NOTE 11 - INTERNAL TRANSFERS

Individual fund transfers for operating purposes and capital projects for the current year were as follows:

Receivable Fund	Paying Fund	Amount
General	Natural Gas	$ 375,000
General	Electric	3,420,034
General	Water & Sewer	490,000
General	Solid Waste	175,000
General	Hotel/Motel	6,500
General	Telecommunications	100,000
Airport	Electric	446,020
Total		$ 5,012,554

NOTE 12 - CONTINGENT LIABLILITES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

It is the opinion of the City's management that the legal actions in progress by or against the City at June 30, 2016 are at a stage in the proceedings in which an opinion as to the probable outcomes cannot be determined. The City is vigorously defending its positions.

MEAG – The City, together with 47 other cities and one county in the State, has entered into Power Sales Contracts dated March 1, 1976 with the Municipal Electric Authority of Georgia (MEAG) under which the City purchases certain power and energy for resale to its electric system customers. Under the contract entitlement, if the City were unable to purchase budgeted power, MEAG would be obligated to make a good faith effort to sell the power elsewhere. If MEAG were unable to sell the power at a price above its cost, the difference would be an obligation of the City. The contracts are agreements to pay the cost of generating power budgeted for the City. The obligation to pay MEAG certain amounts, whether or not power and energy are received, is a general obligation of the City to which its full faith and credit are pledged. If payments under the Power Sales Contracts are not made from revenues of the electric distribution system, the City is required under the contracts to include in its general revenue or appropriation measures sums sufficient together with other available revenues to make such payments. During the fiscal year, the City purchased electric power under these contracts for a total cost of $6,951,485.

On February 22, 1999, the City approved a resolution adopting the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (governments) who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust created three types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of June 30,

2016, the balance in this account was $4,331,994. This amount is included in cash and investments in the Electric Fund.

The two additional accounts created were the credit support operating account and the reserve funded debt account. The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can be only applied to charges related of MEAG's bond obligations. The balance of these accounts at June 30, 2016 was $1,811,733 and $941,490, respectively. Due to the restrictive nature of these funds, neither is shown in the cash balance for the electric fund.

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

The fund is to defend and protect the members of the fund against liability or loss prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City purchases commercial insurance for all other risks of loss other than the workers compensation covered under the risk pool.

The City has a self-insurance program for medical claims, which is accounted for in the General Fund. The purpose of the program is to pay medical claims for City employees and their covered dependents and to minimize the total cost of medical insurance to the City. The City purchases stop loss insurance in order to limit their risk management cost.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

NOTE 14 - JOINT VENTURES

The City has the following joint ventures:

MEAG and MGAG – The City is a participant in the Municipal Electric Authority of Georgia (MEAG) and the Municipal Gas Authority of Georgia (MGAG). Under such arrangements, the City has a contractual obligation to purchase the majority of its electricity and natural gas from said entities. Because the City does not have any significant control over the budgeting, financing and election of officers and management of MEAG and MGAG, their results of operation and financial position have not been included in the City's financial statements.

Also, the City has not reflected participation under the equity method of accounting. Separate financial statements of each entity may be obtained from:

Municipal Electric Authority of Georgia
1470 Riveredge Parkway, NW
Atlanta, Georgia 30328

Municipal Gas Authority of Georgia
104 Town Park Drive
Kennesaw, Georgia 30144

During the fiscal year ended June 30, 2016, the City purchased $6,959,245 of its electricity from MEAG, with accounts payable of $645,709 to MEAG at June 30, 2016.

During the fiscal year ended June 30, 2016, the City purchased $458,676 of its gas from MGAG, with accounts payable of $26,459 to MGAG at June 30, 2016.

Southwest Georgia Regional Commission – Under Georgia law, the City, in conjunction with other cities and counties in the fourteen county Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (the Commission). Membership in the Commission is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission. The Commission board membership includes the chief elected official of each county and municipality of the area. The City is required to pay annual dues to the Commission and paid $6,707 in such dues during the year ended June 30, 2016.

OCGA 50-5-39.1 provides that member governments are liable for any debts or obligations of a Commission. The Commission revenues are sufficient to cover its operating costs and the City does not expect the entity to dissolve in the foreseeable future. The Commission is neither accumulating significant financial resources nor experiencing fiscal stress that may cause an additional financial benefit to or burden upon the City. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
30 West Broad Street
Camilla, GA 31730

NOTE 15 – PENSION PLAN

Plan Description

The City has a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. The City of Sylvester Retirement Plan (the Plan) is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governments in the municipalities in Georgia. Regulations of the State of Georgia assign the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for the City of Sylvester Retirement Plan that authority rests with the City of Sylvester, Georgia. All full-time employees participate in the Plan upon employment and all elected officials who hold office on or after February 1, 2008 participate in the plan. Benefits vest after 10 years of credited service. City employees can retire at or after age 65 with five years of credited service or after age 50 with 30 years of credited service. There is no maximum employee entry age. The benefit formula is 1.5% of final average earnings up to the amount of covered compensation, plus 2.25% of final average earnings in excess of said covered compensation, multiplied by years of total credited service as an eligible regular employee. Elected officials can retire at the earlier of age 65 or 50 with 30 years of service. The monthly normal retirement benefit for elected officials is $20 per month for each year of total credited service as an elected official.

As of June 30, 2016, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	48
Terminated plan members entitled to, but not yet receiving benefits	19
Active plan participants	85
Total	152

GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City of Sylvester Retirement Plan. That report may be obtained by writing to:

Georgia Municipal Association
The Burgess Building
201 Pryor Street, SW
Atlanta, GA 30303-3606

Funding Policy

The City's policy is to contribute the actuarially determined amount as recommended by GMEBS. 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) the interest on these amounts fromt the valuation date to the date contributions are paid (assumed monthly). The City makes all contributions to the Plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.55% of annual covered payroll. The contribution requirements of plan members and the City are established by and may be amended by the GMEBS Board of Trustees.

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balance at June 30, 2015	$ 7,718,425	$ 6,193,773	$ 1,524,652
Changes for the year:			
Service cost	127,640	-	127,640
Interest	580,864	-	580,864
Differences between expected and actual experience	(140,677)	-	(140,677)
Contributions - employer	-	326,057	(326,057)
Contributions - employee	-	-	-
Net investment income	-	74,217	(74,217)
Benefit payments, including refunds of employee contributions	(446,823)	(446,823)	-
Administrative expense	-	(14,676)	14,676
Other	-	-	-
Net changes	121,004	(61,225)	182,229
Balances at June 30, 2016	$ 7,839,429	$ 6,132,548	$ 1,706,881

The City's net pension liability was measured as of September 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation of January 1, 2016.

Pension Expense

Pension expense for the year ended June 30, 2016		
Service cost	$	127,640
Interest on TPL		580,864
Employee contributions		-
Administrative expense		14,676
Expected return on assets		(474,769)
Expensed portion of current year period differences between expected and actual experience on TPL		(35,170)
Expensed portion of current year period assumption changes		-
Current year plan changes		-
Expensed portion of current year period differences between projected and actual investment earnings		80,112
Current year recognition of deferred inflows and outflows established in prior years		(122,090)
Total expense	$	171,263

Deferred Outflows/Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Diffences between expected and actual experience	$ -	$ 228,085
Changes of assumptions	-	39,408
Net difference between projected and actual earnings on pension plan investments	197,149	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to measurement date	208,290	-
Total	$ 405,439	$ 267,493

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

Year ended June 30:	
2017	$ (77,149)
2018	(77,149)
2019	3,844
2020	80,110
2021	-

Discount Rate

The discount rate used to measure the collective total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Employer's proportionate share of the net liability	$ 2,680,490	$ 1,706,881	$ 898,412

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 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. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
	100%		

Actuarial Methods and Assumptions

Valuation Date	January 1, 2016
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies from the bases, with a net effective amortization period of 10 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus age and service based merit increases
Cost of Living Adjustments	0.00%
Inflation Rate	3.25%
Mortality Rates:	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-district rates, set forward two years for males and one year for females.
Disabled	RP-2000 Disabled Retiree Mortality Table with sex-district rates
Plan termination basis (all lives):	1994 Group Annuity Reserving Unisex Table
Retirement Rates:	
Employees	Earlier of 65 with 5 years of service and 50 with 30 years of service.
Officials	Earlier of 65 and 50 with 30 years of service
Retirement age for inactive vested participants	65
Form of Payment	Life annuity
Administrative Expense	$6,500 plus $54 per active and terminated vested participant and $66 per retiree and beneficiary, plus 0.06% of the market value of assets.

Georgia Municipal Employees Benefit System

Summary of Plan Provisions for January 1, 2016 Valuation:

Employer	City of Sylvester
Social Security	Yes
Participant Contributions	Noncontributory
Original Effective date	Employees: 7-7-72 Officials: 6-1-79 (Officials who come into office after 2-1-88 are not eligible. Officials in office on 2-1-88 continue to receive credit for service until the end of their current term)
Master Plan/Adoption Agreement	9/1/2003
Eligibility Requirements	Employees: No waiting period; participation is mandatory on and after 9-1-03 Officials: those who hold office on or after 2-1-08. Elected officials were not eligible after 2-1-88 and before 2-1-08
Normal Retirement Age	Employees: 65+5 or 50+13 Officials: 65 or 50+30
Early Retirement	55+10
Date Indexed	9-1-80 [dynamic break point] (applies to all employees hired on or after 9-1-80 and to those employees hired before 9-1-80 if this break point and 1.5%-2.25% benefit formula would result in a higher benefit than the break point in table and 1.0-1.075% benefit formula) in a higher benefit than the break point in table and 1.0-1.75% benefit formula)
Benefit Formula	1.0%-1.75% with table (prior to 9-1-80) 1.5%-2.25% with dynamic index break point
Official's Benefits	$20
Vesting	10 years
Death Benefits	Actuarial Reserve No Death Benefit for Termed Vested
Disability Minimum	20%
Cost-of-Living	---
Other	In-service distribution effective 4-1-13 for elected officials who remain in service of a normal or alternative normal or retired Participants who return to service as an elected or appointed member of the Governing Authority after normal retirement. With respect for the in-service, the participant must be at least 62 years of age in order to begin drawing retirement benefits. Participants who terminate on or after 10-1-88 and designate their spouse as beneficiary under Plan B at retirement receive unreduced retirement benefits. Spouses' benefits may be reduced depending upon age difference.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to the retirement plan described in Note 15, the City provides post-retirement term life insurance to all retirees who retire after June 1, 1999. The benefit is provided in accordance with City of Sylvester ordinances. The post-employment benefit is not part of a qualified plan and accordingly, expenditures for term life insurance premiums are recognized as the premiums are paid. Currently twelve retirees are eligible for this post-employment benefit. During the year, total expenditures of $4,575 were recognized for post-retirement term life insurance. The premiums are paid to GMEBS. Information pertaining to an actuarial valuation for this benefit is not provided by GMEBS. This post-retirement benefit is considered immaterial to the financial statements.

NOTE 17 - GRANTS FROM OTHER GOVENMENTS

Federal and state governmental units represent an important source of supplementary funding used to finance housing, employment, construction programs, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both Governmental and Proprietary funds. All grant proceeds in the Proprietary Funds are for the purpose of construction activities, or land or easement acquisitions. Accordingly, as per GASB 33, they are recorded as nonoperating revenues. For all funds, a grant receivable is recorded when the City has a right to receive the related grant proceeds.

NOTE 18 - HOTEL-MOTEL TAX

The City has levied a 5% Hotel-Motel tax in accordance with OCGA 48-13-51. The tax was effective October 1, 2000. A summary of the transactions for the year ending June 30, 2016 is as follows:

Hotel-Motel Tax Receipts		$ 16,508
Disbursements to Worth County- Sylvester Chamber of Commerce	58%	9,556
Balance Retained by City	42%	$ 6,952

The City has received a report from the Worth County-Sylvester Chamber of Commerce. Disbursements of the Hotel-Motel tax funds to the Worth County-Sylvester Chamber of Commerce were used for the promotion of tourism as required by the Official Code of Georgia Annotated (OCGA) 48-13-51.

NOTE 19 – E-911 SERVICES

The City entered into an agreement with Worth County, Georgia to contract with the County for the provision of E-911 Service to the City by the County in consideration of payment by the City to the County for the salaries of two dispatchers effective July 21, 2008. In exchange for the provision of the E-911 Service, the City shall pay to the County the annual salaries including benefits for two dispatchers; provided that such dispatchers shall at all times be employed by the County. Such annual salaries and benefits shall be in the about of $35,248 per dispatcher for an annual total of $70,496 with the provision of an annual increase not to exceed the prevailing Consumer Price Index.

NOTE 20 – FUND BALANCE CLASSIFICATIONS

The fund balances presented in the aggregate in the Balance Sheet for Governmental Funds are allocated according to balance classification and fund as follows:

		Special Revenue Funds			
	General Fund	SPLOST Capital Projects Fund	CDBG Loan Fund	Designated Grant Fund	Hotel/ Motel Tax Fund
Fund Balances					
Nonspendable:					
Inventory	$ 26,162	$ -	$ -	$ -	$ -
Prepaid Items	93,952	-	-	-	-
Total Nonspendable	120,114	-	-	-	-
Restricted:					
Public Safety	4,280	-	-	-	-
Public Welfare	10,626	-	-	-	-
Capital Projects	-	401,596	-	100	-
Economic Development	-	-	267,629	-	-
Tourism	-	-	-	-	3,238
Total Restricted	14,906	401,596	267,629	100	3,238
Unassigned	1,218,479	-	-	-	-
Total Fund Balances	$ 1,353,499	$ 401,596	$ 267,629	$ 100	$ 3,238

NOTE 21 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition of disclosure through December 22, 2016, the date when the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2016

	Fiscal Year End June 30, 2016	Fiscal Year End June 30, 2015
Total Pension Liability		
Service cost	$ 127,640	$ 143,056
Interest	580,864	581,530
Differences between expected and actual experience	(140,677)	(245,155)
Changes of assumptions	-	(78,814)
Changes of benefit terms	-	-
Benefit payments, including refunds of employee contributions	(446,823)	(371,608)
Net change in total pension liability	121,004	29,009
Total pension liability - beginning	7,718,425	7,689,416
Total pension liability - ending (a)	$ 7,839,429	$ 7,718,425
Plan Fiduciary Net Position		
Contributions - employer	$ 326,057	$ 351,208
Contributions - employee	-	-
Net investment income	74,217	637,350
Benefit payments, including refunds of employee contributions	(446,823)	(371,608)
Administrative expenses	(14,676)	(11,697)
Other	-	-
Net change in total pension liability	(61,225)	605,253
Plan fiduciary net position - beginning	6,193,773	5,588,520
Plan fiduciary net position - ending (b)	$ 6,132,548	$ 6,193,773
Net pension liability - ending (a) - (b)	$ 1,706,881	$ 1,524,652
Plan's fiduciary net position as percentage of the total pension liability	78.23%	80.25%
Covered-employee payroll	$ 2,777,874	$ 2,499,865
Net pension liability as a percentage of covered-employee payroll	61.45%	60.99%

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

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Contributions
June 30, 2016

	Fiscal Year End June 30, 2016		Fiscal Year End June 30, 2015
Actuarially determined contribution	$ -	*	$ 337,087
Contributions in relation to the actuarially determined contribution	-	*	337,087
Contribution deficiency (excess)	-	*	-
Covered-employee payroll	-	*	2,499,865
Contributions as a percentage of covered-employee payroll	-	*	13.48%

* 2016 information will be determined after fiscal year end and will be included in the 2016 valuation report.

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

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Notes to Schedule of Contributions
June 30, 2016

Valuation Date	The actuarially determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and 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 valued is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%

Changes of assumptions

As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

As a result of the plan change to provide immediate participation for Employees, for the Fiscal Year ending in 2015, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

Amounts reported for the Fiscal Year ending in 2015 and later reflect the following assumption changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.

- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit changes

- Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Year Ended June 30, 2016

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES				
Taxes - Net	$ 1,734,469	$ 1,734,469	$ 1,718,646	$ (15,823)
Charges for Services	138,400	138,400	167,618	29,218
Fines & Forfeitures	307,000	307,000	277,300	(29,700)
Licenses and Permits	73,900	73,900	63,711	(10,189)
Intergovernmental	-	6,000	11,790	5,790
Interest Income	3,600	3,600	5,070	1,470
Miscellaneous	48,793	48,793	54,774	5,981
TOTAL REVENUES	2,306,162	2,312,162	2,298,909	(13,253)
EXPENDITURES				
Legislative	98,458	98,458	97,110	(1,348)
Judicial	31,800	31,800	31,601	(199)
Administrative	1,441,223	1,407,222	1,334,449	(72,773)
Police	1,852,095	1,783,685	1,778,789	(4,896)
Fire	841,760	750,171	700,824	(49,347)
Animal Control	33,900	33,900	33,330	(570)
Street	618,817	636,817	634,861	(1,956)
Storm Water	224,488	185,958	146,093	(39,865)
Shop	111,484	109,484	105,162	(4,322)
Cemetery and Parks	141,130	854,630	810,355	(44,275)
Code Enforcement	117,099	117,099	91,296	(25,803)
Building and Zoning	128,694	128,694	117,361	(11,333)
Downtown Development	91,871	822,871	820,842	(2,029)
TOTAL EXPENDITURES	5,732,819	6,960,789	6,702,073	(258,716)
Deficiency of Revenue Under Expenditures	(3,426,657)	(4,648,627)	(4,403,164)	(271,969)
OTHER FINANCING SOURCES				
Capital Lease Transaction	30,757	30,757	30,757	-
Transfers from Other Funds	3,395,900	4,617,870	4,566,534	(51,336)
NET CHANGE IN FUND BALANCE	-	-	194,127	(323,305)
FUND BALANCE - JULY 1, 2015			1,159,372	
FUND BALANCE - JUNE 30, 2016			$ 1,353,499	

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Year Ended June 30, 2016

BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before the last Monday in May of each year, all departments of the City submit requests for appropriation to the City's mayor so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

- Before June 15, the proposed budget is presented to the City's council for review. The City's council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's mayor of the revenue estimates must be changed by an affirmative vote of majority of the City's council.

Results of operations are presented on the budgetary basis at the legal level of control in the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund in order to provide a meaningful comparison of actual results with the budget.

As set forth in the City Charter, the City Council adopts an annual budget for the general fund, the special revenue funds, and the proprietary funds. The annual budget for the general fund, special revenue funds and for the proprietary funds is adopted under a basis consistent with GAAP. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval. The Council approved supplemental appropriations during the year. Project budgets are adopted for the Capital Project Fund.

Supplementary Information

Individual Fund Statements and Schedules

CITY OF SYLVESTER, GEORGIA
General Fund
Balance Sheet
June 30, 2016

ASSETS

Assets		
Cash	$	178,625
Restricted Cash		14,906
Investment-Certificates of Deposit		1,266,133
Receivables		
Property Taxes		55,292
Due From Other Governments		35,323
Other		94,353
Inventory, at Cost		26,162
Prepaid Items		93,952
TOTAL ASSETS	$	1,764,746

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities		
Accounts Payable	$	107,300
Accrued Expenses		64,769
Accrued Taxes and Withholdings		15,345
Due to Other Funds		157,376
Deposits		13,418
Total Liabilities		358,208
Deferred Inflows of Resources		
Unearned Revenue - property taxes		53,039
Fund Balance		
Nonspendable:		
Inventory		26,162
Prepaid Items		93,952
Restricted:		
Public Safety		4,280
Public Welfare		10,626
Unassigned		1,218,479
Total Fund Balance		1,353,499
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$	1,764,746

CITY OF SYLVESTER, GEORGIA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Year Ended June 30, 2016

	Budget			
	Original	Final	Actual	Variance with Budget
REVENUES (Schedule 1)				
Taxes - Net	$ 1,734,469	$ 1,734,469	$ 1,718,646	$ (15,823)
Charges for Services	138,400	138,400	167,618	29,218
Fines & Forfeitures	307,000	307,000	277,300	(29,700)
Licenses and Permits	73,900	73,900	63,711	(10,189)
Intergovernmental	-	6,000	11,790	5,790
Interest Income	3,600	3,600	5,070	1,470
Miscellaneous	48,793	48,793	54,774	5,981
TOTAL REVENUES	2,306,162	2,312,162	2,298,909	(13,253)
EXPENDITURES (Schedule 2)				
Legislative	98,458	98,458	97,110	(1,348)
Judicial	31,800	31,800	31,601	(199)
Administrative	1,441,223	1,407,222	1,334,449	(72,773)
Police	1,852,095	1,783,685	1,778,789	(4,896)
Fire	841,760	750,171	700,824	(49,347)
Animal Control	33,900	33,900	33,330	(570)
Street	618,817	636,817	634,861	(1,956)
Storm Water	224,488	185,958	146,093	(39,865)
Shop	111,484	109,484	105,162	(4,322)
Cemetery and Parks	141,130	854,630	810,355	(44,275)
Code Enforcement	117,099	117,099	91,296	(25,803)
Building and Zoning	128,694	128,694	117,361	(11,333)
Downtown Development	91,871	822,871	820,842	(2,029)
TOTAL EXPENDITURES	5,732,819	6,960,789	6,702,073	(258,716)
Deficiency of Revenue Under Expenditures	(3,426,657)	(4,648,627)	(4,403,164)	(271,969)
OTHER FINANCING SOURCES				
Capital Lease Transaction	30,757	30,757	30,757	-
Transfers from Other Funds	3,395,900	4,617,870	4,566,534	(51,336)
NET CHANGE IN FUND BALANCE	-	-	194,127	(323,305)
FUND BALANCE - JULY 1, 2015			1,159,372	
FUND BALANCE - JUNE 30, 2016			$ 1,353,499	

CITY OF SYLVESTER, GEORGIA
General Fund
Revenues-Budget and Actual
Year Ended June 30, 2016

SCHEDULE 1	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Ad Valorem Taxes	$ 695,942	$ 695,942	$ 692,639	$ (3,303)
Alcoholic Beverage Tax	95,000	95,000	101,021	6,021
Licenses and Permits	73,900	73,900	63,711	(10,189)
Franchise Tax	94,000	94,000	91,007	(2,993)
Cemetery Lot Sales	25,000	25,000	14,790	(10,210)
Fines and Forfeitures	307,000	307,000	277,300	(29,700)
Interest Income	3,600	3,600	5,070	1,470
Insurance Premium Tax	343,427	343,427	356,558	13,131
Intangible and Transfer Tax	15,932	15,932	10,156	(5,776)
Business and Occupation Tax	43,000	43,000	40,404	(2,596)
Other Revenues	13,593	13,593	23,509	9,916
Sales Tax-Local Option	447,168	447,168	426,861	(20,307)
Charges for Services	138,400	138,400	167,618	29,218
Intergovernmental	-	6,000	11,790	5,790
Rent	10,200	10,200	16,475	6,275
TOTAL REVENUES	$ 2,306,162	$ 2,312,162	$ 2,298,909	$ (13,253)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual
Year Ended June 30, 2016

SCHEDULE 2

EXPENDITURES	Budget Original	Budget Final	Actual	Variance with Budget
LEGISLATIVE				
Personnel Services	$ 32,495	$ 32,495	$ 31,560	$ (935)
Employee Medical Insurance	17,919	17,919	15,047	(2,872)
Retirement Fund Contribution	13,044	13,044	13,046	2
Dues and Membership	-	-	-	-
Miscellaneous	-	-	990	990
Telephone and Utilities	6,000	6,000	6,725	725
Travel and Training	29,000	29,000	29,742	742
Total Legislative	98,458	98,458	97,110	(1,348)
JUDICIAL				
Municipal Court Judge	10,800	10,800	10,800	-
Indigent Defence Attorney	6,000	6,000	6,164	164
City Solicitor	15,000	15,000	14,637	(363)
Dues and Membership	-	-	-	-
Total Judicial	31,800	31,800	31,601	(199)
ADMINISTRATIVE				
Personnel Services	691,948	670,417	637,151	(33,266)
Employee Medical Insurance	83,090	83,090	43,255	(39,835)
Retirement Fund Contribution	58,089	58,089	55,699	(2,390)
Advertising	10,000	10,000	9,507	(493)
Appropriations:				-
DeSoto Trail Regional Library	57,500	57,500	57,500	-
Recreation Program and Community	100,000	100,000	100,000	-
Chamber of Commerce	25,000	25,000	25,000	-
Other	17,000	17,000	21,735	4,735
Capital Outlay	-	-	-	-
Clerical and Administrative	14,900	14,900	17,699	2,799
Dues and Membership	11,022	11,022	10,483	(539)
Insurance	37,758	37,758	39,741	1,983
Miscellaneous	25,156	25,156	16,393	(8,763)
Motor Fuels	2,500	2,500	984	(1,516)
Professional Services	119,760	101,290	78,050	(23,240)
Repairs and Maintenance - Equipment	39,900	39,900	84,390	44,490
Supplies	55,500	55,500	56,241	741

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
Year Ended June 30, 2016

	Budget			
	Original	Final	Actual	Variance with Budget
Administrative (continued)				
Telephone and Utilities	$ 23,000	$ 23,000	$ 24,027	$ 1,027
Travel and Training	14,100	14,100	4,464	(9,636)
Uniforms	4,000	4,000	297	(3,703)
Capital Lease-Principal	-	-	-	-
Capital Lease-Interest	-	-	-	-
Flood Buyout	-	-	-	-
Worth County Family Connection	51,000	51,000	46,236	(4,764)
Downtown Farmers' Market	-	6,000	5,597	(403)
Total Administrative	1,441,223	1,407,222	1,334,449	(72,773)
POLICE				
Personnel Services	1,028,887	1,028,887	1,062,327	33,440
Employee Medical Insurance	216,059	176,059	176,963	904
Retirement Fund Contribution	84,327	84,327	80,428	(3,899)
Capital Outlay	-	-	6,650	6,650
Clerical and Administrative	4,568	4,568	2,562	(2,006)
Community Programs	8,500	8,500	4,845	(3,655)
Courtware Solutions	21,000	21,000	19,612	(1,388)
Dues and Membership	600	600	498	(102)
Inmate Medical and Board	33,000	33,000	25,171	(7,829)
Insurance	30,025	30,025	27,170	(2,855)
Miscellaneous	5,300	5,300	1,886	(3,414)
Motor Fuels	85,500	57,090	47,495	(9,595)
Professional Services	5,580	5,580	5,694	114
Repairs and Maintenance-Equipment	54,200	54,200	75,093	20,893
Supplies	25,000	25,000	30,794	5,794
Travel and Training	13,000	13,000	8,394	(4,606)
Telephone and Utilities	40,927	40,927	39,894	(1,033)
Trust Fund Contributions	46,600	46,600	50,232	3,632
Uniforms	13,000	13,000	10,867	(2,133)
Capital Lease-Principal	56,564	56,564	31,274	(25,290)
Capital Lease-Interest	2,631	2,631	444	(2,187)
911 Cost	76,827	76,827	70,496	(6,331)
Total Police	1,852,095	1,783,685	1,778,789	(4,896)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
Year Ended June 30, 2016

	Budget			Variance with
	Orginal	Final	Actual	Budget
FIRE				
Personnel Services	$ 523,284	$ 458,695	$ 437,723	$ (20,972)
Employee Medical Insurance	109,306	89,306	86,808	(2,498)
Retirement Fund Contribution	32,267	32,267	33,649	1,382
Capital Outlay	24,600	24,600	24,694	94
Clerical and Adminstrative	6,320	6,320	5,153	(1,167)
Dues and Membership	1,200	1,200	590	(610)
Miscellaneous	1,000	1,000	103	(897)
Motor Fuels	14,000	10,000	4,160	(5,840)
Professional Services	-	-	-	-
Repairs and Maintenance-Equipment	45,000	45,000	50,821	5,821
Supplies	31,000	31,000	22,492	(8,508)
Telephone and Utilities	22,500	22,500	16,273	(6,227)
Travel and Training	10,500	10,500	1,771	(8,729)
Uniforms	10,000	7,000	5,807	(1,193)
Capital Lease-Principal	9,945	9,945	9,917	(28)
Capital Lease-Interest	838	838	863	25
Total Fire	841,760	750,171	700,824	(49,347)
ANIMAL CONTROL				
Humane Society	33,000	33,000	33,000	-
Miscellaneous	900	900	330	(570)
Total Animal Control	33,900	33,900	33,330	(570)
CEMETERY AND PARKS				
Personnel Services	$ 30,000	$ 34,000	$ 33,786	$ (214)
Capital Outlay	-	700,000	615,943	(84,057)
Clerical and Adminstrative	150	150	482	332
Insurance	4,350	4,350	5,057	707
Maintenance Contract	64,680	64,680	64,680	-
Motor Fuels	400	400	-	(400)
Repairs and Maintenance-Cemetery	4,000	4,000	2,389	(1,611)
Repairs and Maintenance-Equipment	15,350	22,350	33,958	11,608
Supplies	3,900	6,400	7,984	1,584
Telephone and Utilities	18,300	18,300	46,076	27,776
Total Cemetery and Parks	141,130	854,630	810,355	(44,275)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Budget
STREET				
Personnel Services	$ 253,391	$ 253,391	$ 261,955	$ 8,564
Employee Medical Insurance	50,179	50,179	50,056	(123)
Retirement Fund Contribution	18,317	18,317	16,160	(2,157)
Capital Outlay	10,000	10,000	12,384	2,384
Clerical and Administrative	-	-	1,849	1,849
General Supplies	7,200	7,200	6,700	(500)
Grounds Maintenance Contract	122,562	122,562	122,862	300
Miscellaneous	2,000	2,000	-	(2,000)
Motor Fuels	26,750	26,750	17,988	(8,762)
Professional Fees	100	100	-	(100)
Repairs and Maintenance-Equipment	38,725	56,725	59,150	2,425
Repairs and Maintenance-System	28,600	28,600	22,430	(6,170)
System Supplies and Chemicals	15,825	15,825	15,353	(472)
Telephone and Utilities	7,088	7,088	10,043	2,955
Travel and Training	2,000	2,000	1,365	(635)
Uniforms	2,100	2,100	2,586	486
Capital Lease-Principal	32,729	32,729	32,729	-
Capital Lease-Interest	1,251	1,251	1,251	-
Total Street	618,817	636,817	634,861	(1,956)
STORM WATER				
Personnel Services	120,899	99,369	67,472	(31,897)
Employee Medical Insurance	33,240	23,240	13,469	(9,771)
Retirement Fund Contribution	9,955	9,955	9,173	(782)
Capital Outlay	-	-	28,810	28,810
Motor Fuels	8,250	8,250	4,882	(3,368)
Repairs and Maintenance	35,500	28,500	18,679	(9,821)
Professional Fees	-	-	76	76
Rent	7,000	7,000	-	(7,000)
Telephone and Utilities	400	400	491	91
Travel and Training	600	600	285	(315)
Miscellaneous	-	-	1,861	1,861
Uniforms	1,400	1,400	895	(505)
Capital Lease-Principal	5,910	5,910	-	-
Capital Lease-Interest	1,334	1,334	-	-
Total Storm Water	224,488	185,958	146,093	(32,621)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Budget
SHOP				
Personnel Services	$ 68,913	$ 68,913	$ 68,906	$ (7)
Employee Medical Insurance	16,620	14,620	14,183	(437)
Retirement Fund Contribution	5,851	5,851	5,386	(465)
Motor Fuels	2,600	2,600	1,911	(689)
Repairs and Maintenance	5,600	5,600	3,507	(2,093)
Supplies	3,800	3,800	1,203	(2,597)
Telephone and Utilities	5,600	5,600	3,922	(1,678)
Travel and Training	1,500	1,500	216	(1,284)
Uniforms	1,000	1,000	960	(40)
Capital Outlay	-	-	4,968	4,968
Total Shop	111,484	109,484	105,162	(4,322)
CODE ENFORCEMENT				
Personnel Services	58,999	58,999	60,435	1,436
Employee Medical Insurance	16,620	16,620	14,183	(2,437)
Retirement Fund Contribution	5,035	5,035	4,606	(429)
Capital Outlay	-	-	-	-
Clerical and Administrative	800	800	19	(781)
Advertising	2,000	2,000	256	(1,744)
Community Relations	1,500	1,500	654	(846)
Dues and Membership	275	275	-	(275)
Great Sylvester Cleanup	2,500	2,500	1,504	(996)
Miscellaneous	700	700	-	(700)
Motor Fuels	1,995	1,995	2,459	464
Professional Services	10,000	10,000	-	(10,000)
Rent	2,000	2,000	1,950	(50)
Repairs and Maintenance-Equipment	2,275	2,275	1,012	(1,263)
Supplies	2,500	2,500	963	(1,537)
Telephone and Utilities	3,400	3,400	2,122	(1,278)
Travel and Training	5,500	5,500	384	(5,116)
Uniforms	1,000	1,000	749	(251)
Total Code Enforcement	117,099	117,099	91,296	(25,803)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Budget
BUILDING AND ZONING				
Personnel Services	$ 87,684	$ 87,684	$ 86,367	$ (1,317)
Retirement Contributions	7,360	7,360	6,852	(508)
Employee Medical Insurance	16,620	16,620	14,210	(2,410)
Professional Services	1,080	1,080	1,046	(34)
Clerical and Administrative	3,350	3,350	2,847	(503)
Motor Fuels	800	800	472	(328)
Rent	2,000	2,000	1,500	(500)
Repairs and Maintenance	3,000	3,000	749	(2,251)
Telephone and Utilities	2,800	2,800	2,269	(531)
Travel and Training	4,000	4,000	1,049	(2,951)
Total Building and Zoning	128,694	128,694	117,361	(11,333)
DOWNTOWN DEVELOPMENT				
Personnel Services	37,988	37,988	38,081	93
Employee Medical Insurance	8,310	8,310	6,965	(1,345)
Retirement Fund Contribution	3,313	3,313	2,971	(342)
Advertising	5,000	5,000	1,642	(3,358)
Community Relations	6,800	6,800	4,916	(1,884)
Georgia Cities Week	1,300	1,300	2,011	711
Clerical and Administrative	3,200	3,200	742	(2,458)
Dues and Membership	400	400	537	137
Façade Program	6,000	6,000	6,000	-
Miscellaneous	200	200	1,896	1,696
Rent	2,000	2,000	1,950	(50)
Repairs and Maintenance	2,060	2,060	1,975	(85)
Supplies	7,100	7,100	1,579	(5,521)
Telephone and Utilities	3,700	3,700	3,101	(599)
Travel and Training	4,500	4,500	2,815	(1,685)
Capital Outlay	-	731,000	743,661	12,661
Total Downtown Development	91,871	822,871	820,842	(2,029)
TOTAL EXPENDITURES	$ 5,732,819	$ 6,960,789	$ 6,702,073	$ (258,716)

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds			
	CDBG Loan Fund	Designated Grant Fund	Hotel/ Motel Tax Fund	Total
ASSETS				
Cash	$ 173,466	$ 96,254	$ 992	$ 270,712
Taxes Receivable	-	-	2,246	2,246
Loan Receivable	94,163	-	-	94,163
Due from Other Governments	-	-	-	-
TOTAL ASSETS	$ 267,629	$ 96,254	$ 3,238	$ 367,121
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ -
Due to Other Funds	-	6,587	-	6,587
Total Liabilities	-	6,587	-	6,587
Deferred Inflows of Resources				
Unearned Revenue-GA DOT	-	89,567	-	89,567
Fund Balances				
Restricted:				
Economic Development	267,629	-	-	267,629
Tourism	-	-	3,238	3,238
Capital Projects	-	100	-	100
Total Fund Balances	267,629	100	3,238	270,967
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 267,629	$ 96,254	$ 3,238	$ 367,121

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS			
	CDBG Loan Fund	Designated Grant Fund	Hotel/ Motel Tax Fund	Total
REVENUES				
Grant Proceeds	$ -	$ 343,532	$ -	$ 343,532
Investment Income	1,862	-	-	1,862
Hotel/Motel Taxes	-	-	16,508	16,508
TOTAL REVENUES	1,862	343,532	16,508	361,902
EXPENDITURES				
Culture and Recreation	-	-	-	-
Community and Economic Development	-	8,667	9,556	18,223
Capital Outlay	-	334,865	-	334,865
TOTAL EXPENDITURES	-	343,532	9,556	353,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,862	-	6,952	8,814
OTHER FINANCING USES				
Transfer In (Out)	-	-	(6,500)	(6,500)
NET CHANGE IN FUND BALANCE	1,862	-	452	2,314
FUND BALANCE - JULY 1, 2015	265,767	100	2,786	268,653
FUND BALANCE - JUNE 30, 2016	$ 267,629	$ 100	$ 3,238	$ 270,967

CITY OF SYLVESTER, GEORGIA
CDBG Economic Development Revolving Loan Fund
Balance Sheet
June 30, 2016

ASSETS		
Cash	$	173,466
Loan Receivable		94,163
TOTAL ASSETS	$	267,629
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Economic Development		267,629
TOTAL LIABILITIES AND FUND BALANCE	$	267,629

CITY OF SYLVESTER, GEORGIA
CDBG Economic Development Revolving Loan Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Interest on Loan Receivable	$ 14,000	$ 14,000	$ 1,853	$ (12,147)
Interest-Bank	500	500	9	(491)
TOTAL REVENUES	14,500	14,500	1,862	(12,638)
EXPENDITURES				
Loan Servicing Fees	2,000	2,000	-	(2,000)
Contingency	12,500	12,500	-	(12,500)
TOTAL EXPENDITURES	14,500	14,500	-	(14,500)
Excess of Revenues Over Expenditures	-	-	1,862	1,862
NET CHANGE IN FUND BALANCE	-	-	1,862	1,862
FUND BALANCE - JULY 1, 2015			265,767	
FUND BALANCE - JUNE 30, 2016			$ 267,629	

CITY OF SYLVESTER, GEORGIA
Designated Grant Fund
Balance Sheet
June 30, 2016

ASSETS		
Cash	$	96,254
Due from Other Governments		-
TOTAL ASSETS	$	96,254
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		6,587
TOTAL LIABILITIES		6,587
Deferred Inflows of Resources		
Unearned Revenues - GA DOT		89,567
Fund Balance		
Restricted:		
Capital Projects		100
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$	96,254

CITY OF SYLVESTER, GEORGIA
Designated Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 1,434,027	$ 1,434,027	$ 343,532	$ (1,090,495)
TOTAL REVENUES	1,434,027	1,434,027	343,532	(1,090,495)
EXPENDITURES				
Community and Economic Development	306,000	306,000	8,667	(297,333)
Capital Outlay	1,128,027	1,128,027	334,865	(793,162)
TOTAL EXPENDITURES	1,434,027	1,434,027	343,532	(1,090,495)
Excess of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING USES				
Transfer In	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JULY 1, 2015			100	
FUND BALANCE - JUNE 30, 2016			$ 100	

CITY OF SYLVESTER, GEORGIA
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2016

ASSETS		
Cash	$	992
Taxes Receivable		2,246
TOTAL ASSETS	$	3,238
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Tourism		3,238
TOTAL LIABILITIES AND FUND BALANCE	$	3,238

CITY OF SYLVESTER, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Hotel/Motel Taxes	$ 17,615	$ 17,615	$ 16,508	$ (1,107)
TOTAL REVENUES	17,615	17,615	16,508	(1,107)
EXPENDITURES				
Chamber of Commerce Allocation	9,600	9,600	9,556	(44)
Bank Charges	-	-	-	-
TOTAL EXPENDITURES	9,600	9,600	9,556	(44)
Excess of Revenues Over Expenditures	8,015	8,015	6,952	(1,063)
OTHER FINANCING USES				
Transfer Out	(8,015)	(8,015)	(6,500)	1,515
NET CHANGE IN FUND BALANCE	-	-	452	452
FUND BALANCE - JULY 1, 2015			2,786	
FUND BALANCE - JUNE 30, 2016			$ 3,238	

CITY OF SYLVESTER, GEORGIA
SPLOST Capital Projects Fund
Balance Sheet
June 30, 2016

ASSETS		
Cash	$	338,002
Taxes Receivable		63,594
TOTAL ASSETS	$	401,596
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Capital Projects		401,596
TOTAL LIABILITIES AND FUND BALANCE	$	401,596

CITY OF SYLVESTER, GEORGIA
SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Year Ended June 30, 2016

	Budget			Variance With
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 873,000	$ 873,000	$ 478,178	$ (394,822)
Interest	2,000	2,000	1,639	(361)
Total Revenues	875,000	875,000	479,817	(395,183)
EXPENDITURES				
Capital Projects	691,006	691,006	333,920	(357,086)
Debt Service:				
Principal	142,187	142,187	142,283	96
Interest	41,807	41,807	41,711	(96)
TOTAL EXPENDITURES	875,000	875,000	517,914	(357,086)
Deficiency of Revenues Under Expenditures	-	-	(38,097)	(38,097)
NET CHANGE IN FUND BALANCE	$ -	$ -	(38,097)	$ (38,097)
FUND BALANCE-JULY 1, 2015			439,693	
FUND BALANCE-JUNE 30, 2016			$ 401,596	

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Net Position
June 30, 2016

ASSETS		
Current Assets		
Cash	$	961,698
Investment-Certificate of Deposit		193,038
Investments		4,331,994
Restricted Assets		
Cash-Customer Deposits		84,092
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		1,281,602
Due from Other Funds		295,957
Inventory		207,228
Total Current Assets		7,355,609
Noncurrent Assets		
Capital Assets		
Construction in Progress		137,630
Electric System		3,212,429
Machinery and Equipment		161,975
Vehicles		773,797
Accumulated Depreciation		(2,858,669)
Total Noncurrent Assets		1,427,162
TOTAL ASSETS		8,782,771
LIABILITIES		
Current Liabilities		
Accounts Payable		672,376
Accrued Expenses		25,513
Due to Other Funds		68,234
Liabilities Payable from Restricted Assets-Customer Deposits		81,249
Total Current Liabilities		847,372
Long-Term Liabilities		
Accrued Vacation		16,369
TOTAL LIABILITIES		863,741
NET POSITION		
Investment in Capital Assets		1,427,162
Unrestricted		6,491,868
TOTAL NET POSITION		$7,919,030

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

OPERATING REVENUES		
Electric Sales	$	11,025,666
Penalties		80,058
Service Fees		56,307
Miscellaneous		46,864
Pole Rental		65,473
TOTAL OPERATING REVENUES		11,274,368
OPERATING EXPENSES		
Personnel Services		310,353
Employee Medical Insurance		85,611
Retirement Fund Contribution		29,100
Purchases - Electricity		6,959,245
Clerical and Administrative		25,096
Insurance - General		38,391
Marketing		18,767
Miscellaneous		496
Motor Fuels		11,873
Professional Fees		43,950
Repairs and Maintenance-Equipment		14,674
Repairs and Maintenance-System		85,251
Supplies-General		28,612
Supplies-System		78,675
Technical Support		64,676
Telephone and Utilities		28,071
Travel and Training		15,524
Uniforms		6,003
Depreciation		103,801
TOTAL OPERATING EXPENSES		7,948,169
OPERATING INCOME		3,326,199

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Year Ended June 30, 2016

NON-OPERATING REVENUES (EXPENSES)	
Interest Income	$ 4,420
Market Gain on Investments	133,519
TOTAL NON-OPERATING REVENUES (EXPENSES)	137,939
Income Before Transfers	3,464,138
Transfers Out	(3,866,054)
CHANGE IN NET POSITION	(401,916)
NET POSITION - JULY 1, 2015	8,320,946
NET POSITION - JUNE 30, 2016	$ 7,919,030

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 11,421,133
Cash Payments to Suppliers	(7,444,787)
Cash Payments to Employees	(421,890)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,554,456
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(3,919,190)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and Construction of Capital Assets	(137,630)
Capital Grant	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(137,630)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	4,420
Sale of Investments	691,017
NET CASH PROVIDED BY INVESTING ACTIVITIES	695,437
Net Increase in Cash and Cash Equivalents	193,073
CASH AND CASH EQUIVALENTS-JULY 1, 2015	1,045,755
CASH AND CASH EQUIVALENTS-JUNE 30, 2016	$ 1,238,828
Displayed As;	
Restricted Assets	$ 84,092

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows (Continued)
Year Ended June 30, 2016

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 3,326,199
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	103,801
(Increase) Decrease in Assets:	
Accounts Receivable	144,115
Inventory	(6,806)
Increase (Decrease) in Liabilities:	
Accounts Payable	(9,614)
Accrued Expenses	(9,063)
Accrued Vacation	3,174
Customer Deposits	2,650
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,554,456
Noncash Investing, Capital and Financing Activities	
Increase in Fair Value of Investments	$ 133,519

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Net Position
June 30, 2016

ASSETS		
Current Assets		
Cash	$	478,706
Investment-Certificate of Deposit		183,563
Restricted Assets		
Cash-Customer Deposits		89,387
Cash-GEFA		180
Investment-Certificate of Deposit-GEFA		164,966
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		227,694
Inventory		50,050
Due from Other Funds		123,862
Total Current Assets		1,318,408
Noncurrent Assets		
Capital Assets		
Land		21,800
Buildings		365,283
Water and Sewer System		14,615,266
Machinery and Equipment		759,881
Vehicles		101,950
Construction in Progress		918,286
Accumulated Depreciation		(8,590,636)
Total Noncurrent Assets		8,191,830
TOTAL ASSETS		9,510,238
LIABILITIES		
Current Liabilities		
Accounts Payable		42,108
Notes Payable		118,615
Accrued Expenses		9,357
Liabilities Payable from Restricted Assets-Customer Deposits		78,490
Due to Other Funds		73,234
Total Current Liabilities		321,804
Long-Term Liabilities		
Accrued Vacation		6,842
Notes Payable		3,435,325
Total Long-Term Liabilities		3,442,167
TOTAL LIABILITIES		3,763,971
Net Investment in Capital Assets		4,637,890
Restricted for Debt Service		164,966
Unrestricted		943,411
TOTAL NET POSITION	$	5,746,267

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

OPERATING REVENUES	
Water Revenue	$ 1,054,772
Sewer Revenue	867,534
Penalties	13,627
Other	2,242
TOTAL OPERATING REVENUES	1,938,175
OPERATING EXPENSES	
Water (Schedule 1)	487,361
Sewer (Schedule 2)	585,611
Depreciation	360,356
TOTAL OPERATING EXPENSES	1,433,328
OPERATING INCOME	504,847
NON-OPERATING REVENUES (EXPENSES)	
Principal Forgiveness on Long-Term Debt	75,946
Interest Income	1,566
Interest Expense	(99,223)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(21,711)
Income Before Transfers	483,136
Transfers In	-
Transfers Out	(490,000)
CHANGE IN NET POSITION	(6,864)
NET POSITION-JULY 1, 2015	5,753,131
NET POSITION-JUNE 30, 2016	$ 5,746,267

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Received from Customers	$ 1,915,850
Cash Payments to Suppliers	(704,951)
Cash Payment to Employees	(345,338)
NET CASH PROVIDED BY OPERATING ACTIVITIES	865,561
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(507,285)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases and Construction of Capital Assets	(616,708)
Principal Paid on Capital Debt	(219,146)
Interest Paid on Capital Debt	(99,223)
Proceeds from Long Term Debt	699,588
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(235,489)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	1,566
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,566
Net Increase in Cash and Cash Equivalents	124,353
CASH AND CASH EQUIVALENT-JULY 1, 2015	792,449
CASH AND CASH EQUIVALENT-JUNE 30, 2016	$ 916,802
Displayed As:	
Restricted Assets	$ 254,533
Non Cash Transactions:	
Principal Forgiveness on Capital Debt	$ 75,946

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows (Continued)
Year Ended June 30, 2016

Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$	504,847
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation Expense		360,356
(Increase) Decrease in Assets:		
Accounts Receivable		(25,040)
Inventory		26,869
Increase (Decrease) in Liabilities:		
Accounts Payable		(192)
Accrued Expenses		2,353
Accrued Vacation		(6,347)
Customer Deposits		2,715
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	865,561

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Water Operating Expenses – Schedule 1
Year Ended June 30, 2016

Water Operating Expenses

Personnel Services	$	125,970
Employee Medical Insurance		24,822
Retirement Fund Contribution		10,338
Advertising		603
Clerical and Administrative		3,778
Dues and Memberships		764
Insurance		38,389
Lab Fees		9,710
Motor fuels		3,948
Repairs and Maintenance-Equipment		2,457
Repairs and Maintenance-System		151,882
Supplies-General		15,627
Supplies- System		35,739
Telephone and Utilities		53,088
Travel and Training		7,153
Uniforms		3,093
Total Operating Expenses	$	487,361

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Sewer Operating Expenses – Schedule 2
Year Ended June 30, 2016

Sewer Operating Expenses

Personnel Services	$ 137,706
Employee Medical Insurance	25,223
Retirement Fund Contribution	14,932
Advertising	-
Clerical and Administrative	3,044
Insurance	39,500
Lab Fees	41,532
Motor Fuels	9,090
Repairs and Maintenance - Equipment	83,266
Repairs and Maintenance - System	99,027
Supplies - General	6,841
Supplies - System	5,111
Telephone and Utilities	115,530
Travel and Training	3,125
Uniforms	1,684
Total Operating Expenses	$ 585,611

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Net Position
June 30, 2016

ASSETS	
Current Assets	
Cash	$ 50,447
Due from Other Governments	43,400
Due from Other Funds	-
Total Current Assets	93,847
Noncurrent Assets	
Capital Assets	
Land	247,300
Land Improvements	492,816
Equipment	6,040
Construction in Progress	3,056,768
Accumulated Depreciation	(320,748)
Total Noncurrent Assets	3,482,176
TOTAL ASSETS	3,576,023
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Due to Other Funds	27,189
TOTAL LIABILITIES	27,189
DEFERRED INFLOWS OF RESOURCES	
Unearned Revenues - Rent Proceeds	800
NET POSITION	
Investment in Capital Assets	3,482,176
Unrestricted	65,858
TOTAL NET POSITION	$ 3,548,034

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

OPERATING REVENUES	
Rent	$ 4,800
TOTAL OPERATING REVENUES	4,800
Advertising	897
Dues and Licenses	400
Insurance	2,550
Repairs and Maintenance	224
Utilities	2,257
Depreciation	23,890
TOTAL OPERATING EXPENSES	30,218
OPERATING LOSS	(25,418)
NON-OPERATING REVENUES	
Capital Grants	1,792,534
Income Before Transfers	1,767,116
Transfers In	446,020
CHANGE IN NET POSITION	2,213,136
NET POSITION-JULY 1, 2015	1,334,898
NET POSITION-JUNE 30, 2016	$ 3,548,034

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$	4,800
Cash Payments to Suppliers		(6,385)
NET CASH PROVIDED BY OPERATING ACTIVITIES		(1,585)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments from Other Funds		446,030
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase and Construction of Capital Assets		(2,158,646)
Capital Grants Received		1,758,576
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		(400,070)
CASH FLOWS FROM INVESTING ACTIVITIES		-
Net Decrease in Cash and Cash Equivalents		44,375
CASH AND CASH EQUIVALENTS - JULY 1, 2015		6,072
CASH AND CASH EQUIVALENTS - JUNE 30, 2016	$	50,447
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Loss		(25,418)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		23,890
Increase (Decrease) in Assets:		
Accounts Receivable		-
Increase (Decrease) in Liabilities:		
Accounts Payable		(57)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	(1,585)

CITY OF SYLVESTER, GEORGIA
Non-major Proprietary Funds
Combing Statement of Net Position
June 30, 2016

	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
ASSETS				
Current Assets				
Cash	$ 82,222	$ 37,265	$ 50,050	$ 169,537
Restricted Cash - Customer Deposits	-	-	24,289	24,289
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	87,950	-	77,976	165,926
Due from Other Funds	1,348	-	16,660	18,008
Inventory	-	-	31,047	31,047
Total Current Assets	171,520	37,265	200,022	408,807
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	-	-	2,500	2,500
Depreciable Capital Assets	-	331,231	1,163,705	1,494,936
Accumulated Depreciation	-	(243,150)	(995,103)	(1,238,253)
Total Noncurrent Assets	-	88,081	171,102	259,183
TOTAL ASSETS	171,520	125,346	371,124	667,990
LIABILITIES				
Current Liabilities				
Accounts Payable	40,957	-	26,459	67,416
Accrued Expenses	-	-	4,389	4,389
Customer Deposits	-	-	22,795	22,795
Due to Other Funds	-	63,977	41,230	105,207
Total Current Liabilities	40,957	63,977	94,873	199,807
Long-Term Liabilities				
Accrued Vacation	-	-	1,466	1,466
TOTAL LIABILITIES	40,957	63,977	96,339	201,273
NET POSITION				
Investment in Capital Assets	-	88,081	171,102	259,183
Unrestricted	130,563	(26,712)	103,683	207,534
TOTAL NET POSITION	$ 130,563	$ 61,369	$ 274,785	$ 466,717

CITY OF SYLVESTER, GEORGIA
Non-major Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
OPERATING REVENUES				
Charges for Services	$ 751,700	$ 182,685	$ 1,087,663	$ 2,022,048
OPERATING EXPENSES				
Operating Expenses	532,488	70,948	681,244	1,284,680
Depreciation	-	21,124	23,876	45,000
TOTAL OPERATING EXPENSES	532,488	92,072	705,120	1,329,680
OPERATING INCOME (LOSS)	219,212	90,613	382,543	692,368
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	-	-	52	52
Income Before Transfer	219,212	90,613	382,595	692,420
Transfers In	-	-	-	-
Transfers Out	(175,000)	(100,000)	(375,000)	(650,000)
CHANGE IN NET POSITION	44,212	(9,387)	7,595	42,420
NET POSITION - JULY 1, 2015	86,351	70,756	267,190	424,297
NET POSITION - JUNE 30, 2016	$ 130,563	$ 61,369	$ 274,785	$ 466,717

CITY OF SYLVESTER, GEORGIA
Non-major Proprietary Funds
Combining Statement of Cash Flows
Year Ended June 30, 2016

	Solid Waste Fund	Telecommunications Fund	Natrural Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 752,099	$ 182,686	$ 1,095,692	$ 2,030,477
Cash Payments to Suppliers	(569,783)	(74,902)	(558,014)	(1,202,699)
Cash Payments to Employees	-	-	(131,437)	(131,437)
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	182,316	107,784	406,241	696,341
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments to Other Funds	(179,508)	(93,375)	(385,664)	(658,547)
Payments from Other Funds	-	-	-	-
NET CASH PROVIDED BY (USED BY) NONCAPITAL FINANCING ACTIVITIES	(179,508)	(93,375)	(385,664)	(658,547)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	-	(28,500)	(9,697)	(38,197)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(28,500)	(9,697)	(38,197)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	-	52	52
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-	52	52
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,808	(14,091)	10,932	(351)
CASH AND CASH EQUIVALENTS - JULY 1, 2015	79,414	51,356	63,407	194,177
CASH AND CASH EQUIVALENTS - JUNE 30, 2016	$ 82,222	$ 37,265	$ 74,339	$ 193,826
Displayed As:				
Restricted Assets	$ -	$ -	$ 24,289	$ 24,289
Reconciliation of Operating Income (Loss) To Net Cash Provided by Operating Activities				
Operating Income (Loss)	219,212	90,613	382,543	692,368
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	-	20,870	23,876	44,746
(Increase) Decrease in Assets:				
Accounts Receivable	399	-	7,439	7,838
Inventory	-	-	-	-
Increase (Decrease) in Liabilities:				
Accounts Payable	(22,494)	(3,699)	(5,919)	(32,112)
Customer Deposits	-	-	590	590
Accrued Vacation	-	-	(923)	(923)
Accrued Expenses	(14,801)	-	(1,365)	(16,166)
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	$ 182,316	$ 107,784	$ 406,241	$ 696,341

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Net Position
June 30, 2016

ASSETS		
Current Assets		
Cash	$	82,222
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		87,950
Due from Other Funds		1,348
TOTAL ASSETS		171,520
LIABILITIES		
Current Liabilities		
Accounts Payable		40,957
Accrued Expenses		-
Due to Other Funds		-
TOTAL LIABILITIES		40,957
NET POSITION		
Unrestricted		130,563
TOTAL NET POSITION	$	130,563

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

OPERATING REVENUES		
Refuse Collection Fees	$	718,639
Landfill Collection Fees		27,034
Penalties		5,943
Other Revenues		84
TOTAL OPERATING REVENUES		751,700
OPERATING EXPENSES		
Refuse Disposal Fees		379,163
Landfill Fees		152,116
Miscellaneous		1,209
TOTAL OPERATING EXPENSES		532,488
OPERATING INCOME		219,212
Income Before Transfers		219,212
Transfers out		(175,000)
CHANGE IN NET POSITION		44,212
NET POSITION-JULY 1, 2015		86,351
NET POSITION-JUNE 30, 2016	$	130,563

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$	752,099
Cash Payments to Suppliers		(569,783)
NET CASH PROVIDED BY OPERATING ACTIVITIES		182,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to Other Funds		(179,508)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		-
CASH FLOWS FROM INVESTING ACTIVITIES		-
Net Decrease in Cash and Cash Equivalents		2,808
CASH AND CASH EQUIVALENTS - JULY 1, 2015		79,414
CASH AND CASH EQUIVALENTS - JUNE 30, 2016	$	82,222
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income		219,212
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Assets:		
Accounts Receivable		399
Increase (Decrease) in Liabilities:		
Accounts Payable		(22,494)
Accrued Expenses		(14,801)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	182,316

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Net Position
June 30, 2016

ASSETS	
Current Assets	
Cash	$ 37,265
Total Current Assets	37,265
Noncurrent Assets	
Capital Assets	
Fiber Optics System	328,171
Vehicles	3,060
Accumulated Depreciation	(243,150)
Total Noncurrent Assets	88,081
TOTAL ASSETS	125,346
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Due to Other Funds	63,977
TOTAL LIABILITIES	63,977
NET POSITION	
Investment in Capital Assets	88,081
Unrestricted	(26,712)
TOTAL NET POSITION	$ 61,369

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

OPERATING REVENUES		
Telecom Charges	$	170,685
Internet Charges		12,000
TOTAL OPERATING REVENUES		182,685
OPERATING EXPENSES		
Contractual Services		25
Internet Fees		6,000
Leases		8,498
Licenses		-
Professional Services		22,926
Repairs and Maintenance-System		33,753
Supplies		-
Depreciation		20,870
TOTAL OPERATING EXPENSES		92,072
OPERATING INCOME		90,613
Income Before Transfers		90,613
Transfers Out		(100,000)
CHANGE IN NET POSITION		(9,387)
NET POSITION-JULY 1, 2015		70,756
NET POSITION-JUNE 30, 2016	$	61,369

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$	182,686
Cash Payments to Suppliers		(74,902)
NET CASH PROVIDED BY OPERATING ACTIVITIES		107,784
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments (to) from Other Funds		(93,375)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase and Construction of Capital Assets		(28,500)
CASH FLOWS FROM INVESTING ACTIVITIES		-
Net Decrease in Cash and Cash Equivalents		(14,091)
CASH AND CASH EQUIVALENTS - JULY 1, 2016		51,356
CASH AND CASH EQUIVALENTS - JUNE 30, 2016	$	37,265
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income		90,613
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		20,870
Increase (Decrease) in Assets:		
Accounts Receivable		-
Increase (Decrease) in Liabilities:		
Accounts Payable		(3,699)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	107,784

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Net Position
June 30, 2016

ASSETS	
Current Assets	
Cash	$ 50,050
Restricted Assets	
Cash-Customer Deposits	24,289
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	77,976
Due from Other Funds	16,660
Inventory	31,047
Total Current Assets	200,022
Noncurrent Assets	
Capital Assets	
Land	2,500
Natural Gas System	896,021
Machinery and Equipment	197,577
Vehicles	70,107
Accumulated Depreciation	(995,103)
Total Noncurrent Assets	171,102
TOTAL ASSETS	371,124
LIABILITIES	
Current Liabilities	
Accounts Payable	26,459
Accrued Expenses	4,389
Due to Other Funds	41,230
Liabilities Payable from Restricted Assets-Customer Deposits	22,795
Total Current Liabilities	94,873
Long-Term Liabilities	
Accrued Vacation	1,466
TOTAL LIABILITIES	96,339
NET POSITION	
Investment in Capital Assets	171,102
Unrestricted	103,683
TOTAL NET POSITION	$ 274,785

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2016

OPERATING REVENUES		
Gas Sales	$	1,040,449
Penalties		47,214
Miscellaneous		-
TOTAL OPERATING REVENUES		1,087,663
OPERATING EXPENSES		
Purchases-Natural Gas		458,676
Personnel Services		106,089
Employee Medical Insurance		16,445
Advertising		4,825
Clerical and Administrative		246
Dues and Membership		10,081
Insurance - General		38,389
Motor Fuels		3,517
Professional Fees		9,100
Repairs and Maintenance - Equipment		2,427
Repairs and Maintenance - System		7,820
Retirement Fund Contribution		7,980
Supplies - General		6,343
Supplies - System		795
Telephone and Utilities		1,221
Travel and Training		5,019
Uniforms		2,271
Depreciation		23,876
TOTAL OPERATING EXPENSES		705,120
OPERATING INCOME		382,543
NON-OPERATING REVENUES		
Interest Income		52
Income Before Transfers		382,595
Transfers In		-
Transfers Out		(375,000)
CHANGE IN NET POSITION		7,595
NET POSITION - JULY 1, 2015		267,190
NET POSITION - JUNE 30, 2016	$	274,785

CITY OF SYLVESTER, GEORIGA
Natural Gas Fund
Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 1,095,692
Cash Payments to Suppliers	(558,014)
Cash Payments to Employee	(131,437)
NET CASH PROVIDED BY OPERATING ACTIVITIES	406,241
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(385,664)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(385,664)
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase of Capital Assets	(9,697)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	52
NET CASH USED BY INVESTING ACTIVITIES	52
Net Increase in Cash and Cash Equivalents	10,932
CASH AND CASH EQUIVALENTS - JULY 1, 2015	63,407
CASH AND CASH EQUIVALENTS - JUNE 30, 2016	$ 74,339
Displayed As:	
Restricted Assets	$ 24,289
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	382,543
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	23,876
(Increase) Decrease in Assets:	
Accounts Receivable	7,439
Inventory	-
Increase (Decrease) in Liabilities	
Accounts Payable	(5,919)
Accrued Expenses	(1,365)
Customer Deposits	590
Accrued Vacation	(923)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 406,241

CITY OF SYLVESTER, GEORGIA
Agency Funds
Statement of Changes in Assets and Liabilities
June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Utility Energy Crisis				
ASSETS				
Cash	$ 760	$ -	$ -	$ 760
LIABILITIES				
Due to Other Governments	$ 760	$ -	$ -	$ 760
Downtown Sylvester Farmer's Market				
ASSETS				
Cash	$ 2,544	$ 2,270	$ (1,431)	$ 3,383
LIABILITIES				
Due to Other Governments	$ 2,544	$ 2,270	$ (1,431)	$ 3,383
Totals				
ASSETS				
Cash	$ 3,304	$ 2,270	$ (1,431)	$ 4,143
LIABILITIES				
Due to Other Governments	$ 3,304	$ 2,270	$ (1,431)	$ 4,143

CITY OF SYLVESTER, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
Year Ended June 30, 2016

2005 Referendum

Category	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	% Complete as of 6/30/2016
City of Sylvester	$ 2,168,414	$ 2,168,414				
Roads, bridges and sidewalks			$ 1,014,021	$ -	$ 1,014,021	
Muncipal building renovations/ construction			21,044	-	21,044	
Water and sewer system improvements			251,718	-	251,718	
Library			4,983	-	4,983	
Parks and recreation improvements			120,213	-	120,213	
Public safety building and related equipment (1)	-	-	950,636	-	950,636	
TOTAL	$ 2,168,414	$ 2,168,414	$ 2,362,615	$ -	$ 2,362,615	100.00%

(1) The City has incurred expenditures for debt service payments on a public safety project as follows:

Prior Years	$ 1,171,187
Current Years	-
	$ 1,171,187

CITY OF SYLVESTER, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
Year Ended June 30, 2016

2011 Referendum

Category	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	% Complete as of 6/30/2016
Roads, bridges and sidewalks	$ 400,000	$ 700,000	$ 348,534	$ 333,920	$ 682,454	97%
Muncipal building renovations/ construction	750,000	450,000	85,100	-	85,100	19%
Water and sewer system improvements	250,000	250,000	12,300	-	12,300	5%
Parks and recreation improvements	150,000	150,000	25,000	-	25,000	17%
Public safety building and related equipment (1)	1,177,476	1,177,476	82,322	-	82,322	7%
TOTAL	$ 2,727,476	$ 2,727,476	$ 553,256	$ 333,920	$ 887,176	

(1) The City has incurred expenditures for debt service payments on a public safety project as follows:

Prior Years	$ 444,632
Current Years	183,994
	$ 628,626

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
13p-x-159-2-5559
Year Ended June 30, 2016

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grant Total Expenditures To Date
Water Facilities	P-03J-01	$ 169,200	$ 169,200	$ 103,126	$ 272,326
Sewer Facilities	P-03J-02	300,800	263,184	103,126	366,310
Contingencies - Unprogramed Funds	C-022-00	30,000	-	-	-
Total		$ 500,000	$ 432,384	$ 206,252	$ 638,636

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
13p-x-159-2-5559
Year Ended June 30, 2016

Total Program Year 2013 CDBG Funds Allocated to Recipient	$	500,000
Less: Deobligations		-
Net Program Year 2013 Funds Allocated to Recipient		500,000
Less: Total Program Year 2013 Funds Drawn Down by Recipient	$	432,384
Funds Still Available from Program Year 2013 Resources	$	67,616
Total Program Year 2013 CDBG Funds Drawn and Received by Recipient	$	432,384
Local Matches and Other Receipts		206,253
Total Receipts Available for Program Year 2013 Costs		638,637
Less: Funds Applied and Expended to Program Year 2013 Costs		638,637
Total Program Year 2013 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
15p-x-159-2-5754
Year Ended June 30, 2016

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grant Total Expenditures To Date
Sewer Facilities	P-03J-02	$ 431,170	$ -	$ -	$ -
Engineering	T-03J-00	13,300	13,300	5,145	18,445
General Administration	A-21A-00	30,000	9,000	-	9,000
Contingencies - Unprogramed Funds	C-022-00	25,530	-	-	-
Total		$ 500,000	$ 22,300	$ 5,145	$ 27,445

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
15p-x-159-2-5754
Year Ended June 30, 2016

Total Program Year 2015 CDBG Funds Allocated to Recipient	$	500,000
Less: Deobligations		-
Net Program Year 2013 Funds Allocated to Recipient		500,000
Less: Total Program Year 2015 Funds Drawn Down by Recipient	$	22,300
Funds Still Available from Program Year 2013 Resources	$	477,700
Total Program Year 2015 CDBG Funds Drawn and Received by Recipient	$	22,300
Local Matches and Other Receipts		5,145
Total Receipts Available for Program Year 2013 Costs		27,445
Less: Funds Applied and Expended to Program Year 2015 Costs		27,445
Total Program Year 2015 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
Schedule of OneGeorgia Grants
Project Cost Schedule
11ga-159-2-4622
From Inception and for the Year Ended June 30, 2016

Grant # 11ga-159-2-4622	Activity Number	Project Award	Prior Years	Current Year	Total to Date
Revenues					
OneGeorgia Authority-					
AIRGeorgia: Economic Development					
Grant Drawdown (12/16/2015)				$ 111,467	
Grant Drawdown (1/5/2016)				384,225	
Grant Drawdown (1/26/2016)				202,397	
Grant Drawdown (2/5/2016)				12,076	
Grant Drawdown (3/21/2016)				179,403	
Grant Drawdown (4/14/2016)				245,310	
Grant Drawdown (5/26/2016)				27,122	
Total Revenues		$ 2,000,000	$ 209,521	$ 1,162,000	$ 1,371,521
Expenditures					
Public Infrastructure	G71-1414-I			1,162,000	
Total Expenditures		2,000,000	209,521	1,162,000	1,371,521
Total		$ -	$ -	$ -	$ -

CITY OF SYLVESTER, GEORGIA
OneGeorgia AIRGeorgia Grant Program
Source & Application of Funds Schedule
Year Ended June 30, 2016

City of Sylvester, Georgia
Recipient Name

11-ga-159-2-4622
Grant Number

For the Period Ending: **June 30, 2016**
(Cumulative)

Total Fiscal Year 2011 OneGeorgia AIRGeorgia Grant Program Funds Awarded to Recipient	$	2,000,000
Total Amount Drawdown by Recipient from OneGeoriga from Program Year 2011		1,371,521
Less: Funds Expended by Recipient		(1,371,521)
Amount of Fiscal Year 2011 Funds held by Recipient	$	-
Funds Still Available from Program Year 2011	$	628,479

CITY OF SYLVESTER, GEORGIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures
U.S. Environmental Protection Agency:			
Pass-Through Georgia Environmental Finance Authority (GEFA):			
GEFA Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 12-002	$ 335,221
GEFA Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWSRF 14-005	146,958
U.S. Department of Housing and Urban Development:			
Pass-Through Georgia Department of Community Affairs:			
Community Development Block Grants	14.228	13P-X-159-2-5559	235,990
Community Development Block Grants	14.228	15P-X-159-2-5754	22,300
U.S. Department of Agriculture:			
Farmers' Market and Local Food Promotion Program	10.168		8,667
Rural Business Enterprise Grants	10.769		5,597
U.S. Department of Transportation:			
Pass-Through Georgia Department of Transportaion:			
Airport Improvement Program	20.106	APO13-9021-08(321)	342,131
Airport Improvement Program	20.106	APO15-9021-10(321)	297,844
Total Expenditures of Federal Awards			$ 1,394,708

NOTE 1 – BASIS OF PRESENTATION
The accompanying schedule of expenditure of federal awards (the "Schedule") includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2016. 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior year.

NOTE 3 – INDIRECT COST RATE
The City is not reimbursed for indirect costs under any of its federal awards and does not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance or any other indirect cost rate.

Hudson & NeSmith, CPAs

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

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Private Companies Practice Section

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 City Council
City of Sylvester, 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 Sylvester, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Sylvester, Georgia's basic financial statements and have issued our report thereon dated December 22, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies. We consider the deficiency (Item 2016-1) described in the accompany schedule of findings and questioned costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sylvester, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement

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

City of Sylvester, Georgia's Response to Findings

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

Purpose of this Report

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



Hudson & NeSmith, CPAs
Sylvester, Georgia
December 22, 2016

Hudson & NeSmith, CPAs

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

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

To the City Council
City of Sylvester, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Sylvester, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Sylvester, Georgia's major federal programs for the year ended June 30, 2016. The City of Sylvester, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Sylvester, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Sylvester, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Sylvester, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Sylvester, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the City of Sylvester, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Sylvester, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Sylvester, Georgia's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Hudson & NeSmith, CPAs

Hudson & NeSmith, CPAs
Sylvester, Georgia
December 22, 2016

CITY OF SYLVESTER, GEORGIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

SECTION 1 - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Sylvester, Georgia.

2. No material weaknesses relating to the audit of the financial statements are reported in the *Report on Internal Control over Financial Reporting and On Compliance Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*

3. One significant deficiency relating to the audit of the financial statements is reported in the *Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards.*

4. No instances of noncompliance material to the financial statements were disclosed during the audit.

5. No significant deficiencies relating to the audit of the major federal award programs were reported in the *Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.*

6. The auditor's report on compliance for all the major federal award programs for the City of Sylvester, Georgia expresses an unmodified opinion on all major federal programs.

7. No audit findings that are required to be reported in accordance with 2 CFR § 200.516(a) of the Uniform Guidance are reported in this Schedule.

8. The programs tested as major programs include:

U.S. Department of Housing and Urban Development:	
Community Development Block Grant (CDBG)	CFDA #14.228
U.S. Department of Transportation:	
Airport Improvement Program	CFDA #20.106
U.S. Environmental Protection Agency	
Capitalization Grants for Clean Water State Revolving Funds	CFDA #66.458

9. The threshold used for distinguishing between Type A and B programs was $750,000.

10. The City of Sylvester, Georgia qualified as a low-risk auditee.

SECTION 11-FINANCIAL STATEMENT FINDINGS

2016-1 Segregation of Duties

Condition and Criteria – Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons. There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component unit.

Effect – The possibility that errors or irregularities will occur and not be detected on a timely basis in the normal course of business.

Cause – The limited number of personnel to perform all of the required duties.

Recommendation – Segregation of duties should be implemented to the extent practical and accounting records reviewed by responsible officials on a regular basis.

Management's Response – The City concurs with the recommendation. City management will work to continually improve and implement as many procedures as possible to improve internal controls in this area.

CITY OF SYLVESTER, GEORGIA
Schedule of Prior Audit Findings
Year Ended June 30, 2016

2016-1 Segregation of Duties (*Government Auditing Standards Finding*)

Condition and Criteria – Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons. There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component unit.

Recommendation – Segregation of duties should be implemented to the extent practical and accounting records reviewed by responsible officials on a regular basis.

Current Status – This was a repeat finding in the current year.

City of Sylvester
P.O. Box 370
101 N Main Street
Sylvester, GA 31791
Telephone: 229-776-8505

December 22, 2016

Georgia Department of Audits and Accounts
Atlanta, Georgia 30334-8400

Re: Section 11-Financial Statement Finding audit report year ending 6/30/2016.

2016-1 Segregation of Duties

We agree with the auditor's comments as to segregation of duties. The small staff prevents this at present; however we will continue to work to improve the situation.