# CITY OF SYLVESTER, GEORGIA
# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED
## June 30, 2018

**Prepared by:**
**City of Sylvester Finance Department**

# CITY OF SYLVESTER, GEORGIA
# TABLE OF CONTENTS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2018


| | Page |
|---|---|
| **INTRODUCTORY SECTION** | |
| Letter of Transmittal | i-iii |
| Certificate of Achievement | iv |
| Principal Officials | v |
| Organizational Chart | vi |
| **FINANCIAL SECTION** | |
| Independent Auditor's Report | 1-2 |
| Management's Discussion and Analysis | 3-13 |
| **BASIC FINANCIAL STATEMENTS** | |
| **Government-wide Financial Statements** | |
| Statement of Net Position | 15 |
| Statement of Activities | 16-17 |
| **Fund Financial Statements** | |
| **Governmental Funds** | |
| Balance Sheet | 18 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 19 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | 20 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | 21 |
| **Proprietary Funds** | |
| Statement of Net Position | 22-23 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position | 24 |
| Statement of Cash Flows | 25-26 |
| **Fiduciary Funds** | |
| Statement of Fiduciary Assets and Liabilities | 27 |
| **Discretely Presented Component Unit** | |
| Statement of Net Position | 28 |
| Statement of Activities | 29 |
| **Notes to the Basic Financial Statements** | 30-56 |
| **REQUIRED SUPPLEMENTARY INFORMATION** | |
| Retirement Plan - Schedule of Changes in Net Pension Liability and Related Ratios | 58 |
| Retirement Plan - Schedule of Contributions | 59 |

**CITY OF SYLVESTER, GEORGIA**
**TABLE OF CONTENTS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**


| | Page |
|---|---|
| General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | 62-63 |
| **SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES** | |
| **Governmental Funds** | |
| General Fund - Balance Sheet | 65 |
| General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | 66-75 |
| **Non-major Governmental Funds** | |
| Combining Balance Sheet | 76 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance | 77 |
| CDBG Economic Development Revolving Loan Fund - Balance Sheet | 78 |
| CDBG Economic Development Revolving Loan Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | 79 |
| Designated Grant Fund - Balance Sheet | 80 |
| Designated Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | 81 |
| Hotel/Motel Tax Fund - Balance Sheet | 82 |
| Hotel/Motel Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | 83 |
| **Capital Projects Fund** | |
| SPLOST Capital Projects Fund - Balance Sheet | 84 |
| SPLOST Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | 85 |
| **Proprietary Funds** | |
| Electric Fund - Statement of Net Position | 86 |
| Electric Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position | 87-88 |
| Electric Fund - Statement of Cash Flows | 89-90 |
| Water and Sewer Fund - Statement of Net Position | 91 |
| Water and Sewer Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position | 92 |
| Water and Sewer Fund - Statement of Cash Flows | 93-94 |
| Water and Sewer Fund - Schedule of Water Operating Expenses | 95 |
| Water and Sewer Fund - Schedule of Sewer Operating Expenses | 96 |
| Airport Fund - Statement of Net Position | 97 |
| Airport Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position | 98 |

**CITY OF SYLVESTER, GEORGIA**
**TABLE OF CONTENTS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**


| | Page |
|---|---|
| Airport Fund - Statement of Cash Flows | 99 |
| Solid Waste Fund - Statement of Net Position | 100 |
| Solid Waste Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position | 101 |
| Solid Waste Fund - Statement of Cash Flows | 102 |
| Telecommunications Fund - Statement of Net Position | 103 |
| Telecommunications Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position | 104 |
| Telecommunications Fund - Statement of Cash Flows | 105 |
| Natural Gas Fund - Statement of Net Position | 106 |
| Natural Gas Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position | 107 |
| Natural Gas Fund - Statement of Cash Flows | 108 |
| **Agency Funds** | |
| Statement of Changes in Assets and Liabilities | 109 |
| **ADDITIONAL SUPPLEMENTARY INFORMATION** | |
| Schedule of Projects Constructed with Special Sales Tax Proceeds | 111-112 |
| Community Development Block Grant - Project Cost Schedule 15p-x-159-2-5754 | 113 |
| Community Development Block Grant - Source and Application of Funds Schedule 15p-x-159-2-5754 | 114 |
| **STATISTICAL SECTION (UNAUDITED)** | |
| Government-wide information | |
| Net Position by Component | 117 |
| Changes in Net Position | 118-119 |
| Fund Information | |
| Fund Balance of Governmental Funds | 120 |
| Changes in Fund Balances of Governmental Funds | 121 |
| Assessed Value and Estimated Actual Value of Taxable Property | 122 |
| Property Tax Rates - Direct and Overlapping Governments | 123 |
| Property Tax Levies and Collections | 124 |
| Principal Tax Payers - Real Estate Ad Valorem Taxes | 125 |

**CITY OF SYLVESTER, GEORGIA**
**TABLE OF CONTENTS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**


| | Page |
|---|---|
| Legal Debt Margin | 126 |
| Demographic and Economic Statistics | 127 |
| Top Employers | 128 |
| City Government Employees by Function | 129 |
| Operating Indicators by Function | 130 |
| Capital Assets by Function | 131 |
| **SINGLE AUDIT SECTION** | |
| Schedule of Expenditures of Federal Awards | 133 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financal Statement Performed in Accordance with *Government Auditing Standards* | 134-135 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 136-137 |
| Schedule of Findings and Questioned Costs | 138 |
| Schedule of Prior Audit Findings | 139 |

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

# INTRODUCTORY SECTION

# City of Sylvester

January 22, 2019

101 North Main Street
P.O. Box 370
Sylvester, Georgia 31791
229-776-8505 t
229-776-8519 f
www.cityofsylvester.com

To the Honorable Mayor, Members of the Governing Council and Citizens of the City of Sylvester, Georgia.

State law requires that every general purpose local government publish, within six Months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Hudson and Nesmith, Certified Public Accountant, have issued an unqualified ("clean") opinion on the City of Sylvester's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management discussion and analysis (MD & A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD & A complements this letter of transmittal and should be read in conjunction with it.

**Profile of Government**

The City of Sylvester, Incorporated December 21, 1898, is located in the southern part of Georgia between Tifton and Albany. Sylvester is an agricultural community; however the city does have some industry and there is always an eye out to expand the community in that respect. The city occupies 5.8 square miles and serves a population of approximately 6,200 people. The City of Sylvester is empowered to levy a property tax on real property located within its boundaries. It is also empowered by statute to extend its corporate limits by annexation, which it has done from time to time. The City of Sylvester also operates enterprise funds (Electric, Water and Sewer, Gas, Telecom, Sanitation and an Airport).

The City of Sylvester was organized under the strong mayor-council form of government; but switched to the City Manager type of government. Under the City Manager form of government; there is a City Manager appointed by the City Council. The City Manager is in charge of the management of the city; but He or she reports to the City Council. Council members serve four year terms with two up for election each two years. The City Manager appoints the Department heads.

The City of Sylvester provides a full range of services, including police and fire protection, refuse collection, building inspections, licenses and permits, the construction and maintenance of streets and sidewalks, Storm water, and other infrastructure, recreational and cultural activities, support of library service. The City of Sylvester also provides services for Electricity, Water and Sewer Service, Natural Gas Service, Telecom Services, Sanitation Services, and local airport service through separate enterprise funds.

The council is required to adopt an initial balanced budget for the fiscal year no later than July 1 of each year which is the beginning of the new fiscal year being July 1 thru June 30.This annual budget serves as the foundation for the City of Sylvester's planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department with the approval of the City Manager and Finance Department. Transfer between departments, however, needs special approval from the governing council.

**Local economy**

Major industries located within the government's boundaries or in close proximity include hospitals, manufacturers of agriculture products, retail stores, several financial institutions as well as several restaurants. The Worth County School District also has a significant economic presence, employing in total more than 463 teachers, professionals, and support staff.

**Long-term financial planning and major initiatives**

The city officials are forward thinking and is in the process of establishing a CIP (Capital Improvement Program) where projects will be listed in detail and the source of funds to be named. This is new and will alleviate the stress of where there is a source of funds for improvements. This project is in process.

The CIP program will eventually be used to replace vehicles and equipment on an annual basis.

**Relevant Financial Policies**

During the year, the City of Sylvester installed a complete accounting software package which has enhanced financial accounting for the General Fund, Special Revenue Funds and the Enterprise Funds. All accounting for all of the funds is being done through the software. The one area left is business licenses and this is in process.

The City of Sylvester has established balances in order to insure that the City will be able operate without interruption of service to its' citizens.

**Awards and Acknowledgements**

The City of Sylvester presented its budget this fiscal year end 6/30/2018, to the GFOA for the Distinguished Budget Presentation Award. The award was received. This was the first time the City of Sylvester had submitted its budget for the award. To qualify for the Distinguished Budget presentation award, the government's budget document had to be judged proficient as a policy document, a financial plan, and operations guide and communications device. Because of time constraints due to the weather and personnel issues, the budget was not submitted for the award for the year ending 6/30/2019.

The CAFR (Comprehensive Annual Financial Report) was prepared and submitted for the year ending 6/30/2017, and the award was received. This will be the second year that the City has applied for the award. Much work has gone into preparing this report and it is hoped that we can receive this award again. Timeliness is one of the requirements of getting the award which should be within six months of the close of the fiscal year. The severe weather this year and changes in personnel have not made this possible this year.

The City of Sylvester has been designated as a main street city by the Georgia Main Street Program and the National Main Street Center. In order to be designated as a Main Street City certain standards and requirements have to be attained in 1) Training and Education, 2) Monthly Program Reporting and 3) Annual Assessment. The City of Sylvester was designated a Main Street City in 2014. This has to be done annually each year in order to keep the designation.

The preparation of this report would not have been possible without the skill, effort and dedication of the entire staff of the Finance and Administration Department. The detailed listing of comments by the GFOA have been reviewed and we hope that we have complied with the comments. We wish to thank the GFOA, government department heads and the entire staff for their assistance in providing the data necessary to prepare this report. Credit also is due to the mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Sylvester.

Respectfully Submitted,

Jack Colby, Interim City Manager

Cecil M. Rash

Cecil M Rash, CPA
Finance Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Sylvester**

**Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2017**

Christopher P. Morrill

Executive Director/CEO

**CITY OF SYLVESTER, GEORGIA**
**Principal Officials**
**For the Year Ended June 30, 2018**

## Elected

Mayor
Bill J. Yearta

City Council
Melvin J. Powell, Ward 1
Randy Hill, Ward 2
Charles Jones, Ward 3
Larry Johnson, Ward 4

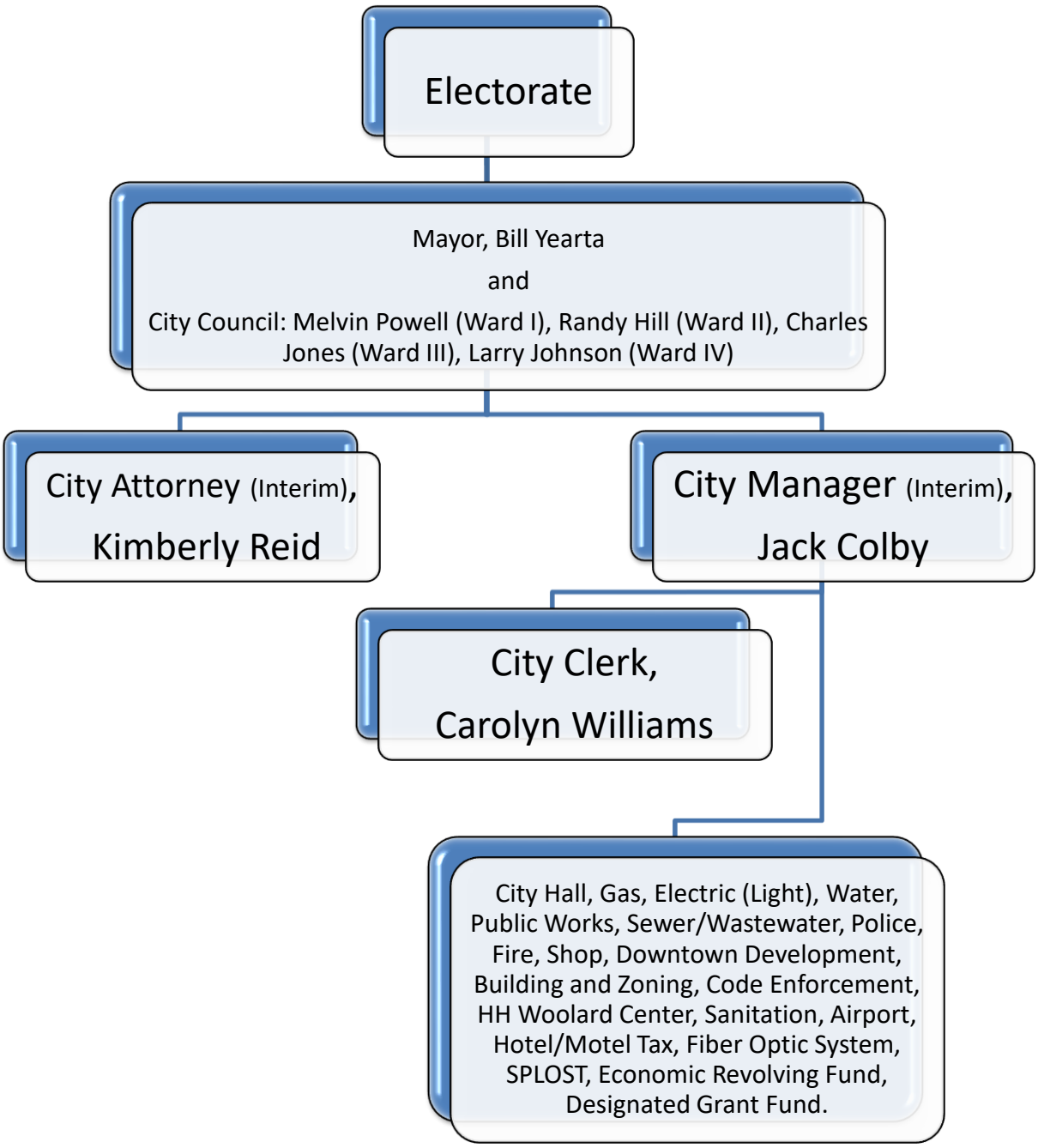
## Staff

City Manager (Interim)
Jack Colby

City Clerk
Carolyn Williams

City Finance Director
Cecil M. Rash, CPA

**CITY OF SYLVESTER, GEORGIA**
**Organizational Chart**
**For the Year Ended June 30, 2018**



**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

# FINANCIAL SECTION

# Hudson & NeSmith, CPAs

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

Member
*American Institute of Certified Public Accountants*
*Georgia Society of Certified Public Accountants*
*Private Companies Practice Section*


INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of 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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, schedule of changes in net pension liability and related ratios on page 58, schedule of contributions on pages 59 through 61 and budgetary comparison schedule on pages 62 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sylvester, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sylvester, Georgia's internal control over financial reporting and compliance.

Hudson & NeSmith, CPAs

Hudson & NeSmith, CPAs
Sylvester, Georgia
January 22, 2019

As management of the City of Sylvester, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with the City's financial statements, which follow this narrative.

## FINANCIAL HIGHLIGHTS

- The City has $40,616,857 in total assets of which $29,281,983 are capital assets.
- The City has $8,708,178 in total liabilities of which $6,730,281 are long-term.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $31,074,412 (net position). Of this amount, $7,083,560 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors while $23,386,419 is the net investment in capital assets.
- The City's total net position decreased by $ 218,962.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2,362,644, an increase of $ 11,594 in comparison with the prior year. This amount consists of $409,467 reserved for specific projects and public services and an unreserved balance of $1,320,595.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $1,320,595, or 16% of total general fund expenditures.
- The City's long-term debt increased by $ 803,013 during the current fiscal year as a result of increased borrowings for capital projects.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (which serves as an introduction to the City's basic financial statements), the *basic financial statements*, and *supplementary information* that presents combining statements for nonmajor governmental funds and nonmajor enterprise funds as well as other selected information. The City's basic financial statements consist of three components: 1) Government-Wide financial statements, 2) Fund financial statements and 3) Notes to financial statements.

### Government-Wide Financial Statements

The primary role of the Government-Wide financial statements is to demonstrate operational accountability. Operational accountability requires that a government demonstrate the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Sylvester's finances, in a manner similar to a private-sector business. It provides both long-term and short-term information about the City's overall financial status. The *statement of net assets* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer the question - is the City's financial health improving or deteriorating?

The *statement of net assets* presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. The statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The reader would need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer electric (Light), gas, solid waste, airport operations, and telecommunications.

The government-wide financial statements include not only the City of Sylvester itself (known as the *primary government*), but also a legally separate City of Sylvester Downtown Development Authority, for which the City has some degree of financial accountability. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements**

The primary role of the Fund financial statements is to demonstrate fiscal accountability. Fiscal accountability requires that a government demonstrate compliance with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or one year).

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows* of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains five (5) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and for the SPLOST 2011 and 2016 fund as they are considered to be major funds. Data from the other three (3) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Electric (Light) Revenue Fund, Sanitation Waste Fund, Airport Fund, Telecommunications Fund, and Gas Revenue Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Electric (Light) Revenue Fund, Airport Fund, Sanitation Waste Fund, Telecommunications Fund, and the Gas Revenue Fund, all of which are considered to be major funds of the City.

**Notes to the Financial Statements**

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Table 1 below summarizes the major features of the basic financial statements.

***Table 1***
**Major Features of the Basic Financial Statements**

| | | Fund Financial Statements | |
|---|---|---|---|
| | **Government-wide Statements** | **Governmental Funds** | **Proprietary Funds** |
| Scope | Entire City government (except fiduciary funds) and the City's component units | Activities of the City that are not proprietary or fiduciary | Activities of the City that are operated similar to private business |
| Required financial statements | Statement of Net Assets<br><br>Statement of Activities | Balance Sheet<br><br>Statement of Revenues, Expenditures, and Changes in Fund Balances | Statement of Net Assets<br><br>Statement of Revenues, Expenditures, and Changes in Net Assets<br><br>Statement of Cash Flows |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid |

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Condensed Statement of Net Position

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $31,074,412 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, $23,386,419, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services

to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2 below presents the City's condensed statement of net assets as of June 30, 2018 and 2017.

***Table 2***

**Condensed Statement of Net Position**

| | Government Activities | | Business Type Activties | | Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| **Assets** | | | | | | |
| Current and other assets | $ 2,749,815 | $ 2,721,526 | $ 7,728,345 | $ 10,340,546 | $ 10,478,160 | $ 13,062,072 |
| Capital Assets | 13,566,850 | 11,699,129 | 15,715,333 | 14,315,901 | 29,282,183 | 26,015,030 |
| Total Assets | 16,316,665 | 14,420,655 | 23,443,678 | 24,656,447 | 39,760,343 | 39,077,102 |
| **Deferred Outflow of Resources** | | | | | | |
| Pension Plan Activity | 656,714 | 442,495 | - | - | 656,714 | 442,495 |
| Total Deferred Outflows | 656,714 | 442,495 | | | 656,714 | 442,495 |
| **Liabilities** | | | | | | |
| Other Liabilities | 542,832 | 570,138 | 1,435,065 | 1,252,690 | 1,977,897 | 1,822,828 |
| Long Term Liabilities | 2,134,501 | 2,463,755 | 4,595,780 | 3,463,513 | 6,730,281 | 5,927,268 |
| Total Liabilities | 2,677,333 | 3,033,893 | 6,030,845 | 4,716,203 | 8,708,178 | 7,750,096 |
| **Deferred Inflow of Resources** | | | | | | |
| Pension Plan Activty | 633,467 | 475,327 | - | - | 633,467 | 475,327 |
| Unearned Revenue | - | | 800 | 800 | 800 | 800 |
| Total Deferred Inflows | 633,467 | 475,327 | 800 | 800 | 634,267 | 476,127 |
| **Net Position** | | | | | | |
| Net Investment in Capital Assets | 12,573,014 | 10,452,796 | 10,813,405 | 10,686,390 | 23,386,419 | 21,139,186 |
| Restricted | 439,467 | 873,925 | 164,966 | 164,966 | 604,433 | 1,038,891 |
| Unrestricted | 650,098 | 27,209 | 6,433,462 | 9,088,088 | 7,083,560 | 9,115,297 |
| Total Net Position | $ 13,662,579 | $ 11,353,930 | $ 17,411,833 | $ 19,939,444 | $ 31,074,412 | $ 31,293,374 |

Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceed liabilities by $31,074,412 for 2018 as compared to $31,293,374 for 2017 for a decrease of (1.02%). Of this amount ($2,527,611) came from business-type activities and $2,308,649 came from governmental activities.

An additional portion of the City's net assets, 1.9 %, represents resources that are subject to external restrictions on how they may be used. This is an increase of $464,458 or 44.7% from 2017.

For governmental activities, the City reported a balance of $650,098 in unrestricted net assets. This is an increase of $622,889 from 2017. The business-type activities unrestricted net assets were $6,433,462, a decrease of ($2,654,626) from 2017.

At the end of the current fiscal year, the City is able to report positive balances in the category of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

**Condensed Statement of Activities**

Table 3 below presents the City's condensed statement of activities for the years ended June 30, 2018 and 2017. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating.

***Table 3***
**Condensed Statement of Activities**

| | Government Activities | | Business Type Activties | | Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| **Revenues** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | $ 419,789 | $ 427,232 | $ 13,863,929 | $ 15,345,575 | $ 14,283,718 | $ 15,772,807 |
| Operating grants and contributions | 123,345 | 252,134 | - | - | 123,345 | 252,134 |
| Capital grants and contributions | 675,397 | 832,795 | 393,591 | 1,013,375 | 1,068,988 | 1,846,170 |
| General revenues: | | | - | - | - | - |
| Property Taxes | 1,009,456 | 933,595 | - | - | 1,009,456 | 933,595 |
| Local Option sales taxes | 442,687 | 429,494 | - | - | 442,687 | 429,494 |
| Other taxes | 556,215 | 550,364 | - | - | 556,215 | 550,364 |
| Investment income | 9,613 | 2,771 | 7,590 | 4,649 | 17,203 | 7,420 |
| Gain (loss) on investments | | | 124,556 | 117,900 | 124,556 | 117,900 |
| Other revenues | 306,319 | 61,941 | | | 306,319 | 61,941 |
| Total Revenues | 3,542,821 | 3,490,326 | 14,389,666 | 16,481,499 | 17,932,487 | 19,971,825 |
| **Expenses** | | | | | | |
| General Government | 1,777,599 | 1,870,163 | | - | 1,777,599 | 1,870,163 |
| Public Safety | 3,068,864 | 2,566,203 | | - | 3,068,864 | 2,566,203 |
| Public Works | 1,524,891 | 1,145,314 | | - | 1,524,891 | 1,145,314 |
| Culture and Recreation | 260,292 | 249,378 | | - | 260,292 | 249,378 |
| Community development | 271,628 | 324,824 | | - | 271,628 | 324,824 |
| Interest - Long-term debt | 44,398 | 40,329 | | - | 44,398 | 40,329 |
| Electric | - | - | 7,922,990 | 7,814,953 | 7,922,990 | 7,814,953 |
| Water and sewer | - | - | 1,618,685 | 1,402,180 | 1,618,685 | 1,402,180 |
| Gas | - | - | 820,875 | 753,576 | 820,875 | 753,576 |
| Sanitation | - | - | 521,080 | 622,476 | 521,080 | 622,476 |
| Telecommunication | - | - | 79,977 | 80,753 | 79,977 | 80,753 |
| Airport | - | - | 240,170 | 148,224 | 240,170 | 148,224 |
| Total Expenses | 6,947,672 | 6,196,211 | 11,203,777 | 10,822,162 | 18,151,449 | 17,018,373 |
| Increase (decrease) in net position before transfers | (3,404,851) | (2,705,885) | 3,185,889 | 5,659,337 | (218,962) | 2,953,452 |
| Transfers | 5,713,500 | 3,399,941 | (5,713,500) | (3,399,941) | - | - |
| **Change in Net Position** | $ 2,308,649 | $ 694,056 | $ (2,527,611) | $ 2,259,396 | $ (218,962) | $ 2,953,452 |

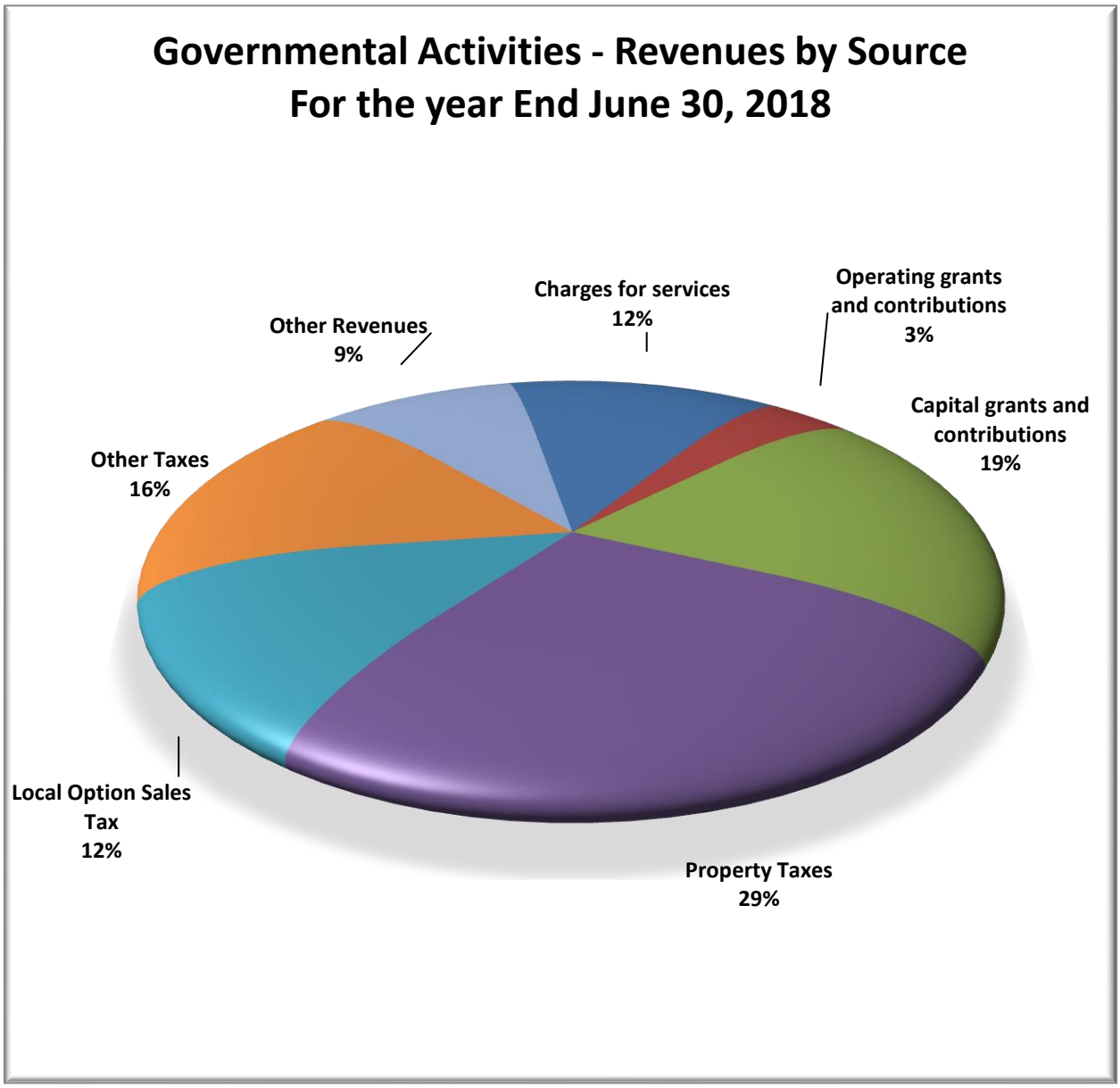
Governmental activities during the fiscal year ended June 30, 2018 increased the City's net position by $2,308,649. Business-type activities during the same period decreased net position by ($2,527,611). The net change in net assets was a decrease of ($218,962). The Table above shows the revenue and expenses by activity for the total primary government. This Table shows total 2018 revenues from governmental activities at $3,542,821 while expenses were $6,947,672. Business-type activities total revenues for 2018 were $14,389,666 while expenses were $11,203,777. Transfers from business-type activities are the largest governmental activity revenue source at $5,713,500 or 61.1%. The next largest revenue source for governmental activities comes from property taxes of $1,009,456 which is 10.9% of the total governmental activity funding. Revenues from other taxes are the third largest governmental activity revenue source at $556,215 or 6%. Business-type activities program revenues exceeded expenses by $3,185,889 before internal transfers to support the governmental activities.

## Program Revenues and Expenses for Governmental Activities

Governmental Activities - Revenues by Source

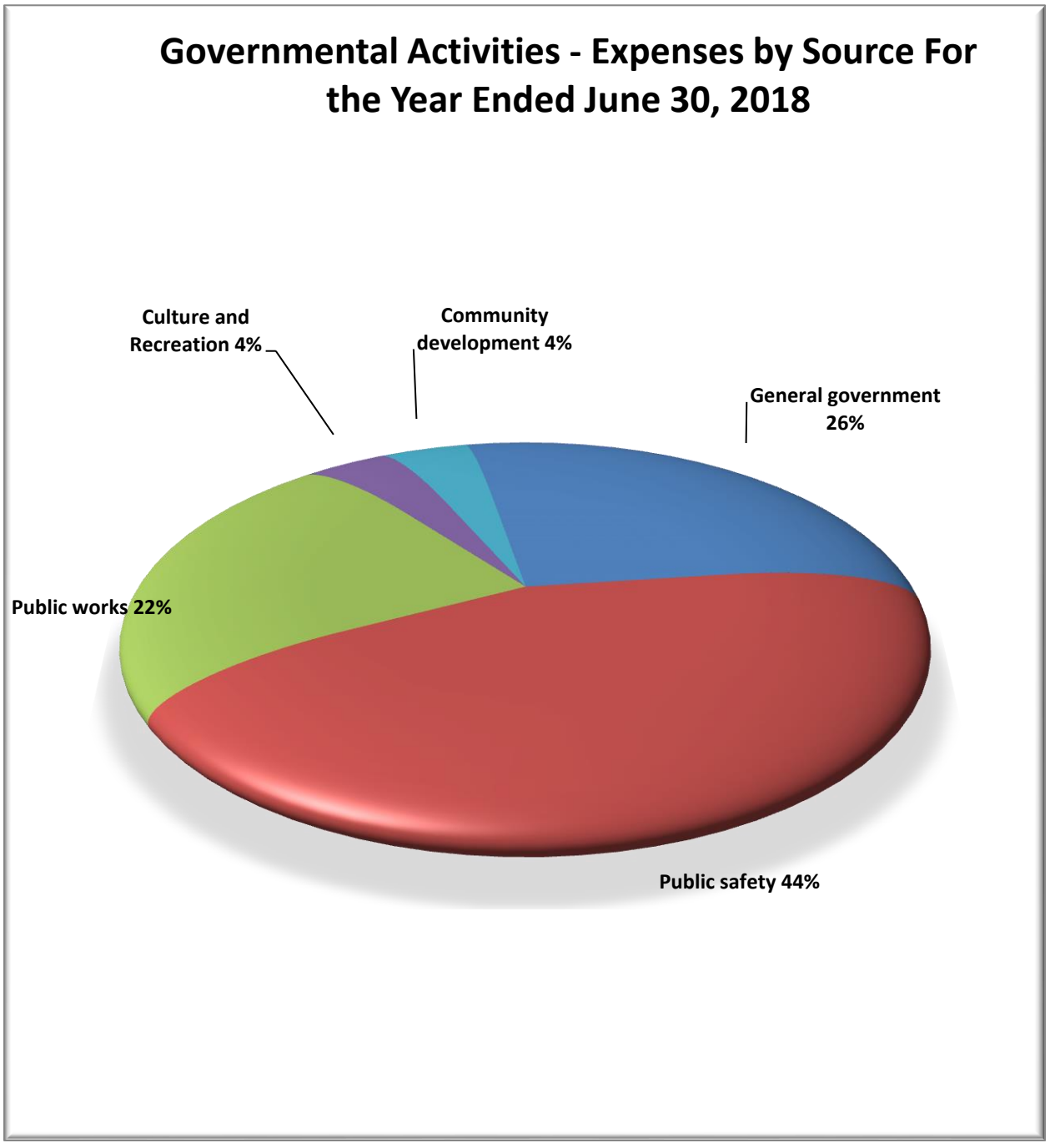
The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities are funded to a great degree through property taxes (29%) of the primary government. For the

year ended June 30, 2018 these revenues were $1,009,456.



Governmental Activities – Expenses by Source

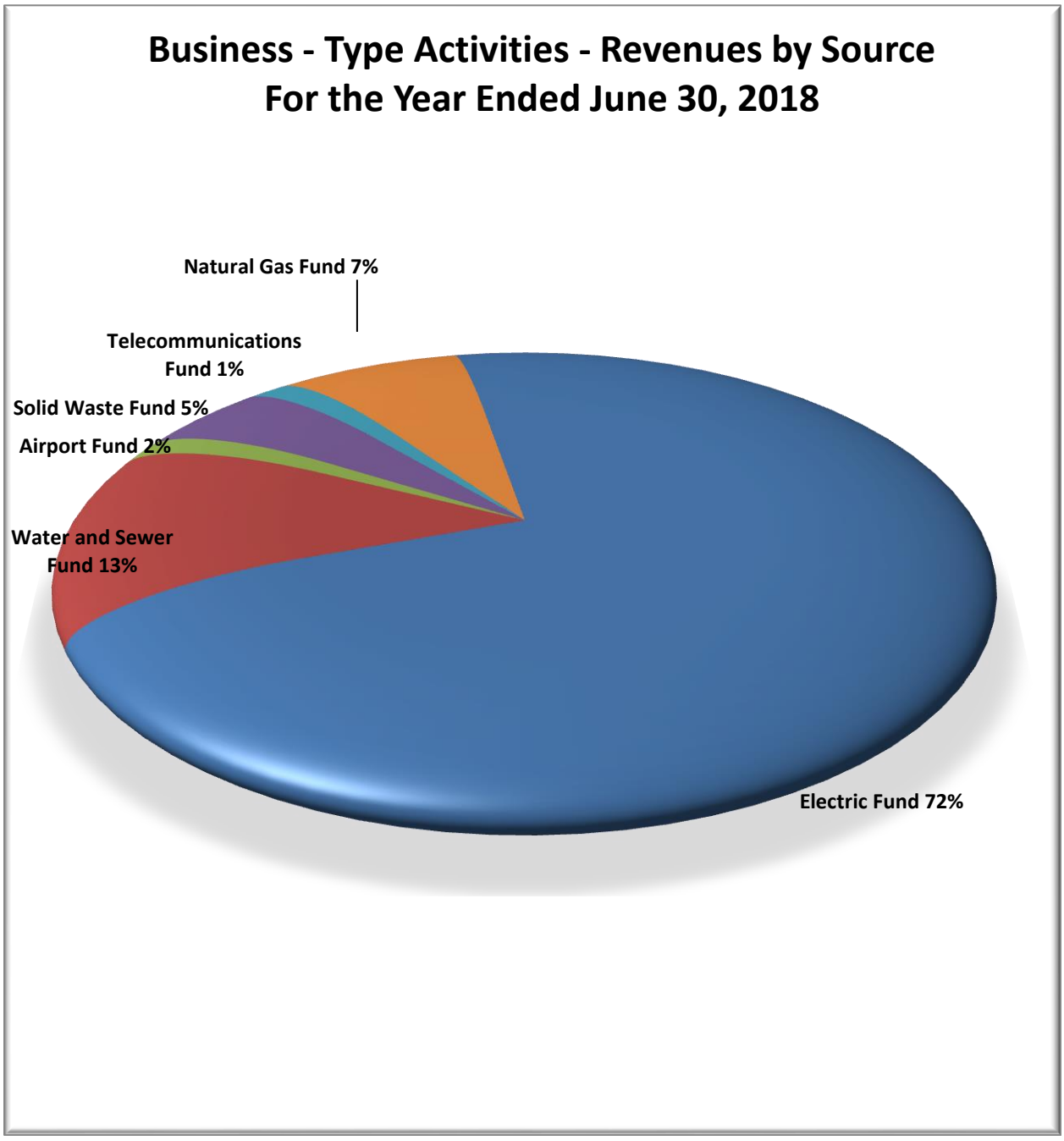
The following chart shows the governmental activities expenses by source. The City of Sylvester spent the greatest amount of its available funding on Public Safety, 44%. The next largest funding was required for General Government at 26%.



**Program Revenues and Expenses for Business-Type Activities**

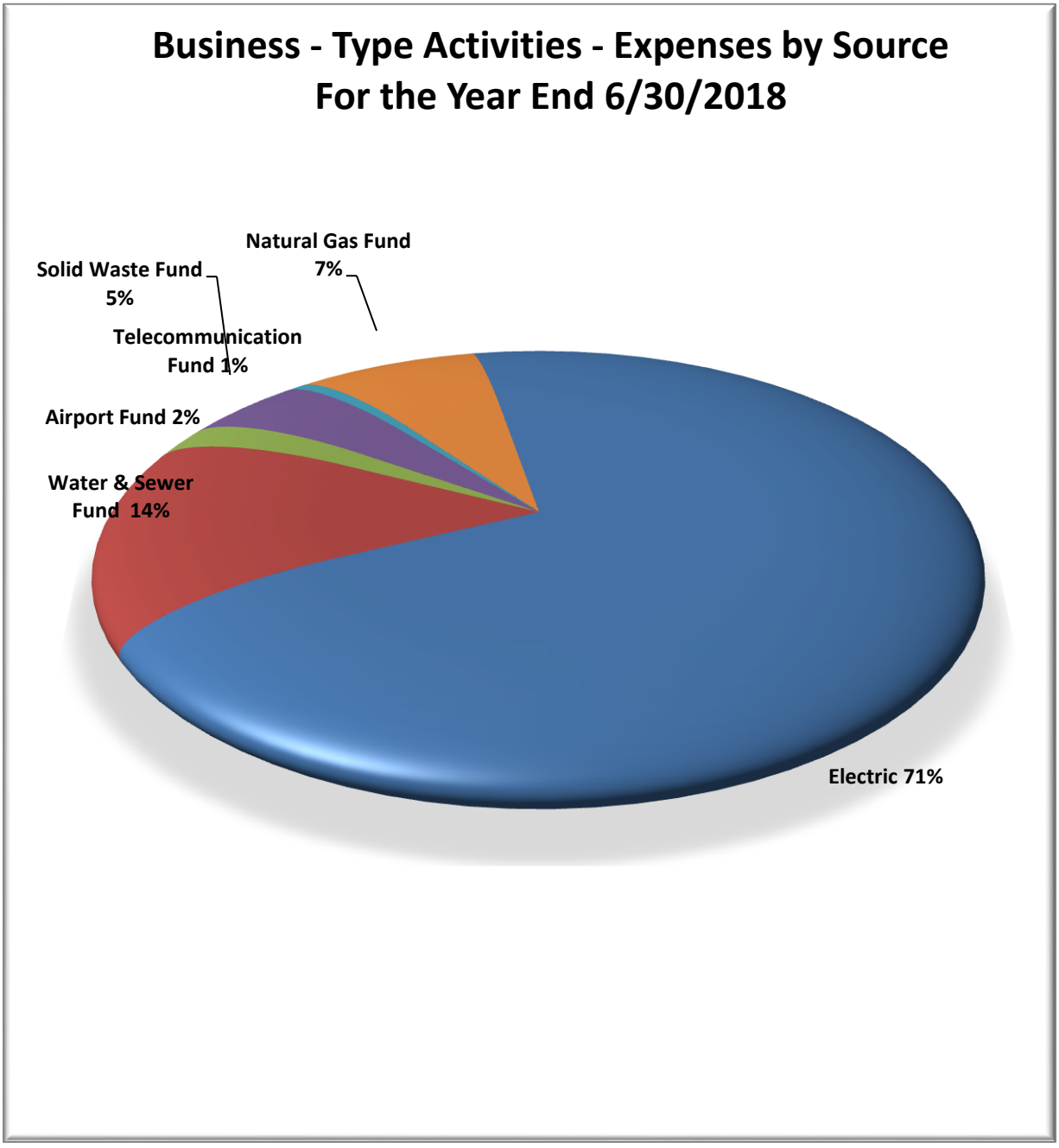
Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Revenue Fund. More revenues, 72% or $10,298,555 are generated by the Electric Revenue Fund than all other business-type activities combined.



Business-Type Activities – Expenses by Source

The Electric Revenue fund has the largest amount of expenses as expected at 71% or $7,922,990 but generated profits of $2,375,565 before its transfers to governmental activities.



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

### Governmental Funds

The City of Sylvester has two major governmental funds which are the General Fund and the SPLOST Fund. At June 30, 2018, the General Fund had a fund balance of $1,975,941 and the SPLOST Fund had a balance of $39,640. This is an increase of $484,031 for the General Fund and a decrease of $426,268 for the SPLOST Fund from the beginning fund balance.

The fund balances for the other governmental funds decreased by $46,169. The final fund balance for these funds was $347,016 at the end of the year.

### Enterprise Funds

The Enterprise Funds, which include the City's Electric (Light) Revenue Fund, Water and Sewer Fund, Solid Waste Fund, Gas Fund, Telecommunications Fund, and Airport, showed a combined cash balance of $1,145,010 for the year ended June 30, 2018. This was a decrease of $1,095,256 from the previous year.

The Electric Fund had an ending cash balance of $599,700. This is a decrease of $727,584 from the previous year.

The Water and Sewer Fund had an ending cash balance of $391,047 at June 30, 2017. This was a decrease of $204,914 from the previous year.

The Solid Waste Fund had an ending cash balance of $16,779. This is a decrease of $137,887 from the previous year.

The Natural Gas Fund showed an ending cash balance of $23,709. This is a decrease of $86,662 from the balance the previous year.

The Telecommunications Fund had an ending cash balance of $26,332. This is a decrease of $21,256 from the previous year.

The Airport Fund had an ending cash balance of $62,560. This is an increase of $58,164 from the previous year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2018 related to the transfer of budgeted amounts between departments and additional appropriations were due to elimination of interfund payables.

The actual revenues of the General Fund were more than final budgeted amounts by $148,147 for the year ended June 30, 2018. The major factors contributing to this difference was a surplus in miscellaneous revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by $197,015 for the year ended June 30, 2018. The difference was due to a decrease in actual expenditures in several departments.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30 2018, governmental activities and business-type activities had capital assets of $29,281,983 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities.

The net capital assets from governmental activities increased $1,203,475 from the 2017 amount due to current year acquisitions net of depreciation costs. The net capital assets from business-type activities increased by $1,399,233 from the prior year due to current year acquisitions net of depreciation costs.

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements.

### Long-term Debt

The City's total long-term debt consists of capital leases, net pension liability, compensated absences and other long-term liabilities.

At June 30, 2018, the City had $2,134,501 of outstanding long-term liabilities related to governmental activities and $4,595,780 of long-term liabilities related to business-type activities for a total of $6,730,281 compared to the previous year's total of $5,927,268. This is an increase of $803,013 as a result of scheduled principle payments and new acquisitions.

Additional information on the City's long-term debt can be found in Note 8 of the Notes to Financial Statements.

## FACTORS AFFECTING THE 2018 BUDGET

The Mayor and Council of the City of Sylvester considered many factors when approving the City's 2018 budget and are very aware of present economic conditions and their effect on its citizens. The Mayor and Council chose to continue to use additional transfers from certain business-type activities to other business-type activities and to fund governmental activities and to use reserves and reductions in fund balances to fund operations and capital expenses in 2018 instead of increasing taxes or rates to provide the necessary funds required for the City's governmental and business-type activities.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to:

City Finance Department
City of Sylvester
101 N Main Street
Sylvester, Georgia 31791

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

## BASIC FINANCIAL STATEMENTS

# CITY OF SYLVESTER, GEORGIA
## Statement of Net Position
## June 30, 2018

| | PRIMARY GOVERNMENT | | | COMPONENT UNIT |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Downtown Development Authority |
| **Assets** | | | | |
| Current Assets | | | | |
| Cash | $ 1,094,775 | $ 1,145,010 | $ 2,239,785 | $ 14,147 |
| Investments | 1,272,809 | 4,473,530 | 5,746,339 | - |
| Receivables - Net | 387,331 | 1,646,541 | 2,033,872 | - |
| Interfund | (160,927) | 160,927 | - | - |
| Intergovernmental Receivable | 33,668 | - | 33,668 | - |
| Inventory | 32,827 | 279,621 | 312,448 | |
| Prepaid Items | 89,332 | 22,716 | 112,048 | - |
| Total Current Assets | 2,749,815 | 7,728,345 | 10,478,160 | 14,147 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Nondepreciable | 1,611,995 | 3,510,688 | 5,122,683 | - |
| Depreciable-Net | 11,954,855 | 12,204,445 | 24,159,300 | - |
| Total Noncurrent Assets | 13,566,850 | 15,715,133 | 29,281,983 | - |
| **Total Assets** | 16,316,665 | 23,443,478 | 39,760,143 | 14,147 |
| **Deferred Outflows of Resources** | | | | |
| Pension Plan Activity | 656,714 | - | 656,714 | - |
| **Total Assets and Deferred Outflows** | 16,973,379 | 23,443,478 | 40,416,857 | 14,147 |
| **Liabilities** | | | | |
| Current Liabilities | | | | |
| Accounts Payable | $ 41,753 | $ 854,378 | $ 896,131 | $ - |
| Accrued Expenses | 240,576 | 72,708 | 313,284 | - |
| Deposits | 11,043 | 167,404 | 178,447 | - |
| Capital Leases Payable | 249,460 | - | 249,460 | - |
| Notes Payable | - | 340,575 | 340,575 | - |
| Total Current Liabilities | 542,832 | 1,435,065 | 1,977,897 | - |
| Long-Term Liabilities | | | | |
| Capital Leases Payable, Less Current Portion | 744,376 | - | 744,376 | - |
| Notes Payable, Less Current Portion | - | 4,561,153 | 4,561,153 | - |
| Net Pension Liability | 1,292,651 | - | 1,292,651 | - |
| Compensated Absenses | 97,474 | 34,627 | 132,101 | - |
| Total Long-Term Liabilities | 2,134,501 | 4,595,780 | 6,730,281 | - |
| **Total Liabilities** | 2,677,333 | 6,030,845 | 8,708,178 | - |
| **Deferred Inflows of Resources** | | | | |
| Pension Plan Activity | 633,467 | - | 633,467 | - |
| Deferred Revenues | - | 800 | 800 | - |
| **Total Liabilities and Deferred Inflows** | 3,310,800 | 6,031,645 | 9,342,445 | - |
| **Net Position** | | | | |
| Net Investment in Capital Assets | 12,573,014 | 10,813,405 | 23,386,419 | - |
| Restricted for | | | | |
| Capital Projects | 176,289 | - | 176,289 | - |
| Debt Service | - | 164,966 | 164,966 | - |
| Public Welfare | 10,677 | - | 10,677 | - |
| Economic Development | 232,789 | - | 232,789 | - |
| Public Safety | 12,134 | - | 12,134 | - |
| Other | 7,578 | - | 7,578 | - |
| Downtown Development | - | - | - | 14,147 |
| Unresticted | 650,098 | 6,433,462 | 7,083,560 | - |
| **Total Net Position** | $ 13,662,579 | $ 17,411,833 | $ 31,074,412 | $ 14,147 |

See accompanying notes to the financial statements.

# CITY OF SYLVESTER, GEORGIA
## Statement of Activities
## For the Year Ended June 30, 2018

| 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 | $ 1,777,599 | $ 149,270 | $ - | $ - |
| Public Safety | 3,068,864 | 235,254 | 23,976 | - |
| Public Works | 1,524,891 | - | - | 675,397 |
| Culture and Recreation | 260,292 | 35,265 | - | - |
| Community & Economic Development | 271,628 | - | 99,369 | - |
| Interest on Long-Term Debt | 44,398 | - | - | - |
| Total Governmental Activities | 6,947,672 | 419,789 | 123,345 | 675,397 |
| **Business-Type Activities** | | | | |
| Electric | 7,922,990 | 10,298,555 | - | - |
| Water and Sewer | 1,618,685 | 1,765,347 | - | 353,887 |
| Natural Gas | 820,875 | 983,000 | - | - |
| Solid Waste | 521,080 | 679,447 | - | - |
| Telecommunications | 79,977 | 68,042 | - | - |
| Airport | 240,170 | 69,538 | - | 39,704 |
| Total Business-Type Activities | $ 11,203,777 | $ 13,863,929 | $ - | $ 393,591 |
| Total Primary Government | $ 18,151,449 | $ 14,283,718 | $ 123,345 | $ 1,068,988 |
| **Component Unit** | | | | |
| Downtown Development Authority | $ 3,864 | $ 6,470 | $ - | $ - |

**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, 2017

NET POSITION - JUNE 30, 2018

See accompanying notes to financial statements.

**CITY OF SYLVESTER, GEORGIA**
**Statement of Activities (Continued)**
**For the Year Ended June 30, 2018**

| | Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|---|
| | Primary Government | | | Component Unit |
| | Governmental Activities | Business-Type Activities | Total | Downtown Development Authority |
| | $ (1,628,329) | $ - | $ (1,628,329) | $ - |
| | (2,809,634) | - | (2,809,634) | - |
| | (849,494) | - | (849,494) | - |
| | (225,027) | - | (225,027) | - |
| | (172,259) | | (172,259) | - |
| | (44,398) | - | (44,398) | - |
| | (5,729,141) | - | (5,729,141) | - |
| | - | 2,375,565 | 2,375,565 | - |
| | - | 500,549 | 500,549 | - |
| | - | 162,125 | 162,125 | - |
| | - | 158,367 | 158,367 | - |
| | - | (11,935) | (11,935) | - |
| | - | (130,928) | (130,928) | - |
| | - | 3,053,743 | 3,053,743 | - |
| | (5,729,141) | 3,053,743 | (2,675,398) | |
| | - | - | - | 2,606 |
| | 1,009,456 | - | 1,009,456 | - |
| | 4,940 | - | 4,940 | - |
| | 413,686 | - | 413,686 | - |
| | 442,687 | - | 442,687 | - |
| | 98,582 | - | 98,582 | - |
| | 39,007 | - | 39,007 | - |
| | 9,613 | 7,590 | 17,203 | 6 |
| | - | 124,556 | 124,556 | - |
| | 306,319 | - | 306,319 | - |
| | 5,713,500 | (5,713,500) | - | - |
| | 8,037,790 | (5,581,354) | 2,456,436 | 6 |
| | 2,308,649 | (2,527,611) | (218,962) | 2,612 |
| | 11,353,930 | 19,939,444 | 31,293,374 | 11,535 |
| | $ 13,662,579 | $ 17,411,833 | $ 31,074,412 | $ 14,147 |

See accompanying notes to financial statements.

# CITY OF SYLVESTER, GEORGIA
## Governmental Funds
## Balance Sheet
## June 30, 2018

| | General Fund | SPLOST Capital Projects Fund | Other Non-Major Governmental Funds | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 758,759 | $ 39,640 | $ 273,564 | $ 1,071,963 |
| Restricted Cash | 22,812 | - | - | 22,812 |
| Investments-Certificates of Deposit | 1,272,809 | - | - | 1,272,809 |
| Receivables-Net of Allowance for Uncollectible Accounts | 309,918 | - | 77,413 | 387,331 |
| Due from Other Funds | 263,078 | - | - | 263,078 |
| Due from Other Governments | 33,668 | - | - | 33,668 |
| Inventory | 32,827 | - | - | 32,827 |
| Prepaid Items | 89,332 | - | - | 89,332 |
| TOTAL ASSETS | $ 2,783,203 | $ 39,640 | $ 350,977 | $ 3,173,820 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | |
| **Liabilities** | | | | |
| Accounts Payable | $ 39,476 | $ - | $ 2,277 | $ 41,753 |
| Accrued Liabilities | 240,576 | - | - | 240,576 |
| Due to Other Funds | 422,321 | - | 1,684 | 424,005 |
| Deposits | 11,043 | - | - | 11,043 |
| Total Liabilities | 713,416 | - | 3,961 | 717,377 |
| **Deferred Inflows of Resources** | | | | |
| Deferred Revenue - Property Taxes | 93,846 | - | - | 93,846 |
| Deferred Revenue-Other | - | - | - | - |
| Total Deferred Inflows of Resources | 93,846 | - | - | 93,846 |
| **Fund Balances** | | | | |
| Nonspendable | 122,159 | - | - | 122,159 |
| Restricted | 22,811 | 39,640 | 347,016 | 409,467 |
| Unassigned | 1,830,971 | - | - | 1,830,971 |
| Total Fund Balances | 1,975,941 | 39,640 | 347,016 | 2,362,597 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 2,783,203 | $ 39,640 | $ 350,977 | $ 3,173,820 |

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, 2018**

| | | |
|---|---|---|
| TOTAL FUND BALANCES - GOVERNMENTAL FUNDS | | $ 2,362,597 |
| 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 | $ 9,816,373 | |
| Machinery and Equipment | 2,169,120 | |
| Vehicles | 2,373,464 | |
| Infrastructure | 5,560,707 | |
| Accumulated Depreciation | (6,352,814) | |
| | | 13,566,850 |
| 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 | (993,836) | |
| Compensated Absences | (97,474) | (1,091,310) |
| Certain revenues are not available to pay for current period expenditures and therefore are reported deferred inflows of resources in the governmental funds. | | 93,846 |
| 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. | | 656,714 |
| 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. | | (633,467) |
| Net pension liability is not due and payable in the current period and therefore, is not reported in the governmental funds. | | (1,292,651) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 13,662,579 |

See accompanying notes to financial statements.

**CITY OF SYLVESTER, GEORGIA**
**Governmental Funds**
**Statement of Revenues, Expenditures, and Changes in Fund Balances**
**For the Year Ended June 30, 2018**

| | General Fund | SPLOST Capital Projects Fund | Other Non-Major Governmental Funds | Total |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes-Net | $ 1,947,243 | $ - | $ 17,584 | $ 1,964,827 |
| Charges for Services | 88,379 | - | - | 88,379 |
| Fines & Forfeitures | 235,254 | - | - | 235,254 |
| Licenses and Permits | 60,891 | - | - | 60,891 |
| Intergovernmental | - | 358,381 | 415,379 | 773,760 |
| Interest Income | 6,356 | 1,006 | 3,257 | 10,619 |
| Miscellaneous | 341,634 | - | 23,976 | 365,610 |
| Total Revenues | 2,679,757 | 359,387 | 460,196 | 3,499,340 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| General Government | 2,143,053 | - | - | 2,143,053 |
| Public Safety | 2,840,882 | - | - | 2,840,882 |
| Public Works | 2,412,617 | - | - | 2,412,617 |
| Culture and Recreation | 290,027 | - | - | 290,027 |
| Community & Economic Development | 118,754 | - | 152,551 | 271,305 |
| Capital Outlay | - | 601,662 | 344,805 | 946,467 |
| Debt Service | | | | |
| Principal | 96,785 | 155,712 | - | 252,497 |
| Interest | 16,117 | 28,281 | - | 44,398 |
| TOTAL EXPENDITURES | 7,918,235 | 785,655 | 497,356 | 9,201,246 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,238,478) | (426,268) | (37,160) | (5,701,906) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Capital Lease Transaction | - | - | - | - |
| Transfers In | 5,722,509 | - | - | 5,722,509 |
| Transfers Out | - | - | (9,009) | (9,009) |
| TOTAL OTHER FINANCING SOURCES (USES) | 5,722,509 | - | (9,009) | 5,713,500 |
| NET CHANGE IN FUND BALANCES | 484,031 | (426,268) | (46,169) | 11,594 |
| FUND BALANCE - JULY 1, 2017 | $ 1,491,957 | $ 465,908 | $ 393,185 | $ 2,351,050 |
| FUND BALANCE - JUNE 30, 2018 | $ 1,975,988 | $ 39,640 | $ 347,016 | $ 2,362,644 |

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**
**For the Year Ended June 30, 2018**

| | | |
|---|---|---|
| NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS | | $ 11,594 |
| 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. | | 2,401,533 |
| 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. | | (533,812) |
| 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 | | 132,619 |
| 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, 2018 | $ 93,846 | |
| Deferred at June 30, 2017 | (50,315) | 43,531 |
| 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, 2018 | (97,474) | |
| Liability at June 30, 2017 | 98,208 | 734 |
| 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 | - | |
| Long-term debt payments | 252,497 | 252,497 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 2,308,696 |

See accompanying notes to financial statements.

# CITY OF SYLVESTER, GEORGIA
## Proprietary Funds
## Statement of Net Position
## June 30, 2018

| | Electric Fund | Water and Sewer Fund | Airport Fund | Solid Waste Fund | Telecommunications Fund | Natural Gas Fund | Total |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Current Assets | | | | | | | |
| Cash | $ 513,570 | $ 297,110 | $ 62,560 | $ 16,779 | $ 26,332 | $ 23,709 | $ 940,060 |
| Investment - Certificate of Deposit | 194,829 | 183,563 | - | - | - | - | 378,392 |
| Investments | 3,930,172 | - | - | - | - | - | 3,930,172 |
| Accounts Receivable (Net of Allowance for Uncollectible Accounts) | 1,167,009 | 201,444 | - | 76,284 | 133,601 | 68,203 | 1,646,541 |
| Restricted Cash | 86,130 | 93,937 | - | - | - | 24,883 | 204,950 |
| Restricted Certificate of Deposit | - | 164,966 | - | - | - | - | 164,966 |
| Due from Other Funds | 367,167 | 101,652 | - | 92,450 | 365 | - | 561,634 |
| Inventory | 198,524 | 50,050 | - | - | - | 31,047 | 279,621 |
| Prepaid Items | 14,239 | 7,290 | - | - | - | 1,187 | 22,716 |
| Total Current Assets | 6,471,640 | 1,100,012 | 62,560 | 185,513 | 160,298 | 149,029 | 8,129,052 |
| Noncurrent Assets | | | | | | | |
| Capital Assets | | | | | | | |
| Nondepreciable Capital Assets | 525,459 | 2,701,159 | 247,300 | 19,780 | 14,490 | 2,500 | 3,510,688 |
| Depreciable Capital Assets | 4,264,201 | 15,971,537 | 4,650,810 | 139,855 | 331,231 | 1,196,692 | 26,554,326 |
| Accumulated Depreciation | (3,043,777) | (9,311,348) | (677,878) | (9,324) | (285,714) | (1,021,840) | (14,349,881) |
| Total Noncurrent Assets | 1,745,883 | 9,361,348 | 4,220,232 | 150,311 | 60,007 | 177,352 | 15,715,133 |
| TOTAL ASSETS | 8,217,523 | 10,461,360 | 4,282,792 | 335,824 | 220,305 | 326,381 | 23,844,185 |

See accompanying notes to financial statements.

# CITY OF SYLVESTER, GEORGIA
## Proprietary Funds
## Statement of Net Position (Continued)
## June 30, 2018

| | Electric Fund | Water and Sewer Fund | Airport Fund | Solid Waste Fund | Telecommunications Fund | Natural Gas Fund | Total |
|---|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | | |
| Current Liabilities | | | | | | | |
| Accounts Payable | $ 663,261 | $ 72,099 | $ 2,878 | $ 86,488 | $ 10 | $ 29,642 | $ 854,378 |
| Notes Payable | 58,976 | 249,681 | - | 22,162 | - | 9,756 | 340,575 |
| Accrued Expenses | 54,124 | 12,006 | - | - | - | 6,578 | 72,708 |
| Due to Other Funds | 78,432 | 136,605 | 27,360 | 441 | 72,869 | 85,000 | 400,707 |
| Customer Deposits | 62,894 | 81,380 | - | - | - | 23,130 | 167,404 |
| Total Current Liabilities | 917,687 | 551,771 | 30,238 | 109,091 | 72,879 | 154,106 | 1,835,772 |
| Long-Term Liabilities | | | | | | | |
| Notes Payable | 5,023 | 4,435,819 | - | 100,529 | - | 19,782 | 4,561,153 |
| Accrued Vacation | 26,352 | 6,585 | - | - | - | 1,690 | 34,627 |
| Total Long-Term Liabilities | 31,375 | 4,442,404 | - | 100,529 | - | 21,472 | 4,595,780 |
| TOTAL LIABILITIES | 949,062 | 4,994,175 | 30,238 | 209,620 | 72,879 | 175,578 | 6,431,552 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | | |
| Unearned Revenues | - | - | 800 | - | - | - | 800 |
| **NET POSITION** | | | | | | | |
| Net Investment in Capital Assets | 1,681,884 | 4,675,848 | 4,220,232 | 27,620 | 60,007 | 147,814 | 10,813,405 |
| Restricted for Debt Service | - | 164,966 | - | - | - | - | 164,966 |
| Unrestricted | 5,586,577 | 626,371 | 31,522 | 98,584 | 87,419 | 2,989 | 6,433,462 |
| TOTAL NET POSITION | $ 7,268,461 | $ 5,467,185 | $ 4,251,754 | $ 126,204 | $ 147,426 | $ 150,803 | $ 17,411,833 |

See accompanying notes to financial statements.

# CITY OF SYLVESTER, GEORGIA
## Proprietary Funds
## Statement of Revenues, Expenses, and Changes in Fund Net Position
## For the Year Ended June 30, 2018

| | Electric Fund | Water and Sewer Fund | Airport Fund | Solid Waste Fund | Telecommunications Fund | Natural Gas Fund | Total |
|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | |
| Operations | $ 10,298,555 | $ 1,765,347 | $ 69,538 | $ 679,447 | $ 68,042 | $ 983,000 | $ 13,863,929 |
| **OPERATING EXPENSES** | | | | | | | |
| Operating Expenses | 7,838,465 | 1,161,428 | 9,705 | 509,889 | 58,695 | 817,537 | 10,395,719 |
| Depreciation | 81,307 | 360,356 | 230,465 | 9,324 | 21,282 | 2,861 | 705,595 |
| TOTAL OPERATING EXPENSES | 7,919,772 | 1,521,784 | 240,170 | 519,213 | 79,977 | 820,398 | 11,101,314 |
| OPERATING INCOME | 2,378,783 | 243,563 | (170,632) | 160,234 | (11,935) | 162,602 | 2,762,615 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | | | |
| Interest Income | 6,315 | 1,219 | - | - | - | 56 | 7,590 |
| Interest Expense | (3,218) | (96,901) | - | (1,867) | - | (477) | (102,463) |
| Principal Forgiveness on Long-Term Debt | - | 353,887 | - | - | - | - | 353,887 |
| Capital Grant | - | - | 39,704 | - | - | - | 39,704 |
| Market Gain on Investments | 124,556 | - | - | - | - | - | 124,556 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 127,653 | 258,205 | 39,704 | (1,867) | - | (421) | 423,274 |
| Income Before Transfers | 2,506,436 | 501,768 | (130,928) | 158,367 | (11,935) | 162,181 | 3,185,889 |
| Transfers In | - | - | - | - | - | - | - |
| Transfers Out | (4,462,000) | (755,000) | - | (186,500) | (10,000) | (300,000) | (5,713,500) |
| CHANGE IN NET POSITION | (1,955,564) | (253,232) | (130,928) | (28,133) | (21,935) | (137,819) | (2,527,611) |
| NET POSITION - JULY 1, 2017 | 9,224,025 | 5,720,417 | 4,382,682 | 154,337 | 169,361 | 288,622 | 19,939,444 |
| NET POSITION - JUNE 30, 2018 | $ 7,268,461 | $ 5,467,185 | $ 4,251,754 | $ 126,204 | $ 147,426 | $ 150,803 | $ 17,411,833 |

See accompanying notes to financial statements.

# CITY OF SYLVESTER, GEORGIA
## Proprietary Funds
## Statement of Cash Flows
## For the Year Ended June 30, 2018

| | Electric Fund | Water and Sewer Fund | Airport Fund | Solid Waste Fund | Telecommunications Fund | Natural Gas Fund | Total |
|---|---|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | | |
| Cash Received from Customers | $ 10,461,516 | $ 1,826,386 | $ 69,537 | $ 710,242 | $ 42,441 | $ 975,217 | $ 14,085,339 |
| Cash Payments to Suppliers | (7,143,416) | (638,259) | (6,828) | (458,116) | (58,685) | (614,847) | (8,920,151) |
| Cash Paid to Employees | (525,452) | (499,505) | - | - | - | (197,334) | (1,222,291) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 2,792,648 | 688,622 | 62,709 | 252,126 | (16,244) | 163,036 | 3,942,897 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | | | |
| Payments from Other Funds | - | - | - | - | - | - | - |
| Payments to Other Funds | (4,599,294) | (682,866) | (3,314) | (351,202) | (5,012) | (245,373) | (5,887,061) |
| NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES | (4,599,294) | (682,866) | (3,314) | (351,202) | (5,012) | (245,373) | (5,887,061) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | | | |
| Purchase and Construction of Capital Assets | (255,189) | (1,616,080) | (40,935) | (159,635) | - | (32,987) | (2,104,826) |
| Capital Grants Received | - | - | 39,704 | - | - | - | 39,704 |
| Principal Paid on Capital Debt | (52,323) | (179,544) | - | (7,841) | - | (3,449) | (243,157) |
| Interest Paid on Capital Debt | (3,218) | (96,901) | - | (1,867) | - | (477) | (102,463) |
| Proceeds from Long Term Debt | 116,322 | 1,589,420 | - | 130,532 | - | 32,987 | 1,869,261 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (194,408) | (303,105) | (1,231) | (38,811) | - | (3,926) | (541,481) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | |
| Sale of Investments | - | - | - | - | - | - | - |
| Proceeds from Sale of Investments | 1,183,722 | - | - | - | - | - | 1,183,722 |
| Interest Received | 6,315 | 1,219 | - | - | - | 56 | 7,590 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 1,190,037 | 1,219 | - | - | - | 56 | 1,191,312 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (811,017) | (296,130) | 58,164 | (137,887) | (21,256) | (86,207) | (1,294,333) |
| CASH AND CASH EQUIVALENTS - JULY 1, 2017 | 1,605,546 | 1,035,706 | 4,396 | 154,666 | 47,588 | 134,799 | 2,982,701 |
| CASH AND CASH EQUIVALENTS - JUNE 30, 2018 | $ 794,529 | $ 739,576 | $ 62,560 | $ 16,779 | $ 26,332 | $ 48,592 | $ 1,688,368 |
| Displayed As: | | | | | | | |
| Investment-Certificate of Deposit | $ 194,829 | $ 183,563 | $ - | $ - | $ - | $ - | $ 378,392 |
| Restricted Assets | $ 86,130 | $ 258,903 | $ - | $ - | $ - | $ 24,883 | $ 369,916 |

See accompanying notes to financial statements.

**CITY OF SYLVESTER, GEORGIA**
**Proprietary Funds**
**Statement of Cash Flows (Continued)**
**For the Year End June 30, 2018**

| | Electric Fund | Water and Sewer Fund | Airport Fund | Solid Waste Fund | Telecommunications Fund | Natural Gas Fund | Total |
|---|---|---|---|---|---|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | | | | | | | |
| Operating Income (Loss) | $ 2,378,783 | $ 243,563 | $ (170,632) | $ 160,234 | $ (11,935) | $ 162,602 | $ 2,762,615 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | | | | |
| Depreciation | 81,307 | 360,356 | 230,465 | 9,324 | 21,282 | 2,861 | 705,595 |
| (Increase) Decrease in Assets: | | | | | | | |
| Accounts Receivable | 282,237 | 59,619 | - | 30,795 | (25,601) | (6,846) | 340,204 |
| Inventory | 114,776 | - | - | - | - | - | 114,776 |
| Due from Other Funds | - | - | - | - | - | - | - |
| Prepaid Items | (14,239) | (7,290) | - | - | - | (1,187) | (22,716) |
| Increase (Decrease) in Liabilities and Deferred Inflows of Resources: | | | | | | | |
| Accounts Payable | 34,333 | 29,991 | 2,876 | 51,773 | 10 | 3,183 | 122,166 |
| Accrued Expenses | 24,744 | 1,220 | - | - | - | 1,949 | 27,913 |
| Unearned Revenues | - | - | - | - | - | - | - |
| Customer Deposits | (119,276) | 1,420 | - | - | - | 250 | (117,606) |
| Accrued Vacation | 9,983 | (257) | - | - | - | 224 | 9,950 |
| NET CASH PROVIDED BY OPERATING ACTIVITES | $ 2,792,648 | $ 688,622 | $ 62,709 | $ 252,126 | $ (16,244) | $ 163,036 | $ 3,942,897 |
| **Noncash Investing, Capital and Financing Activities** | | | | | | | |
| Principal Forgiveness on Capital Debt | $ - | $ 353,887 | $ - | $ - | $ - | $ - | $ 353,887 |
| Increase in Fair Value of Investments | $ 124,556 | $ - | $ - | $ - | $ - | $ - | $ 124,556 |

See accompanying notes to financial statements.

**CITY OF SYLVESTER, GEORGIA**
**Agency Funds**
**Statement of Fiduciary Assets and Liabilities**
**June 30, 2018**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 3,975 |
| TOTAL ASSETS | $ 3,975 |
| **LIABILITIES** | |
| Due to Other Governments | $ 3,975 |
| TOTAL LIABILITIES | $ 3,975 |

See accompanying notes to financial statements.

**CITY OF SYLVESTER, GEORGIA**
**Component Unit**
**Statement of Net Position**
**June 30, 2018**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 14,147 |
| TOTAL ASSETS | $ 14,147 |
| **LIABILITIES** | |
| Liabilities | $ - |
| **NET POSITION** | |
| Restricted: | |
| Downtown Development | $ 14,147 |
| TOTAL NET POSITION | $ 14,147 |

See accompanying notes to financial statements.

**CITY OF SYLVESTER, GEORGIA**
**Component Unit**
**Statement of Activities**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **EXPENSES** | |
| Program Costs | $ 3,864 |
| TOTAL EXPENSES | 3,864 |
| **REVENUES** | |
| Program Revenues | 6,470 |
| Net Program Revenue | 2,606 |
| **GENERAL REVENUES** | |
| Investment Earnings | 6 |
| CHANGE IN NET POSITION | 2,612 |
| NET POSITION-JULY 1, 2017 | 11,535 |
| NET POSITION-JUNE 30, 2018 | $ 14,147 |

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 a Council-Manager administered government, with an elected Mayor and four elected councilpersons. 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. It is the City's policy that interfund services provided and used are not eliminated in the process of consolidation. 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.

*Solid Waste Fund* – This fund accounts for charges for garbage and refuse disposal for City residents and expenses for contracting of disposal services.

*Telecommunications Fund* – This fund accounts for charges for telecommunications use by public and private entities and expenses for the maintenance and upgrading of the City's fiber optic telecommunications system.

*Gas Fund* – This fund accounts for charges for natural gas use by City residents and expenses for the maintenance and upgrading of the natural gas system.

**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, 2018. 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, 2018, 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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, 2018.

## 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 manager 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 manager 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, 2018 consisted of the following:

| Primary Government Fund Reporting Level | | Cash and Cash Equivalents |
|---|---|---|
| Governmental Funds - Balance Sheet | $ | 2,344,772 |
| Governmental Funds - Balance Sheet - Restricted | | 22,812 |
| Proprietary Fund Type Statement of Net Position | | 1,318,452 |
| Proprietary Fund Type Statement of Net Position - Restricted | | 369,916 |
| Statement of Fiduciary Assets and Liabilities | | 3,975 |
| Total | $ | 4,059,927 |

***Investments***

For fiscal year 2018, 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, 2018, the City had the following investments:

| Type of Investment | Rating | Investment Maturities (in Years) | | | | Total Fair Value |
|---|---|---|---|---|---|---|
| | | Less than 1 | 1-5 | 6-10 | More than 10 | |
| Municipal Competitive Trust | Not Rated | $ 1,989,361 | $ 621,946 | $ 1,086,296 | $ 232,569 | $ 3,930,172 |
| Bank Certificates of Deposit | Not Rated | 1,816,167 | - | - | - | 1,816,167 |
| Total Investments | | $ 3,805,528 | $ 621,946 | $ 1,086,296 | $ 232,569 | $ 5,746,339 |

***Credit Risk***

The City limits its credit risk by investing the majority of its investments in U.S. government agencies which are rated AAA. The City does not have a formal policy addressing credit risk.

***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, 2018, 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 does not have a formal policy for custodial credit risk.

The City's U.S. government agency securities have varying maturities as listed above which range from July 3, 2018 through October 1, 2040. The weighted average maturity of the investments is less than 365 days.

***Concentration of Credit Risk***

The City's investments consisting of amounts 5% or greater of more than one issuer as of June 30, 2018:

| | |
|---|---|
| Municipal Bonds | 17.87% |
| Bank Certificates of Deposit | 31.61% |
| Federal Home Loan Bank | 49.28% |

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

***Fair Value Measurements***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.
- Level 2 inputs are inputs other than quoted prices in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset which are typically based on the City's own assumptions, as there is little, if any, related market activity.

The City's recurring fair value measurements at June 30, 2018 are classified as follows:

| | | Fair Value Measurement Using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Municipal Competitive Trust | $ 3,930,172 | $ - | $ 3,930,172 | $ - |
| Bank Certificates of Deposit | 1,816,167 | 1,816,167 | - | - |
| Total Investments | $ 5,746,339 | $ 1,816,167 | $ 3,930,172 | $ - |

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2018, 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 | Non-Major Governmental Funds | Electric Fund | Water and Sewer Fund | Solid Waste Fund | Tele-Communications Fund | Natural Gas Fund | Total |
|---|---|---|---|---|---|---|---|---|
| Receivables | | | | | | | | |
| Taxes | $ 95,199 | $ - | $ - | $ - | $ - | $ - | $ - | $ 95,199 |
| Accounts | 214,719 | - | 1,363,999 | 235,541 | 87,484 | 133,601 | 78,583 | 2,113,927 |
| Notes | - | 74,866 | - | - | - | - | - | 74,866 |
| Other Governments | 33,668 | - | - | - | - | - | - | 33,668 |
| Other | - | 2,547 | - | - | - | - | - | 2,547 |
| Gross Receivables | 343,586 | 77,413 | 1,363,999 | 235,541 | 87,484 | 133,601 | 78,583 | 2,320,207 |
| Less: Allowance for uncollectibles | - | - | (196,990) | (34,097) | (11,200) | - | (10,380) | (252,667) |
| Net Receivables | $ 343,586 | $ 77,413 | $ 1,167,009 | $ 201,444 | $ 76,284 | $ 133,601 | $ 68,203 | $ 2,067,540 |

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, 2018:

| **Governmental Activities** | Balance 7/1/2017 | Increases | Decreases | Balance 6/30/2018 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 769,904 | $ - | $ - | $ 769,904 |
| Construction in progress | 177,844 | 664,246 | - | 842,090 |
| Total capital assets not being depreciated | 947,748 | 664,246 | - | 1,611,994 |
| Capital assets being depreciated: | | | | |
| Plant, buildings, improvements | 8,180,054 | 24,323 | - | 8,204,377 |
| Machinery and equipment | 2,160,831 | 8,290 | - | 2,169,121 |
| Vehicles | 2,373,464 | - | - | 2,373,464 |
| Infrastructure | 3,856,034 | 1,704,673 | - | 5,560,707 |
| Total capital assets being depreciated | 16,570,383 | 1,737,286 | - | 18,307,669 |
| Less accumulated depreciation: | | | | |
| Plant, building, improvements | (2,485,574) | (164,618) | - | (2,650,192) |
| Machinery and equipment | (1,816,956) | (217,577) | - | (2,034,533) |
| Vehicles | (1,170,985) | (101,919) | - | (1,272,904) |
| Infrastructure | (345,487) | (49,697) | - | (395,184) |
| Total accumulated depreciation | (5,819,002) | (533,811) | - | (6,352,813) |
| Net capital assets being depreciated | 10,751,381 | 1,203,475 | - | 11,954,856 |
| Total Capital Assets, Net | $ 11,699,129 | $ 1,867,721 | $ - | $ 13,566,850 |

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

| | |
|---|---|
| General Government | $ 66,547 |
| Public Safety | 295,991 |
| Public Works | 153,457 |
| Culture and Recreation | 17,493 |
| Community and Economic Development | 323 |
| Total | $ 533,811 |

| **Business-Type Activities** | Balance 7/1/2017 | Increases | Decreases | Balance 6/30/2018 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 271,600 | $ 19,780 | $ - | $ 291,380 |
| Construction in progress | 1,464,039 | 1,755,270 | - | 3,219,309 |
| Total capital assets not being depreciated | 1,735,639 | 1,775,050 | - | 3,510,689 |
| Capital assets being depreciated: | | | | |
| Plant, buildings, improvements | 24,021,006 | 40,935 | - | 24,061,941 |
| Machinery and equipment | 1,114,550 | - | - | 1,114,550 |
| Vehicles | 1,088,992 | 288,843 | - | 1,377,835 |
| Total capital assets being depreciated | 26,224,548 | 329,778 | - | 26,554,326 |
| Less accumulated depreciation: | | | | |
| Plant, buildings, improvements | (11,934,546) | (310,608) | - | (12,245,154) |
| Machinery and equipment | (975,328) | (364,059) | - | (1,339,387) |
| Vehicles | (734,413) | (30,928) | - | (765,341) |
| Total accumulated depreciation | (13,644,287) | (705,595) | - | (14,349,882) |
| Net capital assets being depreciated | 12,580,261 | (375,817) | - | 12,204,444 |
| Total Capital Assets, Net | $ 14,315,900 | $ 1,399,233 | $ - | $ 15,715,133 |

## 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 $14,683 for the year ended June 30, 2018.

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, 2018 are as follows:

| Year ending June 30 | Amounts |
|---|---|
| 2019 | $ 300 |
| 2019 | - |
| 2020 | - |
| 2021 | - |
| 2022 | - |
| Total minimum future rental payments | $ 300 |

## 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, 2018:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Capital leases | $ 1,246,333 | $ - | $ (252,497) | $ 993,836 | $ 249,460 |
| Compensated absences | 98,208 | 9,820 | (10,554) | 97,474 | 9,820 |
| Total Governmental Activities | 1,344,541 | 9,820 | (263,051) | 1,091,310 | 259,280 |
| Compensated absences are liquidated by the General Fund. | | | | | |
| **Business-Type Activities** | | | | | |
| Notes Payable | $ 3,629,511 | $ 1,869,261 | $ (597,044) | $ 4,901,728 | $ 340,575 |
| Compensated absences | 24,677 | 21,590 | (11,640) | 34,627 | 21,590 |
| Total Business-Type Activities | $ 3,654,188 | $ 1,890,851 | $ (608,684) | $ 4,936,355 | $ 362,165 |

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, 2018:

**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 - $1,081,163

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 - $332,581

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 - $421,679

Georgia Environmental Facilities Authority originally dated January 15, 2013 and subsequently modified on June 28, 2017 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 $7,233 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 - $1,362,432

Georgia Environmental Facilities Authority originally dated November 14, 2014 and subsequently modified on October 26, 2017 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 October 1, 2018 or the project completion date. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $1,487,645

Branch Banking and Trust Governmental Finance dated July 27, 2017 for $116,322 to be used for an electric fund utility bucket truck. Loan is to be repaid in 24 monthly installments of $5,039 including interest at 4.02%, beginning August 27, 2017. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $63,999

Branch Banking and Trust Governmental Finance dated March 15, 2018 for $32,987 to be used for a gas fund service truck. Loan is to be repaid in 36 monthly installments of $981 including interest at 4.51%, beginning April 15, 2018. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $29,538

Branch Banking and Trust Governmental Finance dated March 5, 2018 for $130,532 to be used for a garbage fund grapple truck. Loan is to be repaid in 60 monthly installments of $2,427 including interest at 4.39%, beginning April 5, 2018. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $122,691

The following schedule represents the annual requirements to amortize all notes payable outstanding as of June 30, 2018.

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 340,575 | $ 107,239 | $ 447,814 |
| 2020 | 296,709 | 99,083 | 395,792 |
| 2021 | 296,298 | 91,510 | 387,808 |
| 2022 | 294,853 | 84,122 | 378,975 |
| 2023 | 295,036 | 76,658 | 371,694 |
| 2024-2028 | 1,386,903 | 365,353 | 1,752,256 |
| 2029-2033 | 1,209,409 | 152,320 | 1,361,729 |
| 2034-2038 | 697,952 | 28,782 | 726,734 |
| 2039-2043 | 83,993 | 598 | 84,591 |
| Total | $ 4,901,728 | $ 1,005,665 | $ 5,822,802 |

**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 | 1,752,419 |
| | $ 3,878,197 |
| Less: Accumulated depreciation | (889,566) |
| Carrying Value | $ 2,988,631 |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

| Year Ended June 30 | Total |
|---|---|
| 2019 | $ 286,811 |
| 2020 | 248,646 |
| 2021 | 232,614 |
| 2022 | 79,286 |
| 2023 | 48,620 |
| 2024-2028 | 190,429 |
| Total minimum lease payments | 1,086,406 |
| Less amounts representing interest | (92,570) |
| Present value of minimum capital lease payments | $ 993,836 |

## 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, 2018 is as follows:

| Receivable Fund | Payable Fund | Amount | Due Within One Year |
|---|---|---|---|
| General | Water and Sewer | $ 136,605 | $ 136,605 |
| General | Natural Gas | 25,523 | 25,523 |
| General | Airport | 26,397 | 26,397 |
| General | Telecommunications | 72,869 | 72,869 |
| General | Designated Grant | 1,684 | 1,684 |
| Electric | General | 332,532 | 332,531 |
| Electric | Natural Gas | 33,672 | 33,672 |
| Electric | Airport | 963 | 963 |
| Solid Waste | Electric | 2,649 | 2,649 |
| Solid Waste | Natural Gas | 11 | 11 |
| Solid Waste | General | 89,790 | 89,789 |
| Telecommunications | Electric | 365 | 365 |
| Water and Sewer | Solid Waste | 441 | 441 |
| Water and Sewer | Natural Gas | 25,794 | 25,794 |
| Water and Sewer | Electric | 75,417 | 75,417 |
| Total | | $ 824,712 | $ 824,710 |

## 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 | $ 300,000 |
| General | Electric | 4,462,000 |
| General | Water & Sewer | 755,000 |
| General | Solid Waste | 186,500 |
| General | Telecommunications | 10,000 |
| General | Hotel/Motel Tax | 9,009 |
| Total | | $ 5,722,509 |

## 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, 2018 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 ofthe 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 $6,734,804.

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, 2018, the balance in this account was $3,930,172. 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 to MEAG's bond obligations. The balance of these accounts at June 30, 2018 was $1,847,566 and $110,874, 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.

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, 2018, the City purchased $6,734,804 of its electricity from MEAG, with accounts payable of $604,061 to MEAG at June 30, 2018.

During the fiscal year ended June 30, 2018, the City purchased $533,707 of its gas from MGAG, with accounts payable of $33,603 to MGAG at June 30, 2018.

**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 $6,670 in such dues during the year ended June 30, 2018.

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, as authorized by the City Council, 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, 2018, employee membership data related to the pension plan was as follows:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 54 |
| Terminated plan members entitled to, but not yet receiving benefits | 17 |
| Active plan participants | 82 |
| Total | 153 |

***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 from 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 10.47% 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.

At June 30, 2018, the City reported a liability of $1,292,651 for its pension liability. The City's net pension liability was measured as of September 30, 2017 and was determined by an actuarial valuation as of January 1, 2018. The changes in the Net Pension Liability for the year ended September 30, 2017 (the measurement date) were as follows:

***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, 2017 | $ 8,008,275 | $ 6,639,084 | $ 1,369,191 |
| Changes for the year: | | | |
| Service cost | 121,554 | - | 121,554 |
| Interest | 600,885 | - | 600,885 |
| Differences between expected and actual experience | 255,414 | - | 255,414 |
| Contributions - employer | - | 265,873 | (265,873) |
| Contributions - employee | - | - | - |
| Net investment income | - | 981,834 | (981,834) |
| Benefit payments, including refunds of employee contributions | (509,834) | (509,834) | - |
| Administrative expense | - | (22,341) | 22,341 |
| Other | 170,973 | - | 170,973 |
| Net changes | 638,992 | 715,532 | (76,540) |
| Balances at June 30, 2018 | $ 8,647,267 | $ 7,354,616 | $ 1,292,651 |

***Pension Expense***

| Pension expense for the year ended June 30, 2018 | | |
|---|---|---|
| Service cost | $ | 121,554 |
| Interest on TPL | | 600,885 |
| Employee contributions | | - |
| Administrative expense | | 22,341 |
| Expected return on assets | | (504,210) |
| Expensed portion of current year period differences between expected and actual experience on TPL | | 63,852 |
| Expensed portion of current year period assumption changes | | 42,744 |
| Current year plan changes | | - |
| Expensed portion of current year period differences between projected and actual investment earnings | | (95,524) |
| Current year recognition of deferred inflows and outflows established in prior years | | (143,850) |
| Total expense | $ | 107,792 |

***Deferred Outflows/Inflows of Resources Related to Pensions as of June 30, 2018***

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Contributions subsequent to measurement date | $ 176,703 | $ - |
| Demographic | 191,562 | (85,173) |
| Investment | 160,220 | (548,294) |
| Assumption change | 128,229 | - |
| Total | $ 656,714 | $ (633,467) |

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

| Year ended June 30: | |
|---|---|
| 2019 | $ (51,785) |
| 2020 | 24,481 |
| 2021 | (30,627) |
| 2022 | (95,525) |
| 2023 | - |

***Discount Rate***

The discount rate used to measure the collective total pension liability was 7.50%. 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.

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

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

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|---|---|---|
| Employer's proportionate share of the net liability | $ 2,323,869 | $ 1,292,651 | $ 434,993 |

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 as of September 30, 2017 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 45% | 6.71% |
| International equity | 20% | 7.71% |
| Real estate | 10% | 5.21% |
| Global fixed income | 5% | 3.36% |
| Domestic fixed income | 20% | 2.11% |
| Cash | 0% | |
| | 100% | |

***Actuarial Methods and Assumptions***

| | |
|---|---|
| Valuation Date | January 1, 2018 |
| 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 | 7.50% |
| Projected Salary Increases | 3.25% plus age and service based merit increases |
| Cost of Living Adjustments | 0.00% |
| Inflation Rate | 2.75% |
| 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, 2018 Valuation:

| | |
|---|---|
| Employer | City of Sylvester |
| Social Security | Yes |
| Participant Contributions | Noncontributory |
| Original Effective date | Employees: 7-7-72<br>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<br>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+30<br>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)<br>1.5%-2.25% with dynamic index break point |
| Official's Benefits | $20 |
| Vesting | 10 years |
| Death Benefits | Actuarial Reserve<br>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.<br>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 fourteen retirees are eligible for this post-employment benefit. During the year, total expenditures of $4,872 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 Governmental Accounting Standards Board, 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, 2018 is as follows:

| | | |
|---|---|---|
| Hotel-Motel Tax Receipts | | $ 17,584 |
| Disbursements to Worth County- Sylvester Chamber of Commerce | 70% | 12,385 |
| Balance Retained by City | 30% | $ 5,199 |

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 amount 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 | $ 32,827 | $ - | $ - | $ - | $ - |
| Prepaid Items | 89,332 | - | - | - | - |
| Total Nonspendable | 122,159 | - | - | - | - |
| Restricted: | | | | | |
| Public Safety | 12,134 | - | - | - | - |
| Public Welfare | 10,677 | - | - | - | - |
| Capital Projects | - | 39,640 | - | 106,649 | - |
| Economic Development | - | - | 232,789 | - | - |
| Tourism | - | - | - | - | 7,578 |
| Total Restricted | 22,811 | 39,640 | 232,789 | 106,649 | 7,578 |
| Unassigned | 1,320,595 | - | - | - | - |
| Total Fund Balances | $ 1,465,565 | $ 39,640 | $ 232,789 | $ 106,649 | $ 7,578 |

## NOTE 21 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition of disclosure through January 22, 2019, the date when the financial statements were available to be issued.

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SYLVESTER, GEORGIA**
**Required Supplementary Information**
**Retirement Plan**
**Schedule of Changes in Net Pension Liability and Related Ratios**
**June 30, 2018**

| | *Total Pension Liability* | | | |
|---|---|---|---|---|
| **Measurement Date** | **Fiscal Year End June 30, 2018** | **Fiscal Year End June 30, 2017** | **Fiscal Year End June 30, 2016** | **Fiscal Year End June 30, 2015** |
| ***Total Pension Liability*** | | | | |
| Service cost | $ 121,554 | $ 123,275 | $ 127,640 | $ 143,056 |
| Interest | 600,885 | 590,322 | 580,864 | 581,530 |
| Differences between expected and actual experience | 255,414 | (100,006) | (140,677) | (245,155) |
| Changes of assumptions | - | - | - | (78,814) |
| Changes of benefit terms | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (509,834) | (444,745) | (446,823) | (371,608) |
| Other | 170,973 | | | |
| Net change in total pension liability | 638,992 | 168,846 | 121,004 | 29,009 |
| Total pension liability - beginning | 8,008,275 | 7,839,429 | 7,718,425 | 7,689,416 |
| Total pension liability - ending (a) | $ 8,647,267 | $ 8,008,275 | $ 7,839,429 | $ 7,718,425 |
| ***Plan Fiduciary Net Position*** | | | | |
| Contributions - employer | $ 265,873 | $ 287,114 | $ 326,057 | $ 351,208 |
| Contributions - employee | - | - | - | - |
| Net investment income | 981,834 | 677,155 | 74,217 | 637,350 |
| Benefit payments, including refunds of employee contributions | (509,834) | (444,745) | (446,823) | (371,608) |
| Administrative expenses | (22,341) | (12,988) | (14,676) | (11,697) |
| Other | - | - | - | - |
| Net change in fiduciary net position | 715,532 | 506,536 | (61,225) | 605,253 |
| Plan fiduciary net position - beginning | 6,639,084 | 6,132,548 | 6,193,773 | 5,588,520 |
| Plan fiduciary net position - ending (b) | $ 7,354,616 | $ 6,639,084 | $ 6,132,548 | $ 6,193,773 |
| Net pension liability - ending (a) - (b) | $ 1,292,651 | $ 1,369,191 | $ 1,706,881 | $ 1,524,652 |
| Plan's fiduciary net position as percentage of the total pension liability | 85.05% | 82.90% | 78.23% | 80.25% |
| Covered payroll | $ 2,656,091 | $ 2,704,446 | $ 2,777,874 | $ 2,499,865 |
| Net pension liability as a percentage of covered-employee payroll | 48.67% | 50.63% | 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, 2018**

| | Fiscal Year End June 30, 2018 | | Fiscal Year End June 30, 2017 | Fiscal Year End June 30, 2016 | Fiscal Year End June 30, 2015 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $ - | * | $ 269,554 | $ 292,967 | $ 337,087 |
| Contributions in relation to the actuarially determined contribution | - | * | 269,554 | 292,667 | 337,087 |
| Contribution deficiency (excess) | - | * | - | - | - |
| Covered payroll | - | * | 2,707,446 | 2,777,874 | 2,499,865 |
| Contributions as a percentage of covered-employee payroll | - | * | 9.96% | 10.54% | 13.48% |

* 2018 information will be determined after fiscal year end and will be included in the 2018 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, 2018**

---

**NOTE 1**

Significant methods and assumptions used in calculating the actuarially determined calculations are as follows:

| | |
|---|---|
| Valuation Date | The actuarially determined contribution rate was determined as of January 1, 2018, 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, 2018. |

*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 | 7.50% |
| Projected Salary Increases | 2.75% plus service based merit increases |
| Cost of Living Adjustments | 0.00% |
| Mortality Rates – | |
| Healthy | RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females |
| Disabled | RP-2000 Disabled Retiree Mortality Table with sex-distinct rates |
| Plan termination basis | 1994 Group Annuity Reserving Unisex Table |

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 as of September 30, 2017 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 45% | 6.71% |
| International equity | 20% | 7.71% |
| Real estate | 10% | 5.21% |
| Global fixed income | 5% | 3.36% |
| Domestic fixed income | 20% | 2.11% |
| Cash | 0% | |
| | 100% | |

*Changes of assumptions*

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.
The inflation assumption was decreased from 3.25% to 2.75%.

**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, 2018**

| | Budget | | | Variance |
|---|---|---|---|---|
| | Original | Final | Actual | with Budget |
| **REVENUES** | | | | |
| Taxes - Net | $ 1,975,686 | $ 1,975,686 | $ 1,947,243 | $ (28,443) |
| Charges for Services | 138,000 | 143,000 | 88,379 | (54,621) |
| Fines & Forfeitures | 264,624 | 264,624 | 235,254 | (29,370) |
| Licenses and Permits | 66,600 | 66,600 | 60,891 | (5,709) |
| Interest Income | 4,100 | 4,100 | 6,356 | 2,256 |
| Miscellaneous | 77,600 | 77,600 | 341,634 | 264,034 |
| TOTAL REVENUES | 2,526,610 | 2,531,610 | 2,679,757 | 148,147 |
| **EXPENDITURES** | | | | |
| Legislative | 98,488 | 120,488 | 115,430 | (5,058) |
| Judicial | 31,800 | 30,800 | 29,681 | (1,119) |
| Administrative | 726,215 | 1,181,715 | 1,170,494 | (11,221) |
| Police | 1,914,041 | 2,030,041 | 2,022,198 | (7,843) |
| City Manager | 204,246 | 256,246 | 254,433 | (1,813) |
| Financial Administration | 211,523 | 223,523 | 222,632 | (891) |
| Human Resources | 142,860 | 139,860 | 133,300 | (6,560) |
| Animal Control | 36,540 | 37,540 | 36,640 | (900) |
| Cemetery and Parks | 218,417 | 358,417 | 290,027 | (68,390) |
| Fire | 870,083 | 850,583 | 835,718 | (14,865) |
| Street | 694,351 | 2,125,351 | 2,092,289 | (33,062) |
| Storm Water | 249,368 | 239,368 | 218,015 | (21,353) |
| Shop | 136,006 | 131,006 | 121,365 | (9,641) |
| Code Enforcement | 131,203 | 136,203 | 134,742 | (1,461) |
| Building and Zoning | 129,658 | 129,658 | 122,517 | (7,141) |
| Downtown Development | 84,451 | 124,451 | 118,754 | (5,697) |
| TOTAL EXPENDITURES | 5,879,250 | 8,115,250 | 7,918,235 | (197,015) |
| Deficiency of Revenue Under Expenditures | (3,352,640) | (5,583,640) | (5,238,478) | (48,868) |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers from Other Funds | 3,352,640 | 5,583,640 | 5,722,509 | 138,869 |
| NET CHANGE IN FUND BALANCE | - | - | 484,031 | 90,001 |
| FUND BALANCE - JULY 1, 2017 | | | 1,491,957 | |
| FUND BALANCE - JUNE 30, 2018 | | | $ 1,975,988 | |

**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, 2018**

---

**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 manager 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 manager 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.

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

## SUPPLEMENTARY INFORMATION

## INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Balance Sheet**
**June 30, 2018**

**ASSETS**

| | |
|---|---|
| Assets | |
| Cash | $ 758,759 |
| Restricted Cash | 22,812 |
| Investment-Certificates of Deposit | 1,272,809 |
| Receivables | |
| Property Taxes | 95,199 |
| Due From Other Governments | 33,668 |
| Other | 214,719 |
| Due from Other Funds | 263,078 |
| Inventory, at Cost | 32,827 |
| Prepaid Items | 89,332 |
| TOTAL ASSETS | $ 2,783,203 |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES**

| | |
|---|---|
| Liabilities | |
| Accounts Payable | $ 39,476 |
| Accrued Expenses | 113,526 |
| Accrued Taxes and Withholdings | 127,050 |
| Due to Other Funds | 422,321 |
| Deposits | 11,043 |
| Total Liabilities | 713,416 |
| Deferred Inflows of Resources | |
| Deferred Revenue - property taxes | 93,846 |
| Fund Balance | |
| Nonspendable: | |
| Inventory | 32,827 |
| Prepaid Items | 89,332 |
| Restricted: | |
| Public Safety | 12,134 |
| Public Welfare | 10,677 |
| Unassigned | 1,830,971 |
| Total Fund Balance | 1,975,941 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 2,783,203 |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance |
|---|---|---|---|---|
| | Original | Final | Actual | with Budget |
| **REVENUES** (Schedule 1) | | | | |
| Taxes - Net | $ 1,975,686 | $ 1,975,686 | $ 1,947,243 | $ (28,443) |
| Charges for Services | 138,000 | 143,000 | 88,379 | (54,621) |
| Fines & Forfeitures | 264,624 | 264,624 | 235,254 | (29,370) |
| Licenses and Permits | 66,600 | 66,600 | 60,891 | (5,709) |
| Interest Income | 4,100 | 4,100 | 6,356 | 2,256 |
| Miscellaneous | 77,600 | 77,600 | 341,634 | 264,034 |
| TOTAL REVENUES | 2,526,610 | 2,531,610 | 2,679,757 | 148,147 |
| **EXPENDITURES** (Schedule 2) | | | | |
| Legislative | 98,488 | 120,488 | 115,430 | (5,058) |
| Judicial | 31,800 | 30,800 | 29,681 | (1,119) |
| Administrative | 726,215 | 1,181,715 | 1,170,494 | (11,221) |
| Police | 1,914,041 | 2,030,041 | 2,022,198 | (7,843) |
| City Manager | 204,246 | 256,246 | 254,433 | (1,813) |
| Financial Administration | 211,523 | 223,523 | 222,632 | (891) |
| Human Resources | 142,860 | 139,860 | 133,300 | (6,560) |
| Animal Control | 36,540 | 37,540 | 36,640 | (900) |
| Cemetery and Parks | 218,417 | 358,417 | 290,027 | (68,390) |
| Fire | 870,083 | 850,583 | 835,718 | (14,865) |
| Street | 694,351 | 2,125,351 | 2,092,289 | (33,062) |
| Storm Water | 249,368 | 239,368 | 218,015 | (21,353) |
| Shop | 136,006 | 131,006 | 121,365 | (9,641) |
| Code Enforcement | 131,203 | 136,203 | 134,742 | (1,461) |
| Building and Zoning | 129,658 | 129,658 | 122,517 | (7,141) |
| Downtown Development | 84,451 | 124,451 | 118,754 | (5,697) |
| TOTAL EXPENDITURES | 5,879,250 | 8,115,250 | 7,918,235 | (197,015) |
| Deficiency of Revenue Under Expenditures | (3,352,640) | (5,583,640) | (5,238,478) | (48,868) |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers from Other Funds | 3,352,640 | 5,583,640 | 5,722,509 | 138,869 |
| NET CHANGE IN FUND BALANCE | - | - | 484,031 | 90,001 |
| FUND BALANCE - JULY 1, 2017 | | | 1,491,957 | |
| FUND BALANCE - JUNE 30, 2018 | | | $ 1,975,988 | |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Revenues-Budget and Actual**
**For the Year Ended June 30, 2018**

| **SCHEDULE 1** | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **REVENUES** | | | | |
| Ad Valorem Taxes | $ 917,232 | $ 917,232 | $ 882,564 | $ (34,668) |
| Alcoholic Beverage Tax | 100,932 | 100,932 | 98,582 | (2,350) |
| Licenses and Permits | 66,600 | 66,600 | 60,891 | (5,709) |
| Franchise Tax | 91,319 | 91,319 | 83,361 | (7,958) |
| Cemetery Lot Sales | 18,000 | 18,000 | 20,060 | 2,060 |
| Fines and Forfeitures | 264,624 | 264,624 | 235,254 | (29,370) |
| Interest Income | 4,100 | 4,100 | 6,356 | 2,256 |
| Insurance Premium Tax | 397,418 | 397,418 | 413,686 | 16,268 |
| Intangible and Transfer Tax | 10,785 | 10,785 | 4,940 | (5,845) |
| Business and Occupation Tax | 27,000 | 27,000 | 21,423 | (5,577) |
| Other Revenues | 47,500 | 47,500 | 306,369 | 258,869 |
| Sales Tax-Local Option | 431,000 | 431,000 | 442,687 | 11,687 |
| Charges for Services | 138,000 | 143,000 | 88,379 | (54,621) |
| Intergovernmental | - | - | - | - |
| Rent | 12,100 | 12,100 | 15,205 | 3,105 |
| TOTAL REVENUES | $ 2,526,610 | $ 2,531,610 | $ 2,679,757 | $ 148,147 |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual**
**For the Year Ended June 30, 2018**

**SCHEDULE 2**

| **EXPENDITURES** | Original | Final | Actual | Variance with Budget |
|---|---|---|---|---|
| LEGISLATIVE | | | | |
| Personnel Services | $ 32,495 | $ 32,495 | $ 29,728 | $ (2,767) |
| Employee Medical Insurance | 16,326 | 16,326 | 8,463 | (7,863) |
| Retirement Fund Contribution | 13,567 | 13,567 | 13,567 | - |
| Dues and Membership | - | 3,000 | 2,759 | (241) |
| Miscellaneous | 1,000 | 1,000 | 135 | (865) |
| Professional Services | - | - | 307 | 307 |
| Telephone and Utilities | 6,100 | 6,100 | 9,165 | 3,065 |
| Travel and Training | 29,000 | 48,000 | 51,306 | 3,306 |
| Total Legislative | 98,488 | 120,488 | 115,430 | (5,058) |
| JUDICIAL | | | | |
| Municipal Court Judge | 10,800 | 10,800 | 15,480 | 4,680 |
| Indigent Defence Attorney | 6,000 | 5,000 | - | (5,000) |
| City Solicitor | 15,000 | 15,000 | 14,201 | (799) |
| Dues and Membership | - | - | - | - |
| Total Judicial | 31,800 | 30,800 | 29,681 | (1,119) |
| ADMINISTRATIVE | | | | |
| Personnel Services | 79,408 | 104,638 | 96,471 | (8,167) |
| Employee Medical Insurance | 9,368 | 20,368 | 19,696 | (672) |
| Retirement Fund Contribution | 24,001 | 24,001 | 23,555 | (446) |
| Advertising | 2,400 | 10,400 | 8,039 | (2,361) |
| 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 | 18,000 | 18,000 | 4,795 | (13,205) |
| Capital Outlay | 50,000 | 391,770 | 390,661 | (1,109) |
| Clerical and Administrative | 20,350 | 20,350 | 47,063 | 26,713 |
| Dues and Membership | 10,600 | 10,600 | 7,324 | (3,276) |
| Insurance | 36,223 | 61,223 | 59,584 | (1,639) |
| Miscellaneous | 26,885 | 36,885 | 37,080 | 195 |
| Motor Fuels | 1,000 | 1,000 | 1,782 | 782 |
| Professional Services | 120,522 | 120,522 | 124,574 | 4,052 |
| Repairs and Maintenance - Equipment | 17,300 | 17,300 | 13,584 | (3,716) |
| Supplies | 3,650 | 13,650 | 13,927 | 277 |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with Budget |
|---|---|---|---|---|
| | Original | Final | Actual | |
| Administrative (continued) | | | | |
| Telephone and Utilities | $ 20,140 | $ 30,140 | $ 34,369 | $ 4,229 |
| Travel and Training | 7,600 | 7,600 | 7,122 | (478) |
| Uniforms | 4,000 | 4,000 | 578 | (3,422) |
| Worth County Family Connection | 53,500 | 55,000 | 49,677 | (5,323) |
| Daisy Gamble Learning Center | 38,768 | 51,768 | 48,113 | (3,655) |
| Total Administrative | 726,215 | 1,181,715 | 1,170,494 | (11,221) |
| POLICE | | | | |
| Personnel Services | 1,194,312 | 1,242,312 | 1,252,058 | 9,746 |
| Employee Medical Insurance | 204,592 | 204,592 | 190,698 | (13,894) |
| Retirement Fund Contribution | 78,108 | 78,108 | 67,142 | (10,966) |
| Capital Outlay | - | - | 11,723 | 11,723 |
| Clerical and Administrative | 4,000 | 4,000 | 2,966 | (1,034) |
| Community Programs | 4,500 | 4,500 | 5,192 | 692 |
| Courtware Solutions | 20,000 | 20,000 | 13,167 | (6,833) |
| Dues and Membership | 500 | 500 | 375 | (125) |
| Inmate Medical and Board | 20,300 | 20,300 | 15,386 | (4,914) |
| Insurance | 30,896 | 58,896 | 67,668 | 8,772 |
| Miscellaneous | 2,750 | 2,750 | 2,851 | 101 |
| Motor Fuels | 55,250 | 55,250 | 63,343 | 8,093 |
| Professional Services | 5,000 | 26,000 | 23,443 | (2,557) |
| Repairs and Maintenance-Equipment | 40,500 | 53,500 | 74,683 | 21,183 |
| Supplies | 18,600 | 18,600 | 13,818 | (4,782) |
| Travel and Training | 10,500 | 20,500 | 19,520 | (980) |
| Telephone and Utilities | 38,600 | 34,600 | 36,559 | 1,959 |
| Trust Fund Contributions | 47,600 | 47,600 | 47,327 | (273) |
| Uniforms | 12,000 | 12,000 | 29,721 | 17,721 |
| Capital Lease-Principal | 46,016 | 46,016 | 23,073 | (22,943) |
| Capital Lease-Interest | 3,190 | 3,190 | 3,693 | 503 |
| 911 Cost | 76,827 | 76,827 | 57,792 | (19,035) |
| Total Police | 1,914,041 | 2,030,041 | 2,022,198 | (7,843) |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| CITY MANAGER | | | | |
| Personnel Services | $ 145,708 | $ 197,708 | $ 182,770 | $ (14,938) |
| Employee Medical Insurance | 22,732 | 22,732 | 21,010 | (1,722) |
| Retirement Fund Contribution | 15,016 | 15,016 | 12,908 | (2,108) |
| Advertising | 2,400 | 2,400 | 727 | (1,673) |
| Insurance | 200 | 200 | - | (200) |
| Clerical and Administrative | 500 | 500 | - | (500) |
| Dues and Membership | 400 | 400 | 2,417 | 2,017 |
| Miscellaneous | - | - | 3,538 | 3,538 |
| Motor Fuels | 1,500 | 1,500 | 3,718 | 2,218 |
| Professional Fees | 600 | 600 | 1,279 | 679 |
| Repairs and Maintenance-Equipment | 5,900 | 5,900 | 2,010 | (3,890) |
| Supplies | 3,650 | 3,650 | 2,541 | (1,109) |
| Telephone and Utilities | 2,140 | 2,140 | 1,811 | (329) |
| Travel and Training | 3,500 | 3,500 | 19,624 | 16,124 |
| Uniforms | - | - | 80 | 80 |
| Total City Manager | 204,246 | 256,246 | 254,433 | (1,813) |
| FINANCIAL ADMINISTRATION | | | | |
| Personnel Services | 147,396 | 147,396 | 149,373 | 1,977 |
| Employee Medical Insurance | 7,286 | 7,286 | 12,396 | 5,110 |
| Retirement Fund Contribution | 8,201 | 8,201 | 7,050 | (1,151) |
| Clerical and Administration | 1,350 | 1,350 | 26 | (1,324) |
| Dues and Membership | 200 | 200 | 887 | 687 |
| Repairs and Maintenance | 5,400 | 5,400 | 1,361 | (4,039) |
| Professional Fees | 31,300 | 33,300 | 34,997 | 1,697 |
| Supplies | 3,650 | 3,650 | 3,690 | 40 |
| Telephone and Utilities | 2,640 | 2,640 | 732 | (1,908) |
| Travel and Training | 1,500 | 11,500 | 10,114 | (1,386) |
| Miscellaneous | - | - | 219 | 219 |
| Uniforms | - | - | 199 | 199 |
| Advertising | 2,400 | 2,400 | 1,588 | (812) |
| Insurance | 200 | 200 | - | (200) |
| Total Financial Administration | 211,523 | 223,523 | 222,632 | (891) |
| HUMAN RESOURCES | | | | |
| Personnel Services | 103,081 | 103,081 | 102,805 | (276) |
| Employee Medical Insurance | 14,572 | 14,572 | 14,027 | (545) |
| Retirement Fund Contribution | 7,617 | 7,617 | 6,548 | (1,069) |
| Dues and Membership | - | - | 50 | 50 |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with Budget |
|---|---|---|---|---|
| | Original | Final | Actual | |
| Human Resources (continued) | | | | |
| Insurance | $ 200 | $ 200 | $ - | $ (200) |
| Miscellaneous | - | - | 113 | 113 |
| Professional Services | 100 | 100 | 1,285 | 1,185 |
| Repairs and Maintenance | 5,400 | 2,400 | 108 | (2,292) |
| Supplies | 3,650 | 3,650 | 2,608 | (1,042) |
| Telephone and Utilities | 2,140 | 2,140 | 1,284 | (856) |
| Travel and Training | 2,000 | 2,000 | 3,981 | 1,981 |
| Uniforms | - | - | 53 | 53 |
| Advertising | 2,400 | 2,400 | 285 | (2,115) |
| Clerical and Administrative | 1,700 | 1,700 | 153 | (1,547) |
| Total Human Resources | 142,860 | 139,860 | 133,300 | (6,560) |
| ANIMAL CONTROL | | | | |
| Humane Society | 35,640 | 36,640 | 36,540 | (100) |
| Miscellaneous | 900 | 900 | 100 | (800) |
| Total Animal Control | 36,540 | 37,540 | 36,640 | (900) |
| CEMETERY AND PARKS | | | | |
| Personnel Services | 32,060 | 32,060 | 34,100 | 2,040 |
| Capital Outlay | - | 22,000 | 26,205 | 4,205 |
| Clerical and Administrative | 3,640 | 3,640 | 4,311 | 671 |
| Insurance | 5,057 | 5,057 | 5,909 | 852 |
| Maintenance Contract | 64,680 | 64,680 | 10,780 | (53,900) |
| Miscellaneous | - | - | 1,498 | 1,498 |
| Repairs and Maintenance-Equipment | 25,900 | 114,900 | 124,026 | 9,126 |
| Repairs and Maintenance - Cemetery | 1,000 | 1,000 | 119 | (881) |
| Supplies | 39,900 | 43,900 | 12,056 | (31,844) |
| Telephone and Utilities | 46,180 | 71,180 | 71,023 | (157) |
| Total Cemetery and Parks | 218,417 | 358,417 | 290,027 | (70,190) |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| FIRE | | | | |
| Personnel Services | 531,762 | 531,762 | 523,808 | (7,954) |
| Employee Medical Insurance | 98,508 | 98,508 | 101,477 | 2,969 |
| Retirement Fund Contribution | 29,887 | 29,887 | 25,691 | (4,196) |
| Capital Outlay | 7,500 | 7,500 | 1,198 | (6,302) |
| Clerical and Administrative | 4,850 | 4,850 | 9,633 | 4,783 |
| Dues and Membership | 600 | 600 | 375 | (225) |
| Insurance | 1,500 | 1,500 | 27,208 | 25,708 |
| Miscellaneous | 500 | 500 | 475 | (25) |
| Motor Fuels | 10,000 | 10,000 | 6,894 | (3,106) |
| Professional Fees | 300 | 300 | - | (300) |
| Repairs and Maintenance-Equipment | 39,500 | 39,500 | 33,945 | (5,555) |
| Supplies | 24,000 | 24,000 | 13,249 | (10,751) |
| Telephone and Utilities | 19,800 | 19,800 | 19,493 | (307) |
| Travel and Training | 15,000 | 5,500 | 7,357 | 1,857 |
| Uniforms | 8,000 | 8,000 | 8,326 | 326 |
| Capital Lease-Principal | 63,373 | 53,373 | 45,915 | (7,458) |
| Capital Lease-Interest | 15,003 | 15,003 | 10,674 | (4,329) |
| Total Fire | 870,083 | 850,583 | 835,718 | (14,865) |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| STREET | | | | |
| Personnel Services | $ 322,193 | $ 322,193 | $ 455,207 | $ 133,014 |
| Employee Medical Insurance | 56,830 | 56,830 | 80,178 | 23,348 |
| Retirement Fund Contribution | 16,966 | 16,966 | 14,584 | (2,382) |
| Advertising | - | - | 3,085 | 3,085 |
| Capital Outlay | - | 1,431,000 | 1,017,180 | (413,820) |
| Clerical and Administrative | - | - | 15,402 | 15,402 |
| General Supplies | 6,500 | 6,500 | 5,927 | (573) |
| Grounds Maintenance Contract | 115,562 | 115,562 | 233,361 | 117,799 |
| Miscellaneous | - | - | 9,358 | 9,358 |
| Motor Fuels | 20,500 | 20,500 | 35,249 | 14,749 |
| Professional Fees | 100 | 100 | 170 | 70 |
| Repairs and Maintenance-Equipment | 49,700 | 49,700 | 76,237 | 26,537 |
| Repairs and Maintenance-System | 30,000 | 30,000 | 90,024 | 60,024 |
| System Supplies and Chemicals | 23,500 | 23,500 | 21,131 | (2,369) |
| Telephone and Utilities | 10,300 | 10,300 | 11,511 | 1,211 |
| Travel and Training | 2,600 | 2,600 | 7,501 | 4,901 |
| Uniforms | 2,600 | 2,600 | 5,890 | 3,290 |
| Capital Lease-Principal | 36,000 | 36,000 | 9,809 | (26,191) |
| Capital Lease-Interest | 1,000 | 1,000 | 485 | (515) |
| Total Street | 694,351 | 2,125,351 | 2,092,289 | (33,062) |
| STORM WATER | | | | |
| Personnel Services | 137,385 | 127,385 | 114,696 | (12,689) |
| Employee Medical Insurance | 30,310 | 30,310 | 17,187 | (13,123) |
| Retirement Fund Contribution | 9,221 | 9,221 | 7,926 | (1,295) |
| Motor Fuels | 7,500 | 7,500 | 11,078 | 3,578 |
| Repairs and Maintenance | 42,500 | 42,500 | 54,282 | 11,782 |
| Rent | 7,000 | 7,000 | 266 | (6,734) |
| Telephone and Utilities | 400 | 400 | 787 | 387 |
| Travel and Training | 600 | 600 | 1,552 | 952 |
| Miscellaneous | 1,800 | 1,800 | 389 | (1,411) |
| Uniforms | 1,200 | 1,200 | 1,094 | (106) |
| Capital Lease-Principal | 10,847 | 10,847 | 8,320 | (2,527) |
| Capital Lease-Interest | 605 | 605 | 438 | (167) |
| Total Storm Water | 249,368 | 239,368 | 218,015 | (21,353) |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| SHOP | | | | |
| Personnel Services | $ 87,381 | $ 87,381 | $ 87,718 | $ 337 |
| Employee Medical Insurance | 15,155 | 15,155 | 16,759 | 1,604 |
| Retirement Fund Contribution | 5,420 | 5,420 | 4,659 | (761) |
| Motor Fuels | 2,200 | 2,200 | 2,770 | 570 |
| Repairs and Maintenance | 15,200 | 10,200 | 1,706 | (8,494) |
| Supplies | 3,800 | 3,800 | 1,190 | (2,610) |
| Telephone and Utilities | 4,600 | 4,600 | 4,868 | 268 |
| Travel and Training | 1,250 | 1,250 | 241 | (1,009) |
| Uniforms | 1,000 | 1,000 | 896 | (104) |
| Professional Services | - | - | 558 | 558 |
| Total Shop | 136,006 | 131,006 | 121,365 | (9,641) |
| CODE ENFORCEMENT | | | | |
| Personnel Services | 77,683 | 77,683 | 66,916 | (10,767) |
| Employee Medical Insurance | 15,155 | 15,155 | 12,283 | (2,872) |
| Retirement Fund Contribution | 4,664 | 4,664 | 4,009 | (655) |
| Clerical and Administrative | 350 | 350 | - | (350) |
| Advertising | 800 | 800 | 313 | (487) |
| Community Relations | 1,000 | 1,000 | 220 | (780) |
| Dues and Membership | 275 | 275 | - | (275) |
| Great Sylvester Cleanup | 2,500 | 2,500 | 1,412 | (1,088) |
| Miscellaneous | 700 | 700 | 387 | (313) |
| Motor Fuels | 2,000 | 2,000 | 3,230 | 1,230 |
| Professional Services | 5,000 | 10,000 | 25,164 | 15,164 |
| Rent | 2,000 | 2,000 | 2,700 | 700 |
| Repairs and Maintenance-Equipment | 1,300 | 1,300 | 279 | (1,021) |
| Supplies | 1,300 | 1,300 | 1,184 | (116) |
| Telephone and Utilities | 2,200 | 2,200 | 2,723 | 523 |
| Travel and Training | 3,000 | 3,000 | 3,251 | 251 |
| Uniforms | 800 | 800 | 176 | (624) |
| Capital Lease-Principal | 9,653 | 9,653 | 9,668 | 15 |
| Capital Lease-Interest | 823 | 823 | 827 | 4 |
| Total Code Enforcement | 131,203 | 136,203 | 134,742 | (1,461) |

**CITY OF SYLVESTER, GEORGIA**
**General Fund**
**Expenditures-Budget and Actual (Continued)**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| BUILDING AND ZONING | | | | |
| Personnel Services | $ 95,213 | $ 95,213 | $ 95,202 | $ (11) |
| Retirement Contributions | 7,090 | 7,090 | 6,095 | (995) |
| Employee Medical Insurance | 15,155 | 15,155 | 8,763 | (6,392) |
| Professional Services | 2,000 | 2,000 | 2,030 | 30 |
| Clerical and Administrative | 2,550 | 2,550 | 2,519 | (31) |
| Motor Fuels | 700 | 700 | 1,222 | 522 |
| Rent | 500 | 500 | - | (500) |
| Repairs and Maintenance | 1,500 | 1,500 | 1,317 | (183) |
| Telephone and Utilities | 1,750 | 1,750 | 1,637 | (113) |
| Travel and Training | 3,200 | 3,200 | 3,732 | 532 |
| Total Building and Zoning | 129,658 | 129,658 | 122,517 | (7,141) |
| DOWNTOWN DEVELOPMENT | | | | |
| Personnel Services | 43,282 | 43,282 | 41,394 | (1,888) |
| Employee Medical Insurance | 7,577 | 7,577 | 7,766 | 189 |
| Retirement Fund Contribution | 3,192 | 3,192 | 2,744 | (448) |
| Advertising | 2,400 | 12,400 | 11,375 | (1,025) |
| Community Relations | 5,300 | 21,800 | 18,290 | (3,510) |
| Georgia Cities Week | 1,500 | 13,500 | 11,696 | (1,804) |
| Clerical and Administrative | 1,800 | 3,300 | 3,639 | 339 |
| Dues and Membership | 550 | 550 | 950 | 400 |
| Façade Program | 6,000 | 6,000 | 7,024 | 1,024 |
| Miscellaneous | 100 | 100 | - | (100) |
| Rent | 3,000 | 3,000 | 2,700 | (300) |
| Repairs and Maintenance | 2,100 | 2,100 | 563 | (1,537) |
| Supplies | 2,100 | 2,100 | 2,085 | (15) |
| Telephone and Utilities | 3,050 | 3,050 | 3,343 | 293 |
| Travel and Training | 2,500 | 2,500 | 5,185 | 2,685 |
| Total Downtown Development | 84,451 | 124,451 | 118,754 | (5,697) |
| TOTAL EXPENDITURES | $ 5,879,250 | $ 8,115,250 | $ 7,918,235 | $ (197,015) |

**CITY OF SYLVESTER, GEORGIA**
**Non-major Governmental Funds**
**Combining Balance Sheet**
**June 30, 2018**

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | CDBG Loan Fund | Designated Grant Fund | Hotel/ Motel Tax Fund | Total |
| **ASSETS** | | | | |
| Cash | $ 157,923 | $ 108,333 | $ 7,308 | $ 273,564 |
| Taxes Receivable | - | - | 2,547 | 2,547 |
| Loan Receivable | 74,866 | - | - | 74,866 |
| Due from Other Governments | - | - | - | - |
| TOTAL ASSETS | $ 232,789 | $ 108,333 | $ 9,855 | $ 350,977 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | |
| Liabilities | | | | |
| Accounts Payable | $ - | $ - | $ 2,277 | $ 2,277 |
| Due to Other Funds | - | 1,684 | - | 1,684 |
| Total Liabilities | - | 1,684 | 2,277 | 3,961 |
| Deferred Inflows of Resources | | | | |
| None | - | - | - | - |
| Fund Balances | | | | |
| Restricted: | | | | |
| Economic Development | 232,789 | - | - | 232,789 |
| Tourism | - | - | 7,578 | 7,578 |
| Capital Projects | - | 106,649 | - | 106,649 |
| Total Fund Balances | 232,789 | 106,649 | 7,578 | 347,016 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 232,789 | $ 108,333 | $ 9,855 | $ 350,977 |

**CITY OF SYLVESTER, GEORGIA**
**Non-major Governmental Funds**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**For the Year Ended June 30, 2018**

| | SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | CDBG Loan Fund | Designated Grant Fund | Hotel/ Motel Tax Fund | Total |
| **REVENUES** | | | | |
| Grant Proceeds | $ - | $ 415,379 | $ - | $ 415,379 |
| Contributions | - | 23,976 | - | 23,976 |
| Investment Income | 3,257 | - | - | 3,257 |
| Hotel/Motel Taxes | - | - | 17,584 | 17,584 |
| TOTAL REVENUES | 3,257 | 439,355 | 17,584 | 460,196 |
| **EXPENDITURES** | | | | |
| Culture and Recreation | - | - | - | - |
| Community and Economic Development | 40,796 | 99,369 | 12,386 | 152,551 |
| Capital Outlay | - | 344,805 | - | 344,805 |
| TOTAL EXPENDITURES | 40,796 | 444,174 | 12,386 | 497,356 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (37,539) | (4,819) | 5,198 | (37,160) |
| **OTHER FINANCING USES** | | | | |
| Transfer In (Out) | - | - | (9,009) | (9,009) |
| NET CHANGE IN FUND BALANCE | (37,539) | (4,819) | (3,811) | (46,169) |
| FUND BALANCE - JULY 1, 2017 | 270,328 | 111,468 | 11,389 | 393,185 |
| FUND BALANCE - JUNE 30, 2018 | $ 232,789 | $ 106,649 | $ 7,578 | $ 347,016 |

**CITY OF SYLVESTER, GEORGIA**
**CDBG Economic Development Revolving Loan Fund**
**Balance Sheet**
**June 30, 2018**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 157,923 |
| Loan Receivable | | 74,866 |
| TOTAL ASSETS | $ | 232,789 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities | | |
| Accounts Payable | | - |
| Fund Balance | | |
| Restricted: | | |
| Economic Development | | 232,789 |
| TOTAL LIABILITIES AND FUND BALANCE | $ | 232,789 |

**CITY OF SYLVESTER, GEORGIA**
**CDBG Economic Development Revolving Loan Fund**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **REVENUES** | | | | |
| Interest on Loan Receivable | $ 11,803 | $ 11,803 | $ 3,220 | $ (8,583) |
| Interest-Bank | 2,699 | 2,699 | 37 | (2,662) |
| TOTAL REVENUES | 14,502 | 14,502 | 3,257 | (11,245) |
| **EXPENDITURES** | | | | |
| Loan Servicing Fees | 2,000 | 2,000 | - | (2,000) |
| Contingency | 12,502 | 12,502 | 40,796 | 28,294 |
| TOTAL EXPENDITURES | 14,502 | 14,502 | 40,796 | 26,294 |
| Excess of Revenues Over Expenditures | - | - | (37,539) | (37,539) |
| NET CHANGE IN FUND BALANCE | - | - | (37,539) | (37,539) |
| FUND BALANCE - JULY 1, 2017 | | | 270,328 | |
| FUND BALANCE - JUNE 30, 2018 | | | $232,789 | |

**CITY OF SYLVESTER, GEORGIA**
**Designated Grant Fund**
**Balance Sheet**
**June 30, 2018**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 108,333 |
| Due from Other Governments | | - |
| TOTAL ASSETS | $ | 108,333 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities | | |
| Accounts Payable | $ | - |
| Due to Other Funds | | 1,684 |
| TOTAL LIABILITIES | | 1,684 |
| Fund Balance | | |
| Restricted: | | |
| Capital Projects | | 106,649 |
| TOTAL LIABILITIES AND FUND BALANCE | $ | 108,333 |

**CITY OF SYLVESTER, GEORGIA**
**Designated Grant Fund**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **REVENUES** | | | | |
| Grant Proceeds | $ 1,637,621 | $ 1,637,621 | $415,379 | $ (1,222,242) |
| Contributions | - | - | 23,976 | 23,976 |
| TOTAL REVENUES | 1,637,621 | 1,637,621 | 439,355 | (1,198,266) |
| **EXPENDITURES** | | | | |
| Community and Economic Development | 306,000 | 306,000 | 99,369 | (206,631) |
| Capital Outlay | 1,331,621 | 1,331,621 | 344,805 | (986,816) |
| TOTAL EXPENDITURES | 1,637,621 | 1,637,621 | 444,174 | (1,193,447) |
| Excess of Revenues Over Expenditures | - | - | (4,819) | (4,819) |
| **OTHER FINANCING USES** | | | | |
| Transfer In | - | - | - | - |
| NET CHANGE IN FUND BALANCE | - | - | (4,819) | (4,819) |
| FUND BALANCE - JULY 1, 2017 | | | 111,468 | |
| FUND BALANCE - JUNE 30, 2018 | | | $106,649 | |

**CITY OF SYLVESTER, GEORGIA**
**Hotel/Motel Tax Fund**
**Balance Sheet**
**June 30, 2018**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 7,308 |
| Taxes Receivable | | 2,547 |
| TOTAL ASSETS | $ | 9,855 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities | | |
| Accounts Payable | | 2,277 |
| Fund Balance | | |
| Restricted: | | |
| Tourism | | 7,578 |
| TOTAL LIABILITIES AND FUND BALANCE | $ | 9,855 |

**CITY OF SYLVESTER, GEORGIA**
**Hotel/Motel Tax Fund**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **REVENUES** | | | | |
| Hotel/Motel Taxes | $ 18,609 | $ 18,609 | $ 17,584 | $ (1,025) |
| TOTAL REVENUES | 18,609 | 18,609 | 17,584 | (1,025) |
| **EXPENDITURES** | | | | |
| Chamber of Commerce Allocation | 9,600 | 9,600 | 12,386 | 2,786 |
| Bank Charges | - | - | - | - |
| TOTAL EXPENDITURES | 9,600 | 9,600 | 12,386 | 2,786 |
| Excess of Revenues Over Expenditures | 9,009 | 9,009 | 5,198 | (3,811) |
| **OTHER FINANCING USES** | | | | |
| Transfer Out | (9,009) | (9,009) | (9,009) | - |
| NET CHANGE IN FUND BALANCE | - | - | (3,811) | (3,811) |
| FUND BALANCE - JULY 1, 2017 | | | 11,389 | |
| FUND BALANCE - JUNE 30, 2018 | | | $ 7,578 | |

**CITY OF SYLVESTER, GEORGIA**
**SPLOST Capital Projects Fund**
**Balance Sheet**
**June 30, 2018**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 39,640 |
| Taxes Receivable | | - |
| TOTAL ASSETS | $ | 39,640 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities | | |
| Accounts Payable | $ | - |
| Due to Other Funds | | - |
| Fund Balance | | |
| Restricted: | | |
| Capital Projects | | 39,640 |
| TOTAL LIABILITIES AND FUND BALANCE | $ | 39,640 |

**CITY OF SYLVESTER, GEORGIA**
**SPLOST Capital Projects Fund**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**
**For the Year Ended June 30, 2018**

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 803,755 | $ 803,755 | $ 358,381 | $ (445,374) |
| Interest | 2,000 | 2,000 | 1,006 | (994) |
| Total Revenues | 805,755 | 805,755 | 359,387 | (446,368) |
| **EXPENDITURES** | | | | |
| Capital Projects | 621,761 | 621,761 | 601,662 | (20,099) |
| Debt Service: | | | | |
| Principal | 148,848 | 148,848 | 155,712 | 6,864 |
| Interest | 35,146 | 35,146 | 28,281 | (6,865) |
| TOTAL EXPENDITURES | 805,755 | 805,755 | 785,655 | (20,100) |
| Deficiency of Revenues Under Expenditures | - | - | (426,268) | (426,268) |
| NET CHANGE IN FUND BALANCE | $ - | $ - | (426,268) | $ (426,268) |
| FUND BALANCE-JULY 1, 2017 | | | 465,908 | |
| FUND BALANCE-JUNE 30, 2018 | | | $ 39,640 | |

# CITY OF SYLVESTER, GEORGIA
## Electric Fund
## Statement of Net Position
## June 30, 2018

| | | |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash | $ | 513,570 |
| Investment-Certificate of Deposit | | 194,829 |
| Investment | | 3,930,172 |
| Restricted Assets | | |
| Cash-Customer Deposits | | 86,130 |
| Accounts Receivable (Net of Allowance for Uncollectible Accounts) | | 1,167,009 |
| Inventory | | 198,524 |
| Prepaid Items | | 14,239 |
| Due from Other Funds | | 367,167 |
| Total Current Assets | | 6,471,640 |
| Noncurrent Assets | | |
| Capital Assets | | |
| Electric System | | 3,212,429 |
| Machinery and Equipment | | 161,975 |
| Vehicles | | 889,797 |
| Construction in Progress | | 525,459 |
| Accumulated Depreciation | | (3,043,777) |
| Total Noncurrent Assets | | 1,745,883 |
| TOTAL ASSETS | | 8,217,523 |
| **LIABILITIES** | | |
| Current Liabilities | | |
| Accounts Payable | | 663,261 |
| Notes Payable | | 58,976 |
| Accrued Expenses | | 54,124 |
| Liabilities Payable from Restricted Assets-Customer Deposits | | 62,894 |
| Due to Other Funds | | 78,432 |
| Total Current Liabilities | | 917,687 |
| Long-Term Liabilities | | |
| Accrued Vacation | | 26,352 |
| Notes Payable | | 5,023 |
| Total Long-Term Liabilities | | 31,375 |
| TOTAL LIABILITIES | | 949,062 |
| Net Investment in Capital Assets | | 1,681,884 |
| Unrestricted | | 5,586,577 |
| TOTAL NET POSITION | $ | 7,268,461 |

**CITY OF SYLVESTER, GEORGIA**
**Electric Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Electric Sales | $ 10,044,617 |
| Penalties | 85,900 |
| Service Fees | 109,448 |
| Miscellaneous | 24,563 |
| Pole Rental | 34,027 |
| TOTAL OPERATING REVENUES | 10,298,555 |
| **OPERATING EXPENSES** | |
| Personnel Services | 430,202 |
| Employee Medical Insurance | 83,596 |
| Retirement Fund Contribution | 21,637 |
| Purchases - Electricity | 6,749,173 |
| Clerical and Administrative | 38,064 |
| Insurance - General | 19,096 |
| Marketing | 32,021 |
| Miscellaneous | 31,793 |
| Motor Fuels | 18,732 |
| Professional Fees | 45,598 |
| Repairs and Maintenance-Equipment | 17,466 |
| Repairs and Maintenance-System | 146,120 |
| Supplies-General | 15,638 |
| Supplies-System | 77,818 |
| Technical Support | 65,251 |
| Telephone and Utilities | 30,022 |
| Travel and Training | 10,495 |
| Uniforms | 5,743 |
| Depreciation | 81,307 |
| TOTAL OPERATING EXPENSES | 7,919,772 |
| OPERATING INCOME | 2,378,783 |

**CITY OF SYLVESTER, GEORGIA**
**Electric Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Interest Income | $ 6,315 |
| Market Gain on Investments | 124,556 |
| Interest Expense | (3,218) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 127,653 |
| Income Before Transfers | 2,506,436 |
| Transfers In | - |
| Transfers Out | (4,462,000) |
| CHANGE IN NET POSITION | (1,955,564) |
| NET POSITION - JULY 1, 2017 | 9,224,025 |
| NET POSITION - JUNE 30, 2018 | $ 7,268,461 |

**CITY OF SYLVESTER, GEORGIA**
**Electric Fund**
**Statement of Cash Flows**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash Received from Customers | $ 10,461,516 |
| Cash Payments to Suppliers | (7,143,416) |
| Cash Payments to Employees | (525,452) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 2,792,648 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Payments to Other Funds | (4,599,294) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Purchase and Construction of Capital Assets | (255,189) |
| Principal Paid on Capital Debt | (52,323) |
| Interest Paid on Capital Debt | (3,218) |
| Proceeds from Capital Debt | 116,322 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (194,408) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest Received | 6,315 |
| Proceeds from Sale of Investments | 1,183,722 |
| NET CASH USED BY INVESTING ACTIVITIES | 1,190,037 |
| Net Increase in Cash and Cash Equivalents | (811,017) |
| CASH AND CASH EQUIVALENTS-JULY 1, 2017 | 1,605,546 |
| CASH AND CASH EQUIVALENTS-JUNE 30, 2018 | $ 794,529 |
| Displayed As: | |
| Investment-Certificate of Deposit | $ 194,829 |
| Restricted Assets | $ 86,130 |

**CITY OF SYLVESTER, GEORGIA**
**Electric Fund**
**Statement of Cash Flows (Continued)**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | |
| Operating Income | $ 2,378,783 |
| Adjustments to Reconcile Operating Income to Net Cash | |
| Provided by Operating Activities: | |
| Depreciation Expense | 81,307 |
| (Increase) Decrease in Assets: | |
| Accounts Receivable | 282,237 |
| Prepaid Items | (14,239) |
| Inventory | 114,776 |
| Increase (Decrease) in Liabilities: | |
| Accounts Payable | 34,333 |
| Accrued Expenses | 24,744 |
| Accrued Vacation | 9,983 |
| Customer Deposits | (119,276) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 2,792,648 |
| **Noncash Investing, Capital and Financing Activities** | |
| Increase in Fair Value of Investments | $ 124,556 |

# CITY OF SYLVESTER, GEORGIA
## Water and Sewer Fund
## Statement of Net Position
## June 30, 2018

| | | |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash | $ | 297,110 |
| Investment-Certificate of Deposit | | 183,563 |
| Restricted Assets | | |
| Cash-Customer Deposits | | 93,761 |
| Cash-GEFA | | 176 |
| Investment-Certificate of Deposit-GEFA | | 164,966 |
| Accounts Receivable (Net of Allowance for Uncollectible Accounts) | | 201,444 |
| Inventory | | 50,050 |
| Prepaid Items | | 7,290 |
| Due from Other Funds | | 101,652 |
| Total Current Assets | | 1,100,012 |
| Noncurrent Assets | | |
| Capital Assets | | |
| Land | | 21,800 |
| Buildings | | 365,283 |
| Water and Sewer System | | 14,615,266 |
| Machinery and Equipment | | 783,513 |
| Vehicles | | 207,475 |
| Construction in Progress | | 2,679,359 |
| Accumulated Depreciation | | (9,311,348) |
| Total Noncurrent Assets | | 9,361,348 |
| TOTAL ASSETS | | 10,461,360 |
| **LIABILITIES** | | |
| Current Liabilities | | |
| Accounts Payable | | 72,099 |
| Notes Payable | | 249,681 |
| Accrued Expenses | | 12,006 |
| Liabilities Payable from Restricted Assets-Customer Deposits | | 81,380 |
| Due to Other Funds | | 136,605 |
| Total Current Liabilities | | 551,771 |
| Long-Term Liabilities | | |
| Accrued Vacation | | 6,585 |
| Notes Payable | | 4,435,819 |
| Total Long-Term Liabilities | | 4,442,404 |
| TOTAL LIABILITIES | | 4,994,175 |
| Net Investment in Capital Assets | | 4,675,848 |
| Restricted for Debt Service | | 164,966 |
| Unrestricted | | 626,371 |
| TOTAL NET POSITION | $ | 5,467,185 |

**CITY OF SYLVESTER, GEORGIA**
**Water and Sewer Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Water Revenue | $ 971,415 |
| Sewer Revenue | 781,774 |
| Penalties | 9,827 |
| Other | 2,331 |
| TOTAL OPERATING REVENUES | 1,765,347 |
| **OPERATING EXPENSES** | |
| Water (Schedule 1) | 617,847 |
| Sewer (Schedule 2) | 543,581 |
| Depreciation | 360,356 |
| TOTAL OPERATING EXPENSES | 1,521,784 |
| OPERATING INCOME | 243,563 |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Principal Forgiveness on Long-Term Debt | 353,887 |
| Interest Income | 1,219 |
| Interest Expense | (96,901) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 258,205 |
| Income Before Transfers | 501,768 |
| Transfers In | - |
| Transfers Out | (755,000) |
| CHANGE IN NET POSITION | (253,232) |
| NET POSITION-JULY 1, 2017 | 5,720,417 |
| NET POSITION-JUNE 30, 2018 | $ 5,467,185 |

**CITY OF SYLVESTER, GEORGIA**
**Water and Sewer Fund**
**Statement of Cash Flows**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Cash Received from Customers | $ 1,826,386 |
| Cash Payments to Suppliers | (638,259) |
| Cash Payment to Employees | (499,505) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 688,622 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Payments to Other Funds | (682,866) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Purchases and Construction of Capital Assets | (1,616,080) |
| Principal Paid on Capital Debt | (179,544) |
| Interest Paid on Capital Debt | (96,901) |
| Proceeds from Long Term Debt | 1,589,420 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (303,105) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest Received | 1,219 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,219 |
| Net Decrease in Cash and Cash Equivalents | (296,130) |
| CASH AND CASH EQUIVALENT-JULY 1, 2017 | 1,035,706 |
| CASH AND CASH EQUIVALENT-JUNE 30, 2018 | $ 739,576 |
| Displayed As: | |
| Investment-Certificate of Deposit | $ 183,563 |
| Restricted Assets | $ 258,903 |
| Non Cash Transactions: | |
| Principal Forgiveness on Capital Debt | $ 353,887 |

**CITY OF SYLVESTER, GEORGIA**
**Water and Sewer Fund**
**Statement of Cash Flows (Continued)**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | |
| Operating Income | $ 243,563 |
| Adjustments to Reconcile Operating Income to Net Cash | |
| Provided by Operating Activities: | |
| Depreciation Expense | 360,356 |
| (Increase) Decrease in Assets: | |
| Accounts Receivable | 59,619 |
| Prepaid Items | (7,290) |
| Increase (Decrease) in Liabilities: | |
| Accounts Payable | 29,991 |
| Accrued Expenses | 1,220 |
| Accrued Vacation | (257) |
| Customer Deposits | 1,420 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 688,622 |

**CITY OF SYLVESTER, GEORGIA**
**Water and Sewer Fund**
**Water Operating Expenses – Schedule 1**
**For the Year Ended June 30, 2018**

**Water Operating Expenses**

| | | |
|---|---|---|
| Personnel Services | $ | 231,351 |
| Employee Medical Insurance | | 46,298 |
| Retirement Fund Contribution | | 10,021 |
| Advertising | | 1,529 |
| Clerical and Administrative | | 3,683 |
| Dues and Memberships | | 820 |
| Insurance | | 18,049 |
| Lab Fees | | 10,470 |
| Motor fuels | | 11,651 |
| Repairs and Maintenance-Equipment | | 11,214 |
| Repairs and Maintenance-System | | 110,669 |
| Supplies-General | | 10,516 |
| Supplies- System | | 56,346 |
| Telephone and Utilities | | 86,514 |
| Travel and Training | | 5,512 |
| Uniforms | | 3,204 |
| Total Operating Expenses | $ | 617,847 |

**CITY OF SYLVESTER, GEORGIA**
**Water and Sewer Fund**
**Sewer Operating Expenses – Schedule 2**
**For the Year Ended June 30, 2018**

**Sewer Operating Expenses**

| | |
|---|---|
| Personnel Services | $ 167,868 |
| Employee Medical Insurance | 29,414 |
| Retirement Fund Contribution | 14,296 |
| Advertising | 7 |
| Clerical and Administrative | 12,091 |
| Insurance | 15,365 |
| Lab Fees | 46,326 |
| Motor Fuels | 12,200 |
| Repairs and Maintenance - Equipment | 8,558 |
| Repairs and Maintenance - System | 63,378 |
| Supplies - General | 6,638 |
| Supplies - System | 21,117 |
| Telephone and Utilities | 142,636 |
| Travel and Training | 1,258 |
| Uniforms | 2,429 |
| Total Operating Expenses | $ 543,581 |

**CITY OF SYLVESTER, GEORGIA**
**Airport Fund**
**Statement of Net Position**
**June 30, 2018**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 62,560 |
| Due from Other Governments | - |
| Due from Other Funds | - |
| Total Current Assets | 62,560 |
| Noncurrent Assets | |
| Capital Assets | |
| Land | 247,300 |
| Land Improvements | 4,644,770 |
| Equipment | 6,040 |
| Construction in Progress | - |
| Accumulated Depreciation | (677,878) |
| Total Noncurrent Assets | 4,220,232 |
| TOTAL ASSETS | 4,282,792 |
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts Payable | 2,878 |
| Due to Other Funds | 27,360 |
| TOTAL LIABILITIES | 30,238 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Unearned Revenues - Rent Proceeds | 800 |
| **NET POSITION** | |
| Investment in Capital Assets | 4,220,232 |
| Unrestricted | 31,522 |
| TOTAL NET POSITION | $ 4,251,754 |

**CITY OF SYLVESTER, GEORGIA**
**Airport Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Rent | $ 5,200 |
| Other Revenues | 64,338 |
| TOTAL OPERATING REVENUES | 69,538 |
| **OPERATING EXPENSES** | |
| Advertising | 281 |
| Dues and Licenses | 400 |
| Insurance | 2,777 |
| Repairs and Maintenance | 1,609 |
| Utilities | 2,029 |
| Miscellaneous | 2,609 |
| Depreciation | 230,465 |
| TOTAL OPERATING EXPENSES | 240,170 |
| OPERATING LOSS | (170,632) |
| **NON-OPERATING REVENUES** | |
| Capital Grants | 39,704 |
| Income Before Transfers | (130,928) |
| Transfers out | - |
| CHANGE IN NET POSITION | (130,928) |
| NET POSITION-JULY 1, 2017 | 4,382,682 |
| NET POSITION-JUNE 30, 2018 | $ 4,251,754 |

**CITY OF SYLVESTER, GEORGIA**
**Airport Fund**
**Statement of Cash Flows**
**For the Year Ended June 30, 2018**

| | | |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash Received from Customers | $ | 69,537 |
| Cash Payments to Suppliers | | (6,828) |
| NET CASH USED BY OPERATING ACTIVITIES | | 62,709 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | |
| Payments from Other Funds | | - |
| Payments to Other Funds | | (3,314) |
| NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES | | (3,314) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Purchase and Construction of Capital Assets | | (40,935) |
| Capital Grants Received | | 39,704 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | | (1,231) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | - |
| Net Decrease in Cash and Cash Equivalents | | 58,164 |
| CASH AND CASH EQUIVALENTS - JULY 1, 2017 | | 4,396 |
| CASH AND CASH EQUIVALENTS - JUNE 30, 2018 | $ | 62,560 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | | |
| Operating Loss | | (170,632) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | | 230,465 |
| Increase (Decrease) in Assets: | | |
| Accounts Receivable | | - |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | | 2,876 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ | 62,709 |

**CITY OF SYLVESTER, GEORGIA**
**Solid Waste Fund**
**Statement of Net Position**
**June 30, 2018**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 16,779 |
| Accounts Receivable (Net of Allowance for Uncollectible Accounts) | 76,284 |
| Due from Other Funds | 92,450 |
| Total Current Assets | 185,513 |
| Noncurrent Assets | |
| Capital Assets | |
| Land | 19,780 |
| Vehicles | 139,855 |
| Accumulated Depreciation | (9,324) |
| Total Noncurrent Assets | 150,311 |
| TOTAL ASSETS | 335,824 |
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts Payable | 86,488 |
| Notes Payable | 22,162 |
| Due to Other Funds | 441 |
| Total Current Liabilities | 109,091 |
| Long-Term Liabilities | |
| Notes Payable | 100,529 |
| Total Long-Term Liabilities | 100,529 |
| TOTAL LIABILITIES | 209,620 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 27,620 |
| Unrestricted | 98,584 |
| TOTAL NET POSITION | $ 126,204 |

**CITY OF SYLVESTER, GEORGIA**
**Solid Waste Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Refuse Collection Fees | $ 668,279 |
| Landfill Collection Fees | 5,718 |
| Penalties | 5,450 |
| Other Revenues | - |
| TOTAL OPERATING REVENUES | 679,447 |
| **OPERATING EXPENSES** | |
| Refuse Disposal Fees | 373,871 |
| Landfill Fees | 134,724 |
| Repairs | 40 |
| Insurance | 431 |
| Clerical and Administrative | 25 |
| Miscellaneous | 798 |
| Depreciation | 9,324 |
| TOTAL OPERATING EXPENSES | 519,213 |
| OPERATING INCOME | 160,234 |
| **NON-OPERATING EXPENSES** | |
| Interest Expense | 1,867 |
| Income Before Transfers | 158,367 |
| Transfers out | (186,500) |
| CHANGE IN NET POSITION | (28,133) |
| NET POSITION-JULY 1, 2017 | 154,337 |
| NET POSITION-JUNE 30, 2018 | $ 126,204 |

**CITY OF SYLVESTER, GEORGIA**
**Solid Waste Fund**
**Statement of Cash Flows**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash Received from Customers | $ 710,242 |
| Cash Payments to Suppliers | (458,116) |
| Cash Payments to Employee | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 252,126 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Payments to Other Funds | (351,202) |
| NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES | (351,202) |
| **CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES** | |
| Purchase of Capital Assets | (159,635) |
| Principal Paid on Long Term Debt | (7,841) |
| Interest Paid on Long Term Debt | (1,867) |
| Proceeds from Long Term Debt | 130,532 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (38,811) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest Received | - |
| NET CASH USED BY INVESTING ACTIVITIES | - |
| Net Decrease in Cash and Cash Equivalents | (137,887) |
| CASH AND CASH EQUIVALENTS - JULY 1, 2017 | 154,666 |
| CASH AND CASH EQUIVALENTS - JUNE 30, 2018 | $ 16,779 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | |
| Operating Income | 160,234 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation Expense | 9,324 |
| (Increase) Decrease in Assets: | |
| Accounts Receivable | 30,795 |
| Increase (Decrease) in Liabilities | |
| Accounts Payable | 51,773 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 252,126 |

**CITY OF SYLVESTER, GEORGIA**
**Telecommunications Fund**
**Statement of Net Position**
**June 30, 2018**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 26,332 |
| Accounts Receivable (Net of Allowance for Uncollectible Accounts) | 133,601 |
| Due from Other Funds | 365 |
| Total Current Assets | 160,298 |
| Noncurrent Assets | |
| Capital Assets | |
| Construction in Progress | 14,490 |
| Fiber Optics System | 328,171 |
| Vehicles | 3,060 |
| Accumulated Depreciation | (285,714) |
| Total Noncurrent Assets | 60,007 |
| TOTAL ASSETS | 220,305 |
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts Payable | 10 |
| Due to Other Funds | 72,869 |
| TOTAL LIABILITIES | 72,879 |
| **NET POSITION** | |
| Investment in Capital Assets | 60,007 |
| Unrestricted | 87,419 |
| TOTAL NET POSITION | $ 147,426 |

**CITY OF SYLVESTER, GEORGIA**
**Telecommunications Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended June 30, 2018**

| | | |
|---|---|---|
| **OPERATING REVENUES** | | |
| Telecom Charges | $ | 40,741 |
| Internet Charges | | 27,301 |
| TOTAL OPERATING REVENUES | | 68,042 |
| **OPERATING EXPENSES** | | |
| Contractual Services | | - |
| Internet Fees | | - |
| Leases | | - |
| Licenses | | - |
| Professional Services | | 24,195 |
| Repairs and Maintenance-System | | 34,500 |
| Supplies | | - |
| Depreciation | | 21,282 |
| TOTAL OPERATING EXPENSES | | 79,977 |
| OPERATING INCOME | | (11,935) |
| Income Before Transfers | | (11,935) |
| Transfers Out | | (10,000) |
| CHANGE IN NET POSITION | | (21,935) |
| NET POSITION-JULY 1, 2017 | | 169,361 |
| NET POSITION-JUNE 30, 2018 | $ | 147,426 |

**CITY OF SYLVESTER, GEORGIA**
**Telecommunications Fund**
**Statement of Cash Flows**
**For the Year Ended June 30, 2018**

| | | |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash Received from Customers | $ | 42,441 |
| Cash Payments to Suppliers | | (58,685) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | | (16,244) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | |
| Payments (to) from Other Funds | | (5,012) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Purchase and Construction of Capital Assets | | - |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | - |
| Net Decrease in Cash and Cash Equivalents | | (21,256) |
| CASH AND CASH EQUIVALENTS - JULY 1, 2017 | | 47,588 |
| CASH AND CASH EQUIVALENTS - JUNE 30, 2018 | $ | 26,332 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | | |
| Operating Income (Loss) | | (11,935) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | | 21,282 |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable | | (25,601) |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | | 10 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ | (16,244) |

**CITY OF SYLVESTER, GEORGIA**
**Natural Gas Fund**
**Statement of Net Position**
**June 30, 2018**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 23,709 |
| Restricted Assets | |
| Cash-Customer Deposits | 24,883 |
| Accounts Receivable (Net of Allowance for Uncollectible Accounts) | 68,203 |
| Due from Other Funds | - |
| Inventory | 31,047 |
| Prepaid Items | 1,187 |
| Total Current Assets | 149,029 |
| Noncurrent Assets | |
| Capital Assets | |
| Land | 2,500 |
| Natural Gas System | 896,021 |
| Machinery and Equipment | 197,577 |
| Vehicles | 103,094 |
| Accumulated Depreciation | (1,021,840) |
| Total Noncurrent Assets | 177,352 |
| TOTAL ASSETS | 326,381 |
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts Payable | 29,642 |
| Notes Payable | 9,756 |
| Accrued Expenses | 6,578 |
| Due to Other Funds | 85,000 |
| Liabilities Payable from Restricted Assets-Customer Deposits | 23,130 |
| Total Current Liabilities | 154,106 |
| Long-Term Liabilities | |
| Accrued Vacation | 1,690 |
| Notes Payable | 19,782 |
| Total Long-Term Liabilities | 21,472 |
| TOTAL LIABILITIES | 175,578 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 147,814 |
| Unrestricted | 2,989 |
| TOTAL NET POSITION | $ 150,803 |

**CITY OF SYLVESTER, GEORGIA**
**Natural Gas Fund**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended June 30, 2018**

| | | |
|---|---|---|
| **OPERATING REVENUES** | | |
| Gas Sales | $ | 935,387 |
| Penalties | | 47,613 |
| Miscellaneous | | - |
| TOTAL OPERATING REVENUES | | 983,000 |
| **OPERATING EXPENSES** | | |
| Purchases-Natural Gas | | 533,707 |
| Personnel Services | | 150,831 |
| Employee Medical Insurance | | 32,741 |
| Advertising | | 4,694 |
| Clerical and Administrative | | 1,312 |
| Dues and Membership | | 17,861 |
| Insurance - General | | 10,390 |
| Motor Fuels | | 5,900 |
| Professional Fees | | 6,462 |
| Repairs and Maintenance - Equipment | | 6,334 |
| Repairs and Maintenance - System | | 6,245 |
| Retirement Fund Contribution | | 10,964 |
| Supplies - General | | 12,504 |
| Supplies - System | | 7,292 |
| Telephone and Utilities | | 1,715 |
| Travel and Training | | 5,563 |
| Uniforms | | 3,022 |
| Depreciation | | 2,861 |
| TOTAL OPERATING EXPENSES | | 820,398 |
| OPERATING INCOME | | 162,602 |
| **NON-OPERATING REVENUES (EXPENSES)** | | |
| Interest Income | | 56 |
| Interest Expense | | (477) |
| Income Before Transfers | | 162,181 |
| Transfers In | | - |
| Transfers Out | | (300,000) |
| CHANGE IN NET POSITION | | (137,819) |
| NET POSITION - JULY 1, 2017 | | 288,622 |
| NET POSITION - JUNE 30, 2018 | $ | 150,803 |

**CITY OF SYLVESTER, GEORIGA**
**Natural Gas Fund**
**Statement of Cash Flows**
**For the Year Ended June 30, 2018**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash Received from Customers | $ 975,217 |
| Cash Payments to Suppliers | (614,847) |
| Cash Payments to Employee | (197,334) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 163,036 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Payments to Other Funds | (245,373) |
| NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES | (245,373) |
| **CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES** | |
| Purchase of Capital Assets | (32,987) |
| Principal Paid on Long Term Debt | (3,449) |
| Interest Paid on Long Term Debt | (477) |
| Proceeds from Long Term Debt | 32,987 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (3,926) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest Received | 56 |
| NET CASH USED BY INVESTING ACTIVITIES | 56 |
| Net Decrease in Cash and Cash Equivalents | (86,207) |
| CASH AND CASH EQUIVALENTS - JULY 1, 2017 | 134,799 |
| CASH AND CASH EQUIVALENTS - JUNE 30, 2018 | $ 48,592 |
| Displayed As: | |
| Restricted Assets | $ 24,883 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | |
| Operating Income | 162,602 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation Expense | 2,861 |
| (Increase) Decrease in Assets: | |
| Accounts Receivable | (6,846) |
| Prepaid Items | (1,187) |
| Increase (Decrease) in Liabilities | |
| Accounts Payable | 3,183 |
| Accrued Expenses | 1,949 |
| Customer Deposits | 250 |
| Accrued Vacation | 224 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 163,036 |

**CITY OF SYLVESTER, GEORGIA**
**Agency Funds**
**Statement of Changes in Assets and Liabilities**
**For the Fiscal Year Ended June 30, 2018**

| | Balance July 1, 2017 | Additions | Deductions | Balance June 30, 2018 |
|---|---|---|---|---|
| **Utility Energy Crisis** | | | | |
| **ASSETS** | | | | |
| Cash | $ 760 | $ - | $ - | $ 760 |
| **LIABILITIES** | | | | |
| Due to Other Governments | $ 760 | $ - | $ - | $ 760 |
| **Downtown Sylvester Farmer's Market** | | | | |
| **ASSETS** | | | | |
| Cash | $ 3,140 | $ 896 | $ (821) | $ 3,215 |
| **LIABILITIES** | | | | |
| Due to Other Governments | $ 3,140 | $ 896 | $ (821) | $ 3,215 |
| **Totals** | | | | |
| **ASSETS** | | | | |
| Cash | $ 3,900 | $ 896 | $ (821) | $ 3,975 |
| **LIABILITIES** | | | | |
| Due to Other Governments | $ 3,900 | $ 896 | $ (821) | $ 3,975 |

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE, 2018

## ADDITIONAL SUPPLEMENTARY INFORMATION

**CITY OF SYLVESTER, GEORGIA**
**Schedule of Projects Constructed with Special Sales Tax Proceeds**
**For the Year Ended June 30, 2018**

## 2011 Referendum

| Category | Original Estimated Cost | Revised Estimated Cost | Expenditures Prior Years | Expenditures Current Year | Total | % Complete as of 6/30/2018 |
|---|---|---|---|---|---|---|
| Roads, bridges and sidewalks | $ 400,000 | $ 1,000,000 | $ 786,183 | $ 98,338 | $ 884,521 | 88% |
| Muncipal building renovations/ construction | 750,000 | 150,000 | 85,100 | - | 85,100 | 57% |
| 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 | $ 990,905 | $ 98,338 | $ 1,089,243 | |

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

| | |
|---|---|
| Prior Years | $ 812,620 |
| Current Year | 183,994 |
| | $ 996,614 |

**CITY OF SYLVESTER, GEORGIA**
**Schedule of Projects Constructed with Special Sales Tax Proceeds**
**For the Year Ended June 30, 2018**

**2016 Referendum**

| Category | Original Estimated Cost | Revised Estimated Cost | Expenditures Prior Years | Expenditures Current Year | Total | % Complete as of 6/30/2018 |
|---|---|---|---|---|---|---|
| Roads, bridges, sidewalks and associated capital equipment | $ 537,015 | $ 537,015 | $ - | $ 477,538 | $ 477,538 | 89% |
| City Hall renovations and associated capital equipment | 950,000 | 950,000 | - | - | - | 0% |
| Water and sewer improvements and associated capital equipment | 250,000 | 250,000 | - | - | - | 0% |
| Parks and recreation improvements and associated capital equipment | 50,000 | 50,000 | - | - | - | 0% |
| Depot improvements and parking lot | 100,000 | 100,000 | - | 25,782 | 25,782 | 26% |
| Holly School Gym | 100,000 | 100,000 | - | - | - | 0% |
| Public safety and associated capital equipment | 1,010,000 | 1,010,000 | - | - | - | 0% |
| TOTAL | $ 2,997,015 | $ 2,997,015 | $ - | $ 503,320 | $ 503,320 | |

**CITY OF SYLVESTER, GEORGIA**
**Community Development Block Grant**
**Project Cost Schedule**
**15p-x-159-2-5754**
**For the Year Ended June 30, 2018**

| 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 | $ 454,000 | $ 412,826 | $ - | $ 412,826 |
| Engineering | T-03J-00 | 16,000 | 16,000 | 31,430 | 47,430 |
| General Administration | A-21A-00 | 30,000 | 30,000 | 10,000 | 40,000 |
| Contingencies - Unprogramed Funds | C-022-00 | - | - | - | - |
| Total | | $ 500,000 | $ 458,826 | $ 41,430 | $ 500,256 |

**CITY OF SYLVESTER, GEORGIA**
**Community Development Block Grant**
**Source & Application of Funds Schedule**
**15p-x-159-2-5754**
**For the Year Ended June 30, 2018**

| | | |
|---|---|---|
| Total Program Year 2015 CDBG Funds Allocated to Recipient | $ | 500,000 |
| Less: Deobligations | | - |
| Net Program Year 2015 Funds Allocated to Recipient | | 500,000 |
| Less: Total Program Year 2015 Funds Drawn Down by Recipient | $ | 458,826 |
| Funds Still Available from Program Year 2015 Resources | $ | 41,174 |
| Total Program Year 2015 CDBG Funds Drawn and Received by Recipient | $ | 458,826 |
| Local Matches and Other Receipts | | 41,430 |
| Total Receipts Available for Program Year 2015 Costs | | 500,256 |
| Less: Funds Applied and Expended to Program Year 2015 Costs | | 500,256 |
| Total Program Year 2015 Funds Held by Recipient | $ | - |

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

# STATISTICAL SECTION
**(UNAUDITED)**

**CITY OF SYLVESTER, GEORGIA**
**Statistical Section**
**(Unaudited)**
**FOR THE YEAR ENDED JUNE 30, 2018**

**This part of the Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.**

**Contents** **Page**


Financial Trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 117-121

Revenue Capacity
These Schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 122-125

Debt Capacity
These schedules contain information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future. 126

Demographic and Economic Information
Helps the reader understand the environment within which the government's financial activities take place. 127-128

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 129-131

**City of Sylvester**
**Net Position by Component**
**For the 10 fiscal years ending June 30, 2018**
**(accrual basis of accounting)**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | | | | | |
| Net investment in capital assets | $ 12,573,014 | $ 10,452,796 | $ 10,171,410 | $ 8,459,304 | $ 7,633,975 | $ 6,855,992 | $ 5,704,644 | $ 5,348,061 | $ 5,360,427 | $ 5,071,319 |
| Restricted | 439,467 | 873,925 | 687,469 | 721,377 | 647,400 | 759,004 | 1,178,911 | 1,263,150 | - | - |
| Unrestricted | 650,098 | 27,209 | (199,005) | (509,945) | 1,385,181 | 1,378,361 | 1,686,301 | 1,538,246 | 2,302,533 | 2,133,355 |
| **Total Governmental Activities** | **$ 13,662,579** | **$ 11,353,930** | **$ 10,659,874** | **$ 8,670,736** | **$ 9,666,556** | **$ 8,993,357** | **$ 8,569,856** | **$ 8,149,457** | **$ 7,662,960** | **$ 7,204,674** |
| **Business-Type Activities:** | | | | | | | | | | |
| Net investment in capital assets | $ 10,813,405 | $ 10,686,390 | $ 9,806,411 | $ 7,792,520 | $ 7,850,152 | $ 7,229,388 | $ 6,822,045 | $ 6,518,856 | $ 5,705,134 | $ 5,285,816 |
| Restricted | 164,966 | 164,966 | 164,966 | 164,623 | 164,623 | 178,467 | 199,022 | 164,198 | 165,539 | 162,361 |
| Unrestricted | 6,433,462 | 9,088,088 | 7,708,671 | 7,876,129 | 6,675,445 | 6,562,053 | 6,991,018 | 7,424,097 | 6,746,315 | 5,092,579 |
| **Total Business-Type Activities** | **$ 17,411,833** | **$ 19,939,444** | **$ 17,680,048** | **$ 15,833,272** | **$ 14,690,220** | **$ 13,969,908** | **$ 14,012,085** | **$ 14,107,151** | **$ 12,616,988** | **$ 10,540,756** |
| **Total Primary Government:** | | | | | | | | | | |
| Net investment in capital assets | $ 23,386,419 | $ 21,139,186 | $ 19,977,821 | $ 16,251,824 | $ 15,484,127 | $ 14,085,380 | $ 12,526,689 | $ 11,866,917 | $ 11,065,561 | $ 10,357,135 |
| Restricted | 604,433 | 1,038,891 | 852,435 | 886,000 | 812,023 | 937,471 | 1,377,933 | 1,427,348 | 165,539 | 162,361 |
| Unrestricted | 7,083,560 | 9,115,297 | 7,509,666 | 7,366,184 | 8,060,626 | 7,940,414 | 8,677,319 | 8,962,343 | 9,048,848 | 7,225,934 |
| **Total Primary Government** | **$ 31,074,412** | **$ 31,293,374** | **$ 28,339,922** | **$ 24,504,008** | **$ 24,356,776** | **$ 22,963,265** | **$ 22,581,941** | **$ 22,256,608** | **$ 20,279,948** | **$ 17,745,430** |

**City of Sylvester**
**Changes in Net Position**
**For the 10 fiscal years ending June 30, 2018**
**(accrual basis of accounting)**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | $ 1,777,599 | $ 1,870,163 | $ 1,655,651 | $ 1,755,934 | $ 1,758,014 | $ 1,726,208 | $ 1,594,040 | $ 1,255,763 | $ 1,255,880 | $ 1,146,290 |
| Public Safety | 3,068,864 | 2,566,203 | 2,674,793 | 2,612,595 | 2,734,049 | 2,809,962 | 2,785,058 | 2,615,144 | 2,678,906 | 2,443,707 |
| Public Works | 1,524,891 | 1,145,314 | 926,809 | 939,209 | 936,325 | 1,046,354 | 866,716 | 721,925 | 669,797 | 792,390 |
| Culture & Recreation | 260,292 | 249,378 | 307,554 | 189,179 | 154,427 | 166,754 | 148,781 | 141,845 | 89,905 | 110,589 |
| Community & Economic Development | 271,628 | 324,824 | 95,668 | 120,767 | 402,427 | 74,024 | 419,275 | 151,918 | 97,789 | 104,529 |
| Interest on Long-Term Debt | 44,398 | 40,329 | 44,461 | 53,260 | 64,711 | 75,478 | 78,937 | 84,683 | 93,374 | 97,729 |
| **Total Governmental Activities** | **$ 6,947,672** | **$ 6,196,211** | **$ 5,704,936** | **$ 5,670,944** | **$ 6,049,953** | **$ 5,898,780** | **$ 5,892,807** | **$ 4,971,278** | **$ 4,885,651** | **$ 4,695,234** |
| Business-Type Activities: | | | | | | | | | | |
| Electric | $ 7,922,990 | $ 7,814,953 | $ 7,948,169 | $ 8,184,532 | $ 7,621,180 | $ 8,024,993 | $ 7,695,605 | $ 7,033,155 | $ 6,291,280 | $ 6,203,721 |
| Water & Sewer | 1,618,685 | 1,402,180 | 1,532,551 | 1,564,885 | 1,357,357 | 1,258,717 | 1,283,539 | 1,255,141 | 1,022,193 | 1,009,642 |
| Natural Gas | 820,875 | 753,576 | 705,120 | 924,034 | 1,037,136 | 868,219 | 823,646 | 948,670 | 1,019,980 | 1,097,430 |
| Solid Waste | 521,080 | 622,476 | 532,488 | 619,209 | 580,960 | 548,974 | 562,860 | 553,667 | 567,331 | 548,018 |
| Telecommunications | 79,977 | 80,753 | 92,072 | 92,011 | 98,098 | 120,498 | 101,624 | 104,797 | 129,633 | 140,600 |
| Airport | 240,170 | 148,224 | 30,218 | 42,309 | 32,021 | 35,629 | 30,544 | 28,530 | 26,022 | 30,224 |
| **Total Business-Type Activities** | **$ 11,203,777** | **$ 10,822,162** | **$ 10,840,618** | **$ 11,426,980** | **$ 10,726,752** | **$ 10,857,030** | **$ 10,497,818** | **$ 9,923,960** | **$ 9,056,439** | **$ 9,029,635** |
| **Total Expenses** | **$ 18,151,449** | **$ 17,018,373** | **$ 16,545,554** | **$ 17,097,924** | **$ 16,776,705** | **$ 16,755,810** | **$ 16,390,625** | **$ 14,895,238** | **$ 13,942,090** | **$ 13,724,869** |
| **Program Revenues** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | $ 149,270 | $ 208,636 | $ 231,329 | $ 133,333 | $ 181,166 | $ 154,799 | $ 84,686 | $ 78,594 | $ 99,296 | $ 92,852 |
| Public Safety | 235,254 | 218,596 | 277,300 | 285,356 | 317,830 | 341,480 | 300,244 | 204,561 | 190,352 | 229,350 |
| Culture & Recreation | 35,265 | - | - | - | - | 42,377 | 40,827 | 56,186 | 30,175 | 31,948 |
| Community & Economic Development | - | - | - | - | - | - | - | - | 4,366 | 6,478 |
| Operating Grants & Contributions | 123,345 | 252,134 | 20,457 | 50,954 | 306,000 | 181,454 | 307,455 | 167,865 | 131,031 | 616,192 |
| Capital Grants & Contributions | 675,397 | 832,795 | 814,682 | 782,697 | 675,248 | 1,201,966 | 675,173 | 810,607 | 754,260 | 397,202 |
| **Total Governmental Activities** | **$ 1,218,531** | **$ 1,512,161** | **$ 1,343,768** | **$ 1,252,340** | **$ 1,480,244** | **$ 1,922,076** | **$ 1,408,385** | **$ 1,317,813** | **$ 1,209,480** | **$ 1,374,022** |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Electric | $ 10,298,555 | $ 11,344,511 | $ 11,274,368 | $ 11,069,018 | $ 10,217,887 | $ 9,668,965 | $ 9,384,219 | $ 9,119,237 | $ 8,866,847 | $ 8,096,696 |
| Water & Sewer | 1,765,347 | 2,020,112 | 1,938,175 | 1,857,728 | 1,743,689 | 1,524,930 | 1,603,603 | 1,626,609 | 1,542,986 | 1,498,498 |
| Natural Gas | 983,000 | 1,027,357 | 1,087,663 | 1,322,292 | 1,339,784 | 1,204,107 | 1,127,290 | 1,408,752 | 1,409,669 | 1,449,116 |
| Solid Waste | 679,447 | 761,250 | 751,700 | 728,258 | 719,234 | 721,012 | 736,210 | 749,200 | 767,116 | 731,266 |
| Telecommunications | 68,042 | 188,745 | 182,685 | 414,540 | 413,645 | 419,779 | 414,540 | 522,540 | 421,840 | 476,940 |
| Airport | 69,538 | 3,600 | 4,800 | 3,200 | 6,400 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 |
| Operating Grants & Contributions | - | - | - | - | - | - | - | - | - | 7,269 |
| Capital Grants & Contributions | 393,591 | 1,013,375 | 1,868,480 | 270,928 | 405,029 | 61,630 | 316,850 | 333,241 | 502,618 | 82,196 |
| **Total Business-Type Activities** | **$ 14,257,520** | **$ 16,358,950** | **$ 17,107,871** | **$ 15,665,964** | **$ 14,845,668** | **$ 13,605,223** | **$ 13,587,512** | **$ 13,764,379** | **$ 13,515,876** | **$ 12,346,781** |
| **Total Program Revenues** | **$ 15,476,051** | **$ 17,871,111** | **$ 18,451,639** | **$ 16,918,304** | **$ 16,325,912** | **$ 15,527,299** | **$ 14,995,897** | **$ 15,082,192** | **$ 14,725,356** | **$ 13,720,803** |
| Net (Expenses)/Revenue | | | | | | | | | | |
| Governmental Activities | $ (5,729,141) | $ (4,684,050) | $ (4,361,168) | $ (4,418,604) | $ (4,569,709) | $ (3,976,704) | $ (4,484,422) | $ (3,653,465) | $ (3,676,171) | $ (3,321,212) |
| Business-Type Activities | 3,053,743 | 5,536,788 | 6,267,253 | 4,238,984 | 4,118,916 | 2,748,193 | 3,089,694 | 3,840,419 | 4,459,437 | 3,317,146 |
| **Total Net (Expenses)/Revenue** | **$ (2,675,398)** | **$ 852,738** | **$ 1,906,085** | **$ (179,620)** | **$ (450,793)** | **$ (1,228,511)** | **$ (1,394,728)** | **$ 186,954** | **$ 783,266** | **$ (4,066)** |

**City of Sylvester**
**Changes in Net Position (continued)**
**For the 10 fiscal years ending June 30, 2018**
**(accrual basis of accounting)**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Revenues** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes & Franchise Taxes | $ 1,009,456 | $ 933,595 | $ 777,058 | $ 810,749 | $ 806,560 | $ 643,935 | $ 672,466 | $ 669,947 | $ 678,922 | $ 646,554 |
| Intangible & Transfer Taxes | 4,940 | 9,844 | 10,156 | 10,295 | 12,465 | 10,939 | 11,076 | 12,284 | 11,980 | 15,456 |
| Insurance Premium Taxes | 413,686 | 386,219 | 356,558 | 333,748 | 319,202 | 308,287 | 290,243 | 322,452 | - | - |
| Sales Taxes | 442,687 | 429,494 | 426,861 | 437,541 | 378,991 | 436,885 | 454,279 | 465,846 | 482,397 | 456,409 |
| Alcoholic Beverage Tax | 98,582 | 100,561 | 101,021 | 96,219 | 94,878 | 98,414 | 103,270 | 105,077 | 103,377 | 109,521 |
| Business Taxes | 39,007 | 53,740 | 56,912 | 56,120 | 55,069 | 64,053 | 61,379 | 64,953 | 332,104 | 335,250 |
| Investment Earnings | 9,613 | 2,771 | 6,932 | 3,412 | 9,148 | 6,453 | 9,532 | 13,461 | 23,109 | 49,236 |
| Miscellaneous Revenue | 306,319 | 61,941 | 54,774 | 153,327 | 121,595 | 60,687 | 102,081 | 75,693 | 99,978 | 63,884 |
| Transfers (Internal Activities) | 5,713,500 | 3,399,941 | 4,560,034 | 3,266,351 | 3,445,000 | 2,770,552 | 3,200,495 | 2,410,249 | 2,402,590 | 1,728,932 |
| **Total Governmental Activities** | **$ 8,037,790** | **$ 5,378,106** | **$ 6,350,306** | **$ 5,167,762** | **$ 5,242,908** | **$ 4,400,205** | **$ 4,904,821** | **$ 4,139,962** | **$ 4,134,457** | **$ 3,405,242** |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | 7,590 | 4,649 | 6,038 | 3,081 | 4,408 | 42,439 | 15,735 | 18,293 | 19,385 | 56,855 |
| Gain on Investments | 124,556 | 117,900 | 133,519 | 167,338 | 41,988 | (62,258) | - | 41,700 | - | - |
| Transfers (Internal Activities) | (5,713,500) | (3,399,941) | (4,560,034) | (3,266,351) | (3,445,000) | (2,770,552) | (3,200,495) | (2,410,249) | (2,402,590) | (1,728,932) |
| **Total Business-Type Activities** | **$ (5,581,354)** | **$ (3,277,392)** | **$ (4,420,477)** | **$ (3,095,932)** | **$ (3,398,604)** | **$ (2,790,371)** | **$ (3,184,760)** | **$ (2,350,256)** | **$ (2,383,205)** | **$ (1,672,077)** |
| **Total Primary Government** | **$ 2,456,436** | **$ 2,100,714** | **$ 1,929,829** | **$ 2,071,830** | **$ 1,844,304** | **$ 1,609,834** | **$ 1,720,061** | **$ 1,789,706** | **$ 1,751,252** | **$ 1,733,165** |
| Change in Net Assets | | | | | | | | | | |
| Governmental Activities | $ 2,308,649 | $ 694,056 | $ 1,989,138 | $ 749,158 | $ 673,199 | $ 423,501 | $ 420,399 | $ 486,497 | $ 458,286 | $ 84,030 |
| Business-Type Activities | (2,527,611) | 2,259,396 | 1,846,776 | 1,143,052 | 720,312 | (42,178) | (95,066) | 1,490,163 | 2,076,232 | 1,645,069 |
| **Total Change in Net Assets** | **$ (218,962)** | **$ 2,953,452** | **$ 3,835,914** | **$ 1,892,210** | **$ 1,393,511** | **$ 381,323** | **$ 325,333** | **$ 1,976,660** | **$ 2,534,518** | **$ 1,729,099** |

**City of Sylvester**
**Fund Balances of Governmental Funds**
**For the 10 fiscal years ending June 30, 2018**
**(modified accrual basis of accounting)**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Fund** | | | | | | | | | | |
| Nonspendable | $ 122,159 | $ 156,530 | $ 120,114 | $ 85,874 | $ 143,350 | $ 129,485 | $ 129,196 | $ 124,631 | $ 90,250 | $ 61,683 |
| Restricted | 22,811 | 14,832 | 14,906 | 13,031 | 28,097 | 61,644 | 122,577 | 93,086 | - | - |
| Assigned | - | - | - | - | - | 411,078 | 405,260 | 683,594 | - | - |
| Unassigned | 1,830,791 | 1,320,595 | 1,218,479 | 1,060,467 | 1,127,408 | 807,363 | 1,083,353 | 725,768 | 1,267,084 | 1,356,254 |
| **Total General Fund** | **$ 1,975,761** | **$ 1,491,957** | **$ 1,353,499** | **$ 1,159,372** | **$ 1,298,855** | **$ 1,409,570** | **$ 1,740,386** | **$ 1,627,079** | **$ 1,357,334** | **$ 1,417,937** |
| **SPLOST Capital Project Fund** | | | | | | | | | | |
| Restricted | 39,640 | 465,908 | 401,596 | 439,693 | 473,026 | 565,659 | 937,559 | 744,161 | 482,996 | 275,539 |
| **Total SPLOST Capital Project Fund** | **$ 39,640** | **$ 465,908** | **$ 401,596** | **$ 439,693** | **$ 473,026** | **$ 565,659** | **$ 937,559** | **$ 744,161** | **$ 482,996** | **$ 275,539** |
| **All Other Governmental Funds** | | | | | | | | | | |
| Nonspendable | $ - | $ - | $ - | $ - | $ 117,928 | $ 127,609 | $ 137,463 | $ 146,835 | $ 146,835 | $ 151,011 |
| Restricted | 347,016 | 393,185 | 270,967 | 268,653 | 146,277 | 131,701 | 118,775 | 425,903 | 425,900 | 420,061 |
| Assigned | - | - | - | - | - | - | 100 | 300 | - | - |
| **Total All Other Governmental Funds** | **$ 347,016** | **$ 393,185** | **$ 270,967** | **$ 268,653** | **$ 264,205** | **$ 259,310** | **$ 256,338** | **$ 573,038** | **$ 572,735** | **$ 571,072** |
| **Total Governmental Funds** | | | | | | | | | | |
| Nonspendable | $ 122,159 | $ 156,530 | $ 120,114 | $ 85,874 | $ 261,278 | $ 257,094 | $ 266,659 | $ 271,466 | $ 237,085 | $ 212,694 |
| Restricted | 409,467 | 873,925 | 687,469 | 721,377 | 647,400 | 759,004 | 1,178,911 | 1,263,150 | 908,896 | 695,600 |
| Assigned | - | - | - | - | - | 411,078 | 405,360 | 683,894 | - | - |
| Unassigned | 1,830,791 | 1,320,595 | 1,218,479 | 1,060,467 | 1,127,408 | 807,363 | 1,083,353 | 725,768 | 1,267,084 | 1,356,254 |
| **Total Governmental Funds** | **$ 2,362,417** | **$ 2,351,050** | **$ 2,026,062** | **$ 1,867,718** | **$ 2,036,086** | **$ 2,234,539** | **$ 2,934,283** | **$ 2,944,278** | **$ 2,413,065** | **$ 2,264,548** |

**City of Sylvester**
**Changes in Fund Balances of Governmental Funds**
**For the 10 fiscal years ending June 30, 2018**
**(modified accrual basis of accounting)**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | | |
| Taxes - Net | $ 1,964,827 | $ 2,005,743 | $ 1,735,154 | $ 1,733,668 | $ 1,600,280 | $ 1,644,555 | $ 1,587,915 | $ 1,659,813 | $ 1,593,731 | $ 1,577,213 | $ 1,559,810 |
| Charges for Services | 88,379 | 137,154 | 167,618 | 66,146 | 116,251 | 99,063 | 37,615 | 20,942 | 34,635 | 38,279 | 33,209 |
| Fines & Forfeitures | 235,254 | 218,596 | 277,300 | 285,356 | 317,830 | 341,480 | 300,244 | 204,561 | 190,027 | 229,135 | 314,111 |
| Licenses & Permits | 60,891 | 71,482 | 63,711 | 67,187 | 64,915 | 55,736 | 47,071 | 57,652 | 99,527 | 93,214 | 106,231 |
| Intergovernmental | 773,760 | 1,070,163 | 833,500 | 831,826 | 978,370 | 1,320,645 | 980,951 | 976,957 | 883,886 | 1,011,200 | 1,769,808 |
| Interest Income | 10,619 | 4,322 | 8,571 | 5,237 | 12,026 | 7,574 | 11,209 | 14,976 | 25,460 | 52,625 | 81,044 |
| Miscellaneous | 365,610 | 75,156 | 54,774 | 153,327 | 121,595 | 103,064 | 85,471 | 131,879 | 99,032 | 62,689 | 75,889 |
| **TOTAL REVENUES** | **$ 3,499,340** | **$ 3,582,616** | **$ 3,140,628** | **$ 3,142,747** | **$ 3,211,267** | **$ 3,572,117** | **$ 3,050,476** | **$ 3,066,780** | **$ 2,926,298** | **$ 3,064,355** | **$ 3,940,102** |
| **EXPENDITURES** | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| General Government | $ 2,143,053 | $ 1,926,708 | $ 1,640,216 | $ 1,802,268 | $ 1,806,078 | $ 1,994,519 | $ 1,809,480 | $ 1,238,189 | $ 1,239,164 | $ 1,093,947 | $ 1,074,747 |
| Public Safety | 2,840,882 | 2,846,748 | 2,497,294 | 2,488,302 | 2,595,449 | 2,750,569 | 2,837,388 | 2,478,920 | 2,606,911 | 2,273,498 | 2,668,943 |
| Public Works | 2,412,617 | 1,060,627 | 851,429 | 858,822 | 965,301 | 857,535 | 940,520 | 624,502 | 855,623 | 813,757 | 1,364,680 |
| Culture & Recreation | 290,027 | 326,318 | 810,355 | 380,165 | 145,333 | 158,241 | 142,165 | 128,431 | 83,278 | 96,173 | 70,154 |
| Community & Economic Development | 271,305 | 324,495 | 839,065 | 120,598 | 402,259 | 78,316 | 419,044 | 152,957 | 95,294 | 100,430 | 104,645 |
| Capital Outlay | 946,467 | 486,336 | 668,785 | 546,964 | 518,707 | 891,239 | 154,216 | - | 72,662 | 36,411 | 943,061 |
| Debt Service | | | | | | | | | | | |
| Principal | 252,497 | 224,679 | 221,470 | 327,087 | 356,882 | 336,006 | 282,101 | 238,132 | 233,694 | 200,344 | 175,839 |
| Interest | 44,398 | 40,329 | 44,461 | 53,260 | 64,711 | 75,478 | 78,937 | 84,683 | 93,374 | 97,729 | 89,348 |
| **TOTAL EXPENDITURES** | **$ 9,201,246** | **$ 7,236,240** | **$ 7,573,075** | **$ 6,577,466** | **$ 6,854,720** | **$ 7,141,903** | **$ 6,663,851** | **$ 4,945,814** | **$ 5,280,000** | **$ 4,712,289** | **$ 6,491,417** |
| **Excess (Deficiency) of Revenue Over (Under) Expenditures** | **$ (5,701,906)** | **$ (3,653,624)** | **$ (4,432,447)** | **$ (3,434,719)** | **$ (3,643,453)** | **$ (3,569,786)** | **$ (3,613,375)** | **$ (1,879,034)** | **$ (2,353,702)** | **$ (1,647,934)** | **$ (2,551,315)** |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | | | | |
| Capital Lease Transaction | $ - | $ 578,671 | $ 30,757 | $ - | $ - | $ 99,490 | $ 402,885 | $ - | $ 99,629 | $ 105,000 | $ 508,550 |
| Transfer In | 5,722,509 | 3,399,941 | 4,566,534 | 3,273,351 | 3,451,500 | 3,114,938 | 3,351,560 | 2,774,182 | 2,423,094 | 2,229,724 | 2,478,626 |
| Transfer Out | (9,009) | - | (6,500) | (7,000) | (6,500) | (344,386) | (151,065) | (363,935) | (20,504) | (500,792) | (224,947) |
| **Total Other Financing Sources (Uses)** | **$ 5,713,500** | **$ 3,978,612** | **$ 4,590,791** | **$ 3,266,351** | **$ 3,445,000** | **$ 2,870,042** | **$ 3,603,380** | **$ 2,410,247** | **$ 2,502,219** | **$ 1,833,932** | **$ 2,762,229** |
| **Net Change in Fund Balances** | **$ 11,594** | **$ 324,988** | **$ 158,344** | **$ (168,368)** | **$ (198,453)** | **$ (699,744)** | **$ (9,995)** | **$ 531,213** | **$ 148,517** | **$ 185,998** | **$ 210,914** |
| **Debt Services Ratio** | 3.73% | 4.09% | 4.01% | 6.73% | 7.13% | 7.05% | 5.87% | 6.98% | 6.70% | 6.81% | 5.02% |

**City of Sylvester**
**Assessed Value and Estimated Actual Value of Taxable Property**
**For the 10 fiscal years ending June 30, 2018**

| Year | Real Property | Motor Vehicles | Mobile Homes | Gross Digest | M&O Exemptions | Net M&O Digest | Taxable Assesssed Value as % of Estimated Actual Value | Estimated Actual Taxable Value | Total Millage Rate |
|---|---|---|---|---|---|---|---|---|---|
| 2008 | 93,690,758 | 9,056,880 | 1,405,390 | 104,153,028 | 3,617,023 | 100,536,005 | 38.61% | 260,382,570 | 32.6600 |
| 2009 | 104,161,589 | 9,599,180 | 1,472,590 | 115,233,359 | 2,760,866 | 112,472,493 | 39.04% | 288,083,398 | 30.0150 |
| 2010 | 108,397,100 | 8,372,080 | 1,429,210 | 118,198,390 | 6,070,591 | 112,127,799 | 37.95% | 295,495,975 | 30.0150 |
| 2011 | 107,316,570 | 8,313,410 | 1,381,450 | 117,011,430 | 5,184,404 | 111,827,026 | 38.23% | 292,528,575 | 30.0150 |
| 2012 | 112,997,903 | 8,563,160 | 1,426,460 | 122,987,523 | 9,598,412 | 113,389,111 | 36.88% | 307,468,808 | 29.9480 |
| 2013 | 111,390,786 | 8,912,600 | 1,375,980 | 121,679,366 | 8,840,602 | 112,838,764 | 37.09% | 304,198,415 | 31.1580 |
| 2014 | 113,498,510 | 7,088,560 | 1,353,970 | 121,941,040 | 9,833,355 | 112,107,685 | 36.77% | 304,852,600 | 33.3630 |
| 2015 | 114,523,799 | 5,132,310 | 1,265,910 | 120,922,019 | 5,698,268 | 115,223,751 | 38.12% | 302,305,048 | 33.3630 |
| 2016 | 116,197,568 | 3,883,040 | 1,303,070 | 121,383,678 | 7,861,253 | 113,522,425 | 37.41% | 303,459,195 | 35.3130 |
| 2017 | 112,682,261 | 2,920,240 | 1,286,810 | 116,889,311 | 3,322,465 | 113,566,846 | 38.86% | 292,223,278 | 35.3130 |
| 2018 | 113,646,643 | 2,352,250 | 1,392,574 | 117,391,467 | 3,434,292 | 113,957,175 | 38.83% | 293,478,668 | 35.3130 |

Source: Georgia Department of Revenue (apps.dor.ga.gov/digestconsolidation)

**City of Sylvester**
**Property Tax Rates (Per $ 1,000) and Overlapping Governments**
**For the 10 fiscal years ending June 30, 2018**

| Year | City of Sylvester | Worth County | Worth County School District | State of Georgia | Total |
|---|---|---|---|---|---|
| 2009 | 5.2530 | 10.2620 | 14.2500 | 0.2500 | 30.0150 |
| 2010 | 5.2530 | 10.2620 | 14.2500 | 0.2500 | 30.0150 |
| 2011 | 5.2530 | 10.2620 | 14.2500 | 0.2500 | 30.0150 |
| 2012 | 5.2530 | 10.2550 | 14.2400 | 0.2000 | 29.9480 |
| 2013 | 5.2530 | 10.2550 | 15.5000 | 0.1500 | 31.1580 |
| 2014 | 5.2530 | 12.5100 | 15.5000 | 0.1000 | 33.3630 |
| 2015 | 5.2530 | 12.5600 | 15.5000 | 0.0500 | 33.3630 |
| 2016 | 7.2530 | 12.5600 | 15.5000 | - | 35.3130 |
| 2017 | 7.2530 | 12.5600 | 15.5000 | - | 35.3130 |
| 2018 | 7.2530 | 12.5600 | 15.5000 | - | 35.3130 |

**City of Sylvester**
**Property Tax Levies and Collections**
**For the 10 fiscal years ending June 30, 2018**

| Year | Total Levy | Current Year Collections | Collections in Subsequent Years | Total Collections | Percent Collected |
|---|---|---|---|---|---|
| 2009 | 590,818 | 561,891 | 22,323 | 584,214 | 98.88% |
| 2010 | 589,007 | 584,596 | 1,735 | 586,330 | 99.55% |
| 2011 | 587,427 | 572,401 | 5,385 | 577,786 | 98.36% |
| 2012 | 595,633 | 581,621 | 4,372 | 585,993 | 98.38% |
| 2013 | 592,742 | 589,778 | 424 | 590,202 | 99.57% |
| 2014 | 588,902 | 535,236 | 4,199 | 539,434 | 91.60% |
| 2015 | 605,270 | 591,575 | 12,719 | 604,294 | 99.84% |
| 2016 | 823,378 | 692,639 | 17,650 | 710,289 | 86.27% |
| 2017 | 823,700 | 776,638 | 20,192 | 796,830 | 96.74% |
| 2018 | 824,355 | 780,168 | 20,004 | 800,172 | 97.07% |

**City of Sylvester**
**Principal TaxPayers - Real Estate Ad Valorem Taxes**
**For the fiscal years including June 30, 2018 and June 30, 2008**

| | 2018 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| **Name** | **Taxable Assessed Value** | **Rank** | **Percentage of Total Assessed Value** | **Taxes Assessed** | **Taxable Assessed Value** | **Rank** | **Percentage of Total Assessed Value** | **Taxes Assessed** |
| Conagra Grocery Products | 9,691,205 | 1 | 8.53% | 298,536 | 9,125,044 | 1 | 8.04% | 273,847 |
| Winfield Solutions LLC C | 3,236,958 | 2 | 2.85% | 116,220 | | | 0.00% | |
| Conagra Foods Packaged F | 1,832,840 | 3 | 1.61% | 65,806 | | | 0.00% | |
| Wal-Mart Stores EAST LP | 1,616,455 | 4 | 1.42% | 58,037 | | | 0.00% | |
| Kohn Pamela - Trustee | 1,554,498 | 5 | 1.37% | 55,812 | 1,803,524 | 3 | 1.59% | 60,111 |
| AGRI - AFC | 1,489,520 | 6 | 1.31% | 53,480 | | | 0.00% | |
| Crop Prodctn SVS Inc | 1,365,291 | 7 | 1.20% | 49,019 | 1,022,173 | 6 | 0.90% | 33,059 |
| Universal Blanchers LLC | 1,138,004 | 8 | 1.00% | 40,859 | 701,208 | 9 | 0.62% | 23,371 |
| Hal Carter Rental LP | 1,138,004 | 9 | 1.00% | 40,016 | | | 0.00% | |
| Fiint Equipment Company | 1,058,348 | 10 | 0.93% | 37,998 | | | 0.00% | |
| Genuine Parts Co. | | | | | 2,959,720 | 2 | 2.61% | 83,130 |
| JFT Properties | | | | | 1,181,795 | 4 | 1.04% | 39,389 |
| Bellsouth Telecomm Inc. | | | | | 1,180,407 | 5 | 1.04% | 33,097 |
| Sylvester Plaza LTD | | | | | 824,494 | 7 | 0.73% | 27,480 |
| H G Davis Jr Entprs LLLP | | | | | 729,711 | 8 | 0.64% | 24,321 |
| Seabrook Blanching #5 | | | | | 694,704 | 10 | 0.61% | 23,154 |
| **Total** | **24,121,123** | | **21.24%** | **815,783** | **12,651,949** | | **11.14%** | **620,962** |

**City of Sylvester**
**Computation of Legal Debt Margin**
**For the 10 fiscal years ending June 30, 2018**

| Year | Gross Digest | M&O Exemptions | Net M&O Digest | Legal Debt Margin (10% of Assessed Value) |
|---|---|---|---|---|
| 2008 | 104,153,028 | 3,617,023 | 100,536,005 | 10,053,601 |
| 2009 | 115,233,359 | 2,760,866 | 112,472,493 | 11,247,249 |
| 2010 | 118,198,390 | 6,070,591 | 112,127,799 | 11,212,780 |
| 2011 | 117,011,430 | 5,184,404 | 111,827,026 | 11,182,703 |
| 2012 | 122,987,523 | 9,598,412 | 113,389,111 | 11,338,911 |
| 2013 | 121,679,366 | 8,840,602 | 112,838,764 | 11,283,876 |
| 2014 | 121,941,040 | 9,833,355 | 112,107,685 | 11,210,769 |
| 2015 | 120,922,019 | 5,698,268 | 115,223,751 | 11,522,375 |
| 2016 | 121,383,678 | 7,861,253 | 113,522,425 | 11,352,243 |
| 2017 | 116,889,311 | 3,322,465 | 113,566,846 | 11,356,685 |
| 2018 | 117,391,467 | 3,734,292 | 113,657,175 | 11,365,718 |

**City of Sylvester**
**Demographic & Economic Statistics for Zip Code 31791**
**For the 8 fiscal years ending June 30, 2018**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|
| Total Population | 12,631 | 12,184 | 12,064 | 11,844 | 11,817 | 11,637 | 12,008 | 12,479 |
| Median Household Income | 43,354 | 38,250 | 37,500 | 37,193 | 39,552 | 35,594 | 39,241 | 37,471 |
| Per Capita Income | 22,088 | 19,576 | 19,382 | 18,547 | 18,936 | 18,658 | 18,939 | 19,074 |
| Median Age | 40.0 | 40.0 | 40.0 | 39.3 | 39.6 | 39.4 | 38.9 | 37.7 |
| School Enrollment | 2,425 | 2,400 | 2,312 | 2,244 | 2,168 | 2,203 | 2,305 | 2,460 |
| Unemployment Rate | 4.00% | 4.30% | 5.00% | 5.30% | 6.10% | 7.50% | 8.10% | 9.00% |

Source: Google Search Internet

**City of Sylvester**
**Top Employers (Worth County)**
**For the fiscal years including June 30, 2018 and June 30, 2009**

| | 2018 | | | 2009 | | |
|---|---|---|---|---|---|---|
| **Name** | **Number of Employees** | **Rank** | **Percentage of Total Employees** | **Number of Employees** | **Rank** | **Percentage of Total Employees** |
| Worth County Board of Education | 575 | 1 | 6.79% | 575 | 1 | 6.30% |
| Phoebe Worth | 212 | 2 | 2.50% | 189 | 3 | 2.07% |
| Worth County Board of Commissioners | 182 | 3 | 2.15% | 199 | 2 | 2.18% |
| ConAgra Grocery Products | 175 | 4 | 2.07% | 150 | 4 | 1.64% |
| Wal-Mart Stores East LP | 106 | 5 | 1.25% | | | |
| Coca-Cola Bottling Company | 134 | 6 | 1.58% | | | |
| Pruitt Health Care *(formerly Sylvester Health Care)* | 100 | 7 | 1.18% | 100 | 5 | 1.10% |
| City of Sylvester | 85 | 8 | 1.00% | 97 | 6 | 1.06% |
| Birdsong Peanuts | 65 | 9 | 0.77% | 65 | 7 | 0.71% |
| Olam Edible Nuts *(formerly Universal Blanchers)* | 65 | 10 | 0.77% | 50 | 10 | 0.55% |
| Reese Building Components | | | | 60 | 8 | 0.66% |
| NAPA Distribution | | | | 54 | 9 | 0.59% |
| **Total** | **1,699** | | **20.05%** | **1,539** | | **15.60%** |

**City of Sylvester**
**Employees by Function (Full & Part-time)**
**For the 10 fiscal years ending June 30, 2018**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | 49 | 49 | 51 | 44 | 44 | 46 | 39 | 33 | 22 | 24 |
| Public Safety | 39 | 39 | 33 | 37 | 37 | 39 | 37 | 40 | 43 | 45 |
| Public Works | 14 | 14 | 13 | 13 | 14 | 13 | 11 | 10 | 10 | 10 |
| Community & Economic Development | 10 | 10 | 9 | 9 | 9 | 11 | 10 | 8 | 6 | 6 |
| **Total Governmental Activities** | **112** | **112** | **106** | **103** | **104** | **109** | **97** | **91** | **81** | **85** |
| Business-Type Activities: | | | | | | | | | | |
| Electric | 15 | 15 | 14 | 12 | 11 | 11 | 12 | 10 | 11 | 11 |
| Water & Sewer | 7 | 7 | 6 | 5 | 6 | 5 | 5 | 7 | 8 | 8 |
| Natural Gas | 3 | 3 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 2 |
| **Total Business-Type Activities** | **25** | **25** | **21** | **19** | **19** | **18** | **18** | **19** | **21** | **21** |
| **Total Employees** | **137** | **137** | **127** | **122** | **123** | **127** | **115** | **110** | **102** | **106** |

Source: Sylvester Human Resource Department

**City of Sylvester**
**Operating Indicators by Function**
**For the 4 fiscal years ending June 30, 2018**

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Electric: | | | | |
| # of Residential Meters | 2,264 | 2,264 | 2,275 | 2,264 |
| Average Daily Usage (KwH) | 89,532 | 89,309 | 92,299 | 94,086 |
| | | | | |
| # of Commercial Meters | 405 | 404 | 423 | 410 |
| Average Daily Usage (KwH) | 68,439 | 66,770 | 77,564 | 76,636 |
| | | | | |
| Water & Sewer: | | | | |
| # of Residential Meters | 2,495 | 2,489 | 2,500 | 2,486 |
| Average Daily Usage (gallons) | 4,914 | 4,902 | 5,573 | 5,966 |
| | | | | |
| # of Commercial Meters | 344 | 343 | 347 | 347 |
| Average Daily Usage (gallons) | 1,371 | 1,368 | 1,704 | 1,419 |
| | | | | |
| Natural Gas: | | | | |
| # of Residential Meters | 629 | 626 | 635 | 646 |
| Average Daily Usage (decatherms) | 13 | 13 | 14 | 13 |
| | | | | |
| # of Commercial Meters | 89 | 88 | 89 | 91 |
| Average Daily Usage (decatherms) | 55 | 54 | 51 | 42 |

*Note: detailed billing records showing usage are not readily available prior to 2015*

**City of Sylvester**
**Capital Assets by Function**
**For the 10 fiscal years ending June 30, 2018**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Fund** | | | | | | | | | | |
| Buildings | | | | | | | | | | |
| General Gov't | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public Works | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Community & Economic Development | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Auto & Trucks | | | | | | | | | | |
| General Gov't | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 7 | 7 | 6 |
| Public Safety | 42 | 42 | 42 | 42 | 42 | 42 | 39 | 33 | 33 | 32 |
| Public Works | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 16 | 16 | 16 |
| **Total General Fund** | **84** | **84** | **84** | **84** | **84** | **84** | **81** | **71** | **71** | **69** |
| **Water & Sewer** | | | | | | | | | | |
| Buildings | 2 | 2 | 2 | 2 | 2 | 1 | 1 | - | - | - |
| Auto & Trucks | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 17 | 17 | 17 |
| **Total Water & Sewer Capital Assets** | **20** | **20** | **20** | **20** | **20** | **19** | **19** | **17** | **17** | **17** |
| **Gas** | | | | | | | | | | |
| Auto & Trucks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| **Total Gas Capital Assets** | **9** | **9** | **9** | **9** | **9** | **9** | **9** | **9** | **9** | **9** |
| **Electric** | | | | | | | | | | |
| Buildings | | | | | | | | | | |
| Auto & Trucks | 19 | 19 | 19 | 19 | 18 | 18 | 18 | 17 | 16 | 16 |
| **Total Electric Capital Assets** | **19** | **19** | **19** | **19** | **18** | **18** | **18** | **17** | **16** | **16** |
| **Telecom Auto & Truck** | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - |

Source: Maintenance Shop

**CITY OF SYLVESTER, GEORGIA**
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**SINGLE AUDIT SECTION**

**CITY OF SYLVESTER, GEORGIA**
**Schedule of Expenditures of Federal Awards**
**For the Year Ended June 30, 2018**

| Federal Grantor<br>Pass-Through Grantor<br>Program Title | Federal<br>CFDA<br>Number | Grantor's<br>Number | Federal<br>Expenditures |
|---|---|---|---|
| U.S. Environmental Protection Agency: | | | |
| Pass-Through Georgia Environmental Finance Authority (GEFA): | | | |
| GEFA Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | DWSRF 14-005 | $ 1,589,420 |
| U.S. Department of Housing and Urban Development: | | | |
| Pass-Through Georgia Department of Community Affairs: | | | |
| Community Development Block Grants | 14.228 | 15P-X-159-2-5754 | 186,336 |
| Home Investment Partnerships Program | 14.239 | CH14XSYL-01 | 78,138 |
| U.S. Department of Agriculture: | | | |
| Farmers' Market and Local Food Promotion Program | 10.168 | | 15,779 |
| U.S. Department of Transportation: | | | |
| Pass-Through Georgia Department of Transportaion: | | | |
| Airport Improvement Program | 20.106 | APO18-9000-11(321) | 39,704 |
| Total Expenditures of Federal Awards | | | $ 1,909,377 |

**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, 2018. 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

Member
*American Institute of Certified Public Accountants*
*Georgia Society of Certified Public Accountants*
*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 Honorable Mayor and Members of 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, 2018, 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 January 22, 2019.

**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 2018-1) 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
January 22, 2019

# Hudson & NeSmith, CPAs

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

Member
*American Institute of Certified Public Accountants*
*Georgia Society of Certified Public Accountants*
*Private Companies Practice Section*


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

To the Honorable Mayor and Members of 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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

**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
January 22, 2019

**CITY OF SYLVESTER, GEORGIA**
**Schedule of Findings and Questioned Costs**
**For the Year Ended June 30, 2018**

---

**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:

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**

**2018-1** 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**
**For the Year Ended June 30, 2018**

---

**2017-1** 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**

January 22, 2019

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

Re: Section 11-Financial Statement Finding audit report year ending 6/30/2018.

2018-1 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.