CITY OF SYLVESTER, GEORGIA

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDED
June 30, 2021
(***With Independent Auditor's Report Thereon***)

CITY OF SYLVESTER, GEORGIA
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Page
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
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	63
SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Governmental Funds	
General Fund - Balance Sheet	66
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	67-76

CITY OF SYLVESTER, GEORGIA
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Page
Non-major Governmental Funds	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	78
CDBG Economic Development Revolving Loan Fund - Balance Sheet	79
CDBG Economic Development Revolving Loan Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	80
Hotel/Motel Tax Fund - Balance Sheet	81
Hotel/Motel Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	82
Special Revenue Funds	
Designated Grant Fund - Balance Sheet	83
Designated Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	84
Capital Projects Fund	
T-SPLOST Fund - Balance Sheet	85
T-SPLOST Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	86
SPLOST Capital Projects Fund - Balance Sheet	87
SPLOST Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	88
Proprietary Funds	
Electric Fund - Statement of Net Position	89
Electric Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position	90-91
Electric Fund - Statement of Cash Flows	92-93
Water and Sewer Fund - Statement of Net Position	94
Water and Sewer Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position	95
Water and Sewer Fund - Statement of Cash Flows	96-97
Water and Sewer Fund - Schedule of Water Operating Expenses	98
Water and Sewer Fund - Schedule of Sewer Operating Expenses	99
Airport Fund - Statement of Net Position	100
Airport Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position	101
Airport Fund - Statement of Cash Flows	102
Solid Waste Fund - Statement of Net Position	103
Solid Waste Fund - Statement of Revenues, Expenses, Changes in Fund Net Position	104
Solid Waste Fund - Statement of Cash Flows	105

CITY OF SYLVESTER, GEORGIA
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Page
Telecommunications Fund - Statement of Net Position	106
Telecommunications Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position	107
Telecommunications Fund - Statement of Cash Flows	108
Natural Gas Fund - Statement of Net Position	109
Natural Gas Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position	110
Natural Gas Fund - Statement of Cash Flows	111
Custodial Funds	
Statement of Changes in Assets and Liabilities	112
ADDITIONAL SUPPLEMENTARY INFORMATION	
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds	114
Schedule of Projects Constructed with Transportation Special Purpose Local Option Sales Tax Proceeds	115
Community Development Block Grant - Project Cost Schedule 18p-x-159-2-6029	116
Community Development Block Grant - Source and Application of Funds Schedule 18p-x-159-2-6029	117
Community Development Block Grant - Project Cost Schedule 18p-x-159-2-6093	118
Community Development Block Grant - Source and Application of Funds Schedule 18p-x-159-2-6093	119
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	121
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*	122-123
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	124-125
Schedule of Findings and Questioned Costs	126-128
Schedule of Prior Audit Findings	129

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL SECTION

Hudson & NeSmith, CPAs

Member
American Institute of Certified Public Accountants
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Private Companies Practice Section

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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, 2021, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 62 and budgetary comparison schedule on pages 63 through 64 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 combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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* 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 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 schedule of expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-269.5 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 combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, schedule of expenditures of Special Purpose Local Option Sales Tax Proceeds, schedule of expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds and the Project Cost Schedules and Source and Application of Funds Schedules 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, schedule of expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, and the Project Cost Schedules and Source and Application of Funds Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022, 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
February 21, 2022

As management of the City of Sylvester, Georgia (the "City"), 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, 2021. 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 $41,384,760 in total assets of which $32,770,103 are capital assets.
- The City has $8,878,014 in total liabilities of which $6,830,148 are long-term.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $32,953,178 (net position). Of this amount, $3,503,193 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors while $27,366,138 is the net investment in capital assets.
- The City's total net position increased by $1,808,150.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2,824,595, an increase of $702,674 in comparison with the prior year. This amount consists of $1,930,919 restricted for specific projects and public services and an unassigned balance of $779,295.
- The City's long-term debt increased by $82,397 during the current fiscal year as a result of increased borrowings of notes payable and capital leases as well as an increase in long-term compensated absences.

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 six (6) 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, T-SPLOST Fund, Designated Grant Fund, and SPLOST Fund as they are considered to be major funds. Data from the other two (2) 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) Fund, Sanitation Waste Fund, Airport Fund, Telecommunications Fund, and Natural Gas 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) Fund, Airport Fund, Sanitation Waste Fund, Telecommunications Fund, and the Natural Gas 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 Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenditures, and Changes in Net Assets 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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by 32,953,178 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, $27,366,138 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, 2021 and 2020.

Table 2
Condensed Statement of Net Position

	Government Activities		Business Type Activties		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Assets						
Current and other assets	3,430,312	3,027,427	5,184,345	5,893,358	8,614,657	8,920,785
Capital Assets	17,137,836	16,083,651	15,632,267	15,352,662	32,770,103	31,436,313
Total Assets	20,568,148	19,111,078	20,816,612	21,246,020	41,384,760	40,357,098
Deferred Inflow of Resources						
Pension Plan Activity	789,955	908,076	-	-	789,955	908,076
Total Assets and Deferred Outflows	21,358,103	20,019,154	20,816,612	21,246,020	42,174,715	41,265,174
Liabilities						
Other Current Liabilities	816,212	1,150,178	1,231,654	1,799,241	2,047,866	2,949,419
Long Term Liabilities	2,639,129	2,411,995	4,191,019	4,335,756	6,830,148	6,747,751
Total Liabilities	3,455,341	3,562,173	5,422,673	6,134,997	8,878,014	9,697,170
Deferred Inflow of Resources						
Pension Plan Activty	343,523	422,976	-	-	343,523	422,976
Unearned Revenue	-	-	-	-	-	-
Total Liabilites and Deferred Inflows	343,523	422,976	-	-	343,523	422,976
Net Position						
Net Investment in Capital Assets	16,192,647	15,355,282	11,173,491	10,753,625	27,366,138	26,108,907
Restricted	1,914,912	926,617	168,935	165,148	2,083,847	1,091,765
Unrestricted	(548,320)	(247,894)	4,051,513	4,192,250	3,503,193	3,944,356
Total Net Position	17,559,239	16,034,005	15,393,939	15,111,023	32,953,178	31,145,028

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position exceeds liabilities by $32,955,178 for 2021 as compared to $31,145,028 for 2020 for an increase of 5.8%. Of this amount $282,916 came from business-type activities and $1,525,234 came from governmental activities.

An additional portion of the City's net position, 6.23%, represents resources that are subject to external restrictions on how they may be used. This is an increase of $992,082 or 90.9% from 2020.

For governmental activities, the City reported a balance of ($548,320) in unrestricted net position. This is a decrease of ($300,426) from 2020. The business-type activities unrestricted net position was $4,051,513, a decrease of ($140,737) from 2020.

At the end of the current fiscal year, the City is able to report positive balances in the category of net position, 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, 2021 and 2020. 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	
	2021	2020	2021	2020	2021	2020
Revenues						
Taxes-Net	$ 2,184,350	$ 2,053,911	$ -	$ -	$ 2,184,350	$ 2,053,911
Charges for Services	118,446	174,840	15,181,807	15,347,794	15,300,253	15,522,634
Fines and Forfeitures	274,064	179,975	-	-	274,064	179,975
Capital Grants	1,084,174	1,036,055	402,321	321,845	1,486,495	1,357,900
Intergovernmental	1,409,045	289,408	-	-	1,409,045	289,408
Interest Income	13,624	2,137	5,558	897	19,182	3,034
Gain/Loss on Investments	-	-	28,407	310,328	28,407	310,328
Miscellaneous	139,661	74,816	-	-	139,661	74,816
Total Revenues	5,223,364	3,811,142	15,618,093	15,980,864	20,841,457	19,792,006
Expenses						
General Government	2,139,541	2,172,364	-	-	2,139,541	2,172,364
Public Safety	3,735,122	3,322,122	-	-	3,735,122	3,322,122
Public Works	1,460,699	1,537,018	-	-	1,460,699	1,537,018
Culture and Recreation	105,581	208,293	-	-	105,581	208,293
Community development	204,734	424,211	-	-	204,734	424,211
Interest - Long-term debt	20,937	24,664	-	-	20,937	24,664
Electric	-	-	7,950,578	8,814,535	7,950,578	8,814,535
Water and sewer	-	-	1,545,701	1,469,069	1,545,701	1,469,069
Gas	-	-	734,174	756,088	734,174	756,088
Sanitation	-	-	596,603	683,864	596,603	683,864
Telecommunication	-	-	192,364	57,798	192,364	57,798
Airport	-	-	347,273	306,368	347,273	306,368
Total Expenses	7,666,614	7,688,672	11,366,693	12,087,722	19,033,307	19,776,394
Increase (decrease) in net position before transfers	(2,443,250)	(3,877,530)	4,251,400	3,893,142	1,808,150	15,612
Transfers	3,968,484	3,535,680	(3,968,484)	(3,535,680)	-	-
Change in Net Position	$ 1,525,234	$ (341,850)	$ 282,916	$ 357,462	$ 1,808,150	$ 15,612

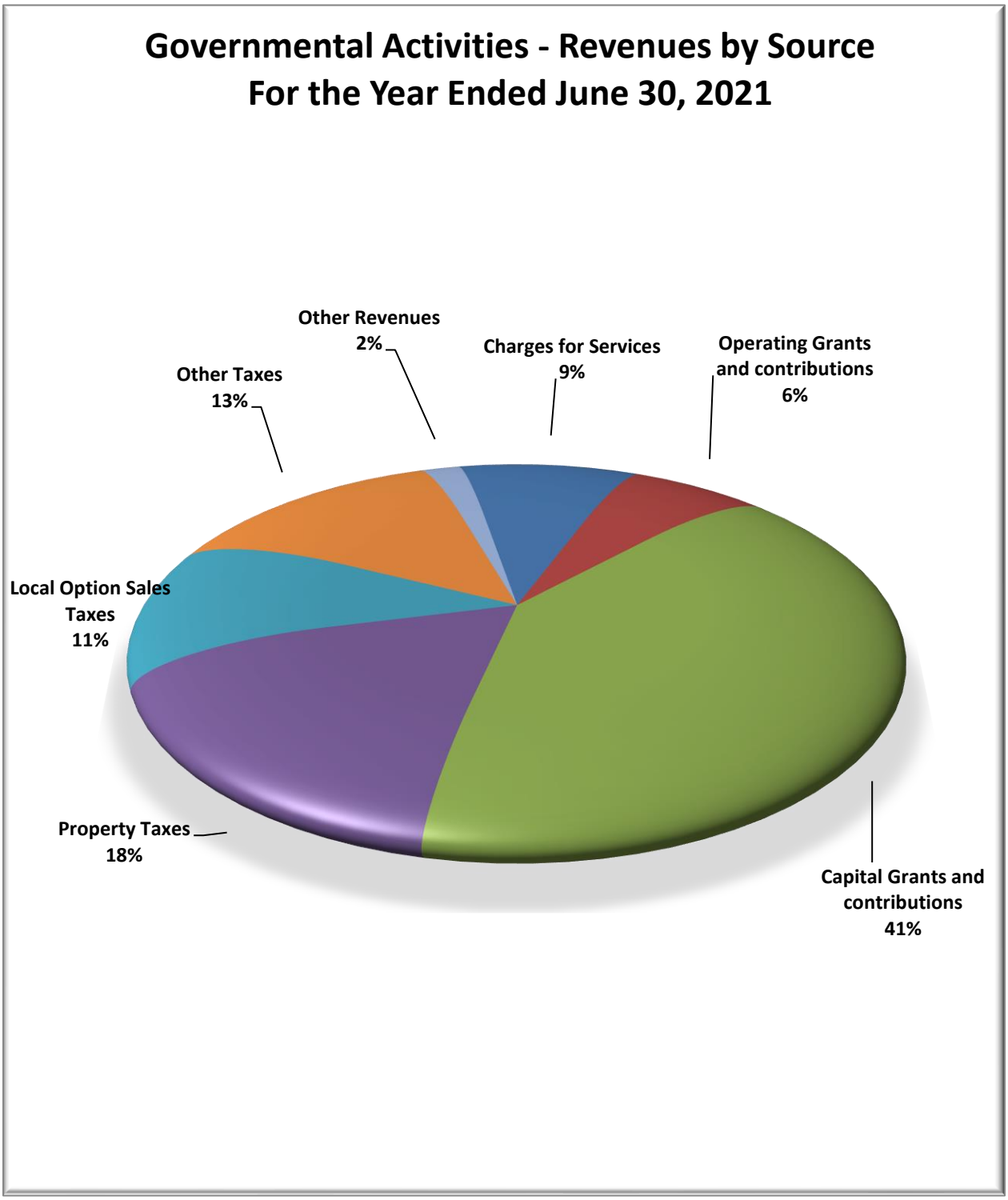
Governmental activities during the fiscal year ended June 30, 2021 increased the City's net position by $1,525,234. Business-type activities during the same period increased net position by $282,916. The net change in net position was an increase of $1,808,150. The Table above shows the revenue and expenses by activity for the total primary government. This Table shows total 2021 revenues from governmental activities at $5,223,364 while expenses were $7,666,614. Business-type activities total revenues for 2021 were $15,618,093 while expenses were $11,366,693. Transfers from business-type activities are the largest governmental activity revenue source at $3,968,484 or 43%. The next largest revenue source for governmental activities comes from property taxes of $920,041 which is 17.6% of the total governmental activity funding. Revenues from other taxes are the third largest governmental activity revenue source at $686,654 or 13.1%. Business-type activities program revenues exceeded expenses by $4,251,400 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

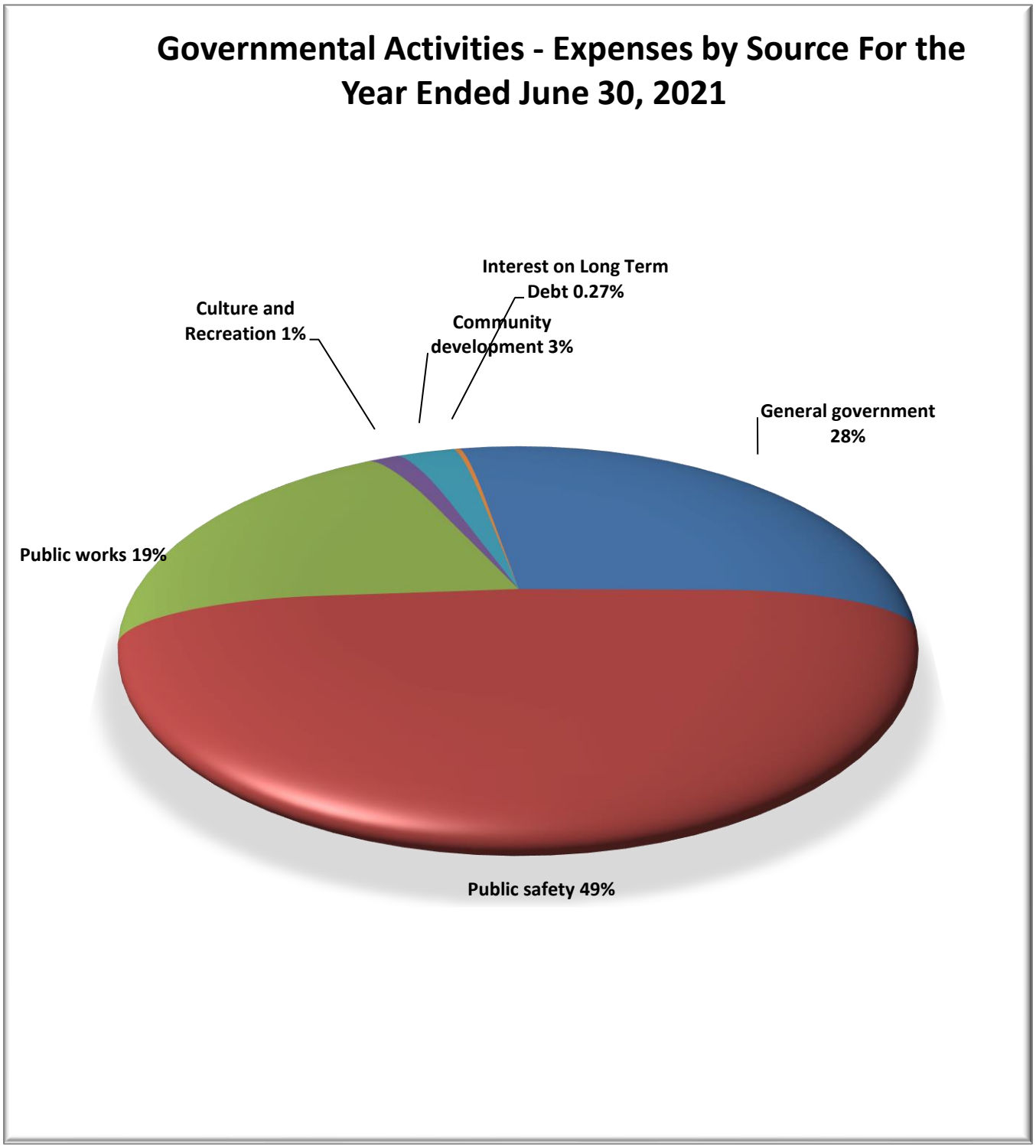
from the chart that governmental activities are funded to a great degree through property taxes (17.6%) of the primary government. For the year ended June 30, 2021 these revenues were $920,041.



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

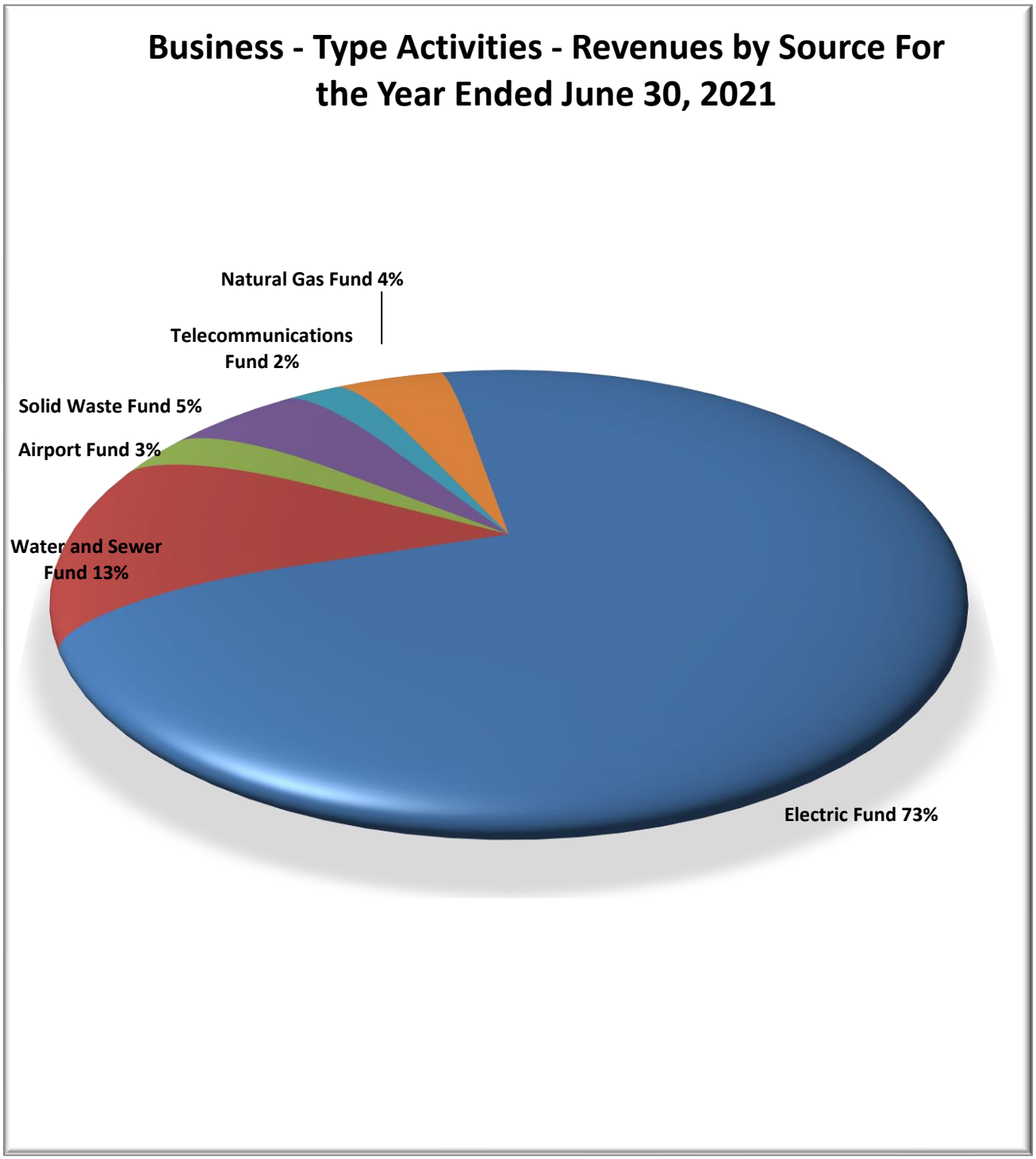
funding on Public Safety, 49%. The next largest funding was required for General Government at 28%.



Program Revenues and Expenses for Business-Type Activities

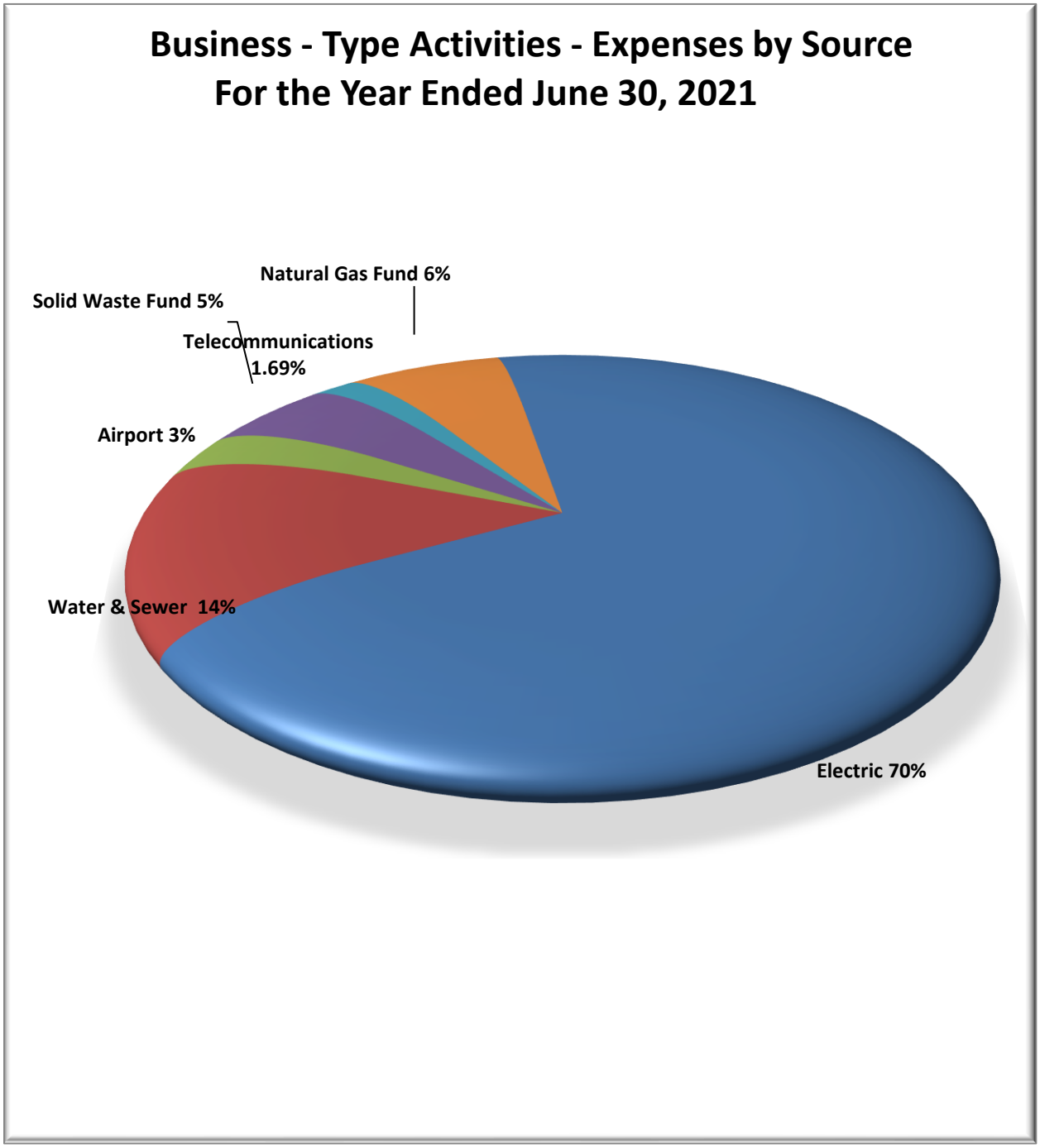
Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Revenue Fund. More revenues, 73% or $11,707,725 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 70% or $7,950,578 but generated profits of $3,757,147 before its transfers to governmental activities.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The City of Sylvester has four major governmental funds which are the General Fund, SPLOST Fund, T-SPLOST Fund, and Designated Grant Fund. At June 30, 2021, the General Fund had a fund balance of $931,125, SPLOST Fund had a fund balance of $745,879, T-SPLOST Fund had a fund balance of $698,048, and Designated Grant Fund had a fund balance of $243,563. This is a decrease of $20,773 for the General Fund, an increase of $318,819 for the SPLOST Fund, and increase of $447,073 from the T-SPLOST Fund, and a decrease of $53,686 from the Designated Grant Fund from the beginning fund balance.

The fund balances for the other governmental funds increased by $11,241. The fund balance for these funds was $205,980 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 and cash equivalents balance of $1,142,817 for the year ended June 30, 2021. This was a decrease of $734,639 from the previous year.

The Electric Fund had ending cash and cash equivalents balance of $425,187. This is a decrease of $153,318 from the previous year.

The Water and Sewer Fund had ending cash and cash equivalents balance of $628,722. This is a decrease of $104,502 from the previous year.

The Solid Waste Fund had ending cash and cash equivalents balance of $29,388. This is a decrease of $152,900 from the previous year.

The Natural Gas Fund had ending cash and cash equivalents balance of $33,326. This is a decrease of $274,602 from the previous year.

The Telecommunications Fund had ending cash and cash equivalents balance of $9,553. This is a decrease of $4,085 from the previous year.

The Airport Fund had ending cash and cash equivalents balance of $16,641. This is a decrease of $45,232 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 2021 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 $112,363 for the year ended June 30, 2021. The major factors contributing to this difference was a surplus in intergovernmental revenues, interest income, and miscellaneous revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by $1,562,526 for the year ended June 30, 2021. The difference was due to a decrease in actual expenditures in most departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30 2021, governmental activities and business-type activities had capital assets of $32,770,103 (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 $56,376 from the 2020 amount due to current year acquisition costs net of depreciation. The net capital assets from business-type activities decreased $291,497 from the 2020 amount due to current year depreciation net of acquisition costs.

Additional information on the City's capital assets can be found in Note 7 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, 2021, the City had $2,639,129 of outstanding long-term liabilities related to governmental activities and $4,191,019 of long-term liabilities related to business-type activities for a total of $6,830,148 compared to the previous year's total of $6,747,751. This is an increase of $82,397 as a result of scheduled principal 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 2021 BUDGET

The Mayor and Council of the City of Sylvester considered many factors when approving the City's 2021 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 2021 instead of increasing taxes or rates to provide the necessary funds required for the City's governmental and business-type activities.

OUTLOOK INTO FUTURE FINANCIAL CONDITIONS

Our economic outlook for the short term is somewhat uncertain as we are currently experiencing industrial losses that will be reflected in our tax base. Short- and long-term effects of COVID remain uncertain. We are uncertain of the economic effects of changes in the partisan leadership in the Federal government legislative and executive branches. While we are uncertain of external effects, the local elected officials and staff are working diligently to keep the local economy strong and viable and at the same time to conservatively allocate tax dollars.

The Mayor and City Council Members are keenly interested in operating the City as efficiently as possible and is willing to make changes as necessary to accomplish that end.

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, 2021

BASIC FINANCIAL STATEMENTS

CITY OF SYLVESTER, GEORGIA
Statement of Net Position
June 30, 2021

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Current Assets				
Cash	$ 1,962,630	$ 594,877	$ 2,557,507	$ 7,345
Investments	1,037,209	3,563,589	4,600,798	-
Receivables - Net	121,155	458,478	579,633	-
Interfund	147,453	(147,453)	-	-
Miscellaneous Current Assets	-	388,143	388,143	-
Intergovernmental Receivable	47,484	-	47,484	-
Inventory	62,682	272,274	334,956	
Prepaid Items	51,699	54,437	106,136	-
Total Current Assets	3,430,312	5,184,345	8,614,657	7,345
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,887,435	4,105,806	5,993,241	-
Depreciable-Net	15,250,401	11,526,461	26,776,862	-
Total Noncurrent Assets	17,137,836	15,632,267	32,770,103	-
Total Assets	20,568,148	20,816,612	41,384,760	7,345
Deferred Outflows of Resources				
Pension Plan Activity	789,955	-	789,955	-
Total Assets and Deferred Outflows	21,358,103	20,816,612	42,174,715	7,345
Liabilities				
Current Liabilities				
Accounts Payable	$ 50,270	$ 368,899	$ 419,169	$ -
Accrued Expenses	510,142	221,388	731,530	-
Miscellaneous Liabilities	-	200,930	200,930	-
Deposits	22,908	116,752	139,660	-
Capital Leases Payable	232,892	-	232,892	-
Notes Payable	-	323,685	323,685	-
Total Current Liabilities	816,212	1,231,654	2,047,866	-
Long-Term Liabilities				
Capital Leases Payable, Less Current Portion	712,297	-	712,297	-
Notes Payable, Less Current Portion	-	4,135,091	4,135,091	-
Net Pension Liability	1,764,785	-	1,764,785	-
Compensated Absenses	162,047	55,928	217,975	-
Total Long-Term Liabilities	2,639,129	4,191,019	6,830,148	-
Total Liabilities	3,455,341	5,422,673	8,878,014	-
Deferred Inflows of Resources				
Pension Plan Activity	343,523	-	343,523	-
Deferred Revenues	-	-	-	-
Total Liabilities and Deferred Inflows	3,798,864	5,422,673	9,221,537	-
Net Position				
Net Investment in Capital Assets	16,192,647	11,173,491	27,366,138	-
Restricted for				
Capital Projects	1,687,490	-	1,687,490	-
Debt Service	-	168,935	168,935	-
Public Welfare	10,721	-	10,721	-
Economic Development	182,263	-	182,263	-
Public Safety	10,721	-	10,721	-
Other	23,717	-	23,717	-
Downtown Development	-	-	-	7,345
Unresticted	(548,320)	4,051,513	3,503,193	-
Total Net Position	$ 17,559,239	$ 15,393,939	$ 32,953,178	$ 7,345

See accompanying notes to the financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities
For the Year Ended June 30, 2021

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	$ 2,139,541	$ 118,446	$ 302,360	$ -
Public Safety	3,735,122	274,064	-	-
Public Works	1,460,699	-	-	2,165,640
Culture and Recreation	105,581	57,215	-	-
Community & Economic Development	204,734	-	26,018	-
Interest on Long-Term Debt	20,937	-	-	-
Total Governmental Activities	7,666,614	449,725	328,378	2,165,640
Business-Type Activities				
Electric	7,950,578	11,679,242	-	-
Water and Sewer	1,545,701	1,826,242	-	119,284
Natural Gas	734,174	670,996	-	-
Solid Waste	596,603	824,147	-	-
Telecommunications	192,364	174,780	-	-
Airport	347,273	6,400	-	283,037
Total Business-Type Activities	$ 11,366,693	$ 15,181,807	$ -	$ 402,321
Total Primary Government	$ 19,033,307	$ 15,631,532	$ 328,378	$ 2,567,961
Component Unit				
Downtown Development Authority	$ 7,703	$ 12,670	$ -	$ -
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, 2020				
NET POSITION - JUNE 30, 2021				

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities (Continued)
For the Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
	$ (1,718,735)	$ -	$ (1,718,735)	$ -
	(3,461,058)	-	(3,461,058)	-
	704,941	-	704,941	-
	(48,366)	-	(48,366)	-
	(178,716)		(178,716)	-
	(20,937)	-	(20,937)	-
	(4,722,871)	-	(4,722,871)	-
	-	3,728,664	3,728,664	-
	-	399,825	399,825	-
	-	(63,178)	(63,178)	-
	-	227,544	227,544	-
	-	(17,584)	(17,584)	-
	-	(57,836)	(57,836)	-
	-	4,217,435	4,217,435	-
	(4,722,871)	4,217,435	(505,436)	
	-	-	-	4,967
	920,041	-	920,041	-
	7,472	-	7,472	-
	496,665	-	496,665	-
	577,655	-	577,655	-
	102,468	-	102,468	-
	80,049	-	80,049	-
	12,825	5,558	18,383	1
	-	28,407	28,407	-
	82,446	-	82,446	-
	3,968,484	(3,968,484)	-	-
	6,248,105	(3,934,519)	2,313,586	1
	1,525,234	282,916	1,808,150	4,968
	16,034,005	15,111,023	31,145,028	2,377
	$ 17,559,239	$ 15,393,939	$ 32,953,178	$ 7,345

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	SPLOST Capital Projects Fund	T-SPLOST Capital Projects Fund	Designated Grant Fund	Other Non-Major Governmental Funds	Total
Assets						
Cash	$ 205,049	$ 797,982	$ 401,559	$ 361,509	$ 159,082	$ 1,925,181
Restricted Cash	37,449	-	-	-	-	37,449
Investments-Certificates of Deposit	1,037,209	-	-	-	-	1,037,209
Receivables-Net of Allowance for Uncollectible Accounts	74,257	-	-	-	46,898	121,155
Due from Other Funds	320,306	-	296,489	-	-	616,795
Due from Other Governments	47,484	-	-	-	-	47,484
Inventory	62,682	-	-	-	-	62,682
Prepaid Items	51,699	-	-	-	-	51,699
TOTAL ASSETS	$ 1,836,135	$ 797,982	$ 698,048	$ 361,509	$ 205,980	$ 3,899,654
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 50,270	$ -	$ -	$ -	$ -	$ 50,270
Accrued Liabilities	510,142	-	-	-	-	510,142
Due to Other Funds	299,293	52,103	-	117,946	-	469,342
Deposits	22,908	-	-	-	-	22,908
Total Liabilities	882,613	52,103	-	117,946	-	1,052,662
Deferred Inflows of Resources						
Deferred Revenue - Property Taxes	22,397	-	-	-	-	22,397
Deferred Revenue-Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	22,397	-	-	-	-	22,397
Fund Balances						
Nonspendable	114,381	-	-	-	-	114,381
Restricted	37,449	745,879	698,048	243,563	205,980	1,930,919
Unassigned	779,295	-	-	-	-	779,295
Total Fund Balances	931,125	745,879	698,048	243,563	205,980	2,824,595
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,836,135	$ 797,982	$ 698,048	$ 361,509	$ 205,980	$ 3,899,654

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, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 2,824,595
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	$ 11,750,676	
Machinery and Equipment	2,673,259	
Vehicles	2,653,464	
Infrastructure	8,156,919	
Accumulated Depreciation	(8,096,482)	
		17,137,836
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	(945,189)	
Compensated Absences	(162,047)	(1,107,236)
Certain revenues are not available to pay for current period expenditures and therefore are reported deferred inflows of resources in the governmental funds.		22,397
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.		789,955
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.		(343,523)
Net pension liability is not due and payable in the current period and therefore, is not reported in the governmental funds.		(1,764,785)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 17,559,239

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, 2021

	General Fund	SPLOST Capital Projects Fund	T-SPLOST Capital Projects Fund	Designated Grant Fund	Other Non-Major Governmental Funds	Total
REVENUES						
Taxes-Net	$ 2,189,622	$ -	$ -	$ -	$ 20,861	$ 2,210,483
Charges for Services	52,768	-	-	-	-	52,768
Fines & Forfeitures	274,064	-	-	-	-	274,064
Licenses and Permits	65,678	-	-	-	-	65,678
Intergovernmental	302,360	575,136	505,531	1,110,192	-	2,493,219
Interest Income	9,286	799	-	-	3,539	13,624
Miscellaneous	139,661	-	-	-	-	139,661
Total Revenues	3,033,439	575,935	505,531	1,110,192	24,400	5,249,497
EXPENDITURES						
Current						
General Government	2,050,605	-	-	-	-	2,050,605
Public Safety	3,603,722	-	-	-	-	3,603,722
Public Works	1,534,703	-	-	-	-	1,534,703
Culture and Recreation	80,898	-	-	-	-	80,898
Community & Economic Development	165,101	-	-	26,018	13,159	204,278
Capital Outlay	-	40,666	58,458	1,137,860	-	1,236,984
Debt Service						
Principal	144,899	208,719	-	-	-	353,618
Interest	13,206	7,731	-	-	-	20,937
TOTAL EXPENDITURES	7,593,134	257,116	58,458	1,163,878	13,159	9,085,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,559,695)	318,819	447,073	(53,686)	11,241	(3,836,248)
OTHER FINANCING SOURCES (USES)						
Capital Lease Transaction	570,438	-	-	-	-	570,438
Transfers In	3,968,484	-	-	-	-	3,968,484
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,538,922	-	-	-	-	4,538,922
NET CHANGE IN FUND BALANCES	(20,773)	318,819	447,073	(53,686)	11,241	702,674
FUND BALANCE - JULY 1, 2020	$ 951,898	$ 427,060	$ 250,975	$ 297,249	$ 194,739	$ 2,121,921
FUND BALANCE - JUNE 30, 2021	$ 931,125	$ 745,879	$ 698,048	$ 243,563	$ 205,980	$ 2,824,595

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, 2021

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS		$ 702,674
Amounts reported for governmental activites in the Statement of Activities are different because		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets aquired in the current period.		1,807,423
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.		(753,238)
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		28,932
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, 2021	$ 22,397	
Deferred at June 30, 2020	(48,530)	(26,133)
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, 2021	(162,047)	
Liability at June 30, 2020	144,443	(17,604)
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	(570,438)	
Long-term debt payments	353,618	(216,820)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,525,234

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position
June 30, 2021

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
ASSETS							
Current Assets							
Cash	$ 119,848	$ 151,600	$ 16,641	$ 29,388	$ 9,553	$ 3,311	$ 330,341
Investment - Certificate of Deposit	194,829	184,356	-	-	-	-	379,185
Investments	3,015,649	-	-	-	-	-	3,015,649
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	245,329	56,223	800	107,930	37,630	10,566	458,478
Miscellaneous Current Assets	-	-	-	388,143	-	-	388,143
Restricted Cash	110,510	124,011	-	-	-	30,015	264,536
Restricted Certificate of Deposit	-	168,755	-	-	-	-	168,755
Due from Other Funds	-	241,359	-	-	-	1,942	243,301
Inventory	191,180	50,050	-	-	-	31,044	272,274
Prepaid Items	22,425	27,282	-	-	-	4,730	54,437
Total Current Assets	3,899,770	1,003,636	17,441	525,461	47,183	81,608	5,575,099
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	-	3,700,735	382,791	19,780	-	2,500	4,105,806
Depreciable Capital Assets	4,825,860	16,026,876	5,424,749	139,855	384,921	1,196,692	27,998,953
Accumulated Depreciation	(3,341,043)	(10,214,386)	(1,512,558)	(27,871)	(322,318)	(1,054,316)	(16,472,492)
Total Noncurrent Assets	1,484,817	9,513,225	4,294,982	131,764	62,603	144,876	15,632,267
TOTAL ASSETS	5,384,587	10,516,861	4,312,423	657,225	109,786	226,484	21,207,366

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position (Continued)
June 30, 2021

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
LIABILITIES							
Current Liabilities							
Accounts Payable	$ 212,294	$ 69,228	$ 3,710	$ 34,631	$ -	$ 49,036	$ 368,899
Notes Payable	-	298,410	-	25,275	-	-	323,685
Accrued Expenses	143,618	4,001	-	-	-	73,769	221,388
Miscellaneous Liabilities	-	-	120,251	-	40,076	40,603	200,930
Due to Other Funds	389,730	-	-	-	1,024	-	390,754
Customer Deposits	18,527	77,615	-	-	-	20,610	116,752
Total Current Liabilities	764,169	449,254	123,961	59,906	41,100	184,018	1,622,408
Long-Term Liabilities							
Notes Payable	-	4,113,642	-	21,449	-	-	4,135,091
Accrued Vacation	40,557	12,616	-	-	-	2,755	55,928
Total Long-Term Liabilities	40,557	4,126,258	-	21,449	-	2,755	4,191,019
TOTAL LIABILITIES	804,726	4,575,512	123,961	81,355	41,100	186,773	5,813,427
DEFERRED INFLOWS OF RESOURCES							
Unearned Revenues	-	-	-	-	-	-	-
NET POSITION							
Net Investment in Capital Assets	1,484,817	5,101,173	4,294,982	85,040	62,603	144,876	11,173,491
Restricted for Debt Service	-	168,935	-	-	-	-	168,935
Unrestricted	3,095,044	671,241	(106,520)	490,830	6,083	(105,165)	4,051,513
TOTAL NET POSITION	$ 4,579,861	$ 5,941,349	$ 4,188,462	$ 575,870	$ 68,686	$ 39,711	$ 15,393,939

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, 2021

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
OPERATING REVENUES							
Operations	$ 11,679,242	$ 1,826,242	$ 6,400	$ 824,147	$ 174,780	$ 670,996	$ 15,181,807
OPERATING EXPENSES							
Operating Expenses	7,842,598	1,168,566	43,183	591,492	186,289	725,637	10,557,765
Depreciation	107,980	177,831	304,090	-	6,075	8,537	604,513
TOTAL OPERATING EXPENSES	7,950,578	1,346,397	347,273	591,492	192,364	734,174	11,162,278
OPERATING INCOME	3,728,664	479,845	(340,873)	232,655	(17,584)	(63,178)	4,019,529
NON-OPERATING REVENUES (EXPENSES)							
Capital Grants	-	-	283,037	-	-	-	283,037
Interest Income	76	4,647	-	-	-	835	5,558
Interest Expense	-	(199,304)	-	(5,111)	-	-	(204,415)
Principal Forgiveness on Long-Term Debt	-	119,284	-	-	-	-	119,284
Market Gain on Investments	28,407	-	-	-	-	-	28,407
TOTAL NON-OPERATING REVENUES (EXPENSES)	28,483	(75,373)	283,037	(5,111)	-	835	231,871
Income Before Transfers	3,757,147	404,472	(57,836)	227,544	(17,584)	(62,343)	4,251,400
Transfers In	-	-	-	-	-	-	-
Transfers Out	(3,968,484)	-	-	-	-	-	(3,968,484)
CHANGE IN NET POSITION	(211,337)	404,472	(57,836)	227,544	(17,584)	(62,343)	282,916
NET POSITION - JULY 1, 2020	4,791,198	5,536,877	4,246,298	348,326	86,270	102,054	15,111,023
NET POSITION - JUNE 30, 2021	$ 4,579,861	$ 5,941,349	$ 4,188,462	$ 575,870	$ 68,686	$ 39,711	$ 15,393,939

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021

	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	$ 11,974,818	$ 2,048,455	$ 6,400	$ 435,512	$ 246,050	$ 662,335	$ 15,373,570
Cash Payments to Suppliers	(7,562,688)	(788,318)	(57,851)	(556,861)	(251,159)	(652,068)	(9,868,945)
Cash Paid to Employees	(630,636)	(371,755)	-	-	-	(275,093)	(1,277,484)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,781,494	888,382	(51,451)	(121,349)	(5,109)	(264,826)	4,227,141
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments from Other Funds	-	-	-	-	1,024	-	1,024
Payments to Other Funds	(3,578,754)	(241,359)	-	-	-	(1,942)	(3,822,055)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(3,578,754)	(241,359)	-	-	1,024	(1,942)	(3,821,031)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase and Construction of Capital Assets	(36,200)	(571,100)	(276,818)	-	-	-	(884,118)
Capital Grants Received	-	-	283,037	-	-	-	283,037
Principal Paid on Capital Debt	-	(284,079)	-	(26,440)	-	(8,669)	(319,188)
Interest Paid on Capital Debt	-	(199,204)	-	(5,111)	-	-	(204,315)
Proceeds from Long Term Debt	-	298,211	-	-	-	-	298,211
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(36,200)	(756,172)	6,219	(31,551)	-	(8,669)	(826,373)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of Investments	(319,934)	-	-	-	-	-	(319,934)
Proceeds from Sale of Investments	-	-	-	-	-	-	-
Interest Received	76	4,647	-	-	-	835	5,558
NET CASH PROVIDED BY INVESTING ACTIVITIES	(319,858)	4,647	-	-	-	835	(314,376)
Net Increase (Decrease) in Cash and Cash Equivalents	(153,318)	(104,502)	(45,232)	(152,900)	(4,085)	(274,602)	(734,639)
CASH AND CASH EQUIVALENTS - JULY 1, 2019	578,505	733,224	61,873	182,288	13,638	307,928	1,877,456
CASH AND CASH EQUIVALENTS - JUNE 30, 2020	$ 425,187	$ 628,722	$ 16,641	$ 29,388	$ 9,553	$ 33,326	$ 1,142,817
Displayed As:							
Investment-Certificate of Deposit	$ 194,829	$ 184,356	$ -	$ -	$ -	$ -	$ 379,185
Restricted Assets	$ 110,510	$ 292,766	$ -	$ -	$ -	$ 30,015	$ 433,291

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows (Continued)
For the Year End June 30, 2021

	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 (Used) by Operating Activities							
Operating Income (Loss)	$ 3,728,664	$ 479,845	$ (340,873)	$ 232,655	$ (17,584)	$ (63,178)	$ 4,019,529
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	107,980	177,831	304,090	-	6,075	8,537	604,513
(Increase) Decrease in Assets:							
Accounts Receivable and Miscellaneous Current Assets	300,231	227,443	-	(388,635)	71,270	(3,423)	206,886
Inventory	(517)	-	-	-	-	3	(514)
Due from Other Funds	-	-	-	-	-	-	-
Prepaid Items	(7,960)	(19,747)	-	-	-	(3,503)	(31,210)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:							
Accounts Payable	(417,145)	26,841	(14,668)	34,631	(64,870)	22,577	(412,634)
Accrued Expenses and Other Liabilities	74,562	-	-	-	-	(224,641)	(150,079)
Unearned Revenues	-	-	-	-	-	-	-
Customer Deposits	(4,655)	(5,230)	-	-	-	(1,735)	(11,620)
Accrued Vacation	334	1,399	-	-	-	537	2,270
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ 3,781,494	$ 888,382	$ (51,451)	$ (121,349)	$ (5,109)	$ (264,826)	$ 4,227,141
Noncash Investing, Capital and Financing Activities							
Principal Forgiveness on Capital Debt	$ -	$ 119,284	$ -	$ -	$ -	$ -	$ 119,284
Increase in Fair Value of Investments	28,407	-	-	-	-	-	28,407

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2021

ASSETS	
Cash	$ 3,465
TOTAL ASSETS	$ 3,465
LIABILITIES	
Due to Other Governments	$ 3,465
TOTAL LIABILITIES	$ 3,465

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Net Position
June 30, 2021

ASSETS	
Cash	$ 7,345
TOTAL ASSETS	$ 7,345
LIABILITIES	
Liabilities	$ -
NET POSITION	
Restricted:	
Downtown Development	$ 7,345
TOTAL NET POSITION	$ 7,345

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Activities
For the Year Ended June 30, 2021

EXPENSES	
Program Costs	$ 7,703
TOTAL EXPENSES	7,703
REVENUES	
Program Revenues	12,670
Net Program Revenue	4,967
GENERAL REVENUES	
Investment Earnings	1
CHANGE IN NET POSITION	4,968
NET POSITION-JULY 1, 2020	2,377
NET POSITION-JUNE 30, 2021	$ 7,345

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 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.

T-SPLOST Capital Project Fund – The Transportation Special Purpose Local Option Sales Tax Fund is used to account for projects supported by the transportation special purpose local option sales tax including construction of roads, streets, and bridges as allowed under O.C.G.A. 48-8-260(4). This fund is a capital projects type fund.

Designated Grant Fund – The Designated Grant Fund is used to account for projects supported by miscellaneous grants the City might receive. This fund is a special revenue 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 custodia 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 custodial fund accounts for the intergovernmental payments of utility bills for certain qualified customers.

Downtown Sylvester Farmer's Market – This custodial 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, 2021. 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, 2021, 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	$ 100,000
Machinery and Equipment	5 – 15 Years	$ 10,000
Furniture and Fixtures	5 – 20 Years	$ 10,000
Vehicles	3 – 10 Years	$ 10,000
Infrastructure	40 Years	$ 250,000

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 September 1 and are due on November 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 November 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, 2021.

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, 2021 consisted of the following:

Primary Government Fund Reporting Level	Cash and Cash Equivalents
Governmental Funds - Balance Sheet	$ 2,962,390
Governmental Funds - Balance Sheet - Restricted	37,449
Proprietary Fund Type Statement of Net Position	709,526
Proprietary Fund Type Statement of Net Position - Restricted	433,291
Statement of Fiduciary Assets and Liabilities	3,465
Total	$ 4,146,121

Investments

For fiscal year 2021, 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, 2021, 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	$ 1,198,567	$ 1,148,777	$ 514,610	$ 153,695	$ 3,015,649
Bank Certificates of Deposit	Not Rated	1,585,149	-	-	-	1,585,149
Total Investments		$ 2,783,716	$ 1,148,777	$ 514,610	$ 153,695	$ 4,600,798

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, 2021, 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 23, 2021 through January 1, 2037. 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, 2021:

Municipal Bonds	8.07%
Bank Certificates of Deposit	34.45%
Federal Home Loan Bank	56.32%

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, 2021 are classified as follows:

		Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Municipal Competitive Trust	$ 3,015,649	$ -	$ 3,015,649	$ -
Bank Certificates of Deposit	1,585,149	1,585,149	-	-
Total Investments	$ 4,600,798	$ 1,585,149	$ 3,015,649	$ -

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021, 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	Airport Fund	Natural Gas Fund	Total
Receivables									
Taxes	$ 25,666	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,666
Accounts	48,591	-	442,319	90,320	119,105	37,630	800	20,946	759,711
Notes	-	46,898	-	-	-	-	-	-	46,898
Other Governments	47,484	-	-	-	-	-	-	-	47,484
Other	-	-	-	-	-	-	-	-	-
Gross Receivables	121,741	46,898	442,319	90,320	119,105	37,630	800	20,946	879,759
Less: Allowance for uncollectibles	-	-	(196,990)	(34,097)	(11,175)	-	-	(10,380)	(252,642)
Net Receivables	$ 121,741	$ 46,898	$ 245,329	$ 56,223	$ 107,930	$ 37,630	$ 800	$ 10,566	$ 627,117

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 - INTERNAL BALANCES

Internal balances consist of transactions to alleviate cash deficits at year-end. The composition of internal balances as of June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount	Due Within One Year
General	Electric	$ 268,203	$ 268,203
General	SPLOST	52,103	52,103
Natural Gas	Electric	1,942	1,942
TSPLOST	General	296,489	296,489
Water and Sewer	General	2,804	2,804
Water and Sewer	Designated Grant	117,946	117,946
Water and Sewer	Electric	119,585	119,585
Water and Sewer	Telecommunications	1,024	1,024
Total		$ 860,096	$ 860,096

NOTE 6 – 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 7 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended June 30, 2021:

Governmental Activities	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Capital assets not being depreciated:				
Land	$ 769,904	$ -	$ -	$ 769,904
Construction in progress	119,722	997,809	-	1,117,531
Total capital assets not being depreciated	889,626	997,809	-	1,887,435
Capital assets being depreciated:				
Plant, buildings, improvements	9,863,241	-	-	9,863,241
Machinery and equipment	2,382,821	290,438	-	2,673,259
Vehicles	2,373,464	280,000	-	2,653,464
Infrastructure	7,917,743	239,176	-	8,156,919
Total capital assets being depreciated	22,537,269	809,614	-	23,346,883
Less accumulated depreciation:				
Plant, building, improvements	(3,149,901)	(390,726)	-	(3,540,627)
Machinery and equipment	(2,196,065)	(117,349)	-	(2,313,414)
Vehicles	(1,348,928)	(103,373)	-	(1,452,301)
Infrastructure	(648,350)	(141,790)	-	(790,140)
Total accumulated depreciation	(7,343,244)	(753,238)	-	(8,096,482)
Net capital assets being depreciated	15,194,025	56,376	-	15,250,401
Total Capital Assets, Net	$ 16,083,651	$ 1,054,185	$ -	$ 17,137,836

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

General Government	$ 93,901
Public Safety	417,661
Public Works	216,537
Culture and Recreation	24,683
Community and Economic Development	456
Total	$ 753,238

Business-Type Activities	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Capital assets not being depreciated:				
Land	$ 291,380	$ -	$ -	$ 291,380
Construction in progress	3,107,836	571,100	-	3,678,936
Total capital assets not being depreciated	3,399,216	571,100	-	3,970,316
Capital assets being depreciated:				
Plant, buildings, improvements	25,273,702	276,818	-	25,550,520
Machinery and equipment	1,169,890	36,200	-	1,206,090
Vehicles	1,377,835	-	-	1,377,835
Total capital assets being depreciated	27,821,427	313,018	-	28,134,445
Less accumulated depreciation:				
Plant, buildings, improvements	(13,557,957)	(552,458)	-	(14,110,415)
Machinery and equipment	(1,067,758)	(19,924)	-	(1,087,682)
Vehicles	(1,242,264)	(32,133)	-	(1,274,397)
Total accumulated depreciation	(15,867,979)	(604,515)	-	(16,472,494)
Net capital assets being depreciated	11,953,448	(291,497)	-	11,661,951
Total Capital Assets, Net	$ 15,352,664	$ 279,603	$ -	$ 15,632,267

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, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Capital leases	$ 728,369	$ 570,438	$ (353,618)	$ 945,189	$ 232,892
Compensated absences	144,443	248,806	(231,202)	162,047	-
Total Governmental Activities	872,812	819,244	(584,820)	1,107,236	232,892
Compensated absences are liquidated by the General Fund.					
Business-Type Activities					
Notes Payable	$ 4,599,038	$ 298,211	$ (438,473)	$ 4,458,776	$ 323,685
Compensated absences	53,659	86,942	(84,671)	55,930	-
Total Business-Type Activities	$ 4,652,697	$ 385,153	$ (523,144)	$ 4,514,706	$ 323,685

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, 2021:

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 - $864,064

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 - $247,060

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 - $348,070

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 - $1,171,420

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 $8,133 including 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 - $1,577,024

Georgia Environmental Facilities Authority originally dated March 12, 2021 and subsequently transitioned from a construction loan to a fixed loan on October 1, 2021 for amounts up to $1,250,000 to be used for water system improvements. Loan is to be repaid in 239 monthly installments of $1,127 including interest at .94%, beginning November 1, 2021. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $178,927

Magnolia Bank, Inc. dated March 31, 2019 for $55,340 to be used for a water fund rear cradle boom mower. Loan is to be repaid in 48 monthly installments of $1,266 including interest at 4.68%, beginning April 21, 2019. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $25,487

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 - $0

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 - $46,724

The following schedule represents the annual requirements to amortize all notes payable outstanding as of June 30, 2021.

Year Ending June 30	Principal	Interest	Total
2022	$ 323,685	$ 94,587	$ 418,272
2023	326,941	82,677	409,618
2024	301,002	75,376	376,378
2025	307,896	68,482	376,378
2026	315,007	61,371	376,378
2027-2031	1,577,127	192,956	1,770,083
2032-2036	961,386	60,892	1,022,278
2037-2041	345,732	6,713	352,445
Total	$ 4,458,776	$ 643,054	$ 5,101,830

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 and SPLOST 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	2,536,557
	$ 4,662,335
Less: Accumulated depreciation	(1,221,405)
Carrying Value	$ 3,440,930

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Year Ended June 30	Total
2022	$ 249,125
2023	249,125
2024	194,654
2025	151,919
2026	104,716
2027-2031	44,569
Total minimum lease payments	994,108
Less amounts representing interest	(48,919)
Present value of minimum capital lease payments	$ 945,189

NOTE 10 - INTERNAL TRANSFERS

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

Receiving Fund	Paying Fund	Amount
General	Electric	$ 3,968,484
Total		$ 3,968,484

NOTE 11 - 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, 2021 are at a stage in the proceedings in which an opinion as to the probable outcomes cannot be determined. The City is vigorously defending its positions.

MEAG – The City, together with 47 other cities and one county in the State, has entered into Power Sales Contracts dated March 1, 1976 with the Municipal Electric Authority of Georgia (MEAG) under which the City purchases certain power and energy for resale to its electric system customers. Under the contract entitlement, if the City were unable to purchase budgeted power, MEAG would be obligated to make a good faith effort to sell the power elsewhere. If MEAG were unable to sell the power at a price above its cost, the difference would be an obligation of the City. The contracts are agreements to pay the cost of generating power budgeted for the City. The obligation to pay MEAG certain amounts, whether or not power and energy are received, is a general obligation of the City to which its full faith and credit are pledged. If payments under the Power Sales Contracts are not made from revenues of the electric distribution system, the City is required under the contracts to include in its general revenue or appropriation measures sums sufficient together with other available revenues to make such payments. During the fiscal year, the City purchased electric power under these contracts for a total cost of $6,176,654.

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 two 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, 2021, the balance in this account was $3,015,649. This amount is included in cash and investments in the Electric Fund.

An additional account created was the credit support operating 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 balance of this account at June 30, 2021 was $2,014,034. Due to the restrictive nature of this fund, it is not shown in the cash and investments balance for the Electric Fund.

NOTE 12 - 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 13 - 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, 2021, the City purchased $6,176,654 of its electricity from MEAG, with accounts payable of $495,493 to MEAG at June 30, 2021.

During the fiscal year ended June 30, 2021, the City purchased $333,592 of its gas from MGAG, with accounts payable of $17,178 to MGAG at June 30, 2021.

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 $6,354 in such dues during the year ended June 30, 2021.

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 14 – 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 $40 per month for each year of total credited service as an elected official.

As of June 30, 2021, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	59
Terminated plan members entitled to, but not yet receiving benefits	18
Active plan participants	101
Total	178

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 10.82% 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, 2021, the City reported a liability of $1,764,785 for its pension liability. The City's net pension liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of January 1, 2021. The changes in the Net Pension Liability for the year ended September 30, 2020 (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, 2020	$ 9,521,240	$ 7,688,855	$ 1,832,385
Changes for the year:			
Service cost	149,493	-	149,493
Interest	693,789	-	693,789
Differences between expected and actual experience	105,616	-	105,616
Contributions - employer	-	309,563	(309,563)
Contributions - employee	-	-	-
Net investment income	-	727,160	(727,160)
Benefit payments, including refunds of employee contributions	(526,840)	(526,840)	-
Administrative expense	-	(20,225)	20,225
Other	-	-	-
Net changes	422,058	489,658	(67,600)
Balances at June 30, 2021	$ 9,943,298	$ 8,178,513	$ 1,764,785

Pension Expense

Pension expense for the year ended June 30, 2021		
Service cost	$	149,493
Interest on TPL		693,789
Employee contributions		-
Administrative expense		20,225
Expected return on assets		(558,295)
Expensed portion of current year period differences between expected and actual experience on TPL		21,124
Expensed portion of current year period assumption changes		-
Current year plan changes		-
Expensed portion of current year period differences between projected and actual investment earnings		(33,773)
Current year recognition of deferred inflows and outflows established in prior years		45,484
Total expense	$	338,047

Deferred Outflows/Inflows of Resources Related to Pensions as of June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 245,167	$ -
Demographic	97,155	(41,736)
Investment	212,295	(301,787)
Assumption change	235,338	-
Total	$ 789,955	$ (343,523)

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

Year ended June 30:	
2022	$ (32,064)
2023	105,197
2024	140,782
2025	(12,650)
2026	-

Discount Rate

The discount rate used to measure the collective total pension liability was 7.375%. 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 (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Employer's proportionate share of the net liability	$ 2,986,260	$ 1,764,785	$ 747,382

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 March 31, 2020 are summarized in the following table:

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

Actuarial Methods and Assumptions

Valuation Date	January 1, 2021
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 12 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	7.375%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Inflation Rate	2.25%
Mortality Rates:	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
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, 2021 Valuation:

Employer	City of Sylvester
Social Security	Yes
Participant Contributions	Noncontributory
Original Effective date	Employees: 7-7-72 Officials: 6-1-79 (Officials who come into office after 2-1-88 are not eligible. Officials in office on 2-1-88 continue to receive credit for service until the end of their current term)
Master Plan/Adoption Agreement	9/1/2003
Eligibility Requirements	Employees: No waiting period; participation is mandatory on and after 9-1-03 Officials: those who hold office on or after 2-1-08. Elected officials were not eligible after 2-1-88 and before 2-1-08
Normal Retirement Age	Employees: 65+5 or 50+30 Officials: 65 or 50+30
Early Retirement	55+10
Date Indexed	9-1-80 [dynamic break point] (applies to all employees hired on or after 9-1-80 and to those employees hired before 9-1-80 if this break point and 1.5%-2.25% benefit formula would result in a higher benefit than the break point in table and 1.0-1.075% benefit formula) in a higher benefit than the break point in table and 1.0-1.75% benefit formula)
Benefit Formula	1.0%-1.75% with table (prior to 9-1-80) 1.5%-2.25% with dynamic index break point
Official's Benefits	$40
Vesting	10 years
Death Benefits	Actuarial Reserve Term vested Auto A death benefit effective 10-1-2016
Disability Minimum	20%
Cost-of-Living	---
Other	In-service distribution effective 4-1-13 for elected officials who remain in service of a normal or alternative normal or retired Participants who return to service as an elected or appointed member of the Governing Authority after normal retirement. With respect for the in-service, the participant must be at least 62 years of age in order to begin drawing retirement benefits. Participants who terminate on or after 10-1-88 and designate their spouse as beneficiary under Plan B at retirement receive unreduced retirement benefits. Spouses' benefits may be reduced depending upon age difference.

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to the retirement plan described in Note 14, 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 16 - 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 17 - 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, 2021 is as follows:

Hotel-Motel Tax Receipts		$ 20,861
Disbursements to Worth County- Sylvester Chamber of Commerce	63%	13,159
Balance Retained by City	37%	$ 7,702

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 18 – 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 19 – 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	T-SPLOST Capital Projects Fund	CDBG Loan Fund	Designated Grant Fund	Hotel/ Motel Tax Fund
Fund Balances						
Nonspendable:						
Inventory	$ 62,682	$ -	$ -	$ -	$ -	$ -
Prepaid Items	51,699	-	-	-	-	-
Total Nonspendable	114,381	-	-	-	-	-
Restricted:						
Public Safety	26,728	-	-	-	-	-
Public Welfare	10,721	-	-	-	-	-
Capital Projects	-	745,879	698,048	-	243,563	-
Economic Development	-	-	-	182,263	-	-
Tourism	-	-	-	-	-	23,717
Total Restricted	37,449	745,879	698,048	182,263	243,563	23,717
Unassigned	779,295	-	-	-	-	-
Total Fund Balances	$ 931,125	$ 745,879	$ 698,048	$ 182,263	$ 243,563	$ 23,717

NOTE 20 – UNCERTAINTIES DUE TO GLOBAL PANDEMIC

The current global pandemic, Coronavirus Disease 2019 (COVID-19), and responses by governments to help control the outbreak are expected to continue to have negative financial impacts on some of the operations of the City. The financial impact of this has not been quantified due to the continued uncertainties surrounding impact to the global economy. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the citizens' ability to pay the property taxes and service costs. Operating functions that may be changed include City government services, court proceedings, and public works maintenance. Changes to the operating environment may increase operating costs.

NOTE 21 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition of disclosure through February 21, 2022, the date when the financial statements were available to be issued.

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2021

	Total Pension Liability						
Measurement Date	**Fiscal Year End June 30, 2021**	**Fiscal Year End June 30, 2020**	**Fiscal Year End June 30, 2019**	**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	$ 149,493	$ 132,459	$ 115,251	$ 121,554	$ 123,275	$ 127,640	$ 143,056
Interest	693,789	654,083	636,574	600,885	590,322	580,864	581,530
Differences between expected and actual experience	105,616	21,107	(166,943)	255,414	(100,006)	(140,677)	(245,155)
Changes of assumptions	-	392,229	-	170,973	-	-	(78,814)
Changes of benefit terms	-	-	173,513	-	-	-	-
Benefit payments, including refunds of employee contributions	(526,840)	(534,583)	(549,717)	(509,834)	(444,745)	(446,823)	(371,608)
Other	-	-	-	-			
Net change in total pension liability	422,058	665,295	208,678	638,992	168,846	121,004	29,009
Total pension liability - beginning	9,521,240	8,855,945	8,647,267	8,008,275	7,839,429	7,718,425	7,689,416
Total pension liability - ending (a)	$ 9,943,298	$ 9,521,240	$ 8,855,945	$ 8,647,267	$ 8,008,275	$ 7,839,429	$ 7,718,425
Plan Fiduciary Net Position							
Contributions - employer	$ 309,563	$ 261,839	$ 261,626	$ 265,873	$ 287,114	$ 326,057	$ 351,208
Contributions - employee	-	-	-	-	-	-	-
Net investment income	727,160	217,485	717,935	981,834	677,155	74,217	637,350
Benefit payments, including refunds of employee contributions	(526,840)	(534,583)	(549,717)	(509,834)	(444,745)	(446,823)	(371,608)
Administrative expenses	(20,225)	(19,514)	(20,832)	(22,341)	(12,988)	(14,676)	(11,697)
Other	-	-	-	-	-	-	-
Net change in fiduciary net position	489,658	(74,773)	409,012	715,532	506,536	(61,225)	605,253
Plan fiduciary net position - beginning	7,688,855	7,763,628	7,354,616	6,639,084	6,132,548	6,193,773	5,588,520
Plan fiduciary net position - ending (b)	$ 8,178,513	$ 7,688,855	$ 7,763,628	$ 7,354,616	$ 6,639,084	$ 6,132,548	$ 6,193,773
Net pension liability - ending (a) - (b)	$ 1,764,785	$ 1,832,385	$ 1,092,317	$ 1,292,651	$ 1,369,191	$ 1,706,881	$ 1,524,652
Plan's fiduciary net position as percentage of the total pension liability	82.25%	80.75%	87.67%	85.05%	82.90%	78.23%	80.25%
Covered payroll	$ 3,609,293	$ 3,176,790	$ 2,979,313	$ 2,656,091	$ 2,704,446	$ 2,777,874	$ 2,499,865
Net pension liability as a percentage of covered-employee payroll	48.90%	57.68%	36.66%	48.67%	50.63%	61.45%	60.99%

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Contributions
June 30, 2021

	Fiscal Year End June 30, 2021		Fiscal Year End June 30, 2020	Fiscal Year End June 30, 2019	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	$ -	*	$ 301,953	$ 282,018	$ 254,829	$ 269,554	$ 292,967	$ 337,087
Contributions in relation to the actuarially determined contribution	-	*	300,292	258,517	254,829	269,554	292,667	337,087
Contribution deficiency (excess)	-	*	1,661	23,501	-	-	-	-
Covered payroll	-	*	3,176,790	2,979,313	2,656,091	2,707,446	2,777,874	2,499,865
Contributions as a percentage of covered-employee payroll	-	*	9.45%	8.68%	9.59%	9.96%	10.54%	13.48%

* 2021 information will be determined after fiscal year end and will be included in the 2022 valuation report.

Note: Schedules are 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, 2021

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, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2022.

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 12 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	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Mortality Rates:	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
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 March 31, 2020 are summarized in the following table:

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Notes to Schedule of Contributions
June 30, 2021

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

Changes of Assumptions

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

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct rates under the 2019 OASDI Trustees Report used for intermediate alternative. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Notes to Schedule of Contributions
June 30, 2021

- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2021

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES				
Taxes - Net	$ 2,156,842	$ 2,316,842	$ 2,189,622	$ (127,220)
Charges for Services	81,650	81,650	52,768	(28,882)
Fines & Forfeitures	223,814	333,814	274,064	(59,750)
Intergovernmental	8,000	8,000	302,360	294,360
Licenses and Permits	72,658	72,658	65,678	(6,980)
Interest Income	8,200	8,200	9,286	1,086
Miscellaneous	394,901	99,912	139,661	39,749
TOTAL REVENUES	2,946,065	2,921,076	3,033,439	112,363
EXPENDITURES				
Legislative	121,031	121,973	86,056	(35,917)
Judicial	148,675	176,838	168,123	(8,715)
Administrative	897,483	1,019,468	885,354	(134,114)
Police	1,773,336	2,965,163	2,544,328	(420,835)
City Manager	211,075	369,781	346,402	(23,379)
Financial Administration	251,144	375,279	314,657	(60,622)
Human Resources	134,764	196,372	166,534	(29,838)
Animal Control	38,467	38,467	38,467	-
Cemetery and Parks	246,766	259,222	80,898	(178,324)
Fire	834,287	1,094,832	964,944	(129,888)
Economic Development	79,575	121,875	-	(121,875)
Street	914,957	1,465,225	1,217,956	(247,269)
Storm Water	191,961	268,730	226,794	(41,936)
Shop	140,888	168,069	135,918	(32,151)
Code Enforcement	127,441	157,928	125,942	(31,986)
Building and Zoning	153,532	180,941	125,660	(55,281)
Downtown Development	128,074	175,497	165,101	(10,396)
TOTAL EXPENDITURES	6,393,456	9,155,660	7,593,134	(1,562,526)
Deficiency of Revenue Under Expenditures	(3,447,391)	(6,234,584)	(4,559,695)	(1,450,163)
OTHER FINANCING SOURCES				
Capital Lease Transaction	-	45,000	570,438	525,438
Transfers from Other Funds	3,447,391	4,720,471	3,968,484	(751,987)
NET CHANGE IN FUND BALANCE	-	(1,514,113)	(20,773)	(1,676,712)
FUND BALANCE - JULY 1, 2021	-	5,793,031	951,898	
FUND BALANCE - JUNE 30, 2022	$ -	$ 4,278,918	$ 931,125	

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2021

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, 2021

SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF SYLVESTER, GEORGIA
General Fund
Balance Sheet
June 30, 2021

ASSETS

Assets	
Cash	$ 205,049
Restricted Cash	37,449
Investment-Certificates of Deposit	1,037,209
Receivables	
Property Taxes	25,667
Due From Other Governments	47,484
Other	48,590
Due from Other Funds	320,306
Inventory, at Cost	62,682
Prepaid Items	51,699
TOTAL ASSETS	$ 1,836,135

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities	
Accounts Payable	$ 50,270
Accrued Payroll Taxes and Withholdings	510,142
Due to Other Funds	299,293
Deposits	22,908
Total Liabilities	882,613
Deferred Inflows of Resources	
Deferred Revenue - property taxes	22,397
Fund Balance	
Nonspendable:	
Inventory	62,682
Prepaid Items	51,699
Restricted:	
Public Safety	26,728
Public Welfare	10,721
Unassigned	779,295
Total Fund Balance	931,125
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,836,135

CITY OF SYLVESTER, GEORGIA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2021

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES (Schedule 1)				
Taxes - Net	$ 2,156,842	$ 2,316,842	$ 2,189,622	$ (127,220)
Charges for Services	81,650	81,650	52,768	(28,882)
Fines & Forfeitures	223,814	333,814	274,064	(59,750)
Intergovernmental	8,000	8,000	302,360	294,360
Licenses and Permits	72,658	72,658	65,678	(6,980)
Interest Income	8,200	8,200	9,286	1,086
Miscellaneous	394,901	99,912	139,661	39,749
TOTAL REVENUES	2,946,065	2,921,076	3,033,439	112,363
EXPENDITURES (Schedule 2)				
Legislative	121,031	121,973	86,056	(35,917)
Judicial	148,675	176,838	168,123	(8,715)
Administrative	897,483	1,019,468	885,354	(134,114)
Police	1,773,336	2,965,163	2,544,328	(420,835)
City Manager	211,075	369,781	346,402	(23,379)
Financial Administration	251,144	375,279	314,657	(60,622)
Human Resources	134,764	196,372	166,534	(29,838)
Animal Control	38,467	38,467	38,467	-
Cemetery and Parks	246,766	259,222	80,898	(178,324)
Fire	834,287	1,094,832	964,944	(129,888)
Economic Development	79,575	121,875	-	(121,875)
Street	914,957	1,465,225	1,217,956	(247,269)
Storm Water	191,961	268,730	226,794	(41,936)
Shop	140,888	168,069	135,918	(32,151)
Code Enforcement	127,441	157,928	125,942	(31,986)
Building and Zoning	153,532	180,941	125,660	(55,281)
Downtown Development	128,074	175,497	165,101	(10,396)
TOTAL EXPENDITURES	6,393,456	9,155,660	7,593,134	(1,562,526)
Deficiency of Revenue Under Expenditures	(3,447,391)	(6,234,584)	(4,559,695)	(1,450,163)
OTHER FINANCING SOURCES				
Capital Lease Transaction	-	45,000	570,438	525,438
Transfers from Other Funds	3,447,391	4,720,471	3,968,484	(751,987)
NET CHANGE IN FUND BALANCE	-	(1,469,113)	(20,773)	(1,676,712)
FUND BALANCE - JULY 1, 2020	-	5,793,031	951,898	
FUND BALANCE - JUNE 30, 2021	$ -	$ 4,323,918	$ 931,125	

CITY OF SYLVESTER, GEORGIA
General Fund
Revenues-Budget and Actual
For the Year Ended June 30, 2021

SCHEDULE 1	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Ad Valorem Taxes	$ 972,492	$ 972,492	$ 873,221	$ (99,271)
Alcoholic Beverage Tax	103,066	103,066	102,468	(598)
Business and Occupation Tax	42,000	42,000	59,188	17,188
Charges for Services	81,650	81,650	52,768	(28,882)
Fines and Forfeitures	223,814	333,814	274,064	(59,750)
Franchise Tax	92,792	252,792	72,953	(179,839)
Insurance Premium Tax	472,100	472,100	496,665	24,565
Intangible and Transfer Tax	10,932	10,932	7,472	(3,460)
Interest Income	8,200	8,200	9,286	1,086
Intergovernmental	8,000	8,000	302,360	294,360
Licenses and Permits	72,658	72,658	65,678	(6,980)
Miscellaneous	348,801	53,812	82,446	28,634
Miscellaneous - Cemetery Lot Sales	30,000	30,000	42,580	12,580
Miscellaneous - Rent	16,100	16,100	14,635	(1,465)
Sales Tax-Local Option	463,460	463,460	577,655	114,195
TOTAL REVENUES	$ 2,946,065	$ 2,921,076	$ 3,033,439	$ 112,363

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual
For the Year Ended June 30, 2021

SCHEDULE 2

EXPENDITURES	Budget Original	Budget Final	Actual	Variance with Budget
LEGISLATIVE				
Personnel Services	$ 35,290	$ 31,299	$ 35,889	$ 4,590
Employee Medical Insurance	90	20,538	70	(20,468)
Retirement Fund Contribution	15,251	15,251	15,248	(3)
Dues and Membership	1,000	1,000	-	(1,000)
Miscellaneous	3,000	2,925	54	(2,871)
Professional Services	300	300	486	186
Telephone and Utilities	6,100	6,100	8,639	2,539
Travel and Training	60,000	44,560	25,670	(18,890)
Total Legislative	121,031	121,973	86,056	(35,917)
JUDICIAL				
Personnel Services	109,675	137,838	126,871	(10,967)
Municipal Court Judge	18,000	18,000	24,822	6,822
Indigent Defence Attorney	6,000	6,000	-	(6,000)
City Solicitor	15,000	15,000	16,430	1,430
Dues and Membership	-	-	-	-
Total Judicial	148,675	176,838	168,123	(8,715)
ADMINISTRATIVE				
Personnel Services	114,610	114,755	166,912	52,157
Employee Medical Insurance	-	(6,001)	-	6,001
Retirement Fund Contribution	25,575	25,575	26,387	812
Advertising	4,000	4,000	3,478	(522)
Appropriations:				-
DeSoto Trail Regional Library	65,875	65,875	57,500	(8,375)
Recreation Program and Community	100,000	100,000	100,000	-
Chamber of Commerce	25,000	25,000	20,000	(5,000)
Other	51,000	21,000	6,075	(14,925)
Capital Outlay	30,000	30,000	-	(30,000)
Clerical and Administrative	25,250	25,625	52,050	26,425
Dues and Membership	10,600	10,600	1,588	(9,012)
Insurance	60,000	28,000	41,410	13,410
Miscellaneous	32,500	34,204	34,823	619
Motor Fuels	1,800	1,800	2,321	521
Professional Services	136,700	(87,000)	227,398	314,398
Repairs and Maintenance - Equipment	22,800	387,500	18,482	(369,018)
Supplies	11,600	30,512	30,603	91

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
Administrative (continued)				
Telephone and Utilities	$ 26,690	$ 26,690	$ 12,123	$ (14,567)
Travel and Training	14,100	14,100	8,043	(6,057)
Housing Authority Gas	21,200	12,700	-	(12,700)
Uniforms	2,200	2,350	4,921	2,571
Worth County Family Connection	58,970	95,170	60,149	(35,021)
Daisy Gamble Learning Center	57,013	57,013	11,091	(45,922)
Total Administrative	897,483	1,019,468	885,354	(134,114)
POLICE				
Personnel Services	1,137,719	2,152,179	1,538,988	(613,191)
Employee Medical Insurance	-	185,792	-	(185,792)
Retirement Fund Contribution	77,660	77,660	102,579	24,919
Capital Outlay	58,000	63,000	342,989	279,989
Clerical and Administrative	3,700	3,700	3,585	(115)
Community Programs	4,600	20,600	32,196	11,596
Courtware Solutions	17,000	17,000	29,669	12,669
Dues and Membership	1,000	1,000	375	(625)
Inmate Medical and Board	17,000	17,000	10,780	(6,220)
Insurance	38,357	38,357	34,731	(3,626)
Miscellaneous	2,500	2,500	1,766	(734)
Motor Fuels	55,250	55,250	61,962	6,712
Professional Services	20,000	38,840	26,550	(12,290)
Repairs and Maintenance-Equipment	62,400	62,400	94,841	32,441
Supplies	34,000	35,735	16,902	(18,833)
Travel and Training	19,000	19,000	14,730	(4,270)
Telephone and Utilities	38,600	38,600	40,684	2,084
Trust Fund Contributions	45,850	40,850	51,618	10,768
Uniforms	15,000	15,000	14,419	(581)
Capital Lease-Principal	45,000	-	59,253	59,253
Capital Lease-Interest	2,700	2,700	2,999	299
911 Cost	78,000	78,000	62,712	(15,288)
Total Police	1,773,336	2,965,163	2,544,328	(420,835)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
CITY MANAGER				
Personnel Services	$ 166,286	$ 296,292	$ 289,140	$ (7,152)
Employee Medical Insurance	-	12,955	-	(12,955)
Retirement Fund Contribution	16,879	18,409	16,875	(1,534)
Advertising	500	500	80	(420)
Clerical and Administrative	200	200	41	(159)
Dues and Membership	2,000	2,000	3,044	1,044
Miscellaneous	600	600	5,720	5,120
Motor Fuels	7,520	6,800	-	(6,800)
Professional Fees	1,100	10,100	1,406	(8,694)
Repairs and Maintenance-Equipment	1,400	1,400	1,521	121
Supplies	1,600	7,535	19,808	12,273
Telephone and Utilities	2,340	2,340	743	(1,597)
Travel and Training	10,500	10,500	6,357	(4,143)
Uniforms	150	150	1,667	1,517
Total City Manager	211,075	369,781	346,402	(23,379)
FINANCIAL ADMINISTRATION				
Personnel Services	174,259	174,259	220,947	46,688
Employee Medical Insurance	-	23,321	-	(23,321)
Retirement Fund Contribution	9,220	9,220	9,218	(2)
Clerical and Administration	1,300	1,300	1,218	(82)
Dues and Membership	2,000	2,000	-	(2,000)
Repairs and Maintenance	3,500	3,500	100	(3,400)
Professional Fees	40,500	41,220	69,083	27,863
Supplies	3,450	103,544	6,942	(96,602)
Telephone and Utilities	1,940	1,940	552	(1,388)
Travel and Training	11,400	11,400	4,992	(6,408)
Miscellaneous	275	275	673	398
Uniforms	700	700	475	(225)
Advertising	2,400	2,400	457	(1,943)
Insurance	200	200	-	(200)
Total Financial Administration	251,144	375,279	314,657	(60,622)
HUMAN RESOURCES				
Personnel Services	111,886	142,886	141,858	(1,028)
Employee Medical Insurance	-	28,321	-	(28,321)
Retirement Fund Contribution	8,563	8,563	8,561	(2)
Dues and Membership	150	150	-	(150)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Orginal	Final	Actual	Budget
Human Resources (continued)				
Insurance	$ -	$ -	$ -	$ -
Miscellaneous	150	150	78	(72)
Professional Services	2,075	2,075	1,585	(490)
Repairs and Maintenance	2,000	2,000	1,202	(798)
Supplies	2,700	4,787	7,438	2,651
Telephone and Utilities	1,640	1,640	3,482	1,842
Travel and Training	4,000	4,000	-	(4,000)
Uniforms	300	500	531	31
Advertising	600	600	-	(600)
Clerical and Administrative	700	700	1,799	1,099
Total Human Resources	134,764	196,372	166,534	(29,838)
ANIMAL CONTROL				
Humane Society	38,367	38,367	38,367	-
Miscellaneous	100	100	100	-
Total Animal Control	38,467	38,467	38,467	-
CEMETERY AND PARKS				
Personnel Services	$ 34,000	$ 35,700	$ -	$ (35,700)
Capital Outlay	-	-	-	-
Clerical and Adminstrative	3,500	3,500	150	(3,350)
Insurance	6,000	6,000	6,923	923
Maintenance Contract	73,736	82,792	-	(82,792)
Miscellaneous	8,100	9,800	2,229	(7,571)
Motor Fuels	-	-	7,006	7,006
Repairs and Maintenance-Cemetery	1,000	1,000	-	(1,000)
Repairs and Maintenance-Equipment	68,550	64,221	56,117	(8,104)
Supplies	5,900	10,229	4,482	(5,747)
Telephone and Utilities	45,980	45,980	3,991	(41,989)
Total Cemetery and Parks	246,766	259,222	80,898	(178,324)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
FIRE				
Personnel Services	$ 540,973	$ 753,823	$ 751,106	$ (2,717)
Employee Medical Insurance	-	112,819	-	(112,819)
Retirement Fund Contribution	33,588	33,588	33,581	(7)
Capital Outlay	-	-	6,091	6,091
Clerical and Administrative	12,550	12,550	5,939	(6,611)
Dues and Membership	2,000	2,000	-	(2,000)
Insurance	37,500	37,500	35,731	(1,769)
Miscellaneous	3,500	3,500	1,046	(2,454)
Motor Fuels	7,000	7,000	6,175	(825)
Professional Fees	300	300	-	(300)
Repairs and Maintenance-Equipment	53,000	53,000	48,316	(4,684)
Supplies	24,000	22,755	12,589	(10,166)
Telephone and Utilities	17,500	17,500	4,137	(13,363)
Travel and Training	15,000	15,000	3,902	(11,098)
Uniforms	9,000	9,000	6,443	(2,557)
Capital Lease-Principal	63,879	-	40,625	40,625
Capital Lease-Interest	14,497	14,497	9,263	(5,234)
Total Fire	834,287	1,094,832	964,944	(129,888)
ECONOMIC DEVELOPMENT				
Personnel Services	64,925	78,925	-	(78,925)
Employee Medical Insurance	-	30,000	-	(30,000)
Clerical and Administrative	1,230	1,230	-	(1,230)
Community Relations	2,000	300	-	(300)
Dues and Membership	650	650	-	(650)
Advertising	1,000	1,000	-	(1,000)
Professional Fees	100	100	-	(100)
Rent	-	-	-	-
Repairs and Maintenance	3,600	3,600	-	(3,600)
Supplies	650	650	-	(650)
Telephone and Utilities	3,020	3,020	-	(3,020)
Travel and Training	2,400	2,400	-	(2,400)
Total Economic Development	79,575	121,875	-	(121,875)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
STREET				
Personnel Services	$ 463,860	$ 644,000	$ 571,035	$ (72,965)
Employee Medical Insurance	-	95,115	12,128	(82,987)
Retirement Fund Contribution	19,072	19,072	19,068	(4)
Advertising	300	300	1,060	760
Capital Outlay	5,000	7,000	311,098	304,098
Clerical and Administrative	2,700	2,700	7,866	5,166
General Supplies	4,400	6,662	9,802	3,140
Grounds Maintenance Contract	160,000	370,000	54,403	(315,597)
Miscellaneous	11,000	11,000	520	(10,480)
Motor Fuels	35,000	35,000	28,281	(6,719)
Professional Fees	-	-	4,790	4,790
Repairs and Maintenance-Equipment	58,300	92,300	74,306	(17,994)
Repairs and Maintenance-System	111,000	140,401	48,856	(91,545)
System Supplies and Chemicals	23,000	23,000	13,304	(9,696)
Telephone and Utilities	10,725	10,725	3,916	(6,809)
Travel and Training	4,000	-	2,715	2,715
Uniforms	6,000	7,350	8,843	1,493
Capital Lease-Principal	-	-	45,021	45,021
Capital Lease-Interest	600	600	944	344
Total Street	914,957	1,465,225	1,217,956	(247,269)
STORM WATER				
Personnel Services	117,985	168,111	126,001	(42,110)
Employee Medical Insurance	-	26,643	-	(26,643)
Retirement Fund Contribution	10,366	10,366	10,364	(2)
Capital Outlay	5,000	3,000	-	(3,000)
Motor Fuels	8,300	8,300	6,049	(2,251)
Professional Fees	-	-	-	-
Repairs and Maintenance	35,725	35,725	72,590	36,865
Rent	2,000	2,000	-	(2,000)
Telephone and Utilities	600	600	1,166	566
Travel and Training	750	750	112	(638)
Miscellaneous	1,700	3,700	8,682	4,982
Uniforms	1,400	1,400	1,830	430
Capital Lease-Principal	8,000	8,000	-	(8,000)
Capital Lease-Interest	135	135	-	(135)
Total Storm Water	191,961	268,730	226,794	(41,936)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
SHOP				
Personnel Services	$ 93,546	$ 93,546	$ 96,310	$ 2,764
Employee Medical Insurance	-	26,643	-	(26,643)
Retirement Fund Contribution	6,092	6,092	6,091	(1)
Motor Fuels	2,700	2,700	2,134	(566)
Repairs and Maintenance	26,200	26,200	25,317	(883)
Supplies	4,300	4,838	3,492	(1,346)
Telephone and Utilities	5,500	5,500	1,458	(4,042)
Travel and Training	1,500	1,500	-	(1,500)
Uniforms	800	800	1,116	316
Professional Services	250	250	-	(250)
Total Shop	140,888	168,069	135,918	(32,151)
CODE ENFORCEMENT				
Personnel Services	67,974	79,374	90,841	11,467
Employee Medical Insurance	-	27,853	-	(27,853)
Retirement Fund Contribution	5,241	5,241	5,240	(1)
Clerical and Administrative	200	200	-	(200)
Advertising	350	350	2,299	1,949
Community Relations	100	100	-	(100)
Dues and Membership	200	200	-	(200)
Great Sylvester Cleanup	1,000	1,000	5,271	4,271
Miscellaneous	1,200	1,100	135	(965)
Motor Fuels	100	100	2,119	2,019
Professional Services	30,700	18,400	6,963	(11,437)
Rent	2,700	2,700	-	(2,700)
Repairs and Maintenance-Equipment	1,400	3,700	4,280	580
Supplies	800	2,184	2,259	75
Telephone and Utilities	2,600	2,600	2,554	(46)
Travel and Training	2,400	2,400	3,926	1,526
Uniforms	-	(50)	55	105
Capital Lease-Principal	9,853	9,853	-	(9,853)
Capital Lease-Interest	623	623	-	(623)
Total Code Enforcement	127,441	157,928	125,942	(31,986)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
BUILDING AND ZONING				
Personnel Services	$ 124,062	$ 124,062	$ 102,150	$ (21,912)
Retirement Contributions	7,970	7,970	7,968	(2)
Employee Medical Insurance	-	25,982	-	(25,982)
Professional Services	10,000	10,000	5,098	(4,902)
Clerical and Administrative	3,250	2,977	4,555	1,578
Motor Fuels	900	900	1,191	291
Rent	-	-	-	-
Repairs and Maintenance	1,150	2,850	2,084	(766)
Telephone and Utilities	1,700	1,700	2,085	385
Travel and Training	4,500	4,500	529	(3,971)
Total Building and Zoning	153,532	180,941	125,660	(55,281)
DOWNTOWN DEVELOPMENT				
Personnel Services	52,417	85,417	55,957	(29,460)
Employee Medical Insurance	-	6,829	-	(6,829)
Retirement Fund Contribution	3,587	3,587	3,586	(1)
Advertising	8,000	8,000	6,140	(1,860)
Community Relations	28,500	34,125	74,039	39,914
Georgia Cities Week	9,000	9,000	7,033	(1,967)
Clerical and Administrative	1,550	4,550	(1,115)	(5,665)
Dues and Membership	1,200	1,200	817	(383)
Façade Program	6,000	6,000	6,619	619
Miscellaneous	7,250	4,619	3,990	(629)
Rent	-	-	650	650
Repairs and Maintenance	1,100	1,100	4,074	2,974
Supplies	1,150	2,750	2,656	(94)
Telephone and Utilities	2,320	2,320	616	(1,704)
Travel and Training	6,000	6,000	39	(5,961)
Total Downtown Development	128,074	175,497	165,101	(10,396)
TOTAL EXPENDITURES	$ 6,393,456	$ 9,155,660	$ 7,593,134	$ (1,562,526)

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
June 30, 2021

	SPECIAL REVENUE FUNDS		
	CDBG Loan Fund	Hotel/ Motel Tax Fund	Total
ASSETS			
Cash	$ 135,365	$ 23,717	$ 159,082
Taxes Receivable	-	-	-
Loan Receivable	46,898	-	46,898
Due from Other Funds	-	-	-
TOTAL ASSETS	$ 182,263	$ 23,717	$ 205,980
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ -	$ -	$ -
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
Deferred Inflows of Resources			
None	-	-	-
Fund Balances			
Restricted:			
Economic Development	182,263	-	182,263
Tourism	-	23,717	23,717
Capital Projects	-	-	-
Total Fund Balances	182,263	23,717	205,980
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 182,263	$ 23,717	$ 205,980

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
June 30, 2021

	SPECIAL REVENUE FUNDS		
	CDBG Loan Fund	Hotel/ Motel Tax Fund	Total
REVENUES			
Grant Proceeds	$ -	$ -	$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Investment Income	3,539	-	3,539
Hotel/Motel Taxes	-	20,861	20,861
TOTAL REVENUES	3,539	20,861	24,400
EXPENDITURES			
Culture and Recreation	-	-	-
Community and Economic Development	-	13,159	13,159
Capital Outlay	-	-	-
TOTAL EXPENDITURES	-	13,159	13,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,539	7,702	11,241
OTHER FINANCING USES			
Transfer In (Out)	-	-	-
NET CHANGE IN FUND BALANCE	3,539	7,702	11,241
FUND BALANCE - JULY 1, 2020	178,724	16,015	194,739
FUND BALANCE - JUNE 30, 2021	$ 182,263	$ 23,717	$ 205,980

CITY OF SYLVESTER, GEORGIA
CDBG Economic Development Revolving Loan Fund
Balance Sheet
June 30, 2021

ASSETS		
Cash	$	135,365
Loan Receivable		46,898
TOTAL ASSETS	$	182,263
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Economic Development		182,263
TOTAL LIABILITIES AND FUND BALANCE	$	182,263

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, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Interest on Loan Receivable	$ 12,000	$ 12,000	$ 3,525	$ (8,475)
Interest-Bank	1,200	1,200	14	(1,186)
TOTAL REVENUES	13,200	13,200	3,539	(9,661)
EXPENDITURES				
Loan Servicing Fees	-	-	-	-
Contingency	13,200	13,200	-	(13,200)
TOTAL EXPENDITURES	13,200	13,200	-	(13,200)
Excess of Revenues Over Expenditures	-	-	3,539	3,539
NET CHANGE IN FUND BALANCE	-	-	3,539	3,539
FUND BALANCE - JULY 1, 2020			178,724	
FUND BALANCE - JUNE 30, 2021			$ 182,263	

CITY OF SYLVESTER, GEORGIA
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2021

ASSETS		
Cash	$	23,717
Taxes Receivable		-
TOTAL ASSETS	$	23,717
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Tourism		23,717
TOTAL LIABILITIES AND FUND BALANCE	$	23,717

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, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Hotel/Motel Taxes	$ 24,354	$ 24,354	$ 20,861	$ (3,493)
TOTAL REVENUES	24,354	24,354	20,861	(3,493)
EXPENDITURES				
Chamber of Commerce Allocation	14,612	14,612	13,159	(1,453)
Contingency	9,742	9,742	-	(9,742)
TOTAL EXPENDITURES	24,354	24,354	13,159	(11,195)
Excess of Revenues Over Expenditures	-	-	7,702	7,702
OTHER FINANCING USES				
Transfer Out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	7,702	7,702
FUND BALANCE - JULY 1, 2020			16,015	
FUND BALANCE - JUNE 30, 2021			$ 23,717	

CITY OF SYLVESTER, GEORGIA
Designated Grant Fund
Balance Sheet
June 30, 2021

ASSETS		
Cash	$	361,509
Due from Other Funds		-
TOTAL ASSETS	$	361,509
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		117,946
TOTAL LIABILITIES		117,946
Fund Balance		
Restricted:		
Capital Projects		243,563
TOTAL LIABILITIES AND FUND BALANCE	$	361,509

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, 2021

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 300,000	$ 300,000	$ 1,110,192	$ 810,192
Contributions	-	-	-	-
TOTAL REVENUES	300,000	300,000	1,110,192	810,192
EXPENDITURES				
Community and Economic Development	-	-	26,018	26,018
Capital Outlay	300,000	300,000	1,137,860	837,860
TOTAL EXPENDITURES	300,000	300,000	1,163,878	863,878
Excess of Expenditures Over Revenues	-	-	(53,686)	(53,686)
OTHER FINANCING USES				
Transfer Out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	(53,686)	(53,686)
FUND BALANCE - JULY 1, 2020			297,249	
FUND BALANCE - JUNE 30, 2021			$ 243,563	

CITY OF SYLVESTER, GEORGIA
T-SPLOST Capital Projects Fund
Balance Sheet
June 30, 2021

ASSETS		
Cash	$	401,559
Due from Other Funds		296,489
TOTAL ASSETS	$	698,048
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		-
Fund Balance		
Restricted:		
Capital Projects		698,048
TOTAL LIABILITIES AND FUND BALANCE	$	698,048

CITY OF SYLVESTER, GEORGIA
T-SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2021

	Budget			Variance With
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 260,000	$ 260,000	$ 505,531	$ 245,531
Total Revenues	260,000	260,000	505,531	245,531
EXPENDITURES				
Capital Projects	260,000	260,000	58,458	(201,542)
TOTAL EXPENDITURES	260,000	260,000	58,458	(201,542)
Excess of Revenues Over Expenditures	-	-	447,073	447,073
NET CHANGE IN FUND BALANCE	$ -	$ -	447,073	$ 447,073
FUND BALANCE-JULY 1, 2020			250,975	
FUND BALANCE-JUNE 30, 2021			$ 698,048	

CITY OF SYLVESTER, GEORGIA
SPLOST Capital Projects Fund
Balance Sheet
June 30, 2021

ASSETS		
Cash	$	797,982
Taxes Receivable		-
TOTAL ASSETS	$	797,982
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		52,103
Fund Balance		
Restricted:		
Capital Projects		745,879
TOTAL LIABILITIES AND FUND BALANCE	$	797,982

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, 2021

	Budget			Variance With
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 378,346	$ 378,346	$ 575,136	$ 196,790
Interest	600	600	799	199
Total Revenues	378,946	378,946	575,935	196,989
EXPENDITURES				
Capital Projects	194,952	194,952	40,666	(154,286)
Debt Service:				
Principal	169,695	169,695	208,719	39,024
Interest	14,299	14,299	7,731	(6,568)
TOTAL EXPENDITURES	378,946	378,946	257,116	(121,830)
Excess of Revenues Over Expenditures	-	-	318,819	318,819
NET CHANGE IN FUND BALANCE	$ -	$ -	318,819	$ 318,819
FUND BALANCE-JULY 1, 2020			427,060	
FUND BALANCE-JUNE 30, 2021			$ 745,879	

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Net Position
June 30, 2021

ASSETS		
Current Assets		
Cash	$	119,848
Investment-Certificate of Deposit		194,829
Investment		3,015,649
Restricted Assets		
Cash-Customer Deposits		110,510
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		245,329
Inventory		191,180
Prepaid Items		22,425
Due from Other Funds		-
Total Current Assets		3,899,770
Noncurrent Assets		
Capital Assets		
Electric System		3,737,888
Machinery and Equipment		161,975
Vehicles		925,997
Accumulated Depreciation		(3,341,043)
Total Noncurrent Assets		1,484,817
TOTAL ASSETS		5,384,587
LIABILITIES		
Current Liabilities		
Accounts Payable		212,294
Accrued Expenses		143,618
Liabilities Payable from Restricted Assets-Customer Deposits		18,527
Due to Other Funds		389,730
Total Current Liabilities		764,169
Long-Term Liabilities		
Accrued Vacation		40,557
Total Long-Term Liabilities		40,557
TOTAL LIABILITIES		804,726
Investment in Capital Assets		1,484,817
Unrestricted		3,095,044
TOTAL NET POSITION	$	4,579,861

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES	
Electric Sales	$ 11,475,125
Penalties	75,756
Service Fees	73,090
Miscellaneous	10,200
Pole Rental	45,071
TOTAL OPERATING REVENUES	11,679,242
OPERATING EXPENSES	
Personnel Services	565,343
Employee Medical Insurance	38,449
Retirement Fund Contribution	27,178
Purchases - Electricity	6,505,636
Clerical and Administrative	89,543
Insurance - General	35,731
Marketing	25,006
Miscellaneous	1,224
Motor Fuels	14,998
Professional Fees	15,221
Repairs and Maintenance-Equipment	28,464
Repairs and Maintenance-System	165,649
Supplies-General	16,938
Supplies-System	89,813
Technical Support	86,820
Telephone and Utilities	120,372
Travel and Training	7,369
Uniforms	8,844
Depreciation	107,980
TOTAL OPERATING EXPENSES	7,950,578
OPERATING INCOME	3,728,664

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
For the Year Ended June 30, 2021

NON-OPERATING REVENUES (EXPENSES)	
Interest Income	$ 76
Market Gain on Investments	28,407
TOTAL NON-OPERATING REVENUES (EXPENSES)	28,483
Income Before Transfers	3,757,147
Transfers In	-
Transfers Out	(3,968,484)
CHANGE IN NET POSITION	(211,337)
NET POSITION - JULY 1, 2020	4,791,198
NET POSITION - JUNE 30, 2021	$ 4,579,861

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 11,974,818
Cash Payments to Suppliers	(7,562,688)
Cash Payments to Employees	(630,636)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,781,494
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(3,578,754)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and Construction of Capital Assets	(36,200)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	76
Purchase of Investments	(319,934)
NET CASH USED BY INVESTING ACTIVITIES	(319,858)
Net Decrease in Cash and Cash Equivalents	(153,318)
CASH AND CASH EQUIVALENTS-JULY 1, 2020	578,505
CASH AND CASH EQUIVALENTS-JUNE 30, 2021	$ 425,187
Displayed As:	
Investment-Certificate of Deposit	$ 194,829
Restricted Assets	$ 110,510

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2021

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 3,728,664
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	107,980
(Increase) Decrease in Assets:	
Accounts Receivable	300,231
Prepaid Items	(7,960)
Inventory	(517)
Increase (Decrease) in Liabilities:	
Accounts Payable	(417,145)
Accrued Expenses	74,562
Accrued Vacation	334
Customer Deposits	(4,655)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,781,494
Noncash Investing, Capital and Financing Activities	
Increase in Fair Value of Investments	$ 28,407

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Net Position
June 30, 2021

ASSETS		
Current Assets		
Cash	$	151,600
Investment-Certificate of Deposit		184,356
Restricted Assets		
Cash-Customer Deposits		123,831
Cash-GEFA		180
Investment-Certificate of Deposit-GEFA		168,755
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		56,223
Inventory		50,050
Prepaid Items		27,282
Due from Other Funds		241,359
Total Current Assets		1,003,636
Noncurrent Assets		
Capital Assets		
Land		21,800
Buildings		365,283
Water and Sewer System		14,615,266
Machinery and Equipment		838,852
Vehicles		207,475
Construction in Progress		3,678,935
Accumulated Depreciation		(10,214,386)
Total Noncurrent Assets		9,513,225
TOTAL ASSETS		10,516,861
LIABILITIES		
Current Liabilities		
Accounts Payable		69,228
Notes Payable		298,410
Accrued Expenses		4,001
Liabilities Payable from Restricted Assets-Customer Deposits		77,615
Due to Other Funds		-
Total Current Liabilities		449,254
Long-Term Liabilities		
Accrued Vacation		12,616
Notes Payable		4,113,642
Total Long-Term Liabilities		4,126,258
TOTAL LIABILITIES		4,575,512
Net Investment in Capital Assets		5,101,173
Restricted for Debt Service		168,935
Unrestricted		671,241
TOTAL NET POSITION	$	5,941,349

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES	
Water Revenue	$ 1,019,860
Sewer Revenue	786,500
Penalties	19,882
TOTAL OPERATING REVENUES	1,826,242
OPERATING EXPENSES	
Water (Schedule 1)	595,184
Sewer (Schedule 2)	573,382
Depreciation	177,831
TOTAL OPERATING EXPENSES	1,346,397
OPERATING INCOME	479,845
NON-OPERATING REVENUES (EXPENSES)	
Principal Forgiveness on Long-Term Debt	119,284
Interest Income	4,647
Interest Expense	(199,304)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(75,373)
Income Before Transfers	404,472
Transfers In	-
Transfers Out	-
CHANGE IN NET POSITION	404,472
NET POSITION-JULY 1, 2020	5,536,877
NET POSITION-JUNE 30, 2021	$ 5,941,349

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 2,048,455
Cash Payments to Suppliers	(788,318)
Cash Payment to Employees	(371,755)
NET CASH PROVIDED BY OPERATING ACTIVITIES	888,382
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(241,359)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases and Construction of Capital Assets	(571,100)
Principal Paid on Capital Debt	(284,079)
Interest Paid on Capital Debt	(199,204)
Proceeds from Long Term Debt	298,211
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(756,172)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	4,647
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,647
Net Decrease in Cash and Cash Equivalents	(104,502)
CASH AND CASH EQUIVALENT-JULY 1, 2020	733,224
CASH AND CASH EQUIVALENT-JUNE 30, 2021	$ 628,722
Displayed As:	
Investment-Certificate of Deposit	$ 184,356
Restricted Assets	$ 292,766
Non Cash Transactions:	
Principal Forgiveness on Capital Debt	$ 119,284

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2021

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 479,845
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	177,831
(Increase) Decrease in Assets:	
Accounts Receivable	227,443
Prepaid Items	(19,747)
Increase (Decrease) in Liabilities:	
Accounts Payable	26,841
Accrued Expenses	-
Accrued Vacation	1,399
Customer Deposits	(5,230)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 888,382

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Water Operating Expenses – Schedule 1
For the Year Ended June 30, 2021

Water Operating Expenses

Personnel Services	$	233,306
Retirement Fund Contribution		13,099
Advertising		-
Clerical and Administrative		689
Dues and Memberships		549
Insurance		35,731
Lab Fees		16,314
Motor fuels		6,845
Repairs and Maintenance-Equipment		36,052
Repairs and Maintenance-System		132,931
Supplies-General		18,467
Supplies- System		64,443
Telephone and Utilities		26,775
Travel and Training		6,416
Uniforms		3,567
Total Operating Expenses	$	595,184

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Sewer Operating Expenses – Schedule 2
For the Year Ended June 30, 2021

Sewer Operating Expenses

Personnel Services	$ 99,864
Employee Medical Insurance	8,192
Retirement Fund Contribution	18,693
Advertising	323
Clerical and Administrative	32,275
Insurance	35,731
Lab Fees	58,579
Motor Fuels	9,402
Repairs and Maintenance - Equipment	142,685
Repairs and Maintenance - System	81,689
Supplies - General	5,424
Supplies - System	32,421
Telephone and Utilities	45,767
Travel and Training	999
Uniforms	1,338
Total Operating Expenses	$ 573,382

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Net Position
June 30, 2021

ASSETS	
Current Assets	
Cash	$ 16,641
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	800
Due from Other Funds	-
Total Current Assets	17,441
Noncurrent Assets	
Capital Assets	
Land	382,791
Land Improvements	5,418,709
Equipment	6,040
Construction in Progress	-
Accumulated Depreciation	(1,512,558)
Total Noncurrent Assets	4,294,982
TOTAL ASSETS	4,312,423
LIABILITIES	
Current Liabilities	
Miscellaneous Liabilities	120,251
Accounts Payable	3,710
TOTAL LIABILITIES	123,961
DEFERRED INFLOWS OF RESOURCES	
Unearned Revenues - Rent Proceeds	-
NET POSITION	
Investment in Capital Assets	4,294,982
Unrestricted	(106,520)
TOTAL NET POSITION	$ 4,188,462

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES	
Rent	$ 6,400
Other Revenues	-
TOTAL OPERATING REVENUES	6,400
OPERATING EXPENSES	
Advertising	480
Insurance	6,850
Repairs and Maintenance	33,927
Utilities	1,502
Miscellaneous	424
Depreciation	304,090
TOTAL OPERATING EXPENSES	347,273
OPERATING LOSS	(340,873)
NON-OPERATING REVENUES	
Capital Grants	283,037
Income Before Transfers	(57,836)
Transfers in	-
CHANGE IN NET POSITION	(57,836)
NET POSITION-JULY 1, 2020	4,246,298
NET POSITION-JUNE 30, 2021	$ 4,188,462

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 6,400
Cash Payments to Suppliers	(57,851)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(51,451)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	-
Payments to Other Funds	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and Construction of Capital Assets	(276,818)
Capital Grants Received	283,037
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	6,219
CASH FLOWS FROM INVESTING ACTIVITIES	-
Net Increase in Cash and Cash Equivalents	(45,232)
CASH AND CASH EQUIVALENTS - JULY 1, 2020	61,873
CASH AND CASH EQUIVALENTS - JUNE 30, 2021	$ 16,641
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Loss	(340,873)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	304,090
(Increase) Decrease in Assets:	
Accounts Receivable	-
Increase (Decrease) in Liabilities:	
Unearned Revenues	-
Accounts Payable and Miscellaneous Liabilities	(14,668)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (51,451)

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Net Position
June 30, 2021

ASSETS	
Current Assets	
Cash	$ 29,388
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	107,930
Miscellaneous Current Assets	388,143
Due from Other Funds	-
Total Current Assets	525,461
Noncurrent Assets	
Capital Assets	
Land	19,780
Vehicles	139,855
Accumulated Depreciation	(27,871)
Total Noncurrent Assets	131,764
TOTAL ASSETS	657,225
LIABILITIES	
Current Liabilities	
Accounts Payable	34,631
Notes Payable	25,275
Due to Other Funds	-
Total Current Liabilities	59,906
Long-Term Liabilities	
Notes Payable	21,449
Total Long-Term Liabilities	21,449
TOTAL LIABILITIES	81,355
NET POSITION	
Net Investment in Capital Assets	85,040
Unrestricted	490,830
TOTAL NET POSITION	$ 575,870

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES		
Refuse Collection Fees	$	682,266
Landfill Collection Fees		132,531
Penalties		9,350
TOTAL OPERATING REVENUES		824,147
OPERATING EXPENSES		
Refuse Disposal Fees		446,165
Landfill Fees		145,274
Miscellaneous		53
TOTAL OPERATING EXPENSES		591,492
OPERATING INCOME		232,655
NON-OPERATING EXPENSES		
Interest Expense		5,111
Income Before Transfers		227,544
Transfers		-
CHANGE IN NET POSITION		227,544
NET POSITION-JULY 1, 2020		348,326
NET POSITION-JUNE 30, 2021	$	575,870

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 435,512
Cash Payments to Suppliers	(556,861)
Cash Payments to Employee	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(121,349)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase of Capital Assets	-
Principal Paid on Long Term Debt	(26,440)
Interest Paid on Long Term Debt	(5,111)
Proceeds from Long Term Debt	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(31,551)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	-
NET CASH USED BY INVESTING ACTIVITIES	-
Net Increase in Cash and Cash Equivalents	(152,900)
CASH AND CASH EQUIVALENTS - JULY 1, 2020	182,288
CASH AND CASH EQUIVALENTS - JUNE 30, 2021	$ 29,388
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	232,655
Adjustments to Reconcile Operating Income to Net Cash	
(Increase) Decrease in Assets:	
Accounts Receivable and Miscellaneous Current Assets	(388,635)
Increase (Decrease) in Liabilities	
Accounts Payable	34,631
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (121,349)

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Net Position
June 30, 2021

ASSETS	
Current Assets	
Cash	$ 9,553
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	37,630
Due from Other Funds	-
Total Current Assets	47,183
Noncurrent Assets	
Capital Assets	
Construction in Progress	-
Fiber Optics System	381,861
Vehicles	3,060
Accumulated Depreciation	(322,318)
Total Noncurrent Assets	62,603
TOTAL ASSETS	109,786
LIABILITIES	
Current Liabilities	
Miscellaneous Liabilities	40,076
Due to Other Funds	1,024
TOTAL LIABILITIES	41,100
NET POSITION	
Investment in Capital Assets	62,603
Unrestricted	6,083
TOTAL NET POSITION	$ 68,686

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES	
Telecom and Internet Charges	$ 174,780
TOTAL OPERATING REVENUES	174,780
OPERATING EXPENSES	
Contractual Services	63,649
Internet Fees	73,736
Professional Services	9,125
Repairs and Maintenance-System	39,779
Depreciation	6,075
TOTAL OPERATING EXPENSES	192,364
OPERATING LOSS	(17,584)
Income Before Transfers	(17,584)
Transfers Out	-
CHANGE IN NET POSITION	(17,584)
NET POSITION-JULY 1, 2020	86,270
NET POSITION-JUNE 30, 2021	$ 68,686

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 246,050
Cash Payments to Suppliers	(251,159)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(5,109)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments (to) from Other Funds	1,024
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	(4,085)
CASH AND CASH EQUIVALENTS - JULY 1, 2020	13,638
CASH AND CASH EQUIVALENTS - JUNE 30, 2021	$ 9,553
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(17,584)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	6,075
(Increase) Decrease in Assets:	
Accounts Receivable	71,270
Increase (Decrease) in Liabilities:	
Accounts Payable and Miscellaneous Liabilities	(64,870)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (5,109)

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Net Position
June 30, 2021

ASSETS	
Current Assets	
Cash	$ 3,311
Restricted Assets	
Cash-Customer Deposits	30,015
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	10,566
Due from Other Funds	1,942
Inventory	31,044
Prepaid Items	4,730
Total Current Assets	81,608
Noncurrent Assets	
Capital Assets	
Land	2,500
Natural Gas System	896,021
Machinery and Equipment	197,577
Vehicles	103,094
Accumulated Depreciation	(1,054,316)
Total Noncurrent Assets	144,876
TOTAL ASSETS	226,484
LIABILITIES	
Current Liabilities	
Accounts Payable	49,036
Notes Payable	-
Accrued Expenses	73,769
Miscellaneous Liabilities	40,603
Liabilities Payable from Restricted Assets-Customer Deposits	20,610
Total Current Liabilities	184,018
Long-Term Liabilities	
Accrued Vacation	2,755
Total Long-Term Liabilities	2,755
TOTAL LIABILITIES	186,773
NET POSITION	
Net Investment in Capital Assets	144,876
Unrestricted	(105,165)
TOTAL NET POSITION	$ 39,711

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES		
Gas Sales	$	618,776
Penalties		52,220
TOTAL OPERATING REVENUES		670,996
OPERATING EXPENSES		
Purchases-Natural Gas		305,082
Personnel Services		251,948
Employee Medical Insurance		9,347
Advertising		4,641
Clerical and Administrative		56
Dues and Membership		12,230
Insurance - General		35,731
Motor Fuels		5,606
Professional Fees		8,657
Repairs and Maintenance - Equipment		53,783
Repairs and Maintenance - System		2,725
Retirement Fund Contribution		14,335
Supplies - General		15,614
Telephone and Utilities		837
Travel and Training		3,167
Uniforms		1,878
Depreciation		8,537
TOTAL OPERATING EXPENSES		734,174
OPERATING INCOME (LOSS)		(63,178)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income		835
Income Before Transfers		(62,343)
Transfers In		-
Transfers Out		-
CHANGE IN NET POSITION		(62,343)
NET POSITION - JULY 1, 2020		102,054
NET POSITION - JUNE 30, 2021	$	39,711

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 662,335
Cash Payments to Suppliers	(652,068)
Cash Payments to Employee	(275,093)
NET CASH USED BY OPERATING ACTIVITIES	(264,826)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(1,942)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(1,942)
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase of Capital Assets	-
Principal Paid on Long Term Debt	(8,669)
Interest Paid on Long Term Debt	-
Proceeds from Long Term Debt	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(8,669)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	835
NET CASH PROVIDED BY INVESTING ACTIVITIES	835
Net Decrease in Cash and Cash Equivalents	(274,602)
CASH AND CASH EQUIVALENTS - JULY 1, 2020	307,928
CASH AND CASH EQUIVALENTS - JUNE 30, 2021	$ 33,326
Displayed As:	
Restricted Assets	$ 30,015
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	(63,178)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	8,537
(Increase) Decrease in Assets:	
Accounts Receivable	(3,423)
Inventory	3
Prepaid Items	(3,503)
Increase (Decrease) in Liabilities	
Accounts Payable	22,577
Accrued Expenses and Other Liabilities	(224,641)
Customer Deposits	(1,735)
Accrued Vacation	537
NET CASH USED BY OPERATING ACTIVITIES	$ (264,826)

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Utility Energy Crisis				
ASSETS				
Cash	$ 761	$ 100	$ -	$ 861
LIABILITIES				
Due to Other Governments	$ 761	$ 100	$ -	$ 861
Downtown Sylvester Farmer's Market				
ASSETS				
Cash	$ 1,368	$ 1,508	$ (272)	$ 2,604
LIABILITIES				
Due to Other Governments	$ 1,368	$ 1,508	$ (272)	$ 2,604
Totals				
ASSETS				
Cash	$ 2,129	$ 1,608	$ (272)	$ 3,465
LIABILITIES				
Due to Other Governments	$ 2,129	$ 1,608	$ (272)	$ 3,465

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF SYLVESTER, GEORGIA
Schedule of Projects Constructed
With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2021

2016 Referendum

Category	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	% Complete as of 6/30/2021
Roads, bridges, sidewalks and associated capital equipment	$ 537,015	$ 537,015	$ 499,060	$ 10,266	$ 509,326	95%
City Hall renovations and associated capital equipment	950,000	950,000	-	-	-	0%
Water and sewer improvements and associated capital equipment	250,000	250,000	-	30,400	30,400	12%
Parks and recreation improvements and associated capital equipment	50,000	50,000	37,125	-	37,125	74%
Depot improvements and parking lot	100,000	100,000	25,782	-	25,782	26%
Holly School Gym	100,000	100,000	-	-	-	0%
Public safety building and associated capital equipment (1)	1,010,000	1,010,000	-	-	-	0%
TOTAL	$ 2,997,015	$ 2,997,015	$ 561,967	$ 40,666	$ 602,633	

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

Prior Years	$ 1,364,902
Current Year	216,450
	$ 1,581,352

CITY OF SYLVESTER, GEORGIA
Schedule of Projects Constructed
With Transportation Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2021

2019 Referendum

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Years	Expenditures Total	% Complete as of 6/30/2021
Road, Street, Bridge Purposes as allowed under O.C.G.A 48-8-260(4)	$ 2,711,300	$ 2,711,300	$ -	$ 58,458	$ 58,458	2.2%
Total	$ 2,711,300	$ 2,711,300	$ -	$ 58,458	$ 58,458	

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
18p-x-159-2-6029
For the Year Ended June 30, 2021

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	$ 703,400	$ 655,740	$ -	$ 655,740
Engineering	T-03J-00	-	-	72,349	72,349
General Administration	A-21A-00	-	-	12,000	12,000
Total		$ 703,400	$ 655,740	$ 84,349	$ 740,089

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
18p-x-159-2-6029
For the Year Ended June 30, 2021

Total Program Year 2018 CDBG Funds Allocated to Recipient	$	703,400
Less: Deobligations		-
Net Program Year 2018 Funds Allocated to Recipient		703,400
Less: Total Program Year 2018 Funds Drawn Down by Recipient	$	655,740
Funds Still Available from Program Year 2018 Resources	$	47,660
Total Program Year 2018 CDBG Funds Drawn and Received by Recipient	$	655,740
Local Matches and Other Receipts		84,349
Total Receipts Available for Program Year 2018 Costs		740,089
Less: Funds Applied and Expended to Program Year 2018 Costs		740,089
Total Program Year 2018 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
18p-x-159-2-6093
For the Year Ended June 30, 2021

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grant Total Expenditures To Date
Water Improvements	P-03J-01	$ 705,000	$ 530,153	$ -	$ 530,153
Engineering	T-03J-00	-	-	30,103	30,103
General Administration	A-21A-00	45,000	40,000	-	40,000
Total		$ 750,000	$ 570,153	$ 30,103	$ 600,256

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
18p-x-159-2-6093
For the Year Ended June 30, 2021

Total Program Year 2018 CDBG Funds Allocated to Recipient	$	750,000
Less: Deobligations		-
Net Program Year 2018 Funds Allocated to Recipient		750,000
Less: Total Program Year 2018 Funds Drawn Down by Recipient	$	570,153
Funds Still Available from Program Year 2018 Resources	$	179,847
Total Program Year 2018 CDBG Funds Drawn and Received by Recipient	$	570,153
Local Matches and Other Receipts		30,103
Total Receipts Available for Program Year 2018 Costs		600,256
Less: Funds Applied and Expended to Program Year 2018 Costs		600,256
Total Program Year 2018 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SINGLE AUDIT SECTION

CITY OF SYLVESTER, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures
U.S. Environmental Protection Agency:			
Pass-Through Georgia Environmental Finance Authority (GEFA):			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW 2020019	$ 119,284
U.S. Department of Housing and Urban Development:			
Pass-Through Georgia Department of Community Affairs:			
Community Development Block Grants	14.228	18P-X-159-2-6029	444,543
Community Development Block Grants	14.228	18P-X-159-2-6093	552,153
Home Investment Partnerships Program	14.239	CH17XSYL-02	26,018
U.S. Treasury:			
Pass-Through State of Georgia Office of the Governor:			
COVID-19 Coronavirus Relief Fund	21.019		302,360
U.S. Department of Transportation:			
Pass-Through Georgia Department of Transportaion:			
Airport Improvement Program	20.106	APO21-9045-15 (321)	283,037
Total Expenditures of Federal Awards			$ 1,727,395

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, 2021. 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.

See auditor's report.

Hudson & NeSmith, CPAs

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

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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, 2021, 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 February 21, 2022.

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 2021-01) 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-02 and 2021-03.

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
February 21, 2022

Hudson & NeSmith, CPAs

Member
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Georgia Society of Certified Public Accountants
Private Companies Practice Section

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

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, 2021. 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, 2021.

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
February 21, 2022

CITY OF SYLVESTER, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - 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. Two instances of noncompliance material to the financial statements were disclosed during the audit.

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

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

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

8. The programs tested as major programs include:

   U.S. Department of Housing and Urban Development (HUD):
   Community Development Block Grants CFDA # 14.228

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

10. The City of Sylvester, Georgia did not qualify as a low-risk auditee.

CITY OF SYLVESTER, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II-FINANCIAL STATEMENT FINDINGS

1. Deficiency in Internal Control Structure

2021-01 Lack of Segregation of Duties
Prior Period and Current Period Condition

Condition and Criteria – The City does not have proper segregation of duties in certain departments of the City that collect and disburse funds. Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons. A proper segregation of duties does not exist between handling cash receipts and disbursements, access to accounts receivable and accounts payable detail, access to the general ledger, and reconciliation of the bank accounts. Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Cause – A proper segregation of duties was not in place in some offices that handle receipting and disbursing of cash that provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business. This was caused by the limited number of personnel required to perform these duties.

Effect – The failure to segregate out the accounting duties among multiple persons presents the opportunity for misappropriation of assets, mainly cash.

Recommendation – The duties of recording, distribution, reconciliation of cash accounts and other operational functions should be segregated between employees and accounting records reviewed by responsible officials on a regular basis.

Management's Response – The City concurs with the recommendation. Management and City Council Members do review monthly financial information. Management has also put in place cash handling procedures to segregate these duties to the extent possible. City management will work to continually improve and implement as many procedures as possible to improve internal controls in this area.

2. Compliance

2021-02 Law Section – O.C.G.A. 48-8-269.5

Condition and Criteria – The City deposited Transportation Local Option Sales Tax (TSPLOST) funds into its General Fund checking account in multiple months of the June 30, 2021 fiscal year due to a lack of understanding of the requirements of the Official Code of Georgia regarding prevention of the commingling of TPLOST funds with non TSPLOST funds. The Official Code of Georgia (48-8-269.5) requires proceeds from TSPLOST revenues be kept in a separate account from other funds of the City.

Cause – The City deposited TSPLOST funds into the General Fund bank account.

Effect – Commingling of TSPLOST revenues with non-TSPLOST revenues violates the state code and allows for the potential of funds to be expended on items not approved under the TSPLOST voter referendum.

Recommendation - All TSPLOST funds should be maintained in a separate bank account from non-TSPLOST funds and should only be used for voter-approved capital projects as outlined in the TSPLOST referendum.

Management's Response - The City concurs with the finding. The City will reimburse the TSPLOST Fund from the General Fund based on the interfund payable and receivable as noted at June 30, 2021.

2021-03 Law Section – O.C.G.A. 48-8-121

Condition and Criteria – The City transferred Special Purpose Local Option Sales Tax (SPLOST) funds from the SPLOST Capital Project Fund bank account into its Electric Fund bank account in multiple months of the June 30, 2021 fiscal year for interfund lending purposes. The Official Code of Georgia (48- 8-121) requires proceeds from SPLOST revenue be kept in a separate account from other funds of the City. Also, with regards to the State of Georgia Attorney General's Official Opinion 2007-5, a county may not borrow from Special Purpose Local Option Sales Tax (SPLOST) proceeds to fund expenditures other than voter-approved county capital projects authorized in the SPLOST statutes. While this official opinion does not address Georgia cities receiving SPLOST proceeds, the spirit of the opinion should apply to cities as well.

Cause – The City deposited SPLOST funds with non-SPLOST funds in order to supplement cash flow shortfalls in its Electric Fund bank account.

Effect – Commingling of SPLOST revenues with non-SPLOST revenues violates the state code and allows for the potential of funds to be expended on items not approved under the SPLOST voter referendum.

Recommendation - All SPLOST funds should be maintained in a separate bank account from non-SPLOST funds and should not be used for borrowing purposes to fund expenditures other than voter-approved capital projects as outlined in the SPLOST referendum.

Management's Response - The City concurs with the finding. The City reimbursed the SPLOST Fund from the Electric Fund in the months subsequent to the transfers from the SPLOST Fund to the Electric Fund.

CITY OF SYLVESTER, GEORGIA
Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

2020-1 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

February 21, 2022

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

Re: Compliance Section - Financial Statement Finding audit report year ending 6/30/2021.

2021-01 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.

2021-02 Depositing of T-SPLOST revenues into the General Fund Checking Account

We agree with the auditor's comments as to the violation of O.C.G.A. 48-8-269.5. The City will reimburse the T-SPLOST Fund from the General Fund for T-SPLOST revenues that were incorrectly deposited into the General Fund bank account. Staff has been instructed to deposit T-SPLOST revenues directly into the T-SPLOST bank account.

2021-03 Interfund Lending of SPLOST proceeds to the Electric Fund

We agree with the auditor's comments as to the violation of O.C.G.A. 48-8-121. The City reimbursed the SPLOST Fund from the Electric Fund prior to the fiscal year end. The City will use other methods for funding cash flow shortfalls and not use SPLOST funds due to the restrictive nature of these funds.