CITY OF SYLVESTER, GEORGIA

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDED
June 30, 2022
(*With Independent Auditor's Report Thereon*)

CITY OF SYLVESTER, GEORGIA
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CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL SECTION

Hudson & NeSmith, CPAs

Member
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvester, Georgia (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sylvester, Georgia, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-25, schedule of changes in net pension liability and related ratios on page 75, schedule of contributions on pages 76-79, and budgetary comparison information on pages 80-81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sylvester, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 Schedule and Source and Application of Funds Schedule are also presented for additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combing 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, the schedule of expenditures

of federal awards, Project Cost Schedule, and Source and Application of Funds Schedule 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 April 7, 2023, 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 of Sylvester, Georgia'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 the City of Sylvester, Georgia's internal control over financial reporting and compliance.



Hudson & NeSmith, CPAs
Sylvester, Georgia
April 7, 2023

CITY OF SYLVESTER, GEORGIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

The City of Sylvester's (the "City") basic financial statements are presented for the fiscal year ended June 30, 2022. The components of the financial statements include the Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information (RSI). The MD&A, a component of the RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

For Fiscal Year (FY) 2022, key financial highlights are as follows:

- The City has $46.2 million in total assets, which represents an increase of $4.8 million or 11.78% over FY 2021. Of this amount, $35.3 million are capital assets.
- Total liabilities for the City are $12.6 million. Of this amount, $10.8 million represents long-term debt.
- The City's long-term debt realized an increase of $4.0 million or 59.29% as a result of the issuance of $6 million in Combined Utility Revenue Bonds, Series 2022, which provided the financing needed for the new fiber to the home network broadband project throughout the City's electric service area. This debt is reported in the telecommunications fund and is paid solely from the net revenues derived from the broadband project.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $33.2 million. This difference represents the City's Net Position at fiscal year-end. Of this amount, the unrestricted net position was $994 thousand.
- The City's total net position increased by $292 thousand or .88% in relation to the prior fiscal year end. Net position of governmental activities increased by $1.2 million or 6.97% and the net position of business-type activities decreased by $932 thousand or 6.05%.
- The City's governmental funds reported a combined ending fund balance of $1.8 million, representing a decrease of $1.0 million or 36.05% in comparison to the previous fiscal year end. Of this amount, $928 thousand is designated as unassigned fund balance and is therefore available for spending at the government's discretion.
- For the General Fund, the ending fund balance was $1.1 million, which increased $180 thousand or 19.41%.
- The business-type activities or enterprise funds closed the fiscal year with operating revenues exceeding operating expenses by $2.7 million, representing a reduction of $1.2 million or 30.57% from FY 2021.
- The enterprise funds had a total ending cash and cash equivalents balance of $4.1 million which was a year-over-year increase of $2.9 million or 259.08%. This increase was primarily attributed to the $6 million proceeds received from the issuance of the combined utility revenue bonds referenced above.

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OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are composed of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains other supplementary information following these financial statements, which may be of interest to the reader.

Reporting the City as a Whole
Government-wide Financial Statements

The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities answer the question, "How did we do financially during fiscal year 2022?" These statements report information about the City as a whole. The government-wide financial statements are prepared using the economic resources measurement focus and include all assets and liabilities using the accrual basis of accounting. This is similar to the accounting used by a private sector entity. In addition, this basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when the cash is received or paid. Further, the statements provide both long-term and short-term information about the City's overall financial condition. Fiduciary activities, which are resources that are not available to finance the City's operations and are held for the benefit of others, are excluded from government-wide financial statements. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information regarding how the City's net position changed during the fiscal year is presented in the Statement of Activities. Specifically, from the year-over-year comparison, the reader is able to ascertain if there was an improvement or decline in the City's overall primary government financial performance.

In the Statement of Net Position and the Statement of Activities, the City reports the primary government, which includes the governmental activities as well as the business-type activities. The governmental activities' programs and services reported include general government, public safety, public works, culture and recreation, and community and economic development. The business-type activities' program services include the electric, water and sewer, natural gas, solid waste, telecommunications, and airport systems. The City's component units are also reported in the government-wide financial statements. More detailed information regarding the component units can be found in Note 1, Summary of Significant Accounting Policies, of the Basic Financial Statements.

The government-wide financial statements can be found on pages 27-29 of this report.

Reporting the City's Most Significant Funds
Fund Financial Statements

Fund financial statements, unlike the government-wide financial statements, provide more detailed information regarding the City's funds. The City uses various funds to account for a multitude of financial transactions that are necessary for the successful day-to-day operations of the City. These financial statements assist management in determining if there are financial resources available that could possibly contribute to financing the overall operational needs of the City as well as meet the needs of the various stakeholders to which it is indebted to serve. Fund level financial statements are prepared for both governmental, proprietary or enterprise, and fiduciary funds, providing a detailed short-term view of the City's operations and the services provided. However, the fund financial statements primarily focus on the City's most significant or major governmental and enterprise funds, including its blended component units. In addition, information regarding a government's fiduciary funds and component units that are fiduciary in nature are included in the fund financial statements.

Governmental Funds. The City's financial statements for all governmental funds are presented in accordance with the current financial resource measurement focus and the modified accrual basis of accounting, with the revenues recorded when both measurable and available, and expenditures recorded when the goods or services are received, and the liabilities are incurred. The City's major governmental funds include the General Fund, Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund, Transportation Special Purpose Local Option Sales Tax (T-SPLOST) Capital Projects Fund, Designated Grant Special Revenue Fund, and the American Rescue Plan Act Special Revenue Fund. The relationship (or differences) between governmental *activities* reported in the Statement of Net

Position and the Statement of Activities and governmental *funds* is reconciled in the financial statements and can also be found in this referenced section. The governmental fund financial statements can be found on pages 30 through 33 of this report.

Proprietary Funds. Proprietary or enterprise funds' financial statements are presented in accordance to the economic resource measurement focus and accrual basis of accounting. Unlike for the governmental funds' financial statements, revenues are recorded when earned and expenditures are recognized when incurred. The City's major proprietary funds include the Electric Fund, Water and Sewer Fund, Airport Fund, Solid Waste Fund, Telecommunications Fund, and Natural Gas Fund. The proprietary fund financial statements can be found on pages 34 through 38 of this report.

Custodial Funds. In the service of trustee or fiduciary for assets that are held for the benefit of others, the City is responsible for ensuring that the assets reported in the funds are used only for their intended purposes and by those to whom the assets belong. The City excludes these activities from the government-wide financial statements since these assets cannot be used to finance the operations of the City. The fiduciary funds at June 30, 2022 include the Utility Energy Crisis Fund and the Downtown Sylvester Farmer's Market. The associated financial statements for these funds can be found on pages 39 through 40 of this report.

Notes to the Basic Financial Statements

The notes to the financial statements serve as an essential resource in providing additional information that is critical to obtaining a full understanding of the various financial information shared in the government-wide and fund financial statements. Specifically, Note 1 to the Basic Financial Statements provides detailed information regarding the elements of the financial statements, which includes a summary of significant accounting policies that assist the reader in interpreting the information presented.

The Notes to the Basic Financial Statements may be found on pages 43 through 73 of this report.

Required Supplementary Information and Other

Following the Notes to the Basic Financial Statements, on pages 75 through 79, is required supplementary information regarding the City's pension trust fund. Trend data over multiple fiscal years is also provided.

In addition, on pages 80 through 93 is supplementary financial information for the General Fund, which includes budget to actual comparisons of revenues, expenditures, and changes in fund balance.

Other Financial Reporting

Combining and individual statements of non-major special revenue governmental funds are presented, providing a comprehensive review of the financial transactions through the respective year-end. The central non-major special revenue governmental funds, based on the ending fund balance at June 30, 2022, include the following:

- Community Development Block (CDBG) Grant Economic Development Revolving Loan Fund
- Hotel/Motel Tax Fund

The associated combining and individual statements may be found on pages 94 through 99.

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

Table 1:
Major Features of the Basic Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City Government and any component units	Activities of the City that are not proprietary	Activities of the City that are operated similar to a private business
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • 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, as well as short-term and long-term	Only assets expected to be consumed and liabilities that are due during the year or soon thereafter; capital assets are not 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 paid or received	• Revenues for which cash is received during or soon after the year end • Expenditures recognized when goods or services have been received and payments are 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

Table 2 below presents the City's condensed statement of net position as of June 30, 2022 and 2021, which was derived from the Government-wide Statement of Net Position on page 27.

Table 2: Condensed Statements of Net Position
As of June 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	$ 2,296,496	$ 3,430,312	$ 8,601,912	$ 5,184,345	$10,898,408	$ 8,614,657
Noncurrent Assets						
Capital Assets, Net of Depreciation	18,478,560	17,137,836	16,887,051	15,632,267	35,365,611	32,770,103
Total Assets	20,775,056	20,568,148	25,488,963	20,816,612	46,264,019	41,384,760
Deferred Outflows of Resources						
Pension Plan Activity	879,171	789,955	-	-	879,171	789,955
Total Assets and Deferred Outflows	21,654,227	21,358,103	25,488,963	20,816,612	47,143,190	42,174,715
Liabilities						
Current Liabilities	530,575	816,212	1,248,100	1,231,654	1,778,675	2,047,866
Long-Term liabilities	1,100,887	2,639,129	9,779,515	4,191,019	10,880,402	6,830,148
Total Liabilities	1,631,462	3,455,341	11,027,615	5,422,673	12,659,077	8,878,014
Deferred Inflows of Resources						
Pension Plan Activity	1,238,512	343,523	-	-	1,238,512	343,523
Deferred Revenues	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	2,869,974	3,798,864	11,027,615	5,422,673	13,897,589	9,221,537
Net Position						
Net Investment in Capital Assets	18,243,832	16,192,647	9,927,795	11,173,491	28,171,627	27,366,138
Restricted	738,708	1,914,912	3,340,903	168,935	4,079,611	2,083,847
Unrestricted (Deficit)	(198,287)	(548,320)	1,192,650	4,051,513	994,363	3,503,193
Total Net Position	$ 18,784,253	$17,559,239	$14,461,348	$15,393,939	$33,245,601	$32,953,178

As noted earlier, net position serves as a useful indicator of a government's financial health for the respective reporting period end. Overall, for the fiscal year ending June 30, 2022, the City is pleased to report positive balances in the net position for the City as a whole as well as for its separate governmental and business-type activities funds.

As reflected on the chart on the preceding page, for the fiscal year ending June 30, 2022, the City's combined assets and deferred outflows exceeded the combined liabilities and deferred inflows by $33.2 million. This represents an increase of $292 thousand or .88% over FY 2021. For governmental activities, the City realized a year-over-year increase of $1.2 million or 6.97%. Business-type activities realized a year-over-year decrease of $932 thousand or 6.05%.

By far the largest portion of the City's total net position reflects its net investment in capital assets (e.g., land, buildings and improvements, infrastructure, machinery, and equipment, etc.), less accumulated depreciation and related debt, which totaled $28.1 million as of June 30, 2022. The City employs these various capital assets to provide daily services to its 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 given that the capital assets themselves cannot be used to liquidate the associated liabilities.

The combined restricted net position for FY 2022 of $4 million represents resources that are subject to external restrictions, constitutional provisions, and/or enabling legislation, which govern how the funds can be expended. Representing 12.27% of combined total net position, restricted net position realized an increase of $1.9 million or 95.77% over FY 2021.

The final net position component, combined unrestricted net position, was $994 thousand for the fiscal year end, which was down $2.5 million or 71.61%. From strictly an activities perspective, governmental activities reflect a deficit or negative unrestricted net position of $198 thousand as of June 30, 2022. Business-type activities, however, reflect a positive unrestricted net position of $1.1 million for the identical reporting period.

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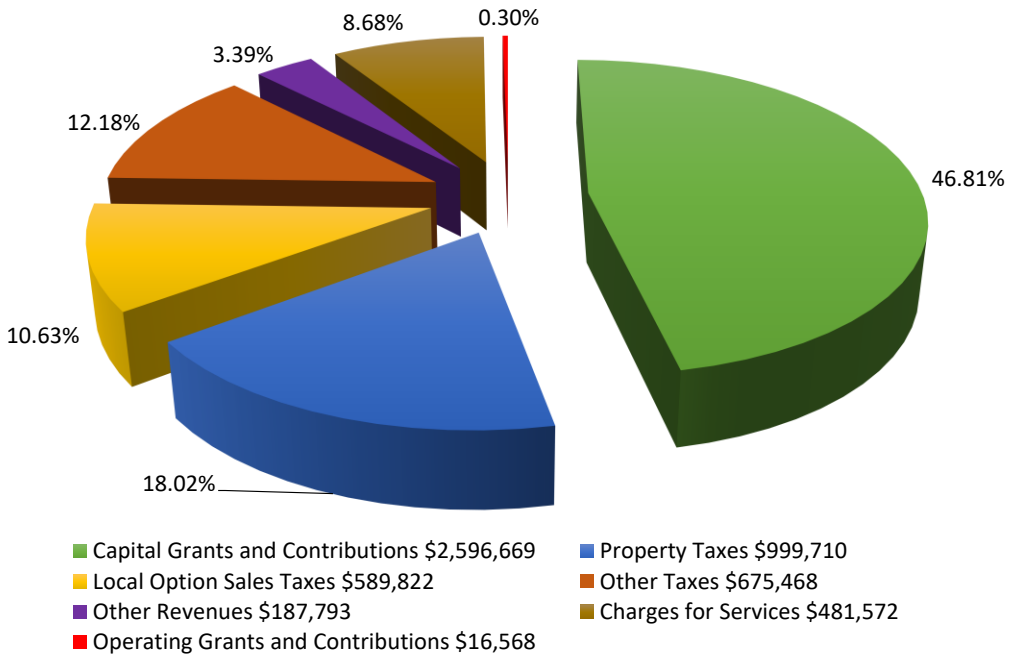
Table 3 below presents the City's condensed statement of activities for the fiscal years ended June 30, 2022 and 2021, as derived from the Government-wide Statement of Activities on pages 28 and 29. Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating, providing the opportunity to proactively implement the necessary
strategic plans to ensure on going sustainable fiscal prosperity.

As reflected below, total revenues for governmental activities and business-type activities were $5.5 million and $17.6 million, respectively. Total expenses for governmental activities and business-type activities were $8.2 million and $14.6 million, respectively. Transfers to the governmental activities from the business-type activities totaled $3.9 million, which is the largest governmental activities revenue source. During FY 2022, the net position of the governmental activities increased by $1.2 million or 6.97%, and the net position of the business-type activities decreased by $932 thousand or 6.05%. The total net change in net position for fiscal year ending 2022 was an increase of $292 thousand or .88% over FY 2021.

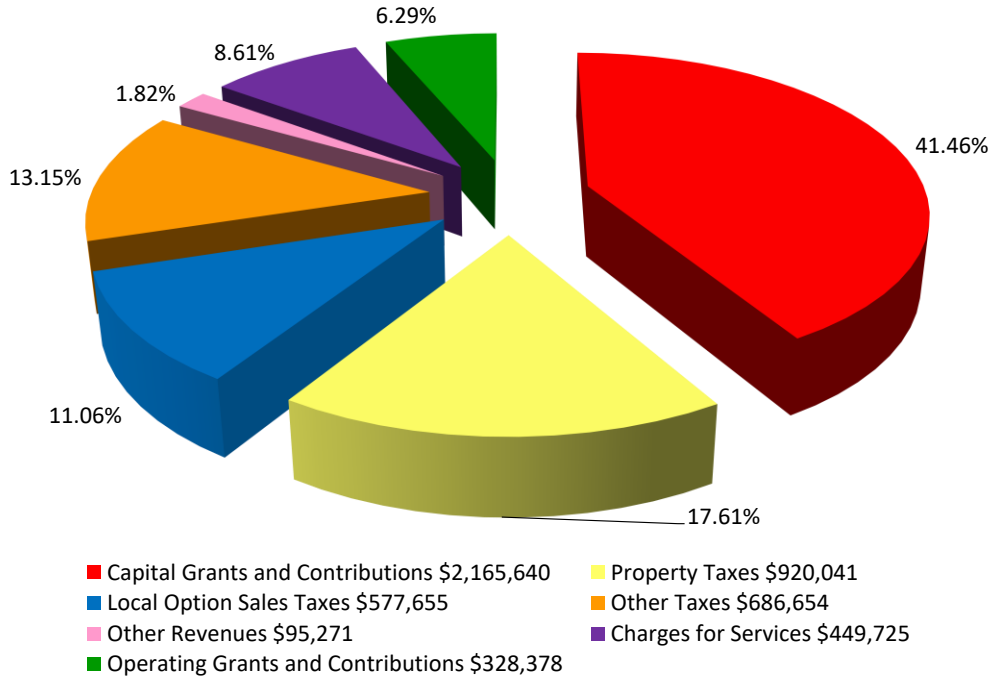
Table 3: Condensed Statements of Activities
For the Fiscal Year Ended June 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues						
Taxes, Net	$ 2,265,000	$ 2,184,350	$ -	$ -	$ 2,265,000	$ 2,184,350
Charges for Services	112,387	118,446	17,136,386	15,181,807	17,248,773	15,300,253
Fines and Forfeitures	214,686	274,064	-	-	214,686	274,064
Capital Grants	1,135,303	1,084,174	45,040	402,321	1,180,343	1,486,495
Intergovernmental	1,477,934	1,409,045	3,238	-	1,481,172	1,409,045
Interest Income	5,059	13,624	7,820	5,558	12,879	19,182
Gain/Loss on Investments	-	-	446,769	28,407	446,769	28,407
Miscellaneous	337,233	139,661	-	-	337,233	139,661
Total Revenues	5,547,602	5,223,364	17,639,253	15,618,093	23,186,855	20,841,457
Expenses						
General Government	2,141,977	2,139,541	-	-	2,141,977	2,139,541
Public Safety	3,539,217	3,735,122	-	-	3,539,217	3,735,122
Public Works	1,639,503	1,460,699	-	-	1,639,503	1,460,699
Culture and Recreation	159,092	105,581	-	-	159,092	105,581
Community & Economic Development	772,517	204,734	-	-	772,517	204,734
Interest on Long-Term Debt	15,653	20,937	-	-	15,653	20,937
Electric	-	-	8,534,045	7,950,578	8,534,045	7,950,578
Water and Sewer	-	-	2,000,428	1,545,701	2,000,428	1,545,701
Natural Gas	-	-	1,046,725	734,174	1,046,725	734,174
Solid Waste	-	-	1,169,413	596,603	1,169,413	596,603
Telecommunication	-	-	1,513,694	192,364	1,513,694	192,364
Airport	-	-	362,168	347,273	362,168	347,273
Total Expenses	8,267,959	7,666,614	14,626,473	11,366,693	22,894,432	19,033,307
Increase (decrease) in net position before transfers	(2,720,357)	(2,443,250)	3,012,780	4,251,400	292,423	1,808,150
Transfers In (Out)	3,945,371	3,968,484	(3,945,371)	(3,968,484)	-	-
Increase (decrease) in net position	1,225,014	1,525,234	(932,591)	282,916	292,423	1,808,150
Net position - beginning	17,559,239	16,034,005	15,393,939	15,111,023	32,953,178	31,145,028
Net position - ending	$ 18,784,253	$ 17,559,239	$ 14,461,348	$ 15,393,939	$ 33,245,601	$ 32,953,178

Governmental Activities - Revenues by Source
For the Year Ended June 30, 2022



Governmental Activities - Revenues by Source
For the Year Ended June 30, 2021

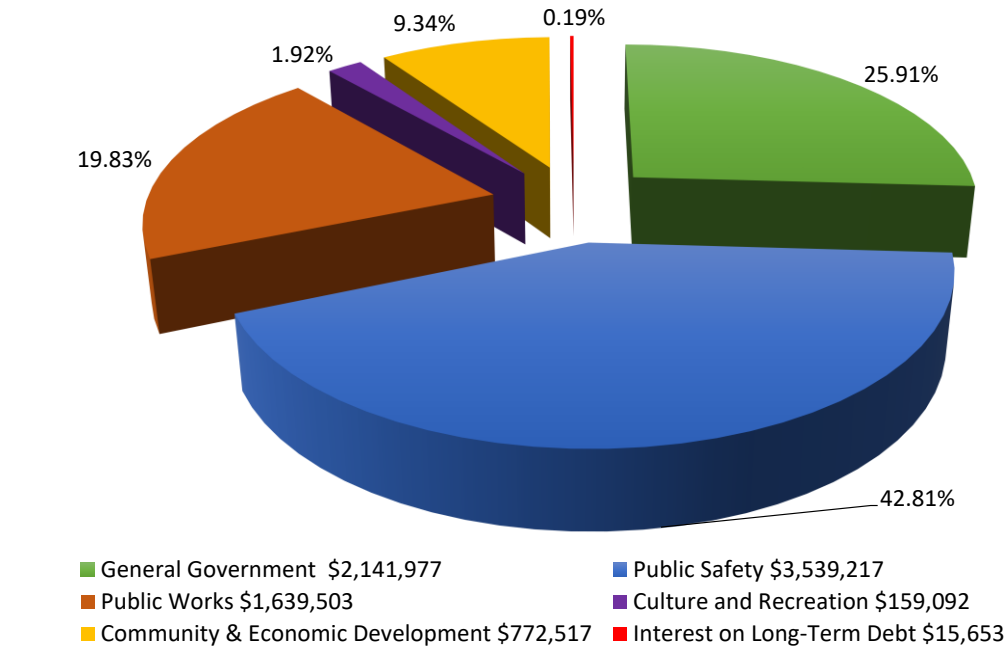


Governmental Activities - Revenues by Sources					
	FY 2022	Percent of Total Revenues	FY 2021	Percent of Total Revenues	Year-over-Year Dollar Change	Year-over-Year Percent Change
Capital Grants and Contributions	$ 2,596,669	46.81%	$ 2,165,640	41.46%	$ 431,029	19.90%
Property Taxes	999,710	18.02%	920,041	17.61%	79,669	8.66%
Local Option Sales Taxes	589,822	10.63%	577,655	11.06%	12,167	2.11%
Other Taxes	675,468	12.18%	686,654	13.15%	(11,186)	-1.63%
Other Revenues	187,793	3.39%	95,271	1.82%	92,522	97.11%
Charges for Services	481,572	8.68%	449,725	8.61%	31,846	7.08%
Operating Grants and Contributions	16,568	0.30%	328,378	6.29%	(311,810)	-94.95%
Total Revenues	**$ 5,547,602**	**100.00%**	**$ 5,223,364**	**100.00%**	**$ 324,237**	**6.21%**

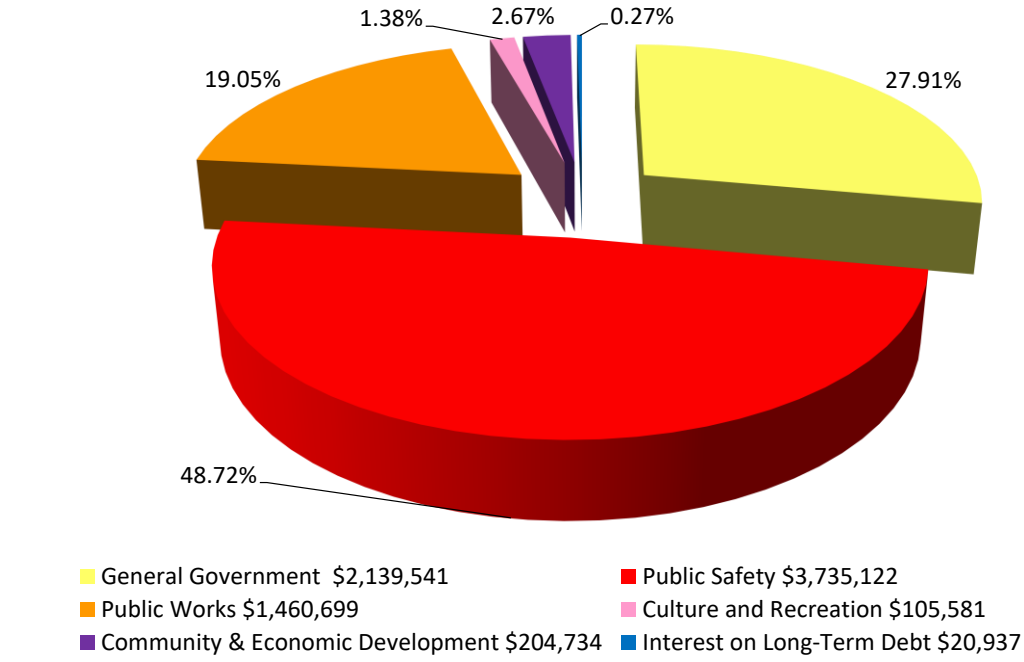
As reflected on the charts on the preceding page and presented above, the City's capital grants and contributions program revenues continue to be the dominant revenue source for governmental activities. For FY 2022, capital grants and contributions program revenues were $2.5 million, which represented 46.81% of total governmental activities revenues. In comparison to FY 2021, this was an increase of $431 thousand or 19.90%. Taxes, Net (property taxes, local option sales taxes, and other taxes) is the second largest revenue source for governmental activities with total year-end revenues of $2.2 million. Taxes, Net realized a combined year-over-year increase of $80 thousand or 3.69%. Overall, for FY 2022 governmental activities revenues totaled $5.5 million, which was an increase of $324 thousand or 6.21% over FY 2021.

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Governmental Activities - Expenses by Source
For the Year Ended June 30, 2022



Governmental Activities - Expenses by Source
For the Year Ended June 30, 2021



Governmental Activities - Expenses by Sources						
	FY 2022	Percent of Total Expenses	FY 2021	Percent of Total Expenses	Year-over-Year Dollar Change	Year-over-Year Percent Change
General Government	$ 2,141,977	25.91%	$ 2,139,541	27.91%	$ 2,436	0.11%
Public Safety	3,539,217	42.81%	3,735,122	48.72%	(195,905)	-5.24%
Public Works	1,639,503	19.83%	1,460,699	19.05%	178,804	12.24%
Culture and Recreation	159,092	1.92%	105,581	1.38%	53,511	50.68%
Community & Economic Development	772,517	9.34%	204,734	2.67%	567,783	277.33%
Interest on Long-Term Debt	15,653	0.19%	20,937	0.27%	(5,284)	-25.24%
Total Expenses	**$ 8,267,959**	**100.00%**	**$ 7,666,614**	**100.00%**	**$ 601,345**	**7.84%**

As reflected on the charts on the preceding page and presented above, the City's general government, public safety, and public works continue to be the dominant expenses for governmental activities. For FY 2022 and FY 2021, the public safety function was where the City's governmental activities' funding was primarily expended. This is generally the case for both municipal and county governments. Public safety expenses for FY 2022 were $3.5 million and represented 42.81% of total governmental activities expenses. In comparison to FY 2021, this represented a decrease of $195 thousand or 5.24%. Overall, for FY 2022 governmental activities expenses totaled $8.2 million, which was an increase of $601 thousand or 7.84% over FY 2021.

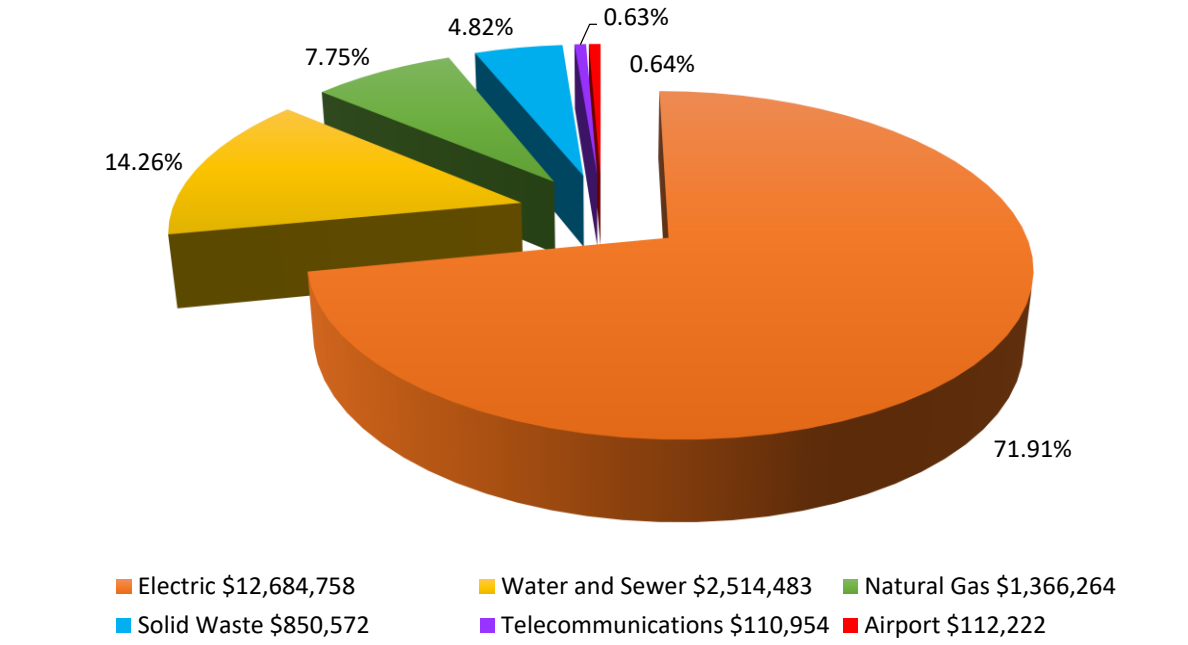
Program Expenses and Revenues for Governmental Activities

Table 4 below presents the net costs of governmental activities. As reflected, overall total program revenues for FY 2022 were not sufficient to cover program expenses for governmental activities, as denoted in the net program expenses (revenues) section of the chart. General revenues, predominately taxes, supported the net costs of governmental activities. Program revenues as a percentage of program expenses recognized a slight decrease for governmental activities, dropping from 68.13% to 67.10%, a year-over-year nominal decline of 1.03%.

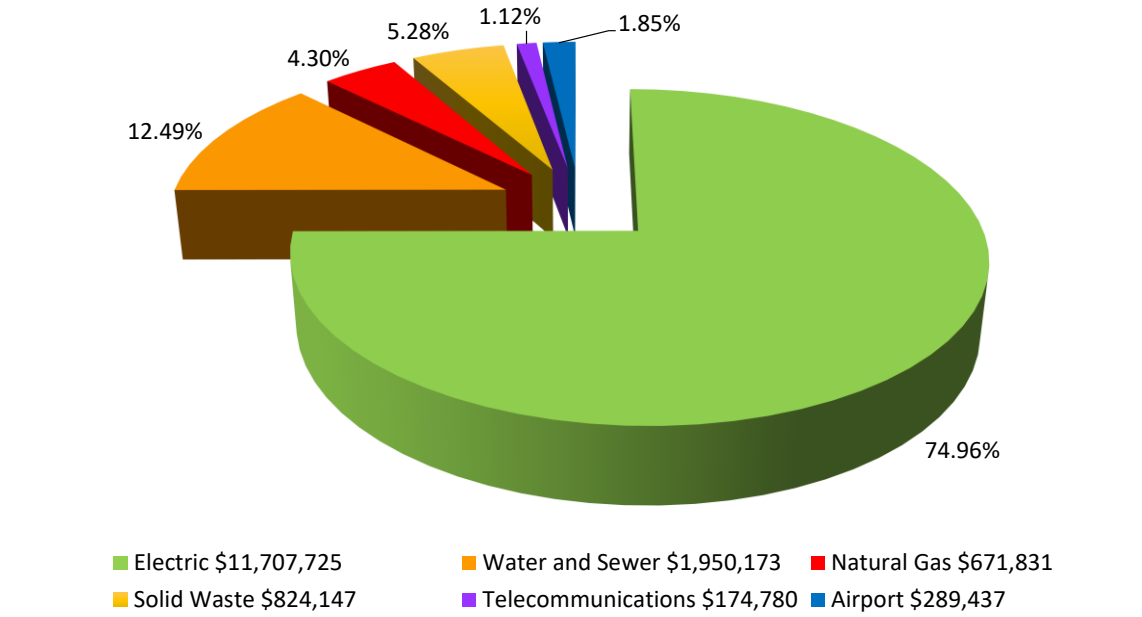
Table 4: Net Costs of Governmental Functions for the Fiscal Year Ended June 30

	2022		2021		2022	2021	2022	2021
Function/Program	Program Expenses	Less Program Revenues	Program Expenses	Less Program Revenues	Net Program Expenses (Revenues)		Program Revenues as a Percentage of Program Expenses	
General Government	$ 2,141,977	$ 3,675,806	$ 2,139,541	$ 2,687,602	$ (1,533,829)	$ (548,061)	171.61%	125.62%
Public Safety	3,539,217	296,236	3,735,122	274,064	3,242,981	3,461,058	8.37%	7.34%
Public Works	1,639,503	1,399,434	1,460,699	2,165,640	240,069	(704,941)	85.36%	148.26%
Culture and Recreation	159,092	154,499	105,581	57,215	4,593	48,366	97.11%	54.19%
Community & Economic Developm	772,517	16,568	204,734	26,018	755,949	178,716	2.14%	12.71%
Interest on Long-Term Debt	15,653	5,059	20,937	12,825	10,594	8,112	32.32%	61.26%
Total	$ 8,267,959	$ 5,547,602	$ 7,666,614	$ 5,223,364	$ 2,720,357	$ 2,443,250	67.10%	68.13%

Business-Type Activities - Revenues by Source
For the Year Ended June 30, 2022



Business-Type Activities - Revenues by Source
For the Year Ended June 30, 2021

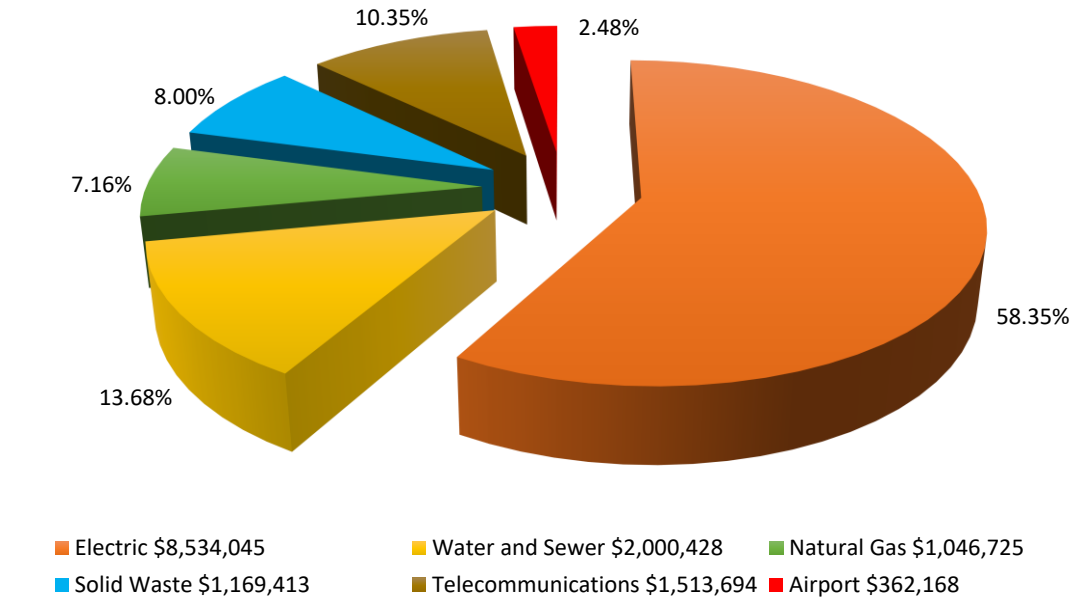


Business-Type Activities - Revenues by Sources					
	FY 2022	Percent of Total Revenues	FY 2021	Percent of Total Revenues	Year-over-Year Dollar Change	Year-over-Year Percent Change
Electric	$ 12,684,758	71.91%	$ 11,707,725	74.96%	$ 977,033	8.35%
Water and Sewer	2,514,483	14.26%	1,950,173	12.49%	564,310	28.94%
Natural Gas	1,366,264	7.75%	671,831	4.30%	694,433	103.36%
Solid Waste	850,572	4.82%	824,147	5.28%	26,425	3.21%
Telecommunications	110,954	0.63%	174,780	1.12%	(63,826)	-36.52%
Airport	112,222	0.64%	289,437	1.85%	(177,215)	-61.23%
Total Revenues	**$ 17,639,253**	**100.00%**	**$ 15,618,093**	**100.00%**	**$ 2,021,160**	**12.94%**

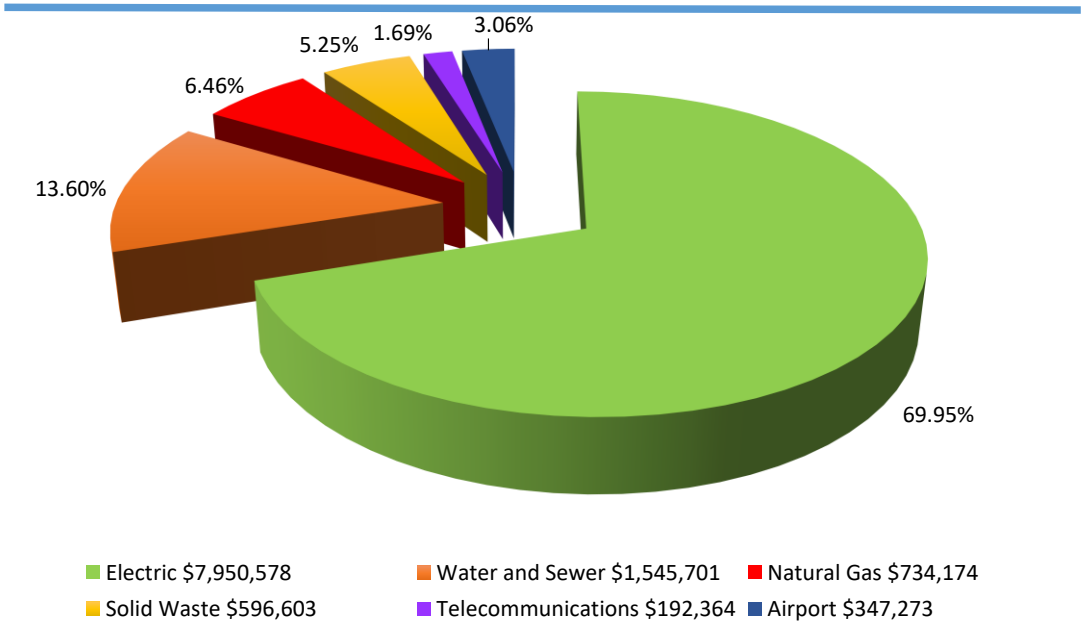
As reflected on the charts on the preceding page and presented above, the City's electric fund continues to be the dominant revenue source of the business-type activities or enterprise funds. For FY 2022, the electric fund had total revenues of $12.6 million, which was up from $11.7 million for the previous fiscal year end. This represented a year-over-year increase of $977 thousand or 8.35%. For FY 2022 and FY 2021, the electric fund revenues represented 71.91% and 74.96%, respectively, of total enterprise funds revenues. Overall, for FY 2022 enterprise funds revenues totaled $17.6 million, which represented an increase of $2.0 million or 12.94% over FY 2021.

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Business-Type Activities - Expenses by Source
For the Year Ended June 30, 2022



Business-Type Activities - Expenses by Source
For the Year Ended June 30, 2021



Business-Type Activities - Expenses by Sources						
	FY 2022	Percent of Total Expenses	FY 2021	Percent of Total Expenses	Year-over-Year Dollar Change	Year-over-Year Percent Change
Electric	$ 8,534,045	58.35%	$ 7,950,578	69.95%	$ 583,467	7.34%
Water and Sewer	2,000,428	13.68%	1,545,701	13.60%	454,727	29.42%
Natural Gas	1,046,725	7.16%	734,174	6.46%	312,551	42.57%
Solid Waste	1,169,413	8.00%	596,603	5.25%	572,810	96.01%
Telecommunications	1,513,694	10.35%	192,364	1.69%	1,321,330	686.89%
Airport	362,168	2.48%	347,273	3.06%	14,895	4.29%
Total Expenses	**$ 14,626,473**	**100.00%**	**$ 11,366,693**	**100.00%**	**$ 3,259,780**	**28.68%**

As reflected on the charts on the preceding page and presented above, the City's electric and water and sewer expenses are the dominate business-type or enterprise expenses funded for the last two reported fiscal years. For FY 2022, electric expenses totaled $8.5 million, which was an increase of $583 thousand or 7.34% over FY 2021. For the same period, water and sewer expenses totaled $2 million, an increase of $454 thousand or 29.42% over FY 2021. For FY 2022 electric and water and sewer expenses account for 58.35% and 13.68% respectively, of total business-type expenses. Overall, for FY 2022, business-type or enterprise expenses totaled $14.6 million, an increase of $3.2 million or 28.68% over FY 2021.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents the net income and costs of business-type activities or enterprise expenses. Program revenues generated were more than sufficient to cover program expenses. Overall, program expenses as a percentage of program revenues increased for business-type activities from FY 2021 to FY 2022 from 72.78% to 82.92%, a year-over-year increase of 10.14% .

Table 5: Net Revenues of Business-Type Activities for the Fiscal Year Ended June 30

	2022		2021		2022	2021	2022	2021
Function/Program	Program Expenses	Less Program Revenues	Program Expenses	Less Program Revenues	Net Program Expenses (Revenues)		Program Expenses as a Percentage of Program Revenues	
Electric	$ 8,534,045	$12,684,758	$ 7,950,578	$11,707,725	$(4,150,713)	$(3,757,147)	67.28%	67.91%
Water and Sewer	2,000,428	2,514,483	1,545,701	1,950,173	(514,055)	(404,472)	79.56%	79.26%
Natural Gas	1,046,725	1,366,264	734,174	671,831	(319,539)	62,343	76.61%	109.28%
Solid Waste	1,169,413	850,572	596,603	824,147	318,841	(227,544)	137.49%	72.39%
Telecommunications	1,513,694	110,954	192,364	174,780	1,402,740	17,584	1364.25%	110.06%
Airport	362,168	112,222	347,273	289,437	249,946	57,836	322.72%	119.98%
Total	$14,626,473	$17,639,253	$11,366,693	$15,618,093	$(3,012,780)	$(4,251,400)	82.92%	72.78%

OVERALL FINANCIAL ANALYSIS

Financial highlights for the City as a whole for the fiscal year ended June 30, 2022, include the following:

In accordance to the Statement of Net Position at June 30, 2022, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $18.7 million for the governmental activities and $14.4 million for the business-type or enterprise activities, representing a total net position of $33.2 million for FY 2022.

Year-over-year, the City's net position realized an increase of $292 thousand or .88%. Net position of governmental activities increased by $1.2 million, while the net position of business-type activities decreased by $932 thousand. The increase in the net position for governmental activities is primarily attributed to the decrease in long-term liabilities, specifically as a result of the $978 thousand decline in net pension liability. Net pension liability fell from $1.7 million for FY 2021 to $785 thousand for FY 2022. In addition, the $3.9 million net transfer-in from the business-type or enterprise funds worked to positively propel the ending net position of the governmental activities' funds through fiscal year end.

For the City's business-type activities, the modest decrease in net position of $932 thousand was primarily attributed to the issuance of the Combined Utility Revenue Bonds, Series 2022, which provided financing for the new fiber to the home network broadband system for residents located throughout the City's electric service area. This long-term debt, that is reported in the telecommunications enterprise fund, is paid solely from the future revenues derived from the operation of the broadband system. As a result, year-over-year, long-term debt for business-type activities realized an increase of $5.5 million or 133.34%. More detailed information on long-term obligations can be found in this report in Note 8-Long Term Liabilities to the Basic Financial Statements.

Year-over-year changes realized in the enterprise funds' overall results of operations before transfers are reflected below. The electric fund, as in FY 2021, once again was responsible for the lion's share of the income before transfers by closing the fiscal year at $4.1 million. As shown, at June 30, 2022, operating and non-operating revenues for the City's business-type activities or enterprise funds exceeded operating and non-operating expenses by $3.0 million, which was a reduction of $1.2 million or 29.13% from FY 2021.

Enterprise Funds Income (Loss) Before Transfers	FY 2022	FY 2021	Dollar Change	Percent Change
Electric	$4,150,713	$3,757,147	$393,566	10.48%
Water and Sewer	514,055	404,472	109,583	27.09%
Natural Gas	319,539	(62,343)	381,882	-612.55%
Solid Waste	(318,841)	227,544	(546,385)	-240.12%
Telecommunications	(1,402,740)	(17,584)	(1,385,156)	7877.37%
Airport	(249,946)	(57,836)	(192,110)	332.16%
Total	**$3,012,780**	**$4,251,400**	**($1,238,620)**	**-29.13%**

The City's Funds

Funds (governmental and enterprise) that experienced significant changes during the fiscal year ended June 30, 2022, are referenced below.

Governmental Funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of $1.8 million, which represented a decrease of $1.0 million or 36.05% from FY 2021. Total revenues were $5.5 million and total expenditures were $10.5 million for all governmental funds, representing a year-over-year increase in total revenues of $299 thousand or 5.69% and an increase in total expenditures of $1.4 million or 15.70%. The nominal increase in total revenues was due to the impact of the American Rescue Plan Act Special Revenue Funds of $1.1 million. The increase in total expenditures resulted from increased year-over-year expenditures associated with the SPLOST Capital Projects Fund and the T-SPLOST Capital Projects Fund, which realized an increase of $713 thousand and $751 thousand, respectively.

General Fund

The General Fund's total fund balance as of June 30, 2022 was $1.1 million. The General Fund's fund balances are segregated by the extent to which the governing body is bound to honor constraints on the specific purpose for which the amounts can be expended. Of the total General Fund's ending fund balance, $138 thousand is nonspendable, which represents those assets that are not in a spendable form such as prepaid items as well as those assets that are legally or contractually required to be maintained intact. The remaining fund balance consist of $30 thousand that is designated as restricted and $942 thousand identified as unassigned or not restricted, committed, or set assign for a specific purpose within the General Fund. The year-over-year increase in the General Fund's total fund balance of $180 thousand is largely due to the increase in the unassigned fund balance, which realized an increase of $163 thousand or 20.98%. In addition, the net increase in other financing sources and uses of $727 thousand or 16.0% worked to positively impact the ending fund balance growth of 19.41%.

Fiscal year 2022 General Fund revenues totaled $3 million, representing a decrease of $16 thousand or .54% from FY 2021. The decline in both fines and forfeitures revenues as well as intergovernmental revenues were primarily responsible for this decrease. The General Fund expenditures at year-end totaled $8.1 million, which was an increase of $508 thousand or 6.70%. This slight rise in expenditures was attributed to the increased capital lease debt service principal and interest payment of $568 thousand that was associated with outstanding leases expended for the general government, public safety, and public works functions of the City.

Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund

The SPLOST Capital Projects Fund, which houses the one-cent sales tax proceeds that are dedicated to providing funding for the capital outlay projects throughout the City, continues to be classified as a major governmental fund as it was for FY 2021. The ending fund balance at June 30, 2022 was $130 thousand, representing a year-over-year decrease of $614 thousand or 82.44%. Total revenues and total expenditures were $583 thousand and $970 thousand, respectively. Year-over-year revenues increased by $7 thousand or 1.30%, while expenditures increased by $713 thousand or 277.61%. Increases in capital outlay expenditures associated with the referendum-approved projects continue to draw down the fund balance, which is anticipated as the City works to expend the funds to meet capital outlay needs.

Transportation Special Purpose Local Option Sales Tax (T-SPLOST) Capital Projects Fund

In addition to the SPLOST Capital Projects Fund, the City established the T-SPLOST special revenue fund dedicated to account for those capital projects, which includes construction of roads, streets, and bridges, that are financed with the one-cent transportation sales tax proceeds received. The ending fund balance at June 30, 2022, was $372 thousand, representing a year-over-year decrease of $325 thousand or 46.64%. Total revenues and total expenditures were $551 thousand and $809 thousand, respectively. Year-over-year revenues increased by $46 thousand or 9.16%, while expenditures increased by $751 thousand or 1285.10%. As with the SPLOST Fund, increases in capital outlay expenditures associated with the referendum-approved projects continue to draw down the fund balance, which is anticipated as the City works to expend the funds to meet capital outlay needs.

Designated Grant Fund

The Designated Grant Fund, which records both federal and state grant funded proceeds, serves as a supplementary funding source in providing governmental assistance in meeting the plethora of needs of municipal governments. For both FY 2021 and FY 2022, the funds expended from this special revenue fund were dedicated to community & economic development and capital outlay functions. The ending fund balance at June 30, 2022, was at a deficit of $14 thousand, representing a year-over-year decrease of $257 thousand or 105.79%. Total revenues and total expenditures were $264 thousand and $617 thousand, respectively. Year-over-year revenues decreased by $846 thousand or 76.20%, while expenditures decreased by $546 thousand or 46.94%.

American Rescue Plan Act Special Revenue Fund

The American Rescue Plan Act Special Revenue Fund, like the Designated Grant Fund, serves as a supplementary funding source. This federal economic stimulus fund, which was established to exclusively account for the local fiscal recovery funds, is dedicated to assisting in meeting the ongoing needs of the community as a result of the Coronavirus (COVID-19) Pandemic of 2020. The ending fund balance at June 30, 2022, was $15 thousand. Total revenues and total other financing uses were $1.1 million and $1 million, respectively. More detailed information on the other financing uses or internal transfers can be found in this report in Note 10-Internal Transfers to the Basic Financial Statements.

Enterprise Funds

The City's Enterprise Funds reported a total net position of $14.4 million at June 30, 2022, down from $15.3 million. This was a decrease of $932 thousand or 6.05%. Total operating revenues were $17.1 million and total operating expenses were $14.3 million, representing a year-over-year increase of $1.9 million or 12.89% and an increase of $3.1 million or 28.54%, respectively.

From a cash perspective, the Total Enterprise Funds had an ending cash and cash equivalents balance of $4.1 million, representing a year-over-year increase of $2.9 million or 259.08%. This increase was attributed to the $6 million proceeds received from the issuance of the Combined Utility Revenue Bonds, Series 2022, for the new fiber to the home network broadband project.

Electric Fund

The Net Position of the Electric Fund at June 30, 2022 was $5.3 million, representing an increase of $816 thousand or 17.83% over fiscal year 2021. Both total operating revenues and total operating expenses experienced an increase for the reporting period. Total operating revenues were $12.2 million and total operating expenses were $8.5 million, representing a year-over-year increase of $551 thousand or 4.71% and an increase of $583 thousand or 7.33%, respectively.

From a cash perspective, the Electric Fund had an ending cash and cash equivalents balance of $274 thousand. This represented a year-over-year decrease of $150 thousand or 35.42%.

Water and Sewer System Fund

The Net Position of the Water and Sewer System Fund remained relatively steady for FY 2022. At June 30, 2022 the net position was $6.0 million, representing a slight increase of $90 thousand or 1.52% over FY 2021. Total operating revenues were $2.4 million and total operating expenses were $1.9 million, representing a year-over-year increase of $643 thousand or 35.21% and an increase of $567 thousand or 42.17%, respectively.

From a cash perspective, the Water and Sewer Fund had an ending cash and cash equivalents balance of $590 thousand. This represented a year-over-year decrease of $38 thousand or 6.09%.

Airport Fund

The Net Position of the Airport Fund at June 30, 2022 was $3.9 million, representing a decrease of $204 thousand or 4.88% under FY 2021. Both total operating revenues and total operating expenses experienced an increase for the reporting period. Total operating revenues were $112 thousand and total operating expenses were $362 thousand, representing a year-over-year increase of $105 thousand or 1653.46% and an increase of $14 thousand or 4.28%, respectively.

From a cash perspective, the Airport Fund had an ending cash and cash equivalents balance of $3 thousand. This represented a year-over-year decrease of $13 thousand or 79.14%.

Solid Waste Fund

The Net Position of the Solid Waste Fund at June 30, 2022 was $253 thousand, representing a decrease of $322 thousand or 55.98% under FY 2021. Both total operating revenues and total operating expenses experienced an increase for the reporting period. Total operating revenues were $850 thousand and total operating expenses were $1.1 million, representing a year-over-year increase of $26 thousand or 3.20% and an increase of $577 thousand or 97.70%, respectively.

From a cash perspective, the Solid Waste Fund had an ending cash and cash equivalents balance of $47 thousand. This represented a year-over-year increase of $17 thousand or 59.93%.

Telecommunications Fund

The Net Position of the Telecommunications Fund at June 30, 2022 was at a deficit of $1.3 million, representing a decrease of $1.4 million or 2052.68% under FY 2021. Total operating revenues were $110 thousand and total operating expenses were $1.3 million, representing a year-over-year decrease of $63 thousand or 36.58% and an increase of $1.1 million or 587.53%, respectively.

From a cash perspective, the Telecommunications Fund had an ending cash and cash equivalents balance of $3.1 million. This represented a year-over-year increase of $3.1 million or 33229.63%.

Natural Gas Fund

The Net Position of the Natural Gas Fund at June 30, 2022 was $136 thousand, representing an increase of $97 thousand or 244.97% over FY 2021. Both total operating revenues and total operating expenses experienced an increase for the reporting period. Total operating revenues were $1.3 million and total operating expenses were $1.0 million, representing a year-over-year increase of $695 thousand or 103.61% and an increase of $312 thousand or 42.57%, respectively.

From a cash perspective, the Natural Gas Fund had an ending cash and cash equivalents balance of $4 thousand. This represented a year-over-year decrease of $29 thousand or 87.02%.

BUDGETARY HIGHLIGHTS

Over the course of the fiscal year, the Mayor and Council of the City amended the budget to align with funding needs that occurred throughout the fiscal year. These budget amendments were supplemental appropriations to primarily address operational and capital projects funding shortfalls, which included funding for both routine and non-routine expenditures that occurred in the overall operation of the City. Budget amendments were also prepared to prevent any budget overruns. The variances between the original and final budget, or between the final and actual budget, are not expected to have a significant effect on the City's overall financial liquidity and most of all the level of services provided to the citizens of Sylvester.

For the General Fund, the final amended budget of $8.2 million (excluding other financing sources and uses) was $737 thousand or 9.77% over the original appropriated budget through fiscal year end. Additional information regarding the General Fund budget variances may be found on Note 1.D. Budgets and Budgetary Accounting on pages 46-47 of the Basic Financial Statements and on the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual in the Required Supplementary Information (RSI) section on pages 80-81.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022 totaled $35.3 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, plant, buildings and improvements, machinery and equipment, vehicles, and infrastructure. In addition, it includes a network of distribution systems (electric, water and sewer, solid waste, telecommunications, and natural gas). The year-over-year changes in capital assets for the City are reflected in the chart below. Overall, for the fiscal

year end, capital assets (net of accumulated depreciation) increased $2.5 million or 7.92% in comparison to FY 2021.

Capital Assets	FY 2022[1]	FY 2021[1]	Dollar Difference	Percent Difference
Land	$1,196,774	$1,061,284	$135,490	12.77%
Construction in progress	6,950,679	4,796,467	2,154,212	44.91%
Plant, buildings, and improvements	16,906,234	17,762,719	(856,485)	-4.82%
Machinery and equipment	366,598	478,253	(111,655)	-23.35%
Vehicles	1,298,041	1,304,601	(6,560)	-0.50%
Infrastructure	8,647,287	7,366,779	1,280,508	17.38%
Total	**$35,365,613**	**$32,770,103**	**$2,595,510**	**7.92%**

Note[1]: Excludes accumulated depreciation

Capital assets additions strictly for the City's governmental activities for FY 2022 are as follows:

Governmental Activities

Capital Asset Additions	Amount
Land	$0
Construction in progress	205,947
Total Non-depreciable Assets	$205,947
Plant, buildings, and improvements	269,328
Machinery and equipment	158,586
Vehicles	76,468
Infrastructure	1,434,905
Total Depreciable Assets	$1,939,287
Total Governmental Activities, Capital Assets Additions	**$2,145,234**

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Capital assets additions strictly for the City's business-type activities for FY 2022 are as follows:

Business-Type Activities

Capital Asset Additions	Amount
Land	$135,490
Construction in progress	1,948,265
Total Non-depreciable Assets	$2,083,755
Plant, buildings, and improvements	-
Machinery and equipment	-
Vehicles	114,191
Infrastructure	-
Total Depreciable Assets	$114,191
Total Business-Type Activities, Capital Assets Additions	**$2,197,946**

More detailed information on capital assets may be found in Note 7-Capital Assets to the Basic Financial Statements, which can be found on pages 56 and 57.

DEBT ADMINISTRATION

As of June 30, 2022, the City reported total long-term liabilities, exclusive of net pension liability, of $10 million. This represented an increase of $5.0 million or 99.28% over FY 2021. The year-over-year increase was primarily attributed to the issuance of the Combined Utility Revenue Bonds, Series 2022, which financed the new fiber to the home broadband network project throughout the City's electric service area. This debt is reported in the telecommunications enterprise fund.

The current portion of the long-term liabilities at fiscal year-end totaled $475 thousand and is comprised of the following short-term debt, which is that debt payable within one year: Capital Leases Payable ($62 thousand), Combined Utility Revenue Bonds, Series 2022, Payable ($119 thousand), and Notes Payable ($294 thousand). The noncurrent portion of the long-term liabilities totaled $10 million and is comprised of Capital Leases Payable ($173 thousand), Compensated Absences ($203 thousand), Notes Payable, less current portion ($3.8 million), Combined Utility Revenue Bonds, Series 2022, Payable, less current portion ($5.8 million).

Refer to Note 8-Long-Term Liabilities and Note 9-Capital Leases to the Basic Financial Statements of this report for additional information on the City's long-term liabilities and capital leases.

ECONOMIC OUTLOOK

The immediate short-term economic outlook for the City of Sylvester remains uncertain, particularly when factoring in the recent industrial losses that may over time adversely impact the City's overall tax base. The growing rate of inflation, which is at a 40-year high, results in an additional layer of fiscal challenges as the cost of capital projects and service delivery continue to rise. Further, the tight labor market has required an increase in salaries as governments compete with the private sector to fill vacant positions. On the bright side, given that the City has an active SPLOST and T-SPLOST, the increased inflation has resulted in an increase in sales tax revenues for governments.

The short-term and long-term effects of the COVID-19 Pandemic remain uncertain as we work to achieve a new level of normalcy as businesses and households continue to adapt to the guidance provided by the Central for Disease Control and Prevention (CDC). The federal stimulus funding, which is scheduled to fully sunset in 2024, has proven to be instrumental in ensuring that governments have the funding needed to work alongside other organizations to identify and address the growing diverse needs of those in our local communities that were heightened by the pandemic, while keeping everyone safe.

The City remains watchful of new fiscal legislation proposed on both the local, state, and federal levels that could possibly impact operations as well as the level of services provided. However, being a small community, one of the lessons learned early on is that when we come together as a community, the City is stronger and better positioned to handle whatever may come our way. We especially drew on this during the pandemic and will continue to do so during these uncertain times.

In spite of the uncertainty, the Mayor, City Manager, City Council, other local elected officials, and staff remain committed to working diligently to keep the economy strong and viable, while operating from a fiscally responsible and efficiency position that continues to move the City of Sylvester forward.

ACKNOWLEDGMENT

Special appreciation is given to the entire staff of the finance department for their hard work and dedication, which made this document possible. A special thank you is also extended to the many persons across the City that assisted with this endeavor.

Thanks is also extended to the certified public accounting firm of Hudson & NeSmith, CPAs for their consummate efforts throughout this process.

Finally, we would also like to thank the Honorable Mayor Harold Proctor, Jr., City Manager Autron Hayes, and the City Council for their leadership, commitment, and contributions to this endeavor.

To the citizens of the City of Sylvester, we thank you for the opportunity and are honored to serve you.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, investors, creditors as well as others with an interest in the finances of the City of Sylvester with a general overview of the fiscal operations for the respective reporting period. Details regarding the City's accountability for the various financial resources that it receives in conducting the day-to-day operations of the City are provided. Please direct questions about this report to:

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

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

BASIC FINANCIAL STATEMENTS

CITY OF SYLVESTER, GEORGIA
Statement of Net Position
June 30, 2022

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Current Assets				
Cash	$ 828,624	$ 3,599,265	$ 4,427,889	$ 6,533
Investments	1,042,134	4,017,954	5,060,088	-
Receivables - Net	130,719	817,132	947,851	-
Interfund	105,783	(105,783)	-	-
Miscellaneous Current Assets	-	-	-	-
Intergovernmental Receivable	50,484	-	50,484	-
Inventory	81,543	229,012	310,555	
Prepaid Items	57,209	44,332	101,541	-
Total Current Assets	2,296,496	8,601,912	10,898,408	6,533
Noncurrent Assets				
Capital Assets				
Nondepreciable	2,093,382	6,054,071	8,147,453	-
Depreciable-Net	16,385,178	10,832,980	27,218,158	-
Total Noncurrent Assets	18,478,560	16,887,051	35,365,611	-
Total Assets	20,775,056	25,488,963	46,264,019	6,533
Deferred Outflows of Resources				
Pension Plan Activity	879,171	-	879,171	-
Total Assets and Deferred Outflows	21,654,227	25,488,963	47,143,190	6,533
Liabilities				
Current Liabilities				
Accounts Payable	$ 394,915	$ 659,386	$ 1,054,301	$ -
Accrued Expenses	72,275	57,483	129,758	-
Bank Overdraft	-	51,077	51,077	-
Deposits	1,718	66,794	68,512	-
Capital Leases Payable	61,667	-	61,667	-
2022 Series Bonds Payable	-	119,045	119,045	
Notes Payable	-	294,315	294,315	-
Total Current Liabilities	530,575	1,248,100	1,778,675	-
Long-Term Liabilities				
Capital Leases Payable, Less Current Portion	173,061	-	173,061	-
Notes Payable, Less Current Portion	-	3,875,709	3,875,709	-
2022 Series Bonds Payable, Less Current Portion	-	5,842,155	5,842,155	
Net Pension Liability	785,999	-	785,999	-
Compensated Absenses	141,827	61,651	203,478	-
Total Long-Term Liabilities	1,100,887	9,779,515	10,880,402	-
Total Liabilities	1,631,462	11,027,615	12,659,077	-
Deferred Inflows of Resources				
Pension Plan Activity	1,238,512	-	1,238,512	-
Deferred Revenues	-	-	-	-
Total Liabilities and Deferred Inflows	2,869,974	11,027,615	13,897,589	-
Net Position				
Net Investment in Capital Assets	18,243,832	9,927,795	28,171,627	-
Restricted for				
Capital Projects	519,260	3,171,968	3,691,228	-
Debt Service	-	168,935	168,935	-
Public Welfare	10,448	-	10,448	-
Economic Development	182,276	-	182,276	-
Public Safety	19,832	-	19,832	-
Other	6,892	-	6,892	-
Downtown Development	-	-	-	6,533
Unresticted	(198,287)	1,192,650	994,363	-
Total Net Position	$ 18,784,253	$ 14,461,348	$ 33,245,601	$ 6,533

See accompanying notes to the financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities
For the Year Ended June 30, 2022

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	$ 2,141,977	$ 112,387	$ -	$ 1,115,685
Public Safety	3,539,217	214,686	-	81,550
Public Works	1,639,503	-	-	1,399,434
Culture and Recreation	159,092	154,499	-	-
Community & Economic Development	772,517	-	16,568	-
Interest on Long-Term Debt	15,653	-	-	-
Total Governmental Activities	8,267,959	481,572	16,568	2,596,669
Business-Type Activities				
Electric	8,534,045	12,230,364	-	-
Water and Sewer	2,000,428	2,469,380	-	45,040
Natural Gas	1,046,725	1,366,254	-	-
Solid Waste	1,169,413	850,572	-	-
Telecommunications	1,513,694	110,832	-	-
Airport	362,168	108,984	3,238	-
Total Business-Type Activities	$ 14,626,473	$ 17,136,386	$ 3,238	$ 45,040
Total Primary Government	$ 22,894,432	$ 17,617,958	$ 19,806	$ 2,641,709
Component Unit				
Downtown Development Authority	$ 7,532	$ 6,720	$ -	$ -
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, 2021				
NET POSITION - JUNE 30, 2022				

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities (Continued)
For the Year Ended June 30, 2022

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
	$ (913,905)	$ -	$ (913,905)	$ -
	(3,242,981)	-	(3,242,981)	-
	(240,069)	-	(240,069)	-
	(4,593)	-	(4,593)	-
	(755,949)		(755,949)	-
	(15,653)	-	(15,653)	-
	(5,173,150)	-	(5,173,150)	-
	-	3,696,319	3,696,319	-
	-	513,992	513,992	-
	-	319,529	319,529	-
	-	(318,841)	(318,841)	-
	-	(1,402,862)	(1,402,862)	-
	-	(249,946)	(249,946)	-
	-	2,558,191	2,558,191	-
	(5,173,150)	2,558,191	(2,614,959)	
	-	-	-	(812)
	999,710	-	999,710	-
	18,716	-	18,716	-
	513,599	-	513,599	-
	589,822	-	589,822	-
	105,583	-	105,583	-
	37,570	-	37,570	-
	5,059	7,820	12,879	-
	-	446,769	446,769	-
	182,734	-	182,734	-
	3,945,371	(3,945,371)	-	-
	6,398,164	(3,490,782)	2,907,382	-
	1,225,014	(932,591)	292,423	(812)
	17,559,239	15,393,939	32,953,178	7,345
	$ 18,784,253	$ 14,461,348	$ 33,245,601	$ 6,533

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	SPLOST Capital Projects Fund	Transportation SPLOST Capital Projects Fund	Designated Grant Special Revenue Fund	American Rescue Plan Act Special Revenue Fund	Other Non-Major Governmental Funds	Total
Assets							
Cash	$ 229,300	$ 196,388	$ 110,708	$ 103,822	$ 15,856	$ 142,270	$ 798,344
Restricted Cash	30,280	-	-	-	-	-	30,280
Investments-Certificates of Deposit	1,042,134	-	-	-	-	-	1,042,134
Receivables-Net of Allowance for Uncollectible Accounts	83,821	-	-	-	-	46,898	130,719
Due from Other Funds	251,407	-	296,489	-	-	-	547,896
Due from Other Governments	50,484	-	-	-	-	-	50,484
Inventory	81,543	-	-	-	-	-	81,543
Prepaid Items	57,209	-	-	-	-	-	57,209
TOTAL ASSETS	$ 1,826,178	$ 196,388	$ 407,197	$ 103,822	$ 15,856	$ 189,168	$ 2,738,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 322,412	$ 37,752	$ 34,751	$ -	$ -	$ -	$ 394,915
Accrued Liabilities	72,275	-	-	-	-	-	72,275
Due to Other Funds	296,489	27,678	-	117,946	-	-	442,113
Deposits	1,718	-	-	-	-	-	1,718
Total Liabilities	692,894	65,430	34,751	117,946	-	-	911,021
Deferred Inflows of Resources							
Deferred Revenue - Property Taxes	21,397	-	-	-	-	-	21,397
Deferred Revenue-Other	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	21,397	-	-	-	-	-	21,397
Fund Balances							
Nonspendable	138,752	-	-	-	-	-	138,752
Restricted	30,280	130,958	372,446	-	15,856	189,168	738,708
Unassigned	942,855	-	-	(14,124)	-	-	928,731
Total Fund Balances	1,111,887	130,958	372,446	(14,124)	15,856	189,168	1,806,191
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,826,178	$ 196,388	$ 407,197	$ 103,822	$ 15,856	$ 189,168	$ 2,738,609

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, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 1,806,191
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	$ 12,225,951	
Machinery and Equipment	2,831,845	
Vehicles	2,729,932	
Infrastructure	9,591,824	
Accumulated Depreciation	(8,900,992)	
		18,478,560
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	(234,728)	
Compensated Absences	(141,827)	(376,555)
Certain revenues are not available to pay for current period expenditures and therefore are reported deferred inflows of resources in the governmental funds.		21,397
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.		879,171
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.		(1,238,512)
Net pension liability is not due and payable in the current period and therefore, is not reported in the governmental funds.		(785,999)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 18,784,253

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, 2022

	General Fund	SPLOST Capital Projects Fund	Transportation SPLOST Capital Projects Fund	Designated Grant Fund	American Rescue Plan Act Special Revenue Fund	Other Non-Major Governmental Funds	Total
REVENUES							
Taxes-Net	$ 2,266,002	$ -	$ -	$ -	$ -	$ 16,568	$ 2,282,570
Charges for Services	79,788	-	-	-	-	-	79,788
Fines & Forfeitures	214,686	-	-	-	-	-	214,686
Licenses and Permits	112,387	-	-	-	-	-	112,387
Intergovernmental	81,550	583,433	551,870	264,131	1,115,685	-	2,596,669
Interest Income	5,009	-	-	-	37	13	5,059
Miscellaneous	257,445	-	-	-	-	-	257,445
Total Revenues	3,016,867	583,433	551,870	264,131	1,115,722	16,581	5,548,604
EXPENDITURES							
Current							
General Government	2,101,408	-	-	-	-	-	2,101,408
Public Safety	3,190,128	-	-	-	-	-	3,190,128
Public Works	1,444,736	-	-	-	-	-	1,444,736
Culture and Recreation	132,728	-	-	-	-	-	132,728
Community & Economic Development	506,932	-	-	252,905	-	12,193	772,030
Capital Outlay	-	970,919	809,702	364,613	-	-	2,145,234
Debt Service							
Principal	710,462	-	-	-	-	-	710,462
Interest	15,653	-	-	-	-	-	15,653
TOTAL EXPENDITURES	8,102,047	970,919	809,702	617,518	-	12,193	10,512,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,085,180)	(387,486)	(257,832)	(353,387)	1,115,722	4,388	(4,963,775)
OTHER FINANCING SOURCES (USES)							
Capital Lease Transaction	-	-	-	-	-	-	-
Transfers In	6,311,205	15,563	17,730	95,700	-	-	6,440,198
Transfers Out	(1,045,263)	(242,998)	(85,500)	-	(1,099,866)	(21,200)	(2,494,827)
TOTAL OTHER FINANCING SOURCES (USES)	5,265,942	(227,435)	(67,770)	95,700	(1,099,866)	(21,200)	3,945,371
NET CHANGE IN FUND BALANCES	180,762	(614,921)	(325,602)	(257,687)	15,856	(16,812)	(1,018,404)
FUND BALANCE - JULY 1, 2021	$ 931,125	$ 745,879	$ 698,048	$ 243,563	$ -	$ 205,980	$ 2,824,595
FUND BALANCE - JUNE 30, 2022	$ 1,111,887	$ 130,958	$ 372,446	$ (14,124)	$ 15,856	$ 189,168	$ 1,806,191

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, 2022

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS		$ (1,018,404)
Amounts reported for governmental activites in the Statement of Activities are different because		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets aquired in the current period.		2,145,234
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.		(804,510)
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		173,012
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, 2022	$ 21,397	
Deferred at June 30, 2021	(22,397)	(1,000)
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, 2022	(141,827)	
Liability at June 30, 2021	162,047	20,220
The issuance of long-term debt provides current financial resources to Governmental Funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the Governmental Funds, but reduces long-term liabilities in the Statement of Net Position.		
Long-term debt proceeds	-	
Long-term debt payments	710,462	710,462
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,225,014

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position
June 30, 2022

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
ASSETS							
Current Assets							
Cash	$ 9,247	$ 143,692	$ 3,471	$ 47,002	$ 12,012	$ 69	$ 215,493
Investment - Certificate of Deposit	202,425	184,356	-	-	-	-	386,781
Investments	3,462,418	-	-	-	-	-	3,462,418
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	513,002	128,245	800	122,649	24,582	27,854	817,132
Miscellaneous Current Assets	-	-	-	-	-	-	-
Restricted Cash	93,391	93,601	-	-	3,171,968	24,812	3,383,772
Restricted Certificate of Deposit	-	168,755	-	-	-	-	168,755
Due from Other Funds	34,424	234,363	-	20,000	-	-	288,787
Inventory	197,965	-	-	-	-	31,047	229,012
Prepaid Items	11,277	28,178	-	-	-	4,877	44,332
Total Current Assets	4,524,149	981,190	4,271	189,651	3,208,562	88,659	8,996,482
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	-	3,813,038	382,791	19,780	1,835,962	2,500	6,054,071
Depreciable Capital Assets	4,864,094	16,101,187	5,424,749	139,855	384,921	1,196,692	28,111,498
Accumulated Depreciation	(3,442,090)	(10,570,777)	(1,826,524)	(46,518)	(328,393)	(1,064,216)	(17,278,518)
Total Noncurrent Assets	1,422,004	9,343,448	3,981,016	113,117	1,892,490	134,976	16,887,051
TOTAL ASSETS	5,946,153	10,324,638	3,985,287	302,768	5,101,052	223,635	25,883,533

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position (Continued)
June 30, 2022

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
LIABILITIES							
Current Liabilities							
Accounts Payable	$ 88,332	$ 63,511	$ 1,452	$ 49,314	$ 452,046	$ 4,731	$ 659,386
Bank Overdraft	30,519	-	-	-	-	20,558	51,077
Notes Payable	-	294,315	-	-	-	-	294,315
2022 Series Bonds Payable	-	-	-	-	119,045	-	119,045
Accrued Expenses	12,059	4,527	-	-	-	40,897	57,483
Miscellaneous Liabilities	-	-	-	-	-	-	-
Due to Other Funds	344,062	14,809	-	-	29,024	6,675	394,570
Customer Deposits	31,307	23,757	-	-	-	11,730	66,794
Total Current Liabilities	506,279	400,919	1,452	49,314	600,115	84,591	1,642,670
Long-Term Liabilities							
Notes Payable	-	3,875,709	-	-	-	-	3,875,709
2022 Series Bonds Payable		-			5,842,155	-	5,842,155
Accrued Vacation	43,353	16,248	-	-	-	2,050	61,651
Total Long-Term Liabilities	43,353	3,891,957	-	-	5,842,155	2,050	9,779,515
TOTAL LIABILITIES	549,632	4,292,876	1,452	49,314	6,442,270	86,641	11,422,185
DEFERRED INFLOWS OF RESOURCES							
Unearned Revenues	-	-	-	-	-	-	-
NET POSITION							
Net Investment in Capital Assets	1,422,004	5,173,424	3,981,016	113,117	(896,742)	134,976	9,927,795
Restricted for Broadband Capital Project	-	-	-	-	3,171,968	-	3,171,968
Restricted for Debt Service	-	168,935	-	-	-	-	168,935
Unrestricted	3,974,517	689,403	2,819	140,337	(3,616,444)	2,018	1,192,650
TOTAL NET POSITION	$ 5,396,521	$ 6,031,762	$ 3,983,835	$ 253,454	$ (1,341,218)	$ 136,994	$ 14,461,348

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, 2022

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
OPERATING REVENUES							
Operations	$ 12,230,364	$ 2,469,380	$ 112,222	$ 850,572	$ 110,832	$ 1,366,254	$ 17,139,624
OPERATING EXPENSES							
Operating Expenses	8,432,998	1,557,792	48,202	1,150,766	1,316,495	1,036,825	13,543,078
Depreciation	101,047	356,392	313,966	18,647	6,075	9,900	806,027
TOTAL OPERATING EXPENSES	8,534,045	1,914,184	362,168	1,169,413	1,322,570	1,046,725	14,349,105
OPERATING INCOME	3,696,319	555,196	(249,946)	(318,841)	(1,211,738)	319,529	2,790,519
NON-OPERATING REVENUES (EXPENSES)							
Interest Income	7,625	63	-	-	122	10	7,820
Bond Issuance Costs	-	-	-	-	(123,887)	-	(123,887)
Interest Expense	-	(86,244)	-	-	(67,237)	-	(153,481)
Principal Forgiveness on Long-Term Debt	-	45,040	-	-	-	-	45,040
Market Gain on Investments	446,769	-	-	-	-	-	446,769
TOTAL NON-OPERATING REVENUES (EXPENSES)	454,394	(41,141)	-	-	(191,002)	10	222,261
Income Before Transfers	4,150,713	514,055	(249,946)	(318,841)	(1,402,740)	319,539	3,012,780
Transfers In	1,206,521	216,646	45,319	142,542	493,290	19,904	2,124,222
Transfers Out	(4,540,574)	(640,288)	-	(146,117)	(500,454)	(242,160)	(6,069,593)
CHANGE IN NET POSITION	816,660	90,413	(204,627)	(322,416)	(1,409,904)	97,283	(932,591)
NET POSITION - JULY 1, 2021	4,579,861	5,941,349	4,188,462	575,870	68,686	39,711	15,393,939
NET POSITION - JUNE 30, 2022	$ 5,396,521	$ 6,031,762	$ 3,983,835	$ 253,454	$ (1,341,218)	$ 136,994	$ 14,461,348

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	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 and Others	$ 11,975,471	$ 2,343,500	$ 108,984	$ 1,223,996	$ 123,880	$ 1,339,939	$ 17,115,770
Cash Received from Operating Grants	-	-	3,238	-	-	-	3,238
Cash Payments to Suppliers	(7,966,325)	(880,417)	(170,711)	(1,136,083)	(904,525)	(865,382)	(11,923,443)
Cash Paid to Employees	(715,035)	(629,780)	-	-	-	(289,931)	(1,634,746)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,294,111	833,303	(58,489)	87,913	(780,645)	184,626	3,560,819
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments from Other Funds	1,206,521	238,451	45,319	142,542	521,290	28,521	2,182,644
Payments to Other Funds	(4,620,666)	(640,288)	-	(166,117)	(500,454)	(242,160)	(6,169,685)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(3,414,145)	(401,837)	45,319	(23,575)	20,836	(213,639)	(3,987,041)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase and Construction of Capital Assets	(38,234)	(186,614)	-	-	(1,835,962)	-	(2,060,810)
Proceeds from 2022 Series Bonds Payable	-	-	-	-	6,000,000	-	6,000,000
Proceeds from Long Term Debt		112,600			-		112,600
Principal Paid on Capital Debt	-	(309,589)	-	(46,724)	(38,800)	-	(395,113)
Interest Paid on Capital Debt	-	(86,244)	-	-	(67,237)	-	(153,481)
Cash Paid for Debt Issuance Costs	-	-	-	-	(123,887)	-	(123,887)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(38,234)	(469,847)	-	(46,724)	3,934,114	-	3,379,309
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Received	7,625	63	-	-	122	10	7,820
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,625	63	-	-	122	10	7,820
Net Increase (Decrease) in Cash and Cash Equivalents	(150,643)	(38,318)	(13,170)	17,614	3,174,427	(29,003)	2,960,907
CASH AND CASH EQUIVALENTS - JULY 1, 2021	425,187	628,722	16,641	29,388	9,553	33,326	1,142,817
CASH AND CASH EQUIVALENTS - JUNE 30, 2022	$ 274,544	$ 590,404	$ 3,471	$ 47,002	$ 3,183,980	$ 4,323	$ 4,103,724
Displayed As:							
Cash	$ 9,247	$ 143,692	$ 3,471	$ 47,002	$ 12,012	$ 69	$ 215,493
Investment-Certificate of Deposit	202,425	184,356	-	-	-	-	386,781
Restricted Assets	93,391	262,356	-	-	3,171,968	24,812	3,552,527
Bank Over Draft	(30,519)	-	-	-	-	(20,558)	(51,077)
	$ 274,544	$ 590,404	$ 3,471	$ 47,002	$ 3,183,980	$ 4,323	$ 4,103,724

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows (Continued)
For the Year End June 30, 2022

	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)	$ 3,696,319	$ 555,196	$ (249,946)	$ (318,841)	$ (1,211,738)	$ 319,529	$ 2,790,519
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	101,047	356,392	313,966	18,647	6,075	9,900	806,027
(Increase) Decrease in Assets:							
Accounts Receivable and Miscellaneous Current Assets	(267,673)	(72,022)	-	373,424	13,048	(17,288)	29,489
Inventory	(6,785)	50,050	-	-	-	(3)	43,262
Due from Other Funds	-	-	-	-	-	-	-
Prepaid Items	11,148	(896)	-	-	-	(147)	10,105
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:							
Accounts Payable	(123,962)	(5,717)	(122,509)	14,683	411,970	(44,305)	130,160
Accrued Expenses and Other Liabilities	(131,559)	526	-	-	-	(73,475)	(204,508)
Unearned Revenues	-	-	-	-	-	-	-
Customer Deposits	12,780	(53,858)	-	-	-	(8,880)	(49,958)
Accrued Vacation	2,796	3,632	-	-	-	(705)	5,723
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ 3,294,111	$ 833,303	$ (58,489)	$ 87,913	$ (780,645)	$ 184,626	$ 3,560,819
Noncash Investing, Capital and Financing Activities							
Principal Forgiveness on Capital Debt	$ -	$ 45,040	$ -	$ -	$ -	$ -	$ 45,040
Increase in Fair Value of Investments	446,769	-	-	-	-	-	446,769

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Statement of Fiduciary Net Position
June 30, 2022

ASSETS	
Cash	$ 3,392
TOTAL ASSETS	$ 3,392
LIABILITIES	
NET POSITION	
Net Position - Held for Others	3,392
TOTAL NET POSITION	$ 3,392

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Statement of Changes in Fiduciary Net Position
June 30, 2022

ADDITIONS	
Private Donations	$ -
Total Additions	-
DEDUCTIONS	
Payments of Fees to Other Agencies	73
Total Deductions	73
Change in Net Position	(73)
NET POSITION - JULY 1, 2021, restated	3,465
NET POSITION - JUNE 30, 2022	$ 3,392

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Net Position
June 30, 2022

ASSETS	
Cash	$ 6,533
TOTAL ASSETS	$ 6,533
LIABILITIES	
Liabilities	$ -
NET POSITION	
Restricted:	
Downtown Development	$ 6,533
TOTAL NET POSITION	$ 6,533

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Activities
For the Year Ended June 30, 2022

EXPENSES	
Program Costs	$ 7,532
TOTAL EXPENSES	7,532
REVENUES	
Program Revenues	6,720
Net Program Revenue	(812)
GENERAL REVENUES	
Investment Earnings	-
CHANGE IN NET POSITION	(812)
NET POSITION-JULY 1, 2021	7,345
NET POSITION-JUNE 30, 2022	$ 6,533

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.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund is used to account exclusively for Local Fiscal Recovery Funds received by the City through the American Rescue Plan (ARP). 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 custodial funds which use the economic resources measurement focus and 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, 2022. 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, 2022, 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.

In the government-wide financial statements and also in the proprietary fund type statements, long term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are amortized using the straight-line method, which approximates the effective interest method, over the related debt repayment period. Unamortized bond discount costs or premiums are offset against or added to bonds payable. Bond issuance costs are expensed when incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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. Amounts are available for any purpose. Positive amounts are reported only in the general fund.

  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, 2022.

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.

U. IMPLEMENTATION OF GASB STANDARD

As of July 1, 2019, the City elected to implement GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes new criteria for identifying fiduciary activities that are reported in the fiduciary funds. This Statement also revised the definition and terminology used for activities that were previously classified as agency funds.

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, 2022 consisted of the following:

Primary Government Fund Reporting Level	Cash and Cash Equivalents
Governmental Funds - Balance Sheet Cash	$ 798,344
Governmental Funds - Balance Sheet - Restricted Cash	30,280
Governmental Funds - Balance Sheet - Certificates of Deposit	1,042,134
Proprietary Fund Type Statement of Net Position - Cash	215,493
Proprietary Fund Type Statement of Net Position - Certificate of Deposit	386,781
Proprietary Fund Type Statement of Net Position - Restricted Cash	3,383,772
Proprietary Fund Type Statement of Net Position - Restricted Certificate of Deposit	168,755
Statement of Fiduciary Assets and Liabilities	3,392
Total	$ 6,028,951

Investments

For fiscal year 2022, 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, 2022, 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	$ 1,705,709	$ 1,198,499	$ 544,543	$ 13,667	$ 3,462,418
Bank Certificates of Deposit	Not Rated	1,597,670	-	-	-	1,597,670
Total Investments		$ 3,303,379	$ 1,198,499	$ 544,543	$ 13,667	$ 5,060,088

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, 2022, 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 7, 2022 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, 2022:

Bank Certificates of Deposit	31.57%
Federal Home Loan Bank	65.14%

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, 2022 are classified as follows:

		Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Municipal Competitive Trust	$ 3,462,418	$ -	$ 3,462,418	$ -
Bank Certificates of Deposit	1,597,670	1,597,670	-	-
Total Investments	$ 5,060,088	$ 1,597,670	$ 3,462,418	$ -

NOTE 4 – RECEIVABLES

Receivables at June 30, 2022, 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	$ 28,239	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,239
Accounts	55,582	-	709,992	162,342	133,824	24,582	800	38,234	1,125,356
Notes	-	46,898	-	-	-	-	-	-	46,898
Other Governments	50,484	-	-	-	-	-	-	-	50,484
Other	-	-	-	-	-	-	-	-	-
Gross Receivables	134,305	46,898	709,992	162,342	133,824	24,582	800	38,234	1,250,977
Less: Allowance for uncollectibles	-	-	(196,990)	(34,097)	(11,175)	-	-	(10,380)	(252,642)
Net Receivables	$ 134,305	$ 46,898	$ 513,002	$ 128,245	$ 122,649	$ 24,582	$ 800	$ 27,854	$ 998,335

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

The following table includes the interfund receivables and payables on June 30, 2022:

Receivable Fund	Payable Fund	Amount	Due Within One Year
General	Gas	$ 251	$ 251
General	Water and Sewer	14,809	14,809
General	Electric	208,669	208,669
General	SPLOST	27,678	27,678
T-SPLOST	General	296,489	296,489
Water and Sewer	Designated Grant	117,946	117,946
Water and Sewer	Electric	115,393	115,393
Water and Sewer	Telecommunications	1,024	1,024
Electric	Gas	6,424	6,424
Electric	Telecommunications	28,000	28,000
Solid Waste	Electric	20,000	20,000
Total		$ 836,683	$ 836,683

Amounts payable between funds generally arise from the practice of the utilizing the general fund as a central bill paying entity. Further, at times during the period, costs may be initially charged to and recorded to one fund and then, as part of the year-end closing process, may be allocated to other funds for capital project grant matching purposes. This process creates interfund balances between funds that are generally settled soon after year-end. The above balances are expected to be settled within one year.

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, 2022:

Governmental Activities	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital assets not being depreciated:				
Land	$ 769,904	$ -	$ -	$ 769,904
Construction in progress	1,117,531	205,947	-	1,323,478
Total capital assets not being depreciated	1,887,435	205,947	-	2,093,382
Capital assets being depreciated:				
Plant, buildings, improvements	9,863,241	269,328	-	10,132,569
Machinery and equipment	2,673,259	158,586	-	2,831,845
Vehicles	2,653,464	76,468	-	2,729,932
Infrastructure	8,156,919	1,434,905	-	9,591,824
Total capital assets being depreciated	23,346,883	1,939,287	-	25,286,170
Less accumulated depreciation:				
Plant, building, improvements	(3,540,627)	(273,225)	-	(3,813,852)
Machinery and equipment	(2,313,414)	(258,222)	-	(2,571,636)
Vehicles	(1,452,301)	(118,666)	-	(1,570,967)
Infrastructure	(790,140)	(154,397)	-	(944,537)
Total accumulated depreciation	(8,096,482)	(804,510)	-	(8,900,992)
Net capital assets being depreciated	15,250,401	1,134,777	-	16,385,178
Total Capital Assets, Net	$ 17,137,836	$ 1,340,724	$ -	$ 18,478,560

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

General Government	$ 100,293
Public Safety	446,090
Public Works	231,276
Culture and Recreation	26,364
Community and Economic Development	487
Total	$ 804,510

Business-Type Activities	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital assets not being depreciated:				
Land	$ 291,380	$ 135,490	$ -	$ 426,870
Construction in progress	3,678,936	1,948,265	-	5,627,201
Total capital assets not being depreciated	3,970,316	2,083,755	-	6,054,071
Capital assets being depreciated:				
Plant, buildings, improvements	25,550,520	-	(135,490)	25,415,030
Machinery and equipment	1,206,090	-	(1,646)	1,204,444
Vehicles	1,377,835	114,191	-	1,492,026
Total capital assets being depreciated	28,134,445	114,191	(137,136)	28,111,500
Less accumulated depreciation:				
Plant, buildings, improvements	(14,110,415)	(717,098)	-	(14,827,513)
Machinery and equipment	(1,087,682)	(10,373)	-	(1,098,055)
Vehicles	(1,274,397)	(78,553)	-	(1,352,950)
Total accumulated depreciation	(16,472,494)	(806,024)	-	(17,278,518)
Net capital assets being depreciated	11,661,951	(691,833)	(137,136)	10,832,982
Total Capital Assets, Net	$ 15,632,267	$ 1,391,922	$ (137,136)	$ 16,887,053

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, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Capital leases	$ 945,189	$ -	$ (710,461)	$ 234,728	$ 61,667
Compensated absences	162,047	186,612	(206,832)	141,827	-
Total Governmental Activities	1,107,236	186,612	(917,293)	376,555	61,667

Compensated absences are liquidated by the General Fund.

Business-Type Activities					
Series 2022 Revenue Bonds - Direct Placement	$ -	$ 6,000,000	$ (38,800)	$ 5,961,200	$ 119,045
Notes Payable	4,458,776	112,600	(401,352)	4,170,024	294,315
Compensated absences	55,930	118,290	(112,569)	61,651	-
Total Business-Type Activities	$ 4,514,706	$ 6,230,890	$ (151,369)	$ 6,022,851	$ 413,360

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

Business-Type Activities

NOTES PAYABLE

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 - $785,846

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 - $218,553

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 - $321,607

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 - $1,105,398

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 - $1,499,625

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 $246,487 to be used for water system improvements. Loan is to be repaid in 252 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 - $238,995

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 - $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 - $0

REVENUE BONDS – DIRECT PLACEMENT

In 2022, the City issued the Combined Utility Revenue Bond, Series 2022 (the "Series 2022 Bond") to provide financing for the City's fiber to the home network project located throughout the City's electric service area center ($5,576,500). The proceeds also provided for working capital associated with operations ($293,500) and the costs of issuance associated with the Series 2022 bond ($130,000).

The Series 2022 Bond was issued as a direct bank loan with The First Bank. The Series 2022 Bond is reported in the telecom fund in the enterprise funds and, under the bond agreement, is payable solely from net revenues derived from the operation of the telecom's broadband system. The Series 2022 Bond carry a fixed interest rate of 3.37% and mature February 15, 2052. The City has pledged future broadband revenues to repay $6,000,000 in principal and $3,543,301 in interest over the life of the Series 2022 Bond. Principal and interest paid for the current year was $106,037.

The City's debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2023	$ 413,360	$ 281,127	$ 694,487
2024	424,120	270,367	694,487
2025	435,230	259,257	694,487
2026	446,698	247,789	694,487
2027	458,538	235,949	694,487
2028-2032	2,220,873	994,015	3,214,888
2033-2037	1,789,399	747,312	2,536,711
2038-2042	1,321,699	538,910	1,860,609
2043-2047	1,249,419	341,131	1,590,550
2048-2052	1,371,888	112,625	1,484,513
Total	$ 10,131,224	$ 4,028,482	$ 14,159,706

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	(1,421,079)
Carrying Value	$ 3,241,256

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ended June 30	Total
2023	$ 66,295
2024	61,196
2025	61,196
2026	56,096
Total minimum lease payments	244,783
Less amounts representing interest	(10,055)
Present value of minimum capital lease payments	$ 234,728

NOTE 10 - INTERNAL TRANSFERS

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

	Transfer In	Transfer Out
General Fund:		
Gas Fund	$ 216,714	
Electric Fund	4,251,805	
Solid Waste Fund	135,054	
Hotel/Motel Tax Fund	21,200	
American Rescue Plan Act Fund	438,132	
Water and Sewer Fund	599,688	
SPLOST Fund	148,159	
Telecom Fund	500,454	
Gas Fund		$ 19,204
Water and Sewer Fund		45,021
Electric Fund		881,075
Airport Fund		5,200
Solid Waste Fund		31,000
Designated Grant Fund		200
Telecom Fund		48,000
SPLOST Fund		15,563
Special Revenue Funds:		
American Rescue Plan Act Fund:		
General Fund		438,132
Electric Fund		300,000
Water and Sewer Fund		74,314
Telecom Fund		287,421
Designated Grant Fund Fund:		
General Fund	200	
Electric Fund	10,000	
T-SPLOST	85,500	
Hotel/Motel Tax Fund:		
General Fund		21,200
Capital Projects Funds:		
SPLOST Fund:		
T-SPLOST Fund		17,730
General Fund	15,563	
Water and Sewer Fund		29,551
General Fund		148,159
Telecom Fund		47,558
TPLOST Fund:		
SPLOST Fund	17,730	
Designated Grant Fund		85,500

	Transfer In	Transfer Out
Proprietary Fund:		
Water and Sewer Fund:		
General Fund	$ 45,021	
Electric Fund	67,760	
American Rescue Plan Act Fund	74,314	
SPLOST Fund	29,551	
General Fund		$ 599,688
Airport Fund		6,000
Solid Waste Fund		5,000
Telecom Fund		29,600
Electric Fund:		
General Fund	881,075	
American Rescue Plan Act Fund	300,000	
Gas Fund	25,446	
General Fund		4,251,805
Gas Fund		700
Water and Sewer Fund		67,760
Airport Fund		32,056
Solid Waste Fund		106,542
Designated Grant Fund		10,000
Telecom Fund		71,711
Gas Fund:		
General Fund	19,204	
Electric Fund	700	
General Fund		216,714
Electric Fund		25,446
Telecom Fund:		
General Fund	48,000	
Electric Fund	71,711	
Solid Waste Fund	9,000	
American Rescue Plan Act Fund	287,421	
Water and Sewer Fund	29,600	
SPLOST Fund	47,558	
General Fund		500,454
Solid Waste Fund:		
General Fund	31,000	
Electric Fund	106,542	
Water and Sewer Fund	5,000	
Airport Fund		2,063
General Fund		135,054
Telecom Fund		9,000
Airport Fund:		
General Fund	5,200	
Solid Waste Fund	2,063	
Water and Sewer Fund	6,000	
Electric Fund	32,056	
Total	$ 8,564,421	$ 8,564,421

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 and its attorneys that the legal actions in progress by or against the City at June 30, 2022 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 $5,285,008.

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, 2022, the balance in this account was $3,462,417. 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, 2022 was $1,878,806. 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, 2022, the City purchased $5,031,999 of its electricity from MEAG, with accounts payable of $268,297 to MEAG at June 30, 2022.

During the fiscal year ended June 30, 2022, the City purchased $509,110 of its gas from MGAG, with accounts payable of $28,906 to MGAG at June 30, 2022.

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 $6,208 in such dues during the year ended June 30, 2022.

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, 2022, 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 10.37% 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, 2022, the City reported a liability of $785,999 for its pension liability. The City's net pension liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of January 1, 2022. The changes in the Net Pension Liability for the year ended September 30, 2021 (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, 2021	$ 9,943,298	$ 8,178,513	$ 1,764,785
Changes for the year:			
Service cost	174,459	-	174,459
Interest	726,439	-	726,439
Differences between expected and actual experience	321,698	-	321,698
Contributions - employer	-	348,064	(348,064)
Contributions - employee	-	-	-
Net investment income	-	1,972,469	(1,972,469)
Benefit payments, including refunds of employee contributions	(535,470)	(535,470)	-
Administrative expense	-	(21,605)	21,605
Other	97,546	-	97,546
Net changes	784,672	1,763,458	(978,786)
Balances at June 30, 2021	$ 10,727,970	$ 9,941,971	$ 785,999

Pension Expense

Pension expense for the year ended June 30, 2022		
Service cost	$	174,459
Interest on TPL		726,439
Employee contributions		-
Administrative expense		21,605
Expected return on assets		(595,458)
Expensed portion of current year period differences between expected and actual experience on TPL		80,423
Expensed portion of current year period assumption changes		-
Current year plan changes		97,546
Expensed portion of current year period differences between projected and actual investment earnings		(275,403)
Current year recognition of deferred inflows and outflows established in prior years		(32,064)
Total expense	$	197,547

Deferred Outflows/Inflows of Resources Related to Pensions as of June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 267,663	$ -
Demographic	313,086	-
Investment	141,530	(1,238,512)
Assumption change	156,892	-
Total	$ 879,171	$ (1,238,512)

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

Year ended June 30:	
2023	$ (89,780)
2024	(54,195)
2025	(207,627)
2026	(275,402)
2027	-

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	$ 2,095,264	$ 785,999	$ 309,400

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%	6.55%
International equity	20%	7.30%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Cash	0%	
	100%	

Actuarial Methods and Assumptions

Valuation Date	January 1, 2022
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	2.25% 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, 2022 Valuation:

Employer	City of Sylvester
Social Security	Yes
Participant Contributions	Noncontributory
Original Effective date	Employees: 7-1-72 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 spous spouse as beneficiary under Plan B at retirement receive unreduced retirement benefits. Spouses' benefits may be reduced depending upon age difference. City Manager in such position on 5-17-21 shall accrue an additional 12 years of service for benefit computation and not for vesting or retirement eligibility.

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 thirteen retirees are eligible for this post-employment benefit. During the year, total expenditures of $4,408 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, 2022 is as follows:

Hotel-Motel Tax Receipts		$ 16,568
Disbursements to Worth County- Sylvester Chamber of Commerce	74%	12,193
Balance Retained by City	26%	$ 4,375

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	American Rescue Plan Act Fund
Fund Balances							
Nonspendable:							
Inventory	$ 81,543	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid Items	57,209	-	-	-	-	-	-
Total Nonspendable	138,752	-	-	-	-	-	-
Restricted:							
Public Safety	19,832	-	-	-	-	-	-
Public Welfare	10,448	-	-	-	-	-	-
Capital Projects	-	130,958	372,446	-	-	-	15,856
Economic Development	-	-	-	182,276	-	-	-
Tourism	-	-	-	-	-	6,892	-
Total Restricted	30,280	130,958	372,446	182,276	-	6,892	15,856
Unassigned	942,855	-	-	-	(14,124)	-	-
Total Fund Balances	$1,111,887	$130,958	$372,446	$182,276	$ (14,124)	$ 6,892	$ 15,856

NOTE 20 – FUND BALANCE/NET POSITION DEFICITS

Governmental Funds:		
Special Revenue Funds		
Designated Grant Fund	$ 14,124	This deficit will be eliminated by future transfers from other funds.
Proprietary Funds		
Telecommunications Fund	$ 1,341,218	This deficit will be eliminated by future user fee revenue.

NOTE 21 – 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 22 – CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT

In conformity with Generally Accepted Accounting Principles, as set forth in GASB Statement No. 84, *Fiduciary Activities*, June 30, 2021 net position has been restated for the effects of recording liabilities and net position in the custodial funds. The restatement affected the beginning net position in the custodial funds as follows:

	Utility Energy Crisis	Downtown Sylvester Farmer's Market
Net position, June 30, 2021	$ -	$ -
Implementation of GASB 84	861	3,465
Net position, June 30, 2022, as restated	$ 861	$ 3,465

NOTE 23 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition of disclosure through April 7, 2023, the date when the financial statements were available to be issued.

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2022

				Total Pension Liability				
Measurement Date	**Fiscal Year End June 30, 2022**	**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	$ 174,459	$ 149,493	$ 132,459	$ 115,251	$ 121,554	$ 123,275	$ 127,640	$ 143,056
Interest	726,439	693,789	654,083	636,574	600,885	590,322	580,864	581,530
Differences between expected and actual experience	321,698	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	97,546	-	-	173,513	-	-	-	-
Benefit payments, including refunds of employee contributions	(535,470)	(526,840)	(534,583)	(549,717)	(509,834)	(444,745)	(446,823)	(371,608)
Other	-	-	-	-	-			
Net change in total pension liability	784,672	422,058	665,295	208,678	638,992	168,846	121,004	29,009
Total pension liability - beginning	9,943,298	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)	$ 10,727,970	$ 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	$ 348,064	$ 309,563	$ 261,839	$ 261,626	$ 265,873	$ 287,114	$ 326,057	$ 351,208
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	1,972,469	727,160	217,485	717,935	981,834	677,155	74,217	637,350
Benefit payments, including refunds of employee contributions	(535,470)	(526,840)	(534,583)	(549,717)	(509,834)	(444,745)	(446,823)	(371,608)
Administrative expenses	(21,605)	(20,225)	(19,514)	(20,832)	(22,341)	(12,988)	(14,676)	(11,697)
Other	-	-	-	-	-	-	-	-
Net change in fiduciary net position	1,763,458	489,658	(74,773)	409,012	715,532	506,536	(61,225)	605,253
Plan fiduciary net position - beginning	8,178,513	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)	$ 9,941,971	$ 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)	$ 785,999	$ 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	92.67%	82.25%	80.75%	87.67%	85.05%	82.90%	78.23%	80.25%
Covered payroll	$ 3,710,917	$ 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	21.18%	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, 2022

	Fiscal Year End June 30, 2022		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	$ -	*	$ 347,614	$ 301,953	$ 282,018	$ 254,829	$ 269,554	$ 292,967	$ 337,087
Contributions in relation to the actuarially determined contribution	-	*	373,227	300,292	258,517	254,829	269,554	292,667	337,087
Contribution deficiency (excess)	-	*	(25,613)	1,661	23,501	-	-	-	-
Covered payroll	-	*	3,609,293	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	-	*	10.34%	9.45%	8.68%	9.59%	9.96%	10.54%	13.48%

* 2022 information will be determined after fiscal year end and will be included in the 2023 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, 2022

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, 2022, 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, 2023.

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 11 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, 2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
	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, 2022

- 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, 2022

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES				
Taxes - Net	$ 2,196,942	$ 2,196,942	$ 2,266,002	$ 69,060
Charges for Services	79,000	79,000	79,788	788
Fines & Forfeitures	312,314	312,314	214,686	(97,628)
Intergovernmental	8,000	8,000	81,550	73,550
Licenses and Permits	69,458	69,458	112,387	42,929
Interest Income	8,200	8,200	5,009	(3,191)
Miscellaneous	383,901	344,311	257,445	(86,866)
TOTAL REVENUES	3,057,815	3,018,225	3,016,867	(1,358)
EXPENDITURES				
Legislative	155,031	185,031	184,363	(668)
Judicial	186,175	186,175	185,620	(555)
Administrative	958,733	958,733	851,019	(107,714)
Police	2,108,821	2,283,821	2,276,047	(7,774)
City Manager	336,379	418,379	418,361	(18)
Financial Administration	288,200	366,200	366,135	(65)
Human Resources	164,764	164,764	164,638	(126)
Animal Control	38,467	38,467	38,467	-
Cemetery and Parks	173,030	173,030	132,728	(40,302)
General Government Maintenance	8,250	117,250	116,892	(358)
Fire	965,106	1,187,106	1,186,882	(224)
Economic Development	109,575	-	-	-
Street	1,178,808	1,284,808	1,284,039	(769)
Storm Water	221,961	225,961	225,936	(25)
Shop	170,888	170,888	163,988	(6,900)
Code Enforcement	162,441	162,441	152,372	(10,069)
Building and Zoning	183,532	183,532	177,491	(6,041)
Downtown Development	136,582	177,582	177,070	(512)
TOTAL EXPENDITURES	7,546,743	8,284,168	8,102,048	(182,120)
Deficiency of Revenue Under Expenditures	(4,488,928)	(5,265,943)	(5,085,181)	(183,478)
OTHER FINANCING SOURCES				
Capital Lease Transaction	289,550	-	-	-
Transfers In from Other Funds	4,199,378	6,311,206	6,311,206	-
Transfers Out to Other Funds	-	(1,045,263)	(1,045,263)	-
NET CHANGE IN FUND BALANCE	-	-	180,762	(183,478)
FUND BALANCE - JULY 1, 2021	-	4,323,918	931,125	
FUND BALANCE - JUNE 30, 2022	$ -	$ 4,323,918	$ 1,111,887	

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, 2022

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, 2022

SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF SYLVESTER, GEORGIA
General Fund
Balance Sheet
June 30, 2022

ASSETS

Assets	
Cash	$ 229,300
Restricted Cash	30,280
Investment-Certificates of Deposit	1,042,134
Receivables	
Property Taxes	28,239
Due From Other Governments	50,484
Other	55,582
Due from Other Funds	251,407
Inventory, at Cost	81,543
Prepaid Items	57,209
TOTAL ASSETS	$ 1,826,178

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities	
Accounts Payable	$ 322,412
Accrued Payroll Taxes and Withholdings	72,275
Due to Other Funds	296,489
Deposits	1,718
Total Liabilities	692,894
Deferred Inflows of Resources	
Deferred Revenue - property taxes	21,397
Fund Balance	
Nonspendable:	
Inventory	81,543
Prepaid Items	57,209
Restricted:	
Public Safety	19,832
Public Welfare	10,448
Unassigned	942,855
Total Fund Balance	1,111,887
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,826,178

CITY OF SYLVESTER, GEORGIA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2022

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES (Schedule 1)				
Taxes - Net	$ 2,196,942	$ 2,196,942	$ 2,266,002	$ 69,060
Charges for Services	79,000	79,000	79,788	788
Fines & Forfeitures	312,314	312,314	214,686	(97,628)
Intergovernmental	8,000	8,000	81,550	73,550
Licenses and Permits	69,458	69,458	112,387	42,929
Interest Income	8,200	8,200	5,009	(3,191)
Miscellaneous	383,901	344,311	257,445	(86,866)
TOTAL REVENUES	3,057,815	3,018,225	3,016,867	(1,358)
EXPENDITURES (Schedule 2)				
Legislative	155,031	185,031	184,363	(668)
Judicial	186,175	186,175	185,620	(555)
Administrative	958,733	958,733	851,019	(107,714)
Police	2,108,821	2,283,821	2,276,047	(7,774)
City Manager	336,379	418,379	418,361	(18)
Financial Administration	288,200	366,200	366,135	(65)
Human Resources	164,764	164,764	164,638	(126)
Animal Control	38,467	38,467	38,467	-
Cemetery and Parks	173,030	173,030	132,728	(40,302)
General Government Maintenance	8,250	117,250	116,892	(358)
Fire	965,106	1,187,106	1,186,882	(224)
Economic Development	109,575	-	-	-
Street	1,178,808	1,284,808	1,284,039	(769)
Storm Water	221,961	225,961	225,936	(25)
Shop	170,888	170,888	163,988	(6,900)
Code Enforcement	162,441	162,441	152,372	(10,069)
Building and Zoning	183,532	183,532	177,491	(6,041)
Downtown Development	136,582	177,582	177,070	(512)
TOTAL EXPENDITURES	7,546,743	8,284,168	8,102,048	(182,120)
Deficiency of Revenue Under Expenditures	(4,488,928)	(5,265,943)	(5,085,181)	(183,478)
OTHER FINANCING SOURCES				
Capital Lease Transaction	289,550	-	-	-
Transfers In from Other Funds	4,199,378	6,311,206	6,311,206	-
Transfers Out to Other Funds	-	(1,045,263)	(1,045,263)	-
NET CHANGE IN FUND BALANCE	-	-	180,762	(183,478)
FUND BALANCE - JULY 1, 2021	-	4,323,918	931,125	
FUND BALANCE - JUNE 30, 2022	$ -	$ 4,323,918	$ 1,111,887	

CITY OF SYLVESTER, GEORGIA
General Fund
Revenues-Budget and Actual
For the Year Ended June 30, 2022

SCHEDULE 1	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Ad Valorem Taxes	$ 972,492	$ 972,492	$ 931,052	$ (41,440)
Alcoholic Beverage Tax	103,066	103,066	105,583	2,517
Business and Occupation Tax	28,100	28,100	37,570	9,470
Charges for Services	79,000	79,000	79,788	788
Fines and Forfeitures	312,314	312,314	214,686	(97,628)
Franchise Tax	92,792	92,792	69,660	(23,132)
Insurance Premium Tax	497,100	497,100	513,599	16,499
Intangible and Transfer Tax	10,932	10,932	18,716	7,784
Interest Income	8,200	8,200	5,009	(3,191)
Intergovernmental	8,000	8,000	81,550	73,550
Licenses and Permits	69,458	69,458	112,387	42,929
Miscellaneous	343,801	304,211	182,734	(121,477)
Miscellaneous - Cemetery Lot Sales	24,000	24,000	46,611	22,611
Miscellaneous - Rent	16,100	16,100	28,100	12,000
Sales Tax-Local Option	492,460	492,460	589,822	97,362
TOTAL REVENUES	$ 3,057,815	$ 3,018,225	$ 3,016,867	$ (1,358)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual
For the Year Ended June 30, 2022

SCHEDULE 2

EXPENDITURES	Budget Original	Budget Final	Actual	Variance with Budget
LEGISLATIVE				
Personnel Services	$ 61,490	$ 91,490	$ 83,077	$ (8,413)
Employee Medical Insurance	25,090	25,090	24,633	(457)
Retirement Fund Contribution	21,251	21,251	18,734	(2,517)
Dues and Membership	1,000	1,000	-	(1,000)
Miscellaneous	3,000	3,000	2,245	(755)
Professional Services	300	300	35	(265)
Telephone and Utilities	6,100	6,100	6,487	387
Travel and Training	36,800	36,800	49,152	12,352
Total Legislative	155,031	185,031	184,363	(668)
JUDICIAL				
Personnel Services	147,175	147,175	153,808	6,633
Municipal Court Judge	18,000	18,000	17,400	(600)
Indigent Defence Attorney	6,000	6,000	2,400	(3,600)
City Solicitor	15,000	15,000	12,012	(2,988)
Dues and Membership	-	-	-	-
Total Judicial	186,175	186,175	185,620	(555)
ADMINISTRATIVE				
Personnel Services	111,560	111,560	219,760	108,200
Employee Medical Insurance	-	-	11,431	11,431
Retirement Fund Contribution	37,575	37,575	10,411	(27,164)
Advertising	4,000	4,000	5,618	1,618
Appropriations:				-
Margaret Jones Public Library	65,875	65,875	58,650	(7,225)
Recreation Program and Community	100,000	100,000	100,000	-
Chamber of Commerce	25,000	25,000	20,000	(5,000)
Other	21,000	21,000	12,668	(8,332)
Capital Outlay	-	-	-	-
Clerical and Administrative	41,250	41,250	(55,105)	(96,355)
Dues and Membership	10,600	10,600	18,374	7,774
Insurance	60,000	60,000	41,008	(18,992)
Miscellaneous	32,500	32,500	52,600	20,100
Motor Fuels	1,400	1,400	2,547	1,147
Professional Services	175,000	175,000	136,246	(38,754)
Repairs and Maintenance - Equipment	22,100	22,100	22,380	280
Supplies	8,950	8,950	22,106	13,156

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
Administrative (continued)				
Telephone and Utilities	$ 26,140	$ 26,140	$ 27,210	$ 1,070
Demolition and Removal	30,000	30,000	-	(30,000)
Travel and Training	16,600	16,600	14,967	(1,633)
Housing Authority Gas	21,200	21,200	11,619	(9,581)
Uniforms	2,000	2,000	1,576	(424)
Worth County Family Connection	88,970	88,970	99,271	10,301
Daisy Gamble Learning Center	57,013	57,013	17,682	(39,331)
Total Administrative	958,733	958,733	851,019	(107,714)
POLICE				
Personnel Services	1,217,719	1,217,719	1,271,449	53,730
Employee Medical Insurance	220,485	220,485	158,871	(61,614)
Retirement Fund Contribution	77,660	77,660	108,553	30,893
Capital Outlay	58,000	58,000	76,510	18,510
Clerical and Administrative	3,700	3,700	3,312	(388)
Community Programs	34,600	34,600	13,776	(20,824)
Courtware Solutions	17,000	17,000	21,553	4,553
Dues and Membership	1,000	1,000	375	(625)
Inmate Medical and Board	17,000	17,000	8,680	(8,320)
Insurance	38,357	38,357	32,979	(5,378)
Miscellaneous	2,500	2,500	20,988	18,488
Motor Fuels	55,250	55,250	69,273	14,023
Professional Services	20,000	20,000	56,401	36,401
Repairs and Maintenance-Equipment	62,400	62,400	81,739	19,339
Supplies	34,000	34,000	44,176	10,176
Travel and Training	19,000	19,000	14,033	(4,967)
Telephone and Utilities	38,600	38,600	45,266	6,666
Trust Fund Contributions	45,850	45,850	44,609	(1,241)
Uniforms	15,000	15,000	2,090	(12,910)
Capital Lease-Principal	50,000	225,000	160,606	(64,394)
Capital Lease-Interest	2,700	2,700	640	(2,060)
911 Cost	78,000	78,000	40,168	(37,832)
Total Police	2,108,821	2,283,821	2,276,047	(7,774)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
CITY MANAGER				
Personnel Services	$ 270,286	$ 270,286	$ 282,986	$ 12,700
Employee Medical Insurance	20,024	61,024	40,351	(20,673)
Retirement Fund Contribution	16,879	57,879	40,234	(17,645)
Advertising	500	500	-	(500)
Clerical and Administrative	200	200	209	9
Dues and Membership	2,000	2,000	5,800	3,800
Miscellaneous	600	600	4,132	3,532
Motor Fuels	6,800	6,800	-	(6,800)
Professional Fees	1,100	1,100	12,160	11,060
Repairs and Maintenance-Equipment	1,400	1,400	4,116	2,716
Supplies	1,600	1,600	2,161	561
Telephone and Utilities	2,340	2,340	1,289	(1,051)
Travel and Training	12,500	12,500	24,599	12,099
Uniforms	150	150	324	174
Total City Manager	336,379	418,379	418,361	(18)
FINANCIAL ADMINISTRATION				
Personnel Services	174,259	252,259	241,358	(10,901)
Employee Medical Insurance	30,036	30,036	36,455	6,419
Retirement Fund Contribution	9,220	9,220	11,326	2,106
Clerical and Administration	1,300	1,300	2,058	758
Dues and Membership	2,000	2,000	-	(2,000)
Repairs and Maintenance	3,500	3,500	1,657	(1,843)
Professional Fees	47,520	47,520	64,342	16,822
Supplies	3,450	3,450	2,987	(463)
Telephone and Utilities	1,940	1,940	731	(1,209)
Travel and Training	11,400	11,400	4,690	(6,710)
Miscellaneous	275	275	531	256
Uniforms	700	700	-	(700)
Advertising	2,400	2,400	-	(2,400)
Insurance	200	200	-	(200)
Total Financial Administration	288,200	366,200	366,135	(65)
HUMAN RESOURCES				
Personnel Services	111,886	111,886	124,450	12,564
Employee Medical Insurance	30,000	30,000	14,535	(15,465)
Retirement Fund Contribution	8,563	8,563	13,519	4,956
Dues and Membership	150	150	100	(50)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Orginal	Final	Actual	Budget
Human Resources (continued)				
Insurance	$ -	$ -	$ -	$ -
Miscellaneous	150	150	142	(8)
Professional Services	2,075	2,075	5,801	3,726
Repairs and Maintenance	2,000	2,000	48	(1,952)
Supplies	2,700	2,700	1,112	(1,588)
Telephone and Utilities	1,640	1,640	2,427	787
Travel and Training	4,000	4,000	821	(3,179)
Uniforms	300	300	-	(300)
Advertising	600	600	-	(600)
Clerical and Administrative	700	700	1,683	983
Total Human Resources	164,764	164,764	164,638	(126)
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	$ 34,000	$ -	$ (34,000)
Clerical and Adminstrative	3,500	3,500	15,553	12,053
Insurance	6,000	6,000	3,216	(2,784)
Maintenance Contract	-	-	-	-
Miscellaneous	8,100	8,100	6,834	(1,266)
Motor Fuels	-	-	-	-
Repairs and Maintenance-Cemetery	1,000	1,000	-	(1,000)
Repairs and Maintenance-Equipment	68,550	68,550	53,503	(15,047)
Supplies	5,900	5,900	4,049	(1,851)
Telephone and Utilities	45,980	45,980	49,573	3,593
Total Cemetery and Parks	173,030	173,030	132,728	(40,302)
GENERAL GOVERNMENT MAINTENANCE				
Personnel Services	$ 3,050	$ 112,050	$ 85,004	$ (27,046)
Employee Medical Insurance	-	-	18,133	18,133
Professional Services	700	700	12,293	11,593
Repairs and Maintenance	700	700	-	(700)
Supplies	3,050	3,050	51	(2,999)
Telephone and Utilities	550	550	376	(174)
Uniforms	200	200	1,035	835
Total General Government Maintenance	8,250	117,250	116,892	(358)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
FIRE				
Personnel Services	$ 558,973	$ 780,973	$ 856,526	$ 75,553
Employee Medical Insurance	112,819	112,819	98,472	(14,347)
Retirement Fund Contribution	33,588	33,588	44,259	10,671
Capital Outlay	-	-	40,750	40,750
Clerical and Administrative	12,550	12,550	9,550	(3,000)
Dues and Membership	2,000	2,000	725	(1,275)
Insurance	37,500	37,500	32,979	(4,521)
Miscellaneous	3,500	3,500	14	(3,486)
Motor Fuels	7,000	7,000	7,348	348
Professional Fees	300	300	-	(300)
Repairs and Maintenance-Equipment	53,000	53,000	48,354	(4,646)
Supplies	24,000	24,000	2,477	(21,523)
Telephone and Utilities	17,500	17,500	12,071	(5,429)
Travel and Training	15,000	15,000	18,653	3,653
Uniforms	9,000	9,000	6,389	(2,611)
Capital Lease-Principal	63,879	63,879	6,896	(56,983)
Capital Lease-Interest	14,497	14,497	1,419	(13,078)
Total Fire	965,106	1,187,106	1,186,882	(224)
ECONOMIC DEVELOPMENT				
Personnel Services	64,925	-	-	-
Employee Medical Insurance	30,000	-	-	-
Clerical and Administrative	1,230	-	-	-
Community Relations	2,000	-	-	-
Dues and Membership	650	-	-	-
Advertising	1,000	-	-	-
Professional Fees	100	-	-	-
Rent	-	-	-	-
Repairs and Maintenance	3,600	-	-	-
Supplies	650	-	-	-
Telephone and Utilities	3,020	-	-	-
Travel and Training	2,400	-	-	-
Total Economic Development	109,575	-	-	-

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
STREET				
Personnel Services	$ 488,860	$ 594,860	$ 593,956	$ (904)
Employee Medical Insurance	95,115	95,115	107,233	12,118
Retirement Fund Contribution	19,072	19,072	26,428	7,356
Advertising	300	300	233	(67)
Capital Outlay	5,000	5,000	7,769	2,769
Clerical and Administrative	2,700	2,700	36,120	33,420
General Supplies	4,400	4,400	13,015	8,615
Grounds Maintenance Contract	233,736	233,736	221,965	(11,771)
Miscellaneous	11,000	11,000	-	(11,000)
Motor Fuels	35,000	35,000	50,540	15,540
Professional Fees	-	-	10,470	10,470
Repairs and Maintenance-Equipment	58,300	58,300	87,799	29,499
Repairs and Maintenance-System	151,000	151,000	55,862	(95,138)
System Supplies and Chemicals	23,000	23,000	16,151	(6,849)
Telephone and Utilities	10,725	10,725	20,246	9,521
Travel and Training	4,000	4,000	1,058	(2,942)
Uniforms	6,000	6,000	8,881	2,881
Capital Lease-Principal	30,000	30,000	24,663	(5,337)
Capital Lease-Interest	600	600	1,650	1,050
Total Street	1,178,808	1,284,808	1,284,039	(769)
STORM WATER				
Personnel Services	117,985	121,985	116,131	(5,854)
Employee Medical Insurance	30,000	30,000	17,892	(12,108)
Retirement Fund Contribution	10,366	10,366	15,734	5,368
Capital Outlay	5,000	3,000	-	(3,000)
Motor Fuels	8,300	8,300	9,206	906
Professional Fees	-	-	-	-
Repairs and Maintenance	35,725	35,725	64,514	28,789
Rent	2,000	2,000	-	(2,000)
Telephone and Utilities	600	600	1,018	418
Travel and Training	750	750	99	(651)
Miscellaneous	1,700	3,700	-	(3,700)
Uniforms	1,400	1,400	1,342	(58)
Capital Lease-Principal	8,000	8,000	-	(8,000)
Capital Lease-Interest	135	135	-	(135)
Total Storm Water	221,961	225,961	225,936	(25)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
SHOP				
Personnel Services	$ 93,546	$ 93,546	$ 114,721	$ 21,175
Employee Medical Insurance	30,000	30,000	19,235	(10,765)
Retirement Fund Contribution	6,092	6,092	7,483	1,391
Motor Fuels	2,700	2,700	4,973	2,273
Repairs and Maintenance	26,425	26,425	4,994	(21,431)
Supplies	4,075	4,075	2,094	(1,981)
Telephone and Utilities	5,500	5,500	8,403	2,903
Travel and Training	1,500	1,500	2,085	585
Uniforms	800	800	-	(800)
Professional Services	250	250	-	(250)
Total Shop	170,888	170,888	163,988	(6,900)
CODE ENFORCEMENT				
Personnel Services	67,974	67,974	83,359	15,385
Employee Medical Insurance	30,000	30,000	12,089	(17,911)
Retirement Fund Contribution	5,241	5,241	9,438	4,197
Clerical and Administrative	200	200	-	(200)
Advertising	350	350	21	(329)
Community Relations	100	100	252	152
Dues and Membership	200	200	(62)	(262)
Great Sylvester Cleanup	4,000	4,000	8,244	4,244
Miscellaneous	1,200	1,200	220	(980)
Motor Fuels	100	100	1,990	1,890
Professional Services	32,700	32,700	30,661	(2,039)
Rent	2,700	2,700	-	(2,700)
Repairs and Maintenance-Equipment	1,400	1,400	1,000	(400)
Supplies	800	800	631	(169)
Telephone and Utilities	2,600	2,600	2,496	(104)
Travel and Training	2,400	2,400	1,824	(576)
Uniforms	-	-	209	209
Capital Outlay	9,853	9,853	-	(9,853)
Capital Lease-Principal	-	-	-	-
Capital Lease-Interest	623	623	-	(623)
Total Code Enforcement	162,441	162,441	152,372	(10,069)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
BUILDING AND ZONING				
Personnel Services	$ 124,062	$ 124,062	$ 111,876	$ (12,186)
Retirement Contributions	7,970	7,970	9,790	1,820
Employee Medical Insurance	30,000	30,000	23,330	(6,670)
Professional Services	10,000	10,000	15,334	5,334
Clerical and Administrative	3,250	3,250	4,007	757
Motor Fuels	900	900	1,781	881
Rent	-	-	-	-
Repairs and Maintenance	1,150	1,150	2,852	1,702
Telephone and Utilities	1,700	1,700	1,194	(506)
Travel and Training	4,500	4,500	7,327	2,827
Total Building and Zoning	183,532	183,532	177,491	(6,041)
DOWNTOWN DEVELOPMENT				
Personnel Services	52,417	52,417	56,949	4,532
Employee Medical Insurance	8,508	8,508	9,617	1,109
Retirement Fund Contribution	3,587	3,587	4,406	819
Advertising	8,000	8,000	5,514	(2,486)
Community Relations	28,500	69,500	84,982	15,482
Georgia Cities Week	9,000	9,000	3,741	(5,259)
Clerical and Administrative	1,550	1,550	887	(663)
Dues and Membership	1,200	1,200	1,225	25
Façade Program	6,000	6,000	6,000	-
Miscellaneous	7,250	7,250	-	(7,250)
Rent	-	-	365	365
Repairs and Maintenance	1,100	1,100	611	(489)
Supplies	1,150	1,150	1,088	(62)
Telephone and Utilities	2,320	2,320	1,053	(1,267)
Travel and Training	6,000	6,000	632	(5,368)
Total Downtown Development	136,582	177,582	177,070	(512)
TOTAL EXPENDITURES	$ 7,546,743	$ 8,284,168	$ 8,102,048	$ (182,120)

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
June 30, 2022

	SPECIAL REVENUE FUNDS		
	CDBG Loan Fund	Hotel/ Motel Tax Fund	Total
ASSETS			
Cash	$ 135,378	$ 6,892	$ 142,270
Taxes Receivable	-	-	-
Loan Receivable	46,898	-	46,898
Due from Other Funds	-	-	-
TOTAL ASSETS	$ 182,276	$ 6,892	$ 189,168
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	182,276	-	182,276
Tourism	-	6,892	6,892
Capital Projects	-	-	-
Total Fund Balances	182,276	6,892	189,168
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 182,276	$ 6,892	$ 189,168

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
June 30, 2022

	SPECIAL REVENUE FUNDS		
	CDBG Loan Fund	Hotel/ Motel Tax Fund	Total
REVENUES			
Grant Proceeds	$ -	$ -	$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Interest Income	13	-	13
Hotel/Motel Taxes	-	16,568	16,568
TOTAL REVENUES	13	16,568	16,581
EXPENDITURES			
Culture and Recreation	-	-	-
Community and Economic Development	-	12,193	12,193
Capital Outlay	-	-	-
TOTAL EXPENDITURES	-	12,193	12,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	13	4,375	4,388
OTHER FINANCING USES			
Transfer In (Out)	-	(21,200)	(21,200)
NET CHANGE IN FUND BALANCE	13	(16,825)	(16,812)
FUND BALANCE - JULY 1, 2021	182,263	23,717	205,980
FUND BALANCE - JUNE 30, 2022	$ 182,276	$ 6,892	$ 189,168

CITY OF SYLVESTER, GEORGIA
CDBG Economic Development Revolving Loan Fund
Balance Sheet
June 30, 2022

ASSETS		
Cash	$	135,378
Loan Receivable		46,898
TOTAL ASSETS	$	182,276
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Economic Development		182,276
TOTAL LIABILITIES AND FUND BALANCE	$	182,276

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, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Interest on Loan Receivable	$ 12,000	$ 12,000	$ -	$ (12,000)
Interest-Bank	1,200	1,200	13	(1,187)
TOTAL REVENUES	13,200	13,200	13	(13,187)
EXPENDITURES				
Loan Servicing Fees	-	-	-	-
Contingency	13,200	13,200	-	(13,200)
TOTAL EXPENDITURES	13,200	13,200	-	(13,200)
Excess of Revenues Over Expenditures	-	-	13	13
NET CHANGE IN FUND BALANCE	-	-	13	13
FUND BALANCE - JULY 1, 2021			182,263	
FUND BALANCE - JUNE 30, 2022			$ 182,276	

CITY OF SYLVESTER, GEORGIA
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2022

ASSETS		
Cash	$	6,892
Taxes Receivable		-
TOTAL ASSETS	$	6,892
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Tourism		6,892
TOTAL LIABILITIES AND FUND BALANCE	$	6,892

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, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Hotel/Motel Taxes	$ 24,354	$ 24,354	$ 16,568	$ (7,786)
TOTAL REVENUES	24,354	24,354	16,568	(7,786)
EXPENDITURES				
Chamber of Commerce Allocation	24,354	24,354	12,193	(12,161)
TOTAL EXPENDITURES	24,354	24,354	12,193	(12,161)
Excess of Revenues Over Expenditures	-	-	4,375	4,375
OTHER FINANCING USES				
Transfer Out	-	-	(21,200)	(21,200)
NET CHANGE IN FUND BALANCE	-	-	(16,825)	(16,825)
FUND BALANCE - JULY 1, 2021			23,717	
FUND BALANCE - JUNE 30, 2022			$ 6,892	

CITY OF SYLVESTER, GEORGIA
Designated Grant Fund
Balance Sheet
June 30, 2022

ASSETS		
Cash	$	103,822
Due from Other Funds		-
TOTAL ASSETS	$	103,822
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		117,946
TOTAL LIABILITIES		117,946
Fund Balance		
Unassigned (Deficit)		(14,124)
Restricted:		
Capital Projects		-
TOTAL LIABILITIES AND FUND BALANCE	$	103,822

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, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 600,000	$ 600,000	$ 264,131	$ (335,869)
Contributions	-	-	-	-
TOTAL REVENUES	600,000	600,000	264,131	(335,869)
EXPENDITURES				
Community and Economic Development	300,000	300,000	252,905	(47,095)
Capital Outlay	300,000	300,000	364,613	64,613
TOTAL EXPENDITURES	600,000	600,000	617,518	17,518
Excess of Expenditures Over Revenues	-	-	(353,387)	(353,387)
OTHER FINANCING USES				
Transfer In	-	-	95,700	95,700
NET CHANGE IN FUND BALANCE	-	-	(257,687)	(257,687)
FUND BALANCE - JULY 1, 2021			243,563	
FUND BALANCE - JUNE 30, 2022			$ (14,124)	

CITY OF SYLVESTER, GEORGIA
American Rescue Plan Act Fund
Balance Sheet
June 30, 2022

ASSETS		
Cash	$	15,856
Due from Other Funds		-
TOTAL ASSETS	$	15,856
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		-
TOTAL LIABILITIES		-
Fund Balance		
Restricted:		
Capital Projects		15,856
TOTAL LIABILITIES AND FUND BALANCE	$	15,856

CITY OF SYLVESTER, GEORGIA
American Rescue Plan Act Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 1,099,829	$ 1,099,829	$ 1,115,685	$ 15,856
Interest - Bank	37	37	37	-
TOTAL REVENUES	1,099,866	1,099,866	1,115,722	15,856
EXPENDITURES				
Community and Economic Development	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Expenditures Over Revenues	1,099,866	1,099,866	1,115,722	15,856
OTHER FINANCING USES				
Transfer Out	(1,099,866)	(1,099,866)	(1,099,866)	-
NET CHANGE IN FUND BALANCE	-	-	15,856	15,856
FUND BALANCE - JULY 1, 2021			-	
FUND BALANCE - JUNE 30, 2022			$ 15,856	

CITY OF SYLVESTER, GEORGIA
Transportation SPLOST Capital Projects Fund
Balance Sheet
June 30, 2022

ASSETS		
Cash	$	110,708
Due from Other Funds		296,489
TOTAL ASSETS	$	407,197
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	34,751
Due to Other Funds		-
Fund Balance		
Restricted:		
Capital Projects		372,446
TOTAL LIABILITIES AND FUND BALANCE	$	407,197

CITY OF SYLVESTER, GEORGIA
Transportation SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 435,000	$ 435,000	$ 551,870	$ 116,870
Interest - Bank	3,000	3,000	-	(3,000)
TOTAL REVENUES	438,000	438,000	551,870	113,870
EXPENDITURES				
Capital Outlay	438,000	438,000	809,702	371,702
TOTAL EXPENDITURES	438,000	438,000	809,702	371,702
Excess of Expenditures Over Revenues	-	-	(257,832)	(257,832)
OTHER FINANCING USES				
Transfer In	-	-	17,730	17,730
Transfer Out	-	-	(85,500)	(85,500)
NET CHANGE IN FUND BALANCE	-	-	(325,602)	(325,602)
FUND BALANCE - JULY 1, 2021			698,048	
FUND BALANCE - JUNE 30, 2022			$ 372,446	

CITY OF SYLVESTER, GEORGIA
SPLOST Capital Projects Fund
Balance Sheet
June 30, 2022

ASSETS		
Cash	$	196,388
Taxes Receivable		-
TOTAL ASSETS	$	196,388
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	37,752
Due to Other Funds		27,678
Fund Balance		
Restricted:		
Capital Projects		130,958
TOTAL LIABILITIES AND FUND BALANCE	$	196,388

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, 2022

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 553,000	$ 553,000	$ 583,433	$ 30,433
Interest - Bank	600	600	-	(600)
TOTAL REVENUES	553,600	553,600	583,433	29,833
EXPENDITURES				
Capital Outlay	369,606	369,606	970,919	601,313
Debt Service:				
Principal	169,695	169,695	-	(169,695)
Interest	14,299	14,299	-	(14,299)
TOTAL EXPENDITURES	553,600	553,600	970,919	(14,299)
Excess of Expenditures Over Revenues	-	-	(387,486)	44,132
OTHER FINANCING USES				
Transfer In	-	-	15,563	15,563
Transfer Out	-	-	(242,998)	(242,998)
NET CHANGE IN FUND BALANCE	-	-	(614,921)	(183,303)
FUND BALANCE - JULY 1, 2021			745,879	
FUND BALANCE - JUNE 30, 2022			$ 130,958	

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Net Position
June 30, 2022

ASSETS		
Current Assets		
Cash	$	9,247
Investment-Certificate of Deposit		202,425
Investment		3,462,418
Restricted Assets		
Cash-Customer Deposits		93,391
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		513,002
Inventory		197,965
Prepaid Items		11,277
Due from Other Funds		34,424
Total Current Assets		4,524,149
Noncurrent Assets		
Capital Assets		
Electric System		3,737,888
Machinery and Equipment		161,975
Vehicles		964,231
Accumulated Depreciation		(3,442,090)
Total Noncurrent Assets		1,422,004
TOTAL ASSETS		5,946,153
LIABILITIES		
Current Liabilities		
Accounts Payable		88,332
Bank Overdraft		30,519
Accrued Expenses		12,059
Liabilities Payable from Restricted Assets-Customer Deposits		31,307
Due to Other Funds		344,062
Total Current Liabilities		506,279
Long-Term Liabilities		
Accrued Vacation		43,353
Total Long-Term Liabilities		43,353
TOTAL LIABILITIES		549,632
Investment in Capital Assets		1,422,004
Unrestricted		3,974,517
TOTAL NET POSITION	$	5,396,521

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES	
Electric Sales	$ 12,065,644
Penalties	71,539
Service Fees	41,950
Miscellaneous	10,597
Pole Rental	40,634
TOTAL OPERATING REVENUES	12,230,364
OPERATING EXPENSES	
Personnel Services	581,143
Employee Medical Insurance	103,295
Retirement Fund Contribution	33,393
Purchases - Electricity	5,830,435
Clerical and Administrative	1,167,224
Insurance - General	33,488
Marketing	30,911
Miscellaneous	23,441
Motor Fuels	18,918
Professional Fees	15,205
Repairs and Maintenance-Equipment	50,174
Repairs and Maintenance-System	283,776
Supplies-General	23,605
Supplies-System	93,195
Technical Support	70,850
Telephone and Utilities	41,507
Travel and Training	22,440
Uniforms	9,998
Depreciation	101,047
TOTAL OPERATING EXPENSES	8,534,045
OPERATING INCOME	3,696,319

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
For the Year Ended June 30, 2022

NON-OPERATING REVENUES (EXPENSES)	
Interest Income	$ 7,625
Market Gain on Investments	446,769
TOTAL NON-OPERATING REVENUES (EXPENSES)	454,394
Income Before Transfers	4,150,713
Transfers In	1,206,521
Transfers Out	(4,540,574)
CHANGE IN NET POSITION	816,660
NET POSITION - JULY 1, 2021	4,579,861
NET POSITION - JUNE 30, 2022	$ 5,396,521

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 11,975,471
Cash Payments to Suppliers	(7,966,325)
Cash Payments to Employees	(715,035)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,294,111
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	1,206,521
Payments to Other Funds	(4,620,666)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(3,414,145)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(38,234)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	7,625
Purchase of Investments	-
NET CASH USED BY INVESTING ACTIVITIES	7,625
Net Decrease in Cash and Cash Equivalents	(150,643)
CASH AND CASH EQUIVALENTS-JULY 1, 2021	425,187
CASH AND CASH EQUIVALENTS-JUNE 30, 2022	$ 274,544
Displayed As:	
Cash	$ 9,247
Investment-Certificate of Deposit	202,425
Restricted Assets	93,391
Bank Overdraft	(30,519)
	$ 274,544

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2022

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 3,696,319
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	101,047
(Increase) Decrease in Assets:	
Accounts Receivable	(267,673)
Prepaid Items	11,148
Inventory	(6,785)
Increase (Decrease) in Liabilities:	
Accounts Payable	(123,962)
Accrued Expenses	(131,559)
Accrued Vacation	2,796
Customer Deposits	12,780
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,294,111
Noncash Investing, Capital and Financing Activities	
Increase in Fair Value of Investments	$ 446,769

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Net Position
June 30, 2022

ASSETS		
Current Assets		
Cash	$	143,692
Investment-Certificate of Deposit		184,356
Restricted Assets		
Cash-Customer Deposits		93,421
Cash-GEFA		180
Investment-Certificate of Deposit-GEFA		168,755
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		128,245
Inventory		-
Prepaid Items		28,178
Due from Other Funds		234,363
Total Current Assets		981,190
Noncurrent Assets		
Capital Assets		
Land		21,800
Buildings		365,283
Water and Sewer System		14,615,266
Machinery and Equipment		838,852
Vehicles		281,786
Construction in Progress		3,791,238
Accumulated Depreciation		(10,570,777)
Total Noncurrent Assets		9,343,448
TOTAL ASSETS		10,324,638
LIABILITIES		
Current Liabilities		
Accounts Payable		63,511
Notes Payable		294,315
Accrued Expenses		4,527
Liabilities Payable from Restricted Assets-Customer Deposits		23,757
Due to Other Funds		14,809
Total Current Liabilities		400,919
Long-Term Liabilities		
Accrued Vacation		16,248
Notes Payable		3,875,709
Total Long-Term Liabilities		3,891,957
TOTAL LIABILITIES		4,292,876
Net Investment in Capital Assets		5,173,424
Restricted for Debt Service		168,935
Unrestricted		689,403
TOTAL NET POSITION	$	6,031,762

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES	
Water Revenue	$ 1,509,388
Sewer Revenue	935,628
Penalties	24,364
TOTAL OPERATING REVENUES	2,469,380
OPERATING EXPENSES	
Water (Schedule 1)	968,498
Sewer (Schedule 2)	589,294
Depreciation	356,392
TOTAL OPERATING EXPENSES	1,914,184
OPERATING INCOME	555,196
NON-OPERATING REVENUES (EXPENSES)	
Principal Forgiveness on Long-Term Debt	45,040
Interest Income	63
Interest Expense	(86,244)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(41,141)
Income Before Transfers	514,055
Transfers In	216,646
Transfers Out	(640,288)
CHANGE IN NET POSITION	90,413
NET POSITION-JULY 1, 2021	5,941,349
NET POSITION-JUNE 30, 2022	$ 6,031,762

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 2,343,500
Cash Payments to Suppliers	(880,417)
Cash Payment to Employees	(629,780)
NET CASH PROVIDED BY OPERATING ACTIVITIES	833,303
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	238,451
Payments to Other Funds	(640,288)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(401,837)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases and Construction of Capital Assets	(186,614)
Principal Paid on Capital Debt	(309,589)
Interest Paid on Capital Debt	(86,244)
Proceeds from Long Term Debt	112,600
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(469,847)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	63
NET CASH PROVIDED BY OPERATING ACTIVITIES	63
Net Decrease in Cash and Cash Equivalents	(38,318)
CASH AND CASH EQUIVALENT-JULY 1, 2021	628,722
CASH AND CASH EQUIVALENT-JUNE 30, 2022	$ 590,404
Displayed As:	
Cash	$ 143,692
Investment-Certificate of Deposit	184,356
Restricted Assets	262,356
	$ 590,404
Non Cash Transactions:	
Principal Forgiveness on Capital Debt	$ 45,040

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2022

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 555,196
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	356,392
(Increase) Decrease in Assets:	
Accounts Receivable	(72,022)
Inventory	50,050
Prepaid Items	(896)
Increase (Decrease) in Liabilities:	
Accounts Payable	(5,717)
Accrued Expenses	526
Accrued Vacation	3,632
Customer Deposits	(53,858)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 833,303

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Water Operating Expenses – Schedule 1
For the Year Ended June 30, 2022

Water Operating Expenses

Personnel Services	$	308,345
Employee Medical Insurance		40,171
Retirement Fund Contribution		16,094
Advertising		677
Clerical and Administrative		218,175
Dues and Memberships		750
Insurance		32,979
Lab Fees		18,764
Motor fuels		4,426
Repairs and Maintenance-Equipment		7,769
Repairs and Maintenance-System		133,004
Supplies-General		22,891
Supplies- System		35,720
Telephone and Utilities		110,931
Travel and Training		13,803
Uniforms		3,999
Total Operating Expenses	$	968,498

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Sewer Operating Expenses – Schedule 2
For the Year Ended June 30, 2022

Sewer Operating Expenses

Personnel Services	$	208,630
Employee Medical Insurance		37,205
Retirement Fund Contribution		22,967
Advertising		81
Clerical and Administrative		5,961
Dues and Memberships		-
Insurance		32,979
Lab Fees		56,917
Motor fuels		17,399
Repairs and Maintenance-Equipment		16,970
Repairs and Maintenance-System		146,511
Supplies-General		1,730
Supplies- System		1,846
Telephone and Utilities		38,148
Travel and Training		-
Uniforms		1,950
Total Operating Expenses	$	589,294

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Net Position
June 30, 2022

ASSETS	
Current Assets	
Cash	$ 3,471
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	800
Due from Other Funds	-
Total Current Assets	4,271
Noncurrent Assets	
Capital Assets	
Land	382,791
Land Improvements	5,418,709
Equipment	6,040
Construction in Progress	-
Accumulated Depreciation	(1,826,524)
Total Noncurrent Assets	3,981,016
TOTAL ASSETS	3,985,287
LIABILITIES	
Current Liabilities	
Miscellaneous Liabilities	-
Accounts Payable	1,452
TOTAL LIABILITIES	1,452
NET POSITION	
Investment in Capital Assets	3,981,016
Unrestricted	2,819
TOTAL NET POSITION	$ 3,983,835

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES	
Rent	$ 2,400
Operating Grant	3,238
Other Revenues	106,584
TOTAL OPERATING REVENUES	112,222
OPERATING EXPENSES	
Advertising	-
Dues and Membership	400
Repairs and Maintenance	44,990
Utilities	2,271
Miscellaneous	541
Depreciation	313,966
TOTAL OPERATING EXPENSES	362,168
OPERATING LOSS	(249,946)
Income Before Transfers	(249,946)
Transfers in	45,319
CHANGE IN NET POSITION	(204,627)
NET POSITION-JULY 1, 2021	4,188,462
NET POSITION-JUNE 30, 2022	$ 3,983,835

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 2,400
Cash Received from Others	106,584
Cash Received from Operating Grants	3,238
Cash Payments to Suppliers	(170,711)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(58,489)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	45,319
Payments to Other Funds	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	45,319
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and Construction of Capital Assets	-
Capital Grants Received	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	-
Net Increase in Cash and Cash Equivalents	(13,170)
CASH AND CASH EQUIVALENTS - JULY 1, 2021	16,641
CASH AND CASH EQUIVALENTS - JUNE 30, 2022	$ 3,471
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Loss	(249,946)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	313,966
(Increase) Decrease in Assets:	
Accounts Receivable	-
Increase (Decrease) in Liabilities:	
Unearned Revenues	-
Accounts Payable and Miscellaneous Liabilities	(122,509)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (58,489)

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Net Position
June 30, 2022

ASSETS	
Current Assets	
Cash	$ 47,002
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	122,649
Miscellaneous Current Assets	-
Due from Other Funds	20,000
Total Current Assets	189,651
Noncurrent Assets	
Capital Assets	
Land	19,780
Vehicles	139,855
Accumulated Depreciation	(46,518)
Total Noncurrent Assets	113,117
TOTAL ASSETS	302,768
LIABILITIES	
Current Liabilities	
Accounts Payable	49,314
Notes Payable	-
Due to Other Funds	-
Total Current Liabilities	49,314
Long-Term Liabilities	
Notes Payable	-
Total Long-Term Liabilities	-
TOTAL LIABILITIES	49,314
NET POSITION	
Net Investment in Capital Assets	113,117
Unrestricted	140,337
TOTAL NET POSITION	$ 253,454

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES	
Refuse Collection Fees	$ 707,835
Landfill Collection Fees	133,624
Penalties	9,113
TOTAL OPERATING REVENUES	850,572
OPERATING EXPENSES	
Refuse Disposal Fees	433,256
Landfill Fees	635,863
Clerical and Administrative	81,647
Depreciation	18,647
TOTAL OPERATING EXPENSES	1,169,413
OPERATING INCOME	(318,841)
Income Before Transfers	(318,841)
Transfers In	142,542
Transfers Out	(146,117)
CHANGE IN NET POSITION	(322,416)
NET POSITION-JULY 1, 2021	575,870
NET POSITION-JUNE 30, 2022	$ 253,454

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 1,223,996
Cash Payments to Suppliers	(1,136,083)
Cash Payments to Employee	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	87,913
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	142,542
Payments to Other Funds	(166,117)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(23,575)
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase of Capital Assets	-
Principal Paid on Long Term Debt	(46,724)
Interest Paid on Long Term Debt	-
Proceeds from Long Term Debt	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(46,724)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	-
NET CASH USED BY INVESTING ACTIVITIES	-
Net Increase in Cash and Cash Equivalents	17,614
CASH AND CASH EQUIVALENTS - JULY 1, 2021	29,388
CASH AND CASH EQUIVALENTS - JUNE 30, 2022	$ 47,002
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(318,841)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	18,647
(Increase) Decrease in Assets:	
Accounts Receivable and Miscellaneous Current Assets	373,424
Increase (Decrease) in Liabilities	
Accounts Payable	14,683
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 87,913

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Net Position
June 30, 2022

ASSETS		
Current Assets		
Cash	$	12,012
Restricted Assets		
Cash-Bond Proceeds Restricted for Broadband Project		3,171,968
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		24,582
Due from Other Funds		-
Total Current Assets		3,208,562
Noncurrent Assets		
Capital Assets		
Construction in Progress		1,835,962
Fiber Optics System		381,861
Vehicles		3,060
Accumulated Depreciation		(328,393)
Total Noncurrent Assets		1,892,490
TOTAL ASSETS		5,101,052
LIABILITIES		
Current Liabilities		
Accounts Payable		452,046
2022 Series Bonds Payable - Current Portion		119,045
Due to Other Funds		29,024
Total Current Liabilities		600,115
Long-Term Liabilities		
2022 Series Bonds Payable		5,842,155
Total Long-Term Liabilities		5,842,155
TOTAL LIABILITIES		6,442,270
Net Investment in Capital Assets		(896,742)
Restricted for Broadband Capital Project		3,171,968
Unrestricted		(3,616,444)
TOTAL NET POSITION	$	(1,341,218)

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES	
Telecom and Internet Charges	$ 110,832
TOTAL OPERATING REVENUES	110,832
OPERATING EXPENSES	
Contractual Services	128,794
Internet Fees	856,288
Supplies - System	45,315
Licenses - System	42,666
Clerical and Administrative	1,410
Professional Services	194,750
Repairs and Maintenance - System	47,272
Depreciation	6,075
TOTAL OPERATING EXPENSES	1,322,570
OPERATING INCOME	(1,211,738)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	122
Bond Issuance Costs	(123,887)
Interest Expense	(67,237)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(191,002)
Income Before Transfers	(1,402,740)
Transfers In	493,290
Transfers Out	(500,454)
CHANGE IN NET POSITION	(1,409,904)
NET POSITION-JULY 1, 2021	68,686
NET POSITION-JUNE 30, 2022	$ (1,341,218)

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 123,880
Cash Payments to Suppliers	(904,525)
NET CASH FROM OPERATING ACTIVITIES	(780,645)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	521,290
Payments to Other Funds	(500,454)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	20,836
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase and Construction of Capital Assets	(1,835,962)
Proceeds from 2022 Series Bonds Payable	6,000,000
Cash Paid for Debt Issuance Costs	(123,887)
Principal Paid on 2022 Series Bonds Payable	(38,800)
Interest Paid on 2022 Series Bonds Payable	(67,237)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	3,934,114
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	122
NET CASH PROVIDED BY INVESTING ACTIVITIES	122
Net Increase in Cash and Cash Equivalents	3,174,427
CASH AND CASH EQUIVALENTS - JULY 1, 2021	9,553
CASH AND CASH EQUIVALENTS - JUNE 30, 2022	$ 3,183,980
Displayed As:	
Cash	$ 12,012
Restricted Assets	3,171,968
	$ 3,183,980
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	(1,211,738)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	6,075
(Increase) Decrease in Assets:	
Accounts Receivable	13,048
Increase (Decrease) in Liabilities	
Accounts Payable and Miscellaneous Liabilities	411,970
NET CASH USED BY OPERATING ACTIVITIES	$ (780,645)

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Net Position
June 30, 2022

ASSETS	
Current Assets	
Cash	$ 69
Restricted Assets	
Cash-Customer Deposits	24,812
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	27,854
Due from Other Funds	-
Inventory	31,047
Prepaid Items	4,877
Total Current Assets	88,659
Noncurrent Assets	
Capital Assets	
Land	2,500
Natural Gas System	896,021
Machinery and Equipment	197,577
Vehicles	103,094
Accumulated Depreciation	(1,064,216)
Total Noncurrent Assets	134,976
TOTAL ASSETS	223,635
LIABILITIES	
Current Liabilities	
Accounts Payable	4,731
Bank Overdraft	20,558
Due to Other Funds	6,675
Accrued Expenses	40,897
Miscellaneous Liabilities	-
Liabilities Payable from Restricted Assets-Customer Deposits	11,730
Total Current Liabilities	84,591
Long-Term Liabilities	
Accrued Vacation	2,050
Total Long-Term Liabilities	2,050
TOTAL LIABILITIES	86,641
NET POSITION	
Net Investment in Capital Assets	134,976
Unrestricted	2,018
TOTAL NET POSITION	$ 136,994

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES		
Gas Sales	$	1,363,882
Penalties		2,372
TOTAL OPERATING REVENUES		1,366,254
OPERATING EXPENSES		
Purchases-Natural Gas		509,662
Personnel Services		224,146
Employee Medical Insurance		47,467
Advertising		4,334
Clerical and Administrative		136,537
Dues and Membership		14,082
Insurance - General		32,979
Motor Fuels		8,618
Professional Fees		8,400
Repairs and Maintenance - Equipment		2,907
Repairs and Maintenance - System		-
Retirement Fund Contribution		17,613
Supplies - General		6,171
Supplies - Systems		5,640
Telephone and Utilities		1,265
Travel and Training		14,663
Uniforms		2,341
Depreciation		9,900
TOTAL OPERATING EXPENSES		1,046,725
OPERATING INCOME (LOSS)		319,529
NON-OPERATING REVENUES (EXPENSES)		
Interest Income		10
Income Before Transfers		319,539
Transfers In		19,904
Transfers Out		(242,160)
CHANGE IN NET POSITION		97,283
NET POSITION - JULY 1, 2021		39,711
NET POSITION - JUNE 30, 2022	$	136,994

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 1,339,939
Cash Payments to Suppliers	(865,382)
Cash Payments to Employee	(289,931)
NET CASH FROM OPERATING ACTIVITIES	184,626
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	28,521
Payments to Other Funds	(242,160)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(213,639)
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Principal Paid on Long Term Debt	-
Proceeds from Long Term Debt	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	10
NET CASH PROVIDED BY INVESTING ACTIVITIES	10
Net Decrease in Cash and Cash Equivalents	(29,003)
CASH AND CASH EQUIVALENTS - JULY 1, 2021	33,326
CASH AND CASH EQUIVALENTS - JUNE 30, 2022	$ 4,323
Displayed As:	
Restricted Assets	$ 24,812
Cash	69
Bank Overdraft	(20,558)
	$ 4,323
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	319,529
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	9,900
(Increase) Decrease in Assets:	
Accounts Receivable	(17,288)
Inventory	(3)
Prepaid Items	(147)
Increase (Decrease) in Liabilities	
Accounts Payable	(44,305)
Accrued Expenses and Other Liabilities	(73,475)
Customer Deposits	(8,880)
Accrued Vacation	(705)
NET CASH USED BY OPERATING ACTIVITIES	$ 184,626

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022

	Utility Energy Crisis	Downtown Sylvester Farmer's Market	Total
ASSETS			
Cash	$ 861	$ 2,531	$ 3,392
TOTAL ASSETS	$ 861	$ 2,531	$ 3,392
LIABILITIES			
NET POSITION			
Net Position - Held for Others	861	2,531	3,392
TOTAL NET POSITION	$ 861	$ 2,531	$ 3,392

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022

	Utility Energy Crisis	Downtown Sylvester Farmer's Market	Total
ADDITIONS			
Private Donations	$ -	$ -	$ -
Total Additions	-	-	-
DEDUCTIONS			
Payments of Fees to Other Agencies	-	73	73
Total Deductions	-	73	73
Change in Net Position	-	(73)	(73)
NET POSITION - JULY 1, 2021, restated	861	2,604	3,465
NET POSITION - JUNE 30, 2022	$ 861	$ 2,531	$ 3,392

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

2016 Referendum

Category	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	% Complete as of 6/30/2022
Roads, bridges, sidewalks and associated capital equipment	$ 537,015	$ 537,015	$ 509,326	$ 17,730	$ 527,056	98%
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	152,174	182,574	73%
Parks and recreation improvements and associated capital equipment	50,000	222,000	37,125	184,667	221,792	100%
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	838,090	-	652,432	652,432	78%
TOTAL	$ 2,997,015	$ 2,997,105	$ 602,633	$ 1,007,003	$ 1,609,636	

(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 Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2022

2021 Referendum

Category	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	% Complete as of 6/30/2022
Roads, Bridges, Sidewalk, Curb and Stormwater Projects	$ 500,000	$ 500,000	$ -	$ 20,512	$ 20,512	4%
Purchase of Technology Systems and Software Upgrades and Improvement Projects	950,000	950,000	-	-	-	0%
Water, Sewer, Gas, Electric, and Telecom System Projects, and Capital Equipment	250,000	250,000	-	136,609	136,609	55%
City Facilities and Grounds Improvements, Furniture and Projects	50,000	50,000	-	-	-	0%
Parks, Cultural, Recreation and Leisure Facilities, and Associated Capital Equipment	50,000	50,000	-	49,793	49,793	100%
Public Safety Capital Equipment	100,000	100,000	-	-	-	0%
Public Works Capital Equipment	100,000	100,000	-	-	-	0%
Holly School Gym and Grounds	100,000	100,000	-	-	-	0%
Police Department Building Debt Service (1)	568,490	568,490	-	-	-	0%
TOTAL	$ 2,668,490	$ 2,668,490	$ -	$ 206,914	$ 206,914	

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

Prior Years	$ -
Current Year	-
	$ -

CITY OF SYLVESTER, GEORGIA
Schedule of Projects Constructed
With Transportation Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2022

2019 Referendum

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Years	Expenditures Total	% Complete as of 6/30/2022
Road, Street, Bridge Purposes as allowed under O.C.G.A 48-8-260(4)	$ 2,711,300	$ 2,711,300	$ 58,458	$ 895,202	$ 953,660	35.2%
Total	$ 2,711,300	$ 2,711,300	$ 58,458	$ 895,202	$ 953,660	

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
18p-x-159-2-6093
For the Year Ended June 30, 2022

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	$ 624,275	$ -	$ 624,275
Engineering	T-03J-00	-	-	30,103	30,103
General Administration	A-21A-00	45,000	53,000	-	53,000
Total		$ 750,000	$ 677,275	$ 30,103	$ 707,378

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
18p-x-159-2-6093
For the Year Ended June 30, 2022

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	$	677,275
Funds Still Available from Program Year 2018 Resources	$	72,725
Total Program Year 2018 CDBG Funds Drawn and Received by Recipient	$	677,275
Local Matches and Other Receipts		30,103
Total Receipts Available for Program Year 2018 Costs		707,378
Less: Funds Applied and Expended to Program Year 2018 Costs		707,378
Total Program Year 2018 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
21p-x-159-2-6231
For the Year Ended June 30, 2022

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	$ 582,580	$ -	$ -	$ -
Engineering	T-03J-00	59,510	23,853	-	23,853
General Administration	A-21A-00	40,965	5,965	-	5,965
Total		$ 683,055	$ 29,818	$ -	$ 29,818

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
21p-x-159-2-6231
For the Year Ended June 30, 2022

Total Program Year 2021 CDBG Funds Allocated to Recipient	$	683,055
Less: Deobligations		-
Net Program Year 2021 Funds Allocated to Recipient		683,055
Less: Total Program Year 2021 Funds Drawn Down by Recipient	$	29,818
Funds Still Available from Program Year 2021 Resources	$	653,237
Total Program Year 2021 CDBG Funds Drawn and Received by Recipient	$	29,818
Local Matches and Other Receipts		-
Total Receipts Available for Program Year 2018 Costs		29,818
Less: Funds Applied and Expended to Program Year 2021 Costs		29,818
Total Program Year 2021 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
MITINF-2-008
For the Year Ended June 30, 2022

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	$ 1,000,000	$ -	$ -	$ -
Engineering	T-03J-00	-	19,314	-	19,314
General Administration	A-21A-00	65,672	15,000	-	15,000
Total		$ 1,065,672	$ 34,314	$ -	$ 34,314

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
MITINF-2-008
For the Year Ended June 30, 2022

Total Program Year 2022 CDBG Funds Allocated to Recipient	$	1,065,672
Less: Deobligations		-
Net Program Year 2022 Funds Allocated to Recipient		1,065,672
Less: Total Program Year 2022 Funds Drawn Down by Recipient	$	34,314
Funds Still Available from Program Year 2022 Resources	$	1,031,358
Total Program Year 2022 CDBG Funds Drawn and Received by Recipient	$	34,314
Local Matches and Other Receipts		-
Total Receipts Available for Program Year 2022 Costs		34,314
Less: Funds Applied and Expended to Program Year 2022 Costs		34,314
Total Program Year 2022 Funds Held by Recipient	$	-

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SINGLE AUDIT SECTION

CITY OF SYLVESTER, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture:			
Community Facilities Loans and Grants	10.766		$ 81,550
U.S. Environmental Protection Agency:			
Pass-Through Georgia Environmental Finance Authority (GEFA):			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW 2020019	45,040
U.S. Department of Housing and Urban Development:			
Pass-Through Georgia Department of Community Affairs:			
Community Development Block Grants	14.228	21P-X-159-2-6231	29,818
Community Development Block Grants	14.228	18P-X-159-2-6093	107,122
Community Development Block Grants	14.228	MITINF-2-008	34,314
Total U.S. Department of Housing and Urban Development			171,254
U.S. Treasury:			
Pass-Through State of Georgia Office of Planning and Budget:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,025,553
U.S. Department of Transportation:			
Pass-Through Georgia Department of Transportation:			
Airport Improvement Program	20.106	APO21-9045-15 (321)	3,238
Total Expenditures of Federal Awards			$ 1,326,635

See auditor's report.

CITY OF SYLVESTER, GEORGIA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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, 2022. 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 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

Member
American Institute of Certified Public Accountants
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 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, 2022, 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 April 7, 2023.

Report on 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 2022-01) described in the accompany schedule of findings and questioned costs to be a significant deficiency.

Report on 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 2022-02 and 2022-03.

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
April 7, 2023

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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Sylvester, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but not absolute assurance and

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Sylvester, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Sylvester, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Sylvester, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Hudson & NeSmith, CPAs

Hudson & NeSmith, CPAs
Sylvester, Georgia
April 7, 2023

CITY OF SYLVESTER, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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 the Treasury:
   Coronavirus State and Local Recovery Funds (Federal Assistance Listing Number 21.027)

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, 2022

SECTION II-FINANCIAL STATEMENT FINDINGS

1. **Deficiency in Internal Control Structure**

2022-01 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**

2022-02 Law Section – O.C.G.A. 48-8-269.5
Prior Period and Current Period Condition

Condition and Criteria – The City deposited Transportation Local Option Sales Tax (TSPLOST) funds into its Designated Grant Fund and General Fund checking accounts in multiple months of the June 30, 2022 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 Designated Grant and General Fund bank accounts.

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 and Designated Grant Fund in the next fiscal year.

2022-03 Law Section – O.C.G.A. 48-8-121
Prior Period and Current Period Condition

Condition and Criteria – The City transferred Special Purpose Local Option Sales Tax (SPLOST) funds from the SPLOST Capital Project Fund bank account into its T-SPLOST Fund, Water and Sewer Fund, General Fund, and Telecom Fund bank accounts in multiple months of the June 30, 2022 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 will reimburse the SPLOST Fund from the T-SPLOST Fund, Water and Sewer Fund, General Fund, and Telecom Fund in the next fiscal year.

CITY OF SYLVESTER, GEORGIA
Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

2021-1 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.

2021-02 Law Section – O.C.G.A. 48-8-269.5 (*Government Auditing Standards Finding*)

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.

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

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

2021-03 Law Section – O.C.G.A. 48-8-121 (*Government Auditing Standards Finding*)

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.

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.

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

April 7, 2023

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

Re: Compliance Section - Financial Statement Finding audit report year ending 6/30/2022.

2022-01 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.

2022-02 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.

2022-03 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.