CITY OF SYLVESTER, GEORGIA

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDED
June 30, 2023
(*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, 2023

FINANCIAL SECTION

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

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, 2023, 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, 2023, 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 4-16, schedule of changes in net pension liability and related ratios on page 66-67, schedule of contributions on pages 68-72, and budgetary comparison information on pages 73-76 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 December 21, 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

Hudson & NeSmith, CPAs
Sylvester, Georgia
December 21, 2023

The City of Sylvester's (the "City") basic financial statements are presented for the fiscal year ended June 30, 2023. 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) 2023, key financial highlights are as follows:

- The City has $46.1 million in total assets, which represents a decrease of $148 thousand or 0.32% under the prior FY. Of this amount, $37.7 million are capital assets.
- Total liabilities for the City are $16.03 million. Of this amount, $14.2 million represents long-term debt.
- The City's long-term debt realized an increase of $3.3 million or 30.29% 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 $32 million. This difference represents the City's Net Position at the fiscal year-end. Of this amount, the unrestricted net position was $2.7 million.
- The City's total net position decreased by $1.241 million or 3.74% in relation to the prior fiscal year end. Net position of governmental activities decreased by $888 thousand or 4.73% and the net position of business-type activities decreased by $353 thousand or 2.46%.
- The City's governmental funds reported a combined ending fund balance of $1.6 million, representing a decrease of $181 thousand or 10.05% in comparison to the previous fiscal year end. Of this amount, $672 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 $803 thousand, which decreased $308 thousand or -27.73%.
- The business-type activities or enterprise funds closed the fiscal year with operating revenues exceeding operating expenses by $3.3 million, representing an increase of $524 thousand or 18.79% from prior FY2022.
- The enterprise funds had a total ending cash and cash equivalents balance of $1.4 million which was a year-over-year decrease of $2.6 million or -63.76%.

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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 2023?" 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 18-20 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 21 through 23 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 25 through 29 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, 2023 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 30 through 31 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 34 through 64 of this report.

Required Supplementary Information and Other

Following the Notes to the Basic Financial Statements, on pages 69 through 74, is required supplementary information regarding the City's pension trust fund. Trend data over multiple fiscal years is also provided.

In addition, on pages 73 through 76 is supplementary financial information for the General Fund, Designated Grant Fund, and American Rescue Plan Act 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, 2023, 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 89 through 94.

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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, 2023 and 2022, which was derived from the Government-wide Statement of Net Position on page 21.

Table 2
Condensed Statement of Net Position
As of June 30

	Government Activities		Business Type Activties		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	2,296,090	2,296,496	6,025,634	8,601,912	8,321,724	10,898,408
Capital Assets, Net of Depreciation	19,173,786	18,478,560	18,619,556	16,887,051	37,793,342	35,365,611
Total Assets	21,469,876	20,775,056	24,645,190	25,488,963	46,115,066	46,264,019
Deferred Inflow of Resources						
Pension Plan Activity	2,819,069	879,171	-	-	2,819,069	879,171
Total Assets and Deferred Outflows	24,288,945	21,654,227	24,645,190	25,488,963	48,934,135	47,143,190
Liabilities						
Current Liabilities	688,985	530,575	1,171,158	1,248,100	1,860,143	1,778,675
Long Term Liabilities	4,810,340	1,100,887	9,366,241	9,779,515	14,176,581	10,880,402
Total Liabilities	5,499,325	1,631,462	10,537,399	11,027,615	16,036,724	12,659,077
Deferred Inflow of Resources						
Pension Plan Activty	893,752	1,238,512	-	-	893,752	1,238,512
Deferred Revenues	-	-	-	-	-	-
Total Liabilites and Deferred Inflows	6,393,077	2,869,974	10,537,399	11,027,615	16,930,476	13,897,589
Net Position						
Net Investment in Capital Assets	18,995,932	18,243,832	9,089,728	9,927,795	28,085,660	28,171,627
Restricted	871,874	738,708	356,972	3,340,903	1,228,846	4,079,611
Unrestricted	(1,971,938)	(198,287)	4,661,091	1,192,650	2,689,153	994,363
Total Net Position	17,895,868	18,784,253	14,107,791	14,461,348	32,003,659	33,245,601

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, 2023, 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, 2023, the City's combined assets and deferred outflows exceeded the combined liabilities and deferred inflows by $32 million. This represents a decrease of $1.242 million or 3.74% below the prior FY. For governmental activities, the City realized a year-over-year decrease of $888 thousand or 4.73%. Business-type activities realized a year-over-year decrease of $353 thousand or 2.44%.

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 million as of June 30, 2023. 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 2023 of $1.2 million represents resources that are subject to external restrictions, constitutional provisions, and/or enabling legislation, which govern how the funds can be expended. Representing 8% of combined total net position, restricted net position realized a decrease of $2.8 million or 70% under prior the FY.

The final net position component, combined unrestricted net position, was $2.689 million for the fiscal year end, which was up $1.7 million or 170.44%. From a strictly activities perspective, governmental activities reflect a deficit or negative unrestricted net position of $1.97 million as of June 30, 2023. Business-type activities, however, reflect a positive unrestricted net position of $4.66 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, 2023 and 2022, as derived from the Government-wide Statement of Activities on pages 19 and 20. 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 $5.2 million and $16.2 million, respectively. Total expenses for governmental activities and business-type activities were $9.8 million and $12.8 million, respectively. Transfers to the governmental activities from the business-type activities totaled $3.7 million, which is the largest governmental activities revenue source. During FY 2023, the net position of the governmental activities decreased by $888 thousand or -4.7%, and the net position of the business-type activities decreased by $353 thousand or -2.4%. The total net change in net position for fiscal year ending 2023 was a decrease of $1.2 million or -3.7 % from the prior FY 2022.

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Table 3
Condensed Statement of Activities
As of June 30

	Government Activities		Business Type Activties		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Taxes-Net	$ 2,145,199	$ 2,265,000	$ -	$ -	$ 2,145,199	$ 2,265,000
Charges for Services	267,897	112,387	15,891,280	17,136,386	16,159,177	17,248,773
Fines and Forfeitures	198,483	214,686	-	-	198,483	214,686
Capital Grants	2,406,606	1,135,303	-	45,040	2,406,606	1,180,343
Intergovernmental	104,381	1,477,934	-	3,238	104,381	1,481,172
Interest Income	119	5,059	86	7,820	205	12,879
Gain/Loss on Investments	-	-	335,970	446,769	335,970	446,769
Miscellaneous	109,528	337,233	-	-	109,528	337,233
Total Revenues	5,232,213	5,547,602	16,227,336	17,639,253	21,459,549	23,186,855
Expenses						
General Government	2,659,183	2,141,977	-	-	2,659,183	2,141,977
Public Safety	4,766,204	3,539,217	-	-	4,766,204	3,539,217
Public Works	1,922,086	1,639,503	-	-	1,922,086	1,639,503
Culture and Recreation	244,861	159,092	-	-	244,861	159,092
Community development	249,544	772,517	-	-	249,544	772,517
Interest - Long-term debt	4,321	15,653	-	-	4,321	15,653
Electric	-	-	7,996,574	8,534,045	7,996,574	8,534,045
Water and sewer	-	-	1,965,155	2,000,428	1,965,155	2,000,428
Gas	-	-	1,024,505	1,046,725	1,024,505	1,046,725
Sanitation	-	-	1,062,523	1,169,413	1,062,523	1,169,413
Telecommunication	-	-	386,424	1,513,694	386,424	1,513,694
Airport	-	-	420,111	362,168	420,111	362,168
Total Expenses	9,846,199	8,267,959	12,855,292	14,626,473	22,701,491	22,894,432
Increase (decrease) in net position before transfers	(4,613,986)	(2,720,357)	3,372,044	3,012,780	(1,241,942)	292,423
Transfers In (Out)	3,725,601	3,945,371	(3,725,601)	(3,945,371)	-	-
Increase (decrease) net position	$ (888,385)	$ 1,225,014	$ (353,557)	$ (932,591)	$ (1,241,942)	$ 292,423
Net position - beginning	18,784,253	17,559,239	14,461,348	15,393,939	33,245,601	32,953,178
Net position - ending	$ 17,895,868	$ 18,784,253	$ 14,107,791	$ 14,461,348	$ 32,003,659	$ 33,245,601

Governmental Activities - Revenues by Sources						
	FY 2023	Percent of Total Expenses	FY 2022	Percent of Total Expenses	Year-over-Year Dollar Change	Year-over-Year Percent Change
Capital Grants & Contributions	$ 2,406,606	46.00%	$ 2,596,669	-46.81%	$ (190,063)	-7.90%
Property Taxes	$ 989,926	18.92%	$ 999,710	-18.02%	$ (9,784)	-0.99%
Local Option Sales Taxes	$ 549,305	10.50%	$ 589,822	-10.63%	$ (40,517)	-7.38%
Other Taxes	$ 564,443	10.79%	$ 675,468	-12.18%	$ (111,025)	-19.67%
Other Revenues	$ 349,655	6.68%	$ 187,793	-3.39%	$ 161,862	46.29%
Charges for Services	$ 267,897	5.12%	$ 481,572	-8.68%	$ (213,675)	-79.76%
Operating Grants & Contributions	$ 104,381	1.99%	$ 16,568	-0.30%	$ 87,813	84.13%
Total Expenses	$ 5,232,213	100.00%	$ 5,547,602	-100.00%	$ (315,389)	-6.03%

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 2023, capital grants and contributions program revenues were $2.4 million, which represented 46.0% of total governmental activities revenues. In comparison to the prior FY, this was a decrease of $190 thousand or 7.32%. 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 $2.1 million. Taxes, Net realized a combined decrease of $161 thousand or 7.06%. Overall, for FY 2023 governmental activities revenues totaled $5.2 million, which was a decrease of $315 thousand or 6.03% below the prior FY.

Governmental Activities - Expenses by Sources						
	FY 2023	Percent of Total Expenses	FY 2022	Percent of Total Expenses	Year-over-Year Dollar Change	Year-over-Year Percent Change
General Government	$ 2,659,183	27.07%	$ 2,141,977	25.91%	$ 517,206	24.15%
Public Safety	4,766,204	48.41%	3,539,217	42.81%	1,226,987	34.67%
Public Works	1,922,086	19.52%	1,639,503	19.83%	282,583	17.24%
Culture and Recreation	244,861	2.49%	159,092	1.92%	85,769	53.91%
Community & Economic Development	249,544	2.53%	772,517	9.34%	(522,973)	-67.70%
Interest on Long-Term Debt	4,321	0.04%	15,653	0.19%	(11,332)	-72.40%
Total Expenses	**$ 9,846,199**	**100.00%**	**$ 8,267,959**	**100.00%**	**$ 601,345**	**19.09%**

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 2023 and FY 2022, the public safety function was where the City's governmental activities' funding was primarily expended. Public safety expenses for FY 2023 were $4.7 million and represented 48.41% of total governmental activities expenses. In comparison to FY 2022, this represented an increase of $1.2 million or 34.67%. Overall, for FY 2023 governmental activities expenses totaled $9.8 million, which was an increase of $601 thousand or 19.09% over FY 2022.

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 2023 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 decrease for governmental activities, dropping from 67.10% to 53.14%, a year-over-year decline of 6.03%.

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

	2023		2022		2023	2022	2023	2022
	Program Expenses	Less Program Revenues	Program Expenses	Less Program Revenues	Net Program Expenses (Revenue)		Program Expenses as a % of Program Revenue	
General Government	$2,659,183	$3,580,373	$2,141,977	$3,675,806	($921,190)	($1,533,829)	134.64%	171.61%
Public Safety	4,766,204	198,483	3,539,217	296,236	$4,567,721	$3,242,981	4.16%	8.37%
Public Works	1,922,086	1,412,338	1,639,503	1,399,434	$509,748	$240,069	73.48%	85.36%
Culture and Recreation	244,861	20,735	159,092	154,499	$224,126	$4,593	8.47%	97.11%
Community & Economic Developm	249,544	20,165	772,517	16,568	$229,379	$755,949	8.08%	2.14%
Interest on Long-Term Debt	4,321	119	15,653	5,059	$4,202	$10,594	2.75%	32.32%
Total	$9,846,199	$5,232,213	$8,267,959	$5,547,602	$4,613,986	$2,720,357	53.14%	67.10%

Business-Type Activities - Revenues by Sources						
	FY 2023	Percent of Total Revenues	FY 2022	Percent of Total Revenues	Year-over-Year Dollar Change	Year-over-Year Percent Change
Electric	$11,341,004	69.89%	$12,684,758	71.91%	-1,343,754	-10.59%
Water and Sewer	2,631,803	16.22%	2,514,483	14.26%	117,320	4.67%
Natural Gas	975,994	6.01%	1,366,264	7.75%	-390,270	-28.56%
Solid Waste	1,040,194	6.41%	850,572	4.82%	189,622	22.29%
Telecommunications	206,475	1.27%	110,954	0.63%	95,521	86.09%
Airport	31,866	0.20%	112,222	0.64%	-80,356	-71.60%
Total Revenues	**$16,227,336**	**100.00%**	**$17,639,253**	**100.00%**	**($1,411,917)**	**-8.00%**

As reflected on the charts presented above, the City's electric fund continues to be the dominant revenue source of the business-type activities or enterprise funds. For FY 2023, the electric fund had total revenues of $11.3 million, which was down from $12.6 million for the previous fiscal year end. This represented a decrease of $1.3 million or -10.59%. For FY 2023 and FY 2022, the electric fund revenues represented 69.89% and 71.91%, respectively, of total enterprise funds revenues. Overall, for FY 2023 enterprise funds revenues totaled $16.2 million, which represents a decrease of $1.4 million or -8.0% below FY 2022.

Business-Type Activities - Expenses by Sources						
	FY 2023	Percent of Total Expenses	FY 2022	Percent of Total Expenses	Year-over-Year Dollar Change	Year-over-Year Percent Change
Electric	7,996,574	62.20%	$8,534,045	-58.35%	-537,471	-6.30%
Water and Sewer	1,965,155	15.29%	2,000,428	-13.68%	-35,273	-1.76%
Natural Gas	1,024,505	7.97%	1,046,725	-7.16%	-22,220	-2.12%
Solid Waste	1,062,523	8.27%	1,169,413	-8.00%	-106,890	-9.14%
Telecommunications	386,424	3.01%	1,513,694	-10.35%	-1,127,270	-74.47%
Airport	420,111	3.27%	362,168	-2.48%	57,943	16.00%
Total Expenses	**$12,855,292**	100.00%	**$14,626,473**	-100.00%	($1,771,181)	-12.11%

As reflected on the charts on the preceding page and presented above, the City's electric and water and sewer expenses are the dominant business-type or enterprise expenses funded for the last two reported fiscal years. For FY 2023, electric expenses totaled $7.9 million, which was a decrease of $537 thousand or -6.30% under FY 2022. For the same period, water and sewer expenses totaled $1.9 million, a decrease of $35 thousand or -1.76% under FY 2022. For FY 2023 electric and water and sewer expenses account for 62.20% and 15.29% respectively, of total business-type expenses. Overall, for FY 2023, business-type or enterprise expenses totaled $12.8 million, a decrease of $1.7 million or -12.11% under FY 2022.

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 2022 to FY 2023 from 82.92% to 79.22% a decrease of 3.7%.

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

	2023		2022		2023	2022	2023	2022
Function / Program	Program Expenses	Less Program Revenues	Program Expenses	Less Program Revenues	Net Program Expenses (Revenue)		Program Expenses as a % of Program Revenue	
Electric	$7,996,574	$11,341,004	$8,534,045	$12,684,758	($3,344,430)	($4,150,713)	70.51%	67.28%
Water and Sewer	1,965,155	2,631,803	2,000,428	2,514,483	($666,648)	($514,055)	74.67%	79.56%
Natural Gas	1,024,505	975,994	1,046,725	1,366,264	$48,511	($319,539)	104.97%	76.61%
Solid Waste	1,062,523	1,040,194	1,169,413	850,572	$22,329	$318,841	102.15%	137.49%
Telecommunications	386,424	206,475	1,513,694	110,954	$179,949	$1,402,740	187.15%	1364.25%
Airport	420,111	31,866	362,168	112,222	$388,245	$249,946	1318.37%	322.72%
Total	$12,855,292	$16,227,336	$14,626,473	$17,639,253	($3,372,044)	($3,012,780)	79.22%	82.92%

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.

Additional information regarding the General Fund budget variances may be found on Note 1.D. Budgets and Budgetary Accounting on pages 43 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 page 73.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 totaled $37.7 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 $2.4 million or 6.86% in comparison to FY 2022.

Capital Assets	FY 2023[1]	FY 2022[1]	Dollar Difference	Percent Difference
Land	$1,196,774	$1,196,774	0	0%
Construction in progress	9,340,492	6,950,679	2,389,813	34.38%
Plant, buildings, and improvements	16,423,499	16,906,234	(482,735)	-2.86%
Machinery and equipment	448,487	366,598	81,889	22.34%
Vehicles	1,230,299	1,298,041	(67,742)	-5.22%
Infrastructure	9,153,793	8,647,287	506,506	5.86%
Total	**$37,793,344**	**$35,365,613**	**$2,427,731**	**6.86%**

Note[1]: Excludes accumulated depreciation

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Capital assets additions strictly for the City's governmental activities for FY 2023 are as follows:

Governmental Activities

Capital Asset Additions	Amount
Land	$0
Construction in progress	77,556
Total Non-depreciable Assets	$77,556
Plant, buildings, and improvements Machinery	506,640
and equipment	20,250
Vehicles	148,520
Infrastructure	692,095
Total Depreciable Assets	$1,367,505
Total Governmental Activities, Capital Assets Additions	**$1,445,061**

Capital assets additions strictly for the City's business-type activities for FY 2023 are as follows:

Business-Type Activities

Capital Asset Additions	Amount
Land	$0
Construction in progress	2,424,560
Total Non-depreciable Assets	$2,424,560
Plant, buildings, and improvements Machinery	-
and equipment	$106,183
Vehicles	-
Infrastructure	-
Total Depreciable Assets	$106,183
Total Business-Type Activities, Capital Assets Additions	**$2,530,743**

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 47 and 48.

DEBT ADMINISTRATION

As of June 30, 2023, the City reported total long-term liabilities, exclusive of net pension liability, of $9.7 million. This represented a decrease of $413 thousand or 4.08% below FY 2022.

The current portion of the long-term liabilities at fiscal year-end totaled $487 thousand and is comprised of the following short-term debt, which is that debt payable within one year: Leases Payable ($63 thousand), Combined Utility Revenue Bonds, Series 2022, Payable ($123 thousand), and Notes Payable ($301 thousand). The noncurrent portion of the long-term liabilities totaled $9.6 million and is comprised of Leases Payable ($115 thousand), Compensated Absences ($230 thousand), Notes Payable, less current portion ($3.6 million), Combined Utility Revenue Bonds, Series 2022, Payable, less current portion ($5.7 million).

Refer to Note 8-Long-Term Liabilities and Note 9- Leases to the Basic Financial Statements of this report for additional information on the City's long-term liabilities and 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, 2023

BASIC FINANCIAL STATEMENTS

CITY OF SYLVESTER, GEORGIA
Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Current Assets				
Cash	$ 937,420	$ 931,615	$ 1,869,035	$ 7,718
Investments	1,042,134	4,353,922	5,396,056	-
Receivables - Net	105,587	771,182	876,769	-
Interfund	80,127	(80,127)	-	-
Intergovernmental Receivable	50,412	-	50,412	-
Inventory	78,347	23,775	102,122	
Prepaid Items	2,063	25,267	27,330	-
Total Current Assets	2,296,090	6,025,634	8,321,724	7,718
Noncurrent Assets				
Capital Assets				
Nondepreciable	2,170,938	8,366,327	10,537,265	-
Depreciable-Net	17,002,848	10,253,229	27,256,077	-
Total Noncurrent Assets	19,173,786	18,619,556	37,793,342	-
Total Assets	21,469,876	24,645,190	46,115,066	7,718
Deferred Outflows of Resources				
Pension Plan Activity	2,819,069	-	2,819,069	-
Total Assets and Deferred Outflows	24,288,945	24,645,190	48,934,135	7,718
Liabilities				
Current Liabilities				
Accounts Payable	$ 587,768	$ 594,634	$ 1,182,402	$ -
Accrued Expenses	36,543	116,622	153,165	-
Deposits	1,718	35,781	37,499	-
Leases Payable	62,956	-	62,956	-
2022 Series Bonds Payable	-	123,120	123,120	
Notes Payable	-	301,001	301,001	-
Total Current Liabilities	688,985	1,171,158	1,860,143	-
Long-Term Liabilities				
Leases Payable, Less Current Portion	114,898	-	114,898	-
Notes Payable, Less Current Portion	-	3,574,708	3,574,708	-
2022 Series Bonds Payable, Less Current Portion	-	5,719,036	5,719,036	
Net Pension Liability	4,537,854	-	4,537,854	-
Compensated Absences	157,588	72,497	230,085	-
Total Long-Term Liabilities	4,810,340	9,366,241	14,176,581	-
Total Liabilities	5,499,325	10,537,399	16,036,724	-
Deferred Inflows of Resources				
Pension Plan Activity	893,752	-	893,752	-
Deferred Revenues	-	-	-	-
Total Liabilities and Deferred Inflows	6,393,077	10,537,399	16,930,476	-
Net Position				
Net Investment in Capital Assets	18,995,932	9,089,728	28,085,660	-
Restricted for				
Capital Projects	648,180	188,037	836,217	-
Debt Service	-	168,935	168,935	-
Public Welfare	10,398	-	10,398	-
Economic Development	182,290	-	182,290	-
Public Safety	21,381	-	21,381	-
Other	9,625	-	9,625	-
Downtown Development	-	-	-	7,718
Unrestricted	(1,971,938)	4,661,091	2,689,153	-
Total Net Position	$ 17,895,868	$ 14,107,791	$ 32,003,659	$ 7,718

See accompanying notes to the financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities
For the Year Ended June 30, 2023

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	$ 2,659,183	$ 267,897	$ -	$ 1,078,484
Public Safety	4,766,204	198,483	-	-
Public Works	1,922,086	-	84,216	1,328,122
Culture and Recreation	244,861	-	-	-
Community & Economic Development	249,544	-	20,165	-
Interest on Long-Term Debt	4,321	-	-	-
Total Governmental Activities	9,846,199	466,380	104,381	2,406,606
Business-Type Activities				
Electric	7,996,574	11,005,034	-	-
Water and Sewer	1,965,155	2,631,717	-	-
Natural Gas	1,024,505	975,994	-	-
Solid Waste	1,062,523	1,040,194	-	-
Telecommunications	386,424	206,475	-	-
Airport	420,111	31,866	-	-
Total Business-Type Activities	$ 12,855,292	$ 15,891,280	$ -	$ -
Total Primary Government	$ 22,701,491	$ 16,357,660	$ 104,381	$ 2,406,606
Component Unit				
Downtown Development Authority	$ 10,060	$ 11,245	$ -	$ -
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, 2022				
NET POSITION - JUNE 30, 2023				

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Statement of Activities (Continued)
For the Year Ended June 30, 2023

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
	$ (1,312,802)	$ -	$ (1,312,802)	$ -
	(4,567,721)	-	(4,567,721)	-
	(509,748)	-	(509,748)	-
	(244,861)	-	(244,861)	-
	(229,379)		(229,379)	-
	(4,321)	-	(4,321)	-
	(6,868,832)	-	(6,868,832)	-
	-	3,008,460	3,008,460	-
	-	666,562	666,562	-
	-	(48,511)	(48,511)	-
	-	(22,329)	(22,329)	-
	-	(179,949)	(179,949)	-
	-	(388,245)	(388,245)	-
	-	3,035,988	3,035,988	-
	(6,868,832)	3,035,988	(3,832,844)	
	-	-	-	1,185
	989,926	-	989,926	-
	9,787	-	9,787	-
	454,700	-	454,700	-
	549,305	-	549,305	-
	99,956	-	99,956	-
	41,525	-	41,525	-
	119	86	205	-
	-	335,970	335,970	-
	109,528	-	109,528	-
	3,725,601	(3,725,601)	-	-
	5,980,447	(3,389,545)	2,590,902	-
	(888,385)	(353,557)	(1,241,942)	1,185
	18,784,253	14,461,348	33,245,601	6,533
	$ 17,895,868	$ 14,107,791	$ 32,003,659	$ 7,718

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Governmental Funds
Balance Sheet
June 30, 2023

	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	$ 196,210	$ 135,720	$ 304,087	$ 98,957	$ 25,650	$ 145,017	$ 905,641
Restricted Cash	31,779	-	-	-	-	-	31,779
Investments-Certificates of Deposit	1,042,134	-	-	-	-	-	1,042,134
Receivables-Net of Allowance for Uncollectible Accounts	58,689	-	-	-	-	46,898	105,587
Due from Other Funds	306,493	9,000	358,595	-	-	-	674,088
Due from Other Governments	50,412	-	-	-	-	-	50,412
Inventory	78,347	-	-	-	-	-	78,347
Prepaid Items	2,063	-	-	-	-	-	2,063
TOTAL ASSETS	$ 1,766,127	$ 144,720	$ 662,682	$ 98,957	$ 25,650	$ 191,915	$ 2,890,051
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 430,574	$ 46,463	$ 110,731	$ -	$ -	$ -	$ 587,768
Accrued Liabilities	36,543	-	-	-	-	-	36,543
Due to Other Funds	448,337	27,678	-	117,946	-	-	593,961
Deposits	1,718	-	-	-	-	-	1,718
Total Liabilities	917,172	74,141	110,731	117,946	-	-	1,219,990
Deferred Inflows of Resources							
Deferred Revenue - Property Taxes	45,415	-	-	-	-	-	45,415
Deferred Revenue-Other	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	45,415	-	-	-	-	-	45,415
Fund Balances							
Nonspendable	80,410	-	-	-	-	-	80,410
Restricted	31,779	70,579	551,951	-	25,650	191,915	871,874
Unassigned	691,351	-	-	(18,989)	-	-	672,362
Total Fund Balances	803,540	70,579	551,951	(18,989)	25,650	191,915	1,624,646
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,766,127	$ 144,720	$ 662,682	$ 98,957	$ 25,650	$ 191,915	$ 2,890,051

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, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 1,624,646
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 and Construction in Progress	$ 2,170,938	
Plant, Building, and Improvements	10,639,209	
Machinery and Equipment	2,852,095	
Vehicles	2,878,452	
Infrastructure	10,283,919	
Accumulated Depreciation	(9,650,827)	
		19,173,786
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.		
Leases	(177,854)	
Compensated Absences	(157,588)	(335,442)
Certain revenues are not available to pay for current period expenditures and therefore are reported deferred inflows of resources in the governmental funds.		45,415
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.		2,819,069
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.		(893,752)
Net pension liability is not due and payable in the current period and therefore, is not reported in the governmental funds.		(4,537,854)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 17,895,868

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, 2023

	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	$ 2,121,181	$ -	$ -	$ -	$ -	$ 20,165	$ 2,141,346
Charges for Services	154,377	-	-	-	-	-	154,377
Fines & Forfeitures	198,483	-	-	-	-	-	198,483
Licenses and Permits	113,520	-	-	-	-	-	113,520
Intergovernmental	84,216	605,279	581,418	141,425	1,078,484	-	2,490,822
Interest Income	17	-	-	-	88	14	119
Miscellaneous	109,528	-	-	-	-	-	109,528
Total Revenues	2,781,322	605,279	581,418	141,425	1,078,572	20,179	5,208,195
EXPENDITURES							
Current							
General Government	2,107,867	-	-	-	-	-	2,107,867
Public Safety	3,702,941	-	-	-	-	-	3,702,941
Public Works	1,633,114	-	-	-	-	-	1,633,114
Culture and Recreation	220,289	-	-	-	-	-	220,289
Community & Economic Development	236,623	-	-	36	-	12,432	249,091
Capital Outlay	-	638,465	450,575	51,804	-	-	1,140,844
Debt Service							
Principal	-	-	56,874	-	-	-	56,874
Interest	-	-	4,321	-	-	-	4,321
TOTAL EXPENDITURES	7,900,834	638,465	511,770	51,840	-	12,432	9,115,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,119,512)	(33,186)	69,648	89,585	1,078,572	7,747	(3,907,146)
OTHER FINANCING SOURCES (USES)							
Transfers In	6,293,654	47,184	169,982	8,000	-	-	6,518,820
Transfers Out	(1,482,489)	(74,377)	(60,125)	(102,450)	(1,068,778)	(5,000)	(2,793,219)
TOTAL OTHER FINANCING SOURCES (USES)	4,811,165	(27,193)	109,857	(94,450)	(1,068,778)	(5,000)	3,725,601
NET CHANGE IN FUND BALANCES	(308,347)	(60,379)	179,505	(4,865)	9,794	2,747	(181,545)
FUND BALANCE - JULY 1, 2022	$ 1,111,887	$ 130,958	$ 372,446	$ (14,124)	$ 15,856	$ 189,168	$ 1,806,191
FUND BALANCE - JUNE 30, 2023	$ 803,540	$ 70,579	$ 551,951	$ (18,989)	$ 25,650	$ 191,915	$ 1,624,646

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, 2023

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS		$ (181,545)
Amounts reported for governmental activites in the Statement of Activities are different because		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets aquired in the current period.		1,445,061
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.		(749,835)
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		(1,467,197)
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, 2023	$ 45,415	
Deferred at June 30, 2022	(21,397)	24,018
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	(157,588)	
Liability at June 30, 2022	141,827	(15,761)
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	56,874	56,874
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (888,385)

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position
June 30, 2023

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
ASSETS							
Current Assets							
Cash	$ 220,787	$ 196,847	$ 729	$ 51,521	$ 11,410	$ 41,882	$ 523,176
Investment - Certificate of Deposit	202,425	184,356	-	-	-	-	386,781
Investments	3,798,386	-	-	-	-	-	3,798,386
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	440,708	147,318	800	138,168	29,888	14,300	771,182
Miscellaneous Current Assets	-	-	-	-	-	-	-
Restricted Cash	99,135	96,175	-	-	188,037	25,093	408,440
Restricted Certificate of Deposit	-	168,755	-	-	-	-	168,755
Due from Other Funds	138,272	237,941	-	20,000	-	-	396,213
Inventory	23,775	-	-	-	-	-	23,775
Prepaid Items	2,139	21,095	-	-	-	2,033	25,267
Total Current Assets	4,925,627	1,052,487	1,529	209,689	229,335	83,308	6,501,975
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	-	3,700,735	382,791	19,780	4,260,521	2,500	8,366,327
Depreciable Capital Assets	4,864,094	16,213,490	5,424,749	139,855	491,105	1,196,692	28,329,985
Accumulated Depreciation	(3,546,197)	(10,935,704)	(2,135,559)	(55,842)	(334,468)	(1,068,986)	(18,076,756)
Total Noncurrent Assets	1,317,897	8,978,521	3,671,981	103,793	4,417,158	130,206	18,619,556
TOTAL ASSETS	6,243,524	10,031,008	3,673,510	313,482	4,646,493	213,514	25,121,531

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Net Position (Continued)
June 30, 2023

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
LIABILITIES							
Current Liabilities							
Accounts Payable	$ 173,644	$ 120,529	$ 26,641	$ 145,331	$ 102,278	$ 26,211	$ 594,634
Bank Overdraft	-	-	-	-	-	-	-
Notes Payable	-	301,001	-	-	-	-	301,001
2022 Series Bonds Payable	-	-	-	-	123,120	-	123,120
Accrued Expenses	55,446	4,527	-	-	-	56,649	116,622
Miscellaneous Liabilities	-	-	-	-	-	-	-
Due to Other Funds	391,037	42,449	-	-	29,024	13,831	476,341
Customer Deposits	16,769	10,307	-	-	-	8,705	35,781
Total Current Liabilities	636,896	478,813	26,641	145,331	254,422	105,396	1,647,499
Long-Term Liabilities							
Notes Payable	-	3,574,708	-	-	-	-	3,574,708
2022 Series Bonds Payable		-			5,719,036	-	5,719,036
Accrued Vacation	47,539	23,245	-	-	-	1,713	72,497
Total Long-Term Liabilities	47,539	3,597,953	-	-	5,719,036	1,713	9,366,241
TOTAL LIABILITIES	684,435	4,076,766	26,641	145,331	5,973,458	107,109	11,013,740
DEFERRED INFLOWS OF RESOURCES							
Unearned Revenues	-	-	-	-	-	-	-
NET POSITION							
Net Investment in Capital Assets	1,317,897	5,102,812	3,671,981	103,793	(1,236,961)	130,206	9,089,728
Restricted for Broadband Capital Project	-	-	-	-	188,037	-	188,037
Restricted for Debt Service	-	168,935	-	-	-	-	168,935
Unrestricted	4,241,192	682,495	(25,112)	64,358	(278,041)	(23,801)	4,661,091
TOTAL NET POSITION	$ 5,559,089	$ 5,954,242	$ 3,646,869	$ 168,151	$ (1,326,965)	$ 106,405	$ 14,107,791

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, 2023

	Electric Fund	Water and Sewer Fund	Airport Fund	Solid Waste Fund	Telecommunications Fund	Natural Gas Fund	Total
OPERATING REVENUES							
Operations	$ 11,005,034	$ 2,631,717	$ 31,866	$ 1,040,194	$ 206,475	$ 975,994	$ 15,891,280
OPERATING EXPENSES							
Operating Expenses	7,892,467	1,520,362	111,076	1,053,199	181,284	1,019,735	11,778,123
Depreciation	104,107	364,927	309,035	9,324	6,075	4,770	798,238
TOTAL OPERATING EXPENSES	7,996,574	1,885,289	420,111	1,062,523	187,359	1,024,505	12,576,361
OPERATING INCOME	3,008,460	746,428	(388,245)	(22,329)	19,116	(48,511)	3,314,919
NON-OPERATING REVENUES (EXPENSES)							
Interest Income	19	58	-	-	-	9	86
Interest Expense	-	(79,866)	-	-	(199,065)	-	(278,931)
Principal Forgiveness on Long-Term Debt	-	-	-	-	-	-	-
Market Gain on Investments	335,970	-	-	-	-	-	335,970
TOTAL NON-OPERATING REVENUES (EXPENSES)	335,989	(79,808)	-	-	(199,065)	9	57,125
Income Before Transfers	3,344,449	666,620	(388,245)	(22,329)	(179,949)	(48,502)	3,372,044
Transfers In	2,107,808	288,727	143,969	65,341	327,029	207,578	3,140,452
Transfers Out	(5,289,689)	(1,032,867)	(92,690)	(128,315)	(132,827)	(189,665)	(6,866,053)
CHANGE IN NET POSITION	162,568	(77,520)	(336,966)	(85,303)	14,253	(30,589)	(353,557)
NET POSITION - JULY 1, 2022	5,396,521	6,031,762	3,983,835	253,454	(1,341,218)	136,994	14,461,348
NET POSITION - JUNE 30, 2023	$ 5,559,089	$ 5,954,242	$ 3,646,869	$ 168,151	$ (1,326,965)	$ 106,405	$ 14,107,791

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	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	$ 11,062,792	$ 2,599,194	$ 31,866	$ 1,024,675	$ 201,169	$ 989,367	$ 15,909,063
Cash Received from Operating Grants	-	-	-	-	-	-	-
Cash Payments to Suppliers	(6,699,156)	(713,552)	(85,887)	(957,182)	(531,052)	(635,213)	(9,622,042)
Cash Paid to Employees	(877,098)	(735,712)	-	-	-	(316,580)	(1,929,390)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,486,538	1,149,930	(54,021)	67,493	(329,883)	37,574	4,357,631
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments from Other Funds	2,107,808	312,789	143,969	65,341	327,029	214,734	3,171,670
Payments to Other Funds	(5,346,562)	(1,032,867)	(92,690)	(128,315)	(132,827)	(189,665)	(6,922,926)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(3,238,754)	(720,078)	51,279	(62,974)	194,202	25,069	(3,751,256)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase and Construction of Capital Assets	-	-	-	-	(2,530,743)	-	(2,530,743)
Proceeds from Long Term Debt		-			-		-
Principal Paid on Capital Debt	-	(294,315)	-	-	(119,044)	-	(413,359)
Interest Paid on Capital Debt	-	(79,866)	-	-	(199,065)	-	(278,931)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(374,181)	-	-	(2,848,852)	-	(3,223,033)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Received	19	58	-	-	-	9	86
NET CASH PROVIDED BY INVESTING ACTIVITIES	19	58	-	-	-	9	86
Net Increase (Decrease) in Cash and Cash Equivalents	247,803	55,729	(2,742)	4,519	(2,984,533)	62,652	(2,616,572)
CASH AND CASH EQUIVALENTS - JULY 1, 2022	274,544	590,404	3,471	47,002	3,183,980	4,323	4,103,724
CASH AND CASH EQUIVALENTS - JUNE 30, 2023	$ 522,347	$ 646,133	$ 729	$ 51,521	$ 199,447	$ 66,975	$ 1,487,152
Displayed As:							
Cash	$ 220,787	$ 196,847	$ 729	$ 51,521	$ 11,410	$ 41,882	$ 523,176
Investment-Certificate of Deposit	202,425	184,356	-	-	-	-	386,781
Restricted Assets	99,135	264,930	-	-	188,037	25,093	577,195
Bank Over Draft	-	-	-	-	-	-	-
	$ 522,347	$ 646,133	$ 729	$ 51,521	$ 199,447	$ 66,975	$ 1,487,152

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Proprietary Funds
Statement of Cash Flows (Continued)
For the Year End June 30, 2023

	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)	$ 3,008,460	$ 746,428	$ (388,245)	$ (22,329)	$ 19,116	$ (48,511)	$ 3,314,919
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	104,107	364,927	309,035	9,324	6,075	4,770	798,238
(Increase) Decrease in Assets:							
Accounts Receivable and Miscellaneous Current Assets	72,294	(19,073)	-	(15,519)	(5,306)	13,554	45,950
Inventory	174,190	-	-	-	-	31,047	205,237
Due from Other Funds	-	-	-	-	-	-	-
Prepaid Items	9,138	7,083	-	-	-	2,844	19,065
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:							
Accounts Payable	85,314	57,018	25,189	96,017	(349,768)	21,480	(64,750)
Accrued Expenses and Other Liabilities	43,387	-	-	-	-	15,752	59,139
Unearned Revenues	-	-	-	-	-	-	-
Customer Deposits	(14,538)	(13,450)	-	-	-	(3,025)	(31,013)
Accrued Vacation	4,186	6,997	-	-	-	(337)	10,846
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ 3,486,538	$ 1,149,930	$ (54,021)	$ 67,493	$ (329,883)	$ 37,574	$ 4,357,631
Noncash Investing, Capital and Financing Activities							
Increase in Fair Value of Investments	$ 335,970	$ -	$ -	$ -	$ -	$ -	$ 335,970

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Statement of Fiduciary Net Position
June 30, 2023

ASSETS		
Cash	$	3,272
TOTAL ASSETS	$	3,272
LIABILITIES		
NET POSITION		
Net Position - Held for Others		3,272
TOTAL NET POSITION	$	3,272

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Statement of Changes in Fiduciary Net Position
June 30, 2023

ADDITIONS	
Private Donations	$ -
Total Additions	-
DEDUCTIONS	
Payments of Fees to Other Agencies	120
Total Deductions	120
Change in Net Position	(120)
NET POSITION - JULY 1, 2022	3,392
NET POSITION - JUNE 30, 2023	$ 3,272

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Net Position
June 30, 2023

ASSETS	
Cash	$ 7,718
TOTAL ASSETS	$ 7,718
LIABILITIES	
Liabilities	$ -
NET POSITION	
Restricted:	
Downtown Development	$ 7,718
TOTAL NET POSITION	$ 7,718

See accompanying notes to financial statements.

CITY OF SYLVESTER, GEORGIA
Component Unit
Statement of Activities
For the Year Ended June 30, 2023

EXPENSES	
Program Costs	$ 10,060
TOTAL EXPENSES	10,060
REVENUES	
Program Revenues	11,245
Net Program Revenue	1,185
GENERAL REVENUES	
Investment Earnings	-
CHANGE IN NET POSITION	1,185
NET POSITION-JULY 1, 2022	6,533
NET POSITION-JUNE 30, 2023	$ 7,718

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 on 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, 2023. 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, 2023, 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, the 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, 2023.

T. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Comparative total data for the prior year has not been presented in the accompanying financial statements.

NOTE 2 – LEGAL COMPLIANCE - BUDGETS

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

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

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Total cash and cash equivalents as of June 30, 2023 consisted of the following:

Primary Government Fund Reporting Level	Cash and Cash Equivalents
Governmental Funds - Balance Sheet Cash	$ 905,641
Governmental Funds - Balance Sheet - Restricted Cash	31,779
Governmental Funds - Balance Sheet - Certificates of Deposit	1,042,134
Proprietary Fund Type Statement of Net Position - Cash	523,176
Proprietary Fund Type Statement of Net Position - Certificate of Deposit	386,781
Proprietary Fund Type Statement of Net Position - Restricted Cash	408,440
Proprietary Fund Type Statement of Net Position - Restricted Certificate of Deposit	168,755
Statement of Fiduciary Assets and Liabilities	3,272
Total	$ 3,469,978

Investments

For fiscal year 2023, 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, 2023, 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	$ 1,853,307	$ 1,636,385	$ 304,396	$ 4,298	$ 3,798,386
Bank Certificates of Deposit	Not Rated	1,597,670	-	-	-	1,597,670
Total Investments		$ 3,450,977	$ 1,636,385	$ 304,396	$ 4,298	$ 5,396,056

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, 2023, 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 August 1, 2023 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, 2023:

Bank Certificates of Deposit	29.61%
Federal Home Loan Bank	67.35%

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, 2023 are classified as follows:

		Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Municipal Competitive Trust	$ 3,798,386	$ -	$ 3,798,386	$ -
Bank Certificates of Deposit	1,597,670	1,597,670	-	-
Total Investments	$ 5,396,056	$ 1,597,670	$ 3,798,386	$ -

NOTE 4 – RECEIVABLES

Receivables at June 30, 2023, 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	$ 58,689	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,689
Accounts	-	-	637,698	181,415	149,343	29,888	800	24,680	1,023,824
Notes	-	46,898	-	-	-	-	-	-	46,898
Other Governments	50,412	-	-	-	-	-	-	-	50,412
Other	-	-	-	-	-	-	-	-	-
Gross Receivables	109,101	46,898	637,698	181,415	149,343	29,888	800	24,680	1,179,823
Less: Allowance for uncollectibles	-	-	(196,990)	(34,097)	(11,175)	-	-	(10,380)	(252,642)
Net Receivables	$ 109,101	$ 46,898	$ 440,708	$ 147,318	$ 138,168	$ 29,888	$ 800	$ 14,300	$ 927,181

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, 2023:

Receivable Fund	Payable Fund	Amount	Due Within One Year
General	Gas	$ 415	$ 415
General	Water and Sewer	35,334	35,334
General	Electric	162,325	162,325
General	SPLOST	18,678	18,678
T-SPLOST	General	358,595	358,595
Water and Sewer	Designated Grant	117,946	117,946
Water and Sewer	Electric	111,855	111,855
Water and Sewer	Telecommunications	1,024	1,024
Electric	Gas	13,416	13,416
Electric	Telecommunications	28,000	28,000
Solid Waste	Electric	20,000	20,000
Total		$ 867,588	$ 867,588

Amounts payable between funds generally arise from the practice of 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, 2023:

Governmental Activities	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023
Capital assets not being depreciated:				
Land	$ 769,904	$ -	$ -	$ 769,904
Construction in progress	1,323,478	77,556	-	1,401,034
Total capital assets not being depreciated	2,093,382	77,556	-	2,170,938
Capital assets being depreciated:				
Plant, buildings, improvements	10,132,569	506,640	-	10,639,209
Machinery and equipment	2,831,845	20,250	-	2,852,095
Vehicles	2,729,932	148,520	-	2,878,452
Infrastructure	9,591,824	692,095	-	10,283,919
Total capital assets being depreciated	25,286,170	1,367,505	-	26,653,675
Less accumulated depreciation:				
Plant, building, improvements	(3,813,852)	(273,802)	-	(4,087,654)
Machinery and equipment	(2,571,636)	(146,474)	-	(2,718,110)
Vehicles	(1,570,967)	(143,970)	-	(1,714,937)
Infrastructure	(944,537)	(185,589)	-	(1,130,126)
Total accumulated depreciation	(8,900,992)	(749,835)	-	(9,650,827)
Net capital assets being depreciated	16,385,178	617,670	-	17,002,848
Total Capital Assets, Net	$ 18,478,560	$ 695,226	$ -	$ 19,173,786

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

General Government	$ 93,477
Public Safety	415,774
Public Works	215,559
Culture and Recreation	24,572
Community and Economic Development	453
Total	$ 749,835

Business-Type Activities	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023
Capital assets not being depreciated:				
Land	$ 426,870	$ -	$ -	$ 426,870
Construction in progress	5,627,201	2,424,560	(112,303)	7,939,458
Total capital assets not being depreciated	6,054,071	2,424,560	(112,303)	8,366,328
Capital assets being depreciated:				
Plant, buildings, improvements	25,415,030	-	-	25,415,030
Machinery and equipment	1,204,444	106,183	112,303	1,422,930
Vehicles	1,492,026	-	-	1,492,026
Total capital assets being depreciated	28,111,500	106,183	112,303	28,329,986
Less accumulated depreciation:				
Plant, buildings, improvements	(14,827,513)	(715,573)	-	(15,543,086)
Machinery and equipment	(1,098,055)	(10,373)	-	(1,108,428)
Vehicles	(1,352,950)	(72,292)	-	(1,425,242)
Total accumulated depreciation	(17,278,518)	(798,238)	-	(18,076,756)
Net capital assets being depreciated	10,832,982	(692,055)	112,303	10,253,230
Total Capital Assets, Net	$ 16,887,053	$ 1,732,505	$ -	$ 18,619,558

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, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Lease Agreements	$ 234,728	$ -	$ (56,874)	$ 177,854	$ 62,956
Compensated absences	141,827	264,845	(249,084)	157,588	-
Total Governmental Activities	376,555	264,845	(305,958)	335,442	62,956

Compensated absences are liquidated by the General Fund.

Business-Type Activities					
Series 2022 Revenue Bonds - Direct Placement	$ 5,961,200	$ -	$ (119,045)	$ 5,842,155	$ 123,120
Notes Payable	4,170,024	-	(294,315)	3,875,709	301,001
Compensated absences	61,651	72,497	(61,650)	72,498	-
Total Business-Type Activities	$ 10,192,875	$ 72,497	$ (180,695)	$ 5,914,653	$ 424,121

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. The 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 - $704,507

Georgia Environmental Facilities Authority dated June 27, 2007 for $570,139 to be used for the Isabella water system extension. The 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 - $190,046

Georgia Environmental Facilities Authority dated October 6, 2011 for $549,000 to be used for water and sewer system improvements. The 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 - $294,118

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. The 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 - $1,038,164

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. The 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 - $1,421,205

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. The 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 - $227,669

REVENUE BONDS – DIRECT PLACEMENT

In 2023, the City issued the Combined Utility Revenue Bond, Series 2023 (the "Series 2023 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 2023 bond ($130,000).

The Series 2023 Bond was issued as a direct bank loan with The First Bank. The Series 2023 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 2023 Bond carries a fixed interest rate of 3.37% and matures 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 2023 Bond. Principal and interest paid for the current year was $318,111. Principal balance - $5,842,155

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

Year Ending June 30	Principal	Interest	Total
2024	$ 424,121	$ 270,366	$ 694,487
2025	435,230	259,257	694,487
2026	446,698	247,789	694,487
2027	458,538	235,949	694,487
2028	470,764	223,723	694,487
2029-2033	2,099,255	937,166	3,036,421
2034-2038	1,745,943	703,973	2,449,916
2039-2043	1,249,361	500,129	1,749,490
2044-2048	1,292,181	298,369	1,590,550
2049-2053	1,095,773	70,631	1,166,404
Total	$ 9,717,864	$ 3,747,352	$ 13,465,216

NOTE 9 - LEASES

In 2021, the City entered into a lease agreement for two Freightliner Dump Trucks for use in the City's Public Works department. The term of the lease was for five years at a fixed interest rate of 2.07%. This lease is not renewable, and the titles of the vehicles transfer to the City at the end of the lease term. Amortization of these assets recorded under the lease is included with depreciation expense of the Public Works function of the City.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 62,956	$ 3,339	$ 66,295
2025	59,378	1,817	61,195
2026	55,520	576	56,096
Total	$ 177,854	$ 5,732	$ 183,586

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	$ 99,456	
Airport Fund	37,081	
Electric Fund	4,746,676	
Solid Waste Fund	57,200	
Hotel/Motel Tax Fund	5,000	
American Rescue Plan Act Fund	290,800	
Water and Sewer Fund	552,287	
SPLOST Fund	396,569	
Telecom Fund	101,000	
Designated Grant Fund	2,450	
T-SPLOST Fund	5,135	
Gas Fund		$ 80,463
Water and Sewer Fund		62,774
Electric Fund		850,479
Airport Fund		2,050
Solid Waste Fund		25,000
Telecom Fund		69,550
SPLOST Fund		392,174
Special Revenue Funds:		
American Rescue Plan Act Fund:		
General Fund		290,800
Electric Fund		777,978
Designated Grant Fund Fund:		
Electric Fund	8,000	
General Fund		2,450
T-SPLOST		100,000
Hotel/Motel Tax Fund:		
General Fund		5,000
Capital Projects Funds:		
SPLOST Fund:		
General Fund	392,174	
Water and Sewer Fund	25,752	
Telecom Fund	31,000	
T-SPLOST		69,982
General Fund		396,569
Water and Sewer Fund		9,568
T-SPLOST Fund:		
Airport Fund	55,609	
SPLOST Fund	69,982	
Designated Grant Fund	100,000	
General Fund		5,135
Airport Fund		110,599

	Transfer In	Transfer Out
Proprietary Fund:		
Water and Sewer Fund:		
General Fund	$ 62,774	
Telecom Fund	100	
Electric Fund	198,156	
Gas Fund	10,585	
SPLOST Fund	9,568	
Solid Waste Fund	7,544	
General Fund		$ 552,287
Electric Fund		342,328
Gas Fund		18,000
SPLOST Fund		25,752
Telecom Fund		94,500
Electric Fund:		
General Fund	850,479	
American Rescue Plan Act Fund	777,978	
Gas Fund	59,024	
Solid Waste Fund	3,572	
Water and Sewer Fund	342,328	
General Fund		4,746,676
Gas Fund		78,515
Water and Sewer Fund		198,156
Airport Fund		30,593
Solid Waste Fund		40,341
Designated Grant Fund		8,000
Telecom Fund		112,979
Gas Fund:		
Solid Waste Fund	15,000	
Water and Sewer Fund	18,000	
General Fund	80,463	
Electric Fund	78,515	
General Fund		99,456
Electric Fund		59,024
Telecom Fund		5,000
Water and Sewer Fund		10,585
Telecom Fund:		
General Fund	69,550	
Electric Fund	112,979	
Solid Waste Fund	45,000	
Gas Fund	5,000	
Water and Sewer Fund	94,500	
SPLOST Fund		31,000
Airport Fund		727
Water and Sewer Fund		100
General Fund		101,000
Solid Waste Fund:		
General Fund	25,000	
Electric Fund	40,341	
Water and Sewer Fund		7,544
General Fund		57,200
Electric Fund		3,572
Gas Fund		15,000
Telecom Fund		45,000
Airport Fund:		
General Fund	2,050	
T-SPLOST Fund	110,599	
Telecom Fund	727	
Electric Fund	30,593	
General Fund		37,081
T-SPLOST Fund		55,609
Total	$ 10,026,596	$ 10,026,596

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, 2023 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 position.

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 $4,650,724.

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, 2023, the balance in this account was $3,798,386. 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, 2023 was $1,880,353. 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 costs 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 the 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, 2023, the City purchased $4,650,724 of its electricity from MEAG, with accounts payable of $499,568 to MEAG at June 30, 2023.

During the fiscal year ended June 30, 2023, the City purchased $567,308 of its gas from MGAG, with accounts payable of $18,109 to MGAG at June 30, 2023.

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, 2023.

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 a 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 1.0% - 1.75% of final average earnings up to the amount of covered compensation, plus 1.5% - 2.25% of final average earnings in excess of said covered compensation, multiplied by years of total credited service as an eligible regular employee. During the year ended 6-30-2023, the City Manager was granted a benefit formula of 3.0% of final average earnings up to the amount of covered compensation. 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, 2023, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	65
Terminated plan members entitled to, but not yet receiving benefits	27
Active plan participants	83
Total	175

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 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, 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 17.58% 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, 2023, the City reported a liability of $4,537,854 for its pension liability. The City's net pension liability was measured as of September 30, 2022, and was determined by an actuarial valuation as of January 1, 2023. The changes in the Net Pension Liability for the year ended September 30, 2022 (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, 2022	$ 10,727,970	$ 9,941,971	$ 785,999
Changes for the year:			
Service cost	204,117	-	204,117
Interest	777,613	-	777,613
Differences between expected and actual experience	421,534	-	421,534
Contributions - employer	-	397,301	(397,301)
Contributions - employee	-	-	-
Net investment income	-	(1,572,507)	1,572,507
Benefit payments, including refunds of employee contributions	(776,356)	(776,356)	-
Administrative expense	-	(24,458)	24,458
Other	1,148,927	-	1,148,927
Net changes	1,775,835	(1,976,020)	3,751,855
Balances at June 30, 2023	$ 12,503,805	$ 7,965,951	$ 4,537,854

Pension Expense

Pension expense for the year ended June 30, 2023		
Service cost	$	204,117
Interest on TPL		777,613
Employee contributions		-
Administrative expense		24,458
Expected return on assets		(718,341)
Expensed portion of current year period differences between expected and actual experience on TPL		105,382
Expensed portion of current year period assumption changes		-
Current year plan changes		1,148,927
Expensed portion of current year period differences between projected and actual investment earnings		458,168
Current year recognition of deferred inflows and outflows established in prior years		(89,780)
Total expense	$	1,910,544

Deferred Outflows/Inflows of Resources Related to Pensions as of June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 313,709	$ -
Demographic	523,469	-
Investment	1,903,445	(893,752)
Assumption change	78,446	-
Total	$ 2,819,069	$ (893,752)

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

Year ended June 30:	
2024	$ 509,359
2025	355,927
2026	288,152
2027	458,170
2028	-

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	$ 6,050,995	$ 4,537,854	$ 3,278,042

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
	100%	

Actuarial Methods and Assumptions

Valuation Date	January 1, 2023
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 11 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, City Manager with 15 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, 2023 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, City Manager 65+5, 50+30 or 15 years of service 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 3.0% for City Manager
Official's Benefits	$40
Vesting	10 years
Death Benefits	Actuarial Reserve Term vested Auto A death benefit effective 10-1-2016
Disability Minimum	20%
Cost-of-Living	---
Other	In-service distribution effective 4-1-13 for elected officials who remain in service of a normal or alternative normal or retired Participants who return to service as an elected or appointed member of the Governing Authority after normal retirement. With respect for the in-service, the participant must be at least 62 years of age in order to begin drawing retirement benefits. Participants who terminate on or after 10-1-88 and designate their spouse as beneficiary under Plan B at retirement receive unreduced retirement benefits. Spouses' benefits may be reduced depending upon age difference. 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 $4,176 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 the 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, 2023 is as follows:

Hotel-Motel Tax Receipts		$ 20,165
Disbursements to Worth County- Sylvester Chamber of Commerce	62%	12,432
Balance Retained by City	38%	$ 7,733

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 – RELATED PARTY TRANSACTIONS

The City contracts with a local restaurant for a feeding program for low-income senior citizens of the City. The restaurant is owned by a member of the city council. In the opinion of management, the meal services were the most reasonable and adequate for the needs of the City's feeding program and were conducted at an arm's length. During the year ended June 30, 2023, the City paid the restaurant a total of $13,490 for these services.

NOTE 19 – E-911 SERVICES

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

NOTE 20 – FUND BALANCE CLASSIFICATIONS

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

		Special Revenue Funds					
	General Fund	SPLOST Capital Projects Fund	T-SPLOST Capital Projects Fund	CDBG Loan Fund	Designated Grant Fund	Hotel/ Motel Tax Fund	American Rescue Plan Act Fund
Fund Balances							
Nonspendable:							
Inventory	$ 78,347	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid Items	2,063	-	-	-	-	-	-
Total Nonspendable	80,410	-	-	-	-	-	-
Restricted:							
Public Safety	21,381	-	-	-	-	-	-
Public Welfare	10,398	-	-	-	-	-	-
Capital Projects	-	70,579	551,951	-	-	-	25,650
Economic Development	-	-	-	182,290	-	-	-
Tourism	-	-	-	-	-	9,625	-
Total Restricted	31,779	70,579	551,951	182,290	-	9,625	25,650
Unassigned	691,351	-	-	-	(18,989)	-	-
Total Fund Balances	$ 803,540	$ 70,579	$ 551,951	$ 182,290	$ (18,989)	$ 9,625	$ 25,650

NOTE 21 – FUND BALANCE/NET POSITION DEFICITS

Governmental Funds:		
Special Revenue Funds		
Designated Grant Fund	$ 18,989	This deficit will be eliminated by future transfers from other funds.
Proprietary Funds		
Telecommunications Fund	$ 1,326,965	This deficit will be eliminated by future user fee revenue.

NOTE 22 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition of disclosure through December 21, 2023, the date when the financial statements were available to be issued.

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2023

	Total Pension Liability				
Measurement Date	**Fiscal Year End June 30, 2023**	**Fiscal Year End June 30, 2022**	**Fiscal Year End June 30, 2021**	**Fiscal Year End June 30, 2020**	**Fiscal Year End June 30, 2019**
Total Pension Liability					
Service cost	$ 204,117	$ 174,459	$ 149,493	$ 132,459	$ 115,251
Interest	777,613	726,439	693,789	654,083	636,574
Differences between expected and actual experience	421,534	321,698	105,616	21,107	(166,943)
Changes of assumptions	-	-	-	392,229	-
Changes of benefit terms	1,148,927	97,546	-	-	173,513
Benefit payments, including refunds of employee contributions	(776,356)	(535,470)	(526,840)	(534,583)	(549,717)
Other	-	-	-	-	-
Net change in total pension liability	1,775,835	784,672	422,058	665,295	208,678
Total pension liability - beginning	10,727,970	9,943,298	9,521,240	8,855,945	8,647,267
Total pension liability - ending (a)	$ 12,503,805	$ 10,727,970	$ 9,943,298	$ 9,521,240	$ 8,855,945
Plan Fiduciary Net Position					
Contributions - employer	$ 397,301	$ 348,064	$ 309,563	$ 261,839	$ 261,626
Contributions - employee	-	-	-	-	-
Net investment income	(1,572,507)	1,972,469	727,160	217,485	717,935
Benefit payments, including refunds of employee contributions	(776,356)	(535,470)	(526,840)	(534,583)	(549,717)
Administrative expenses	(24,458)	(21,605)	(20,225)	(19,514)	(20,832)
Other	-	-	-	-	-
Net change in fiduciary net position	(1,976,020)	1,763,458	489,658	(74,773)	409,012
Plan fiduciary net position - beginning	9,941,971	8,178,513	7,688,855	7,763,628	7,354,616
Plan fiduciary net position - ending (b)	$ 7,965,951	$ 9,941,971	$ 8,178,513	$ 7,688,855	$ 7,763,628
Net pension liability - ending (a) - (b)	$ 4,537,854	$ 785,999	$ 1,764,785	$ 1,832,385	$ 1,092,317
Plan's fiduciary net position as percentage of the total pension liability	63.71%	92.67%	82.25%	80.75%	87.67%
Covered payroll	$ 3,579,982	$ 3,710,917	$ 3,609,293	$ 3,176,790	$ 2,979,313
Net pension liability as a percentage of covered-employee payroll	126.76%	21.18%	48.90%	57.68%	36.66%

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2023

	Total Pension Liability			
Measurement Date	Fiscal Year End June 30, 2018	Fiscal Year End June 30, 2017	Fiscal Year End June 30, 2016	Fiscal Year End June 30, 2015
Total Pension Liability				
Service cost	$ 121,554	$ 123,275	$ 127,640	$ 143,056
Interest	600,885	590,322	580,864	581,530
Differences between expected and actual experience	255,414	(100,006)	(140,677)	(245,155)
Changes of assumptions	170,973	-	-	(78,814)
Changes of benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(509,834)	(444,745)	(446,823)	(371,608)
Other	-			
Net change in total pension liability	638,992	168,846	121,004	29,009
Total pension liability - beginning	8,008,275	7,839,429	7,718,425	7,689,416
Total pension liability - ending (a)	$ 8,647,267	$ 8,008,275	$ 7,839,429	$ 7,718,425
Plan Fiduciary Net Position				
Contributions - employer	$ 265,873	$ 287,114	$ 326,057	$ 351,208
Contributions - employee	-	-	-	-
Net investment income	981,834	677,155	74,217	637,350
Benefit payments, including refunds of employee contributions	(509,834)	(444,745)	(446,823)	(371,608)
Administrative expenses	(22,341)	(12,988)	(14,676)	(11,697)
Other	-	-	-	-
Net change in fiduciary net position	715,532	506,536	(61,225)	605,253
Plan fiduciary net position - beginning	6,639,084	6,132,548	6,193,773	5,588,520
Plan fiduciary net position - ending (b)	$ 7,354,616	$ 6,639,084	$ 6,132,548	$ 6,193,773
Net pension liability - ending (a) - (b)	$ 1,292,651	$ 1,369,191	$ 1,706,881	$ 1,524,652
Plan's fiduciary net position as percentage of the total pension liability	85.05%	82.90%	78.23%	80.25%
Covered payroll	$ 2,656,091	$ 2,704,446	$ 2,777,874	$ 2,499,865
Net pension liability as a percentage of covered-employee payroll	48.67%	50.63%	61.45%	60.99%

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Contributions
June 30, 2023

	Fiscal Year End June 30, 2023		Fiscal Year End June 30, 2022	Fiscal Year End June 30, 2021	Fiscal Year End June 30, 2020	Fiscal Year End June 30, 2019
Actuarially determined contribution	$ -	*	$ 378,611	$ 347,614	$ 301,953	$ 282,018
Contributions in relation to the actuarially determined contribution	-	*	315,509	373,227	300,292	258,517
Contribution deficiency (excess)	-	*	63,102	(25,613)	1,661	23,501
Covered payroll	-	*	3,710,917	3,609,293	3,176,790	2,979,313
Contributions as a percentage of covered-employee payroll	-	*	8.50%	10.34%	9.45%	8.68%

* 2023 information will be determined after the fiscal year end and will be included in the 2023 valuation report.

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Schedule of Contributions
June 30, 2023

	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	$ 254,829	$ 269,554	$ 292,967	$ 337,087
Contributions in relation to the actuarially determined contribution	254,829	269,554	292,667	337,087
Contribution deficiency (excess)	-	-	-	-
Covered payroll	2,656,091	2,707,446	2,777,874	2,499,865
Contributions as a percentage of covered-employee payroll	9.59%	9.96%	10.54%	13.48%

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, 2023

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, 2023, 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, 2024.

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 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	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, 2022 are summarized in the following table:

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Retirement Plan
Notes to Schedule of Contributions
June 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
	100%	

Changes of Assumptions

There were no changes in assumptions in the last two fiscal years. Amounts reported for the fiscal year ending in 2021 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, 2023

- 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, 2023

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES				
Taxes - Net	$ 2,395,932	$ 2,395,932	$ 2,121,181	$ (274,751)
Charges for Services	90,950	90,950	154,377	63,427
Fines & Forfeitures	263,800	263,800	198,483	(65,317)
Intergovernmental	8,000	8,000	84,216	76,216
Licenses and Permits	83,100	83,100	113,520	30,420
Interest Income	7,700	7,700	17	(7,683)
Miscellaneous	132,900	132,900	109,528	(23,372)
TOTAL REVENUES	2,982,382	2,982,382	2,781,322	(201,060)
EXPENDITURES				
Legislative	171,800	218,260	218,260	-
Judicial	186,807	186,807	183,728	(3,079)
Administrative	1,067,225	1,067,225	480,215	(587,010)
Police	2,160,004	2,355,907	2,355,907	-
City Manager	407,907	494,762	494,762	-
Financial Administration	389,110	389,110	355,902	(33,208)
Human Resources	217,400	217,400	205,437	(11,963)
Animal Control	43,100	43,100	41,841	(1,259)
Cemetery and Parks	561,150	561,150	220,289	(340,861)
General Government Maintenance	92,000	92,000	72,643	(19,357)
Fire	1,263,243	1,263,243	1,121,465	(141,778)
Economic Development	-	-	-	-
Street	2,007,682	2,007,682	1,184,333	(823,349)
Storm Water	1,592,733	1,226,625	213,472	(1,013,153)
Shop	306,400	306,400	235,309	(71,091)
Code Enforcement	117,874	123,990	123,990	-
Building and Zoning	180,860	180,860	156,658	(24,202)
Downtown Development	205,849	236,623	236,623	-
TOTAL EXPENDITURES	10,971,144	10,971,144	7,900,834	(3,070,310)
Deficiency of Revenue Under Expenditures	(7,988,762)	(7,988,762)	(5,119,512)	(3,271,370)
OTHER FINANCING SOURCES				
Transfers In from Other Funds	7,988,762	7,988,762	6,293,654	(1,695,108)
Transfers Out to Other Funds	-	-	(1,482,489)	(1,482,489)
NET CHANGE IN FUND BALANCE	-	-	(308,347)	(6,448,967)
FUND BALANCE - JULY 1, 2022	-	4,323,918	1,111,887	
FUND BALANCE - JUNE 30, 2023	$ -	$ 4,323,918	$ 803,540	

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Designated Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 2,178,727	$ 2,178,727	$ 141,425	$ (2,037,302)
Contributions	-	-	-	-
TOTAL REVENUES	2,178,727	2,178,727	141,425	(2,037,302)
EXPENDITURES				
Community and Economic Development	-	-	36	36
Capital Outlay	2,178,727	2,178,727	51,804	(2,126,923)
TOTAL EXPENDITURES	2,178,727	2,178,727	51,840	(2,126,887)
Excess of Expenditures Over Revenues	-	-	89,585	89,585
OTHER FINANCING USES				
Transfer In	-	-	8,000	8,000
Transfer Out	-	-	(102,450)	(102,450)
NET CHANGE IN FUND BALANCE	-	-	(4,865)	(4,865)
FUND BALANCE - JULY 1, 2022			(14,124)	
FUND BALANCE - JUNE 30, 2023			$ (18,989)	

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
American Rescue Plan Act Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 470,496	$ 1,078,484	$ 1,078,484	$ -
Interest - Bank	-	88	88	-
TOTAL REVENUES	470,496	1,078,572	1,078,572	-
EXPENDITURES				
Community and Economic Development	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Expenditures Over Revenues	470,496	1,078,572	1,078,572	-
OTHER FINANCING USES				
Transfer Out	(470,496)	(1,078,572)	(1,068,778)	9,794
NET CHANGE IN FUND BALANCE	-	-	9,794	9,794
FUND BALANCE - JULY 1, 2022			15,856	
FUND BALANCE - JUNE 30, 2023			$ 25,650	

CITY OF SYLVESTER, GEORGIA
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2023

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 the 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 on 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, 2023

SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF SYLVESTER, GEORGIA
General Fund
Balance Sheet
June 30, 2023

ASSETS

Assets	
Cash	$ 196,210
Restricted Cash	31,779
Investment-Certificates of Deposit	1,042,134
Receivables	
Property Taxes	58,689
Due From Other Governments	50,412
Due from Other Funds	306,493
Inventory, at Cost	78,347
Prepaid Items	2,063
TOTAL ASSETS	$ 1,766,127

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities	
Accounts Payable	$ 430,574
Accrued Payroll Taxes and Withholdings	36,543
Due to Other Funds	448,337
Deposits	1,718
Total Liabilities	917,172
Deferred Inflows of Resources	
Deferred Revenue - property taxes	45,415
Fund Balance	
Nonspendable:	
Inventory	78,347
Prepaid Items	2,063
Restricted:	
Public Safety	21,381
Public Welfare	10,398
Unassigned	691,351
Total Fund Balance	803,540
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,766,127

CITY OF SYLVESTER, GEORGIA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2023

	Budget			Variance
	Original	Final	Actual	with Budget
REVENUES (Schedule 1)				
Taxes - Net	$ 2,395,932	$ 2,395,932	$ 2,121,181	$ (274,751)
Charges for Services	90,950	90,950	154,377	63,427
Fines & Forfeitures	263,800	263,800	198,483	(65,317)
Intergovernmental	8,000	8,000	84,216	76,216
Licenses and Permits	83,100	83,100	113,520	30,420
Interest Income	7,700	7,700	17	(7,683)
Miscellaneous	132,900	132,900	109,528	(23,372)
TOTAL REVENUES	2,982,382	2,982,382	2,781,322	(201,060)
EXPENDITURES (Schedule 2)				
Legislative	171,800	218,260	218,260	-
Judicial	186,807	186,807	183,728	(3,079)
Administrative	1,067,225	1,067,225	480,215	(587,010)
Police	2,160,004	2,355,907	2,355,907	-
City Manager	407,907	494,762	494,762	-
Financial Administration	389,110	389,110	355,902	(33,208)
Human Resources	217,400	217,400	205,437	(11,963)
Animal Control	43,100	43,100	41,841	(1,259)
Cemetery and Parks	561,150	561,150	220,289	(340,861)
General Government Maintenance	92,000	92,000	72,643	(19,357)
Fire	1,263,243	1,263,243	1,121,465	(141,778)
Economic Development	-	-	-	-
Street	2,007,682	2,007,682	1,184,333	(823,349)
Storm Water	1,592,733	1,226,625	213,472	(1,013,153)
Shop	306,400	306,400	235,309	(71,091)
Code Enforcement	117,874	123,990	123,990	-
Building and Zoning	180,860	180,860	156,658	(24,202)
Downtown Development	205,849	236,623	236,623	-
TOTAL EXPENDITURES	10,971,144	10,971,144	7,900,834	(3,070,310)
Deficiency of Revenue Under Expenditures	(7,988,762)	(7,988,762)	(5,119,512)	(3,271,370)
OTHER FINANCING SOURCES				
Transfers In from Other Funds	7,988,762	7,988,762	6,293,654	(1,695,108)
Transfers Out to Other Funds	-	-	(1,482,489)	(1,482,489)
NET CHANGE IN FUND BALANCE	-	-	(308,347)	(6,448,967)
FUND BALANCE - JULY 1, 2022	-	4,323,918	1,111,887	
FUND BALANCE - JUNE 30, 2023	$ -	$ 4,323,918	$ 803,540	

CITY OF SYLVESTER, GEORGIA
General Fund
Revenues-Budget and Actual
For the Year Ended June 30, 2023

SCHEDULE 1	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Ad Valorem Taxes	$ 1,115,500	$ 1,115,500	$ 895,198	$ (220,302)
Alcoholic Beverage Tax	100,000	100,000	99,956	(44)
Business and Occupation Tax	35,000	35,000	41,525	6,525
Charges for Services	90,950	90,950	154,377	63,427
Fines and Forfeitures	263,800	263,800	198,483	(65,317)
Franchise Tax	78,600	78,600	70,710	(7,890)
Insurance Premium Tax	520,000	520,000	454,700	(65,300)
Intangible and Transfer Tax	16,832	16,832	9,787	(7,045)
Interest Income	7,700	7,700	17	(7,683)
Intergovernmental	8,000	8,000	84,216	76,216
Licenses and Permits	83,100	83,100	113,520	30,420
Miscellaneous	78,200	78,200	39,273	(38,927)
Miscellaneous - Cemetery Lot Sales	35,000	35,000	46,525	11,525
Miscellaneous - Rent	19,700	19,700	23,730	4,030
Sales Tax-Local Option	530,000	530,000	549,305	19,305
TOTAL REVENUES	$ 2,982,382	$ 2,982,382	$ 2,781,322	$ (201,060)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual
For the Year Ended June 30, 2023

SCHEDULE 2

EXPENDITURES	Budget Original	Budget Final	Actual	Variance with Budget
LEGISLATIVE				
Personnel Services	$ 74,400	$ 120,860	$ 93,622	$ (27,238)
Employee Medical Insurance	25,100	25,100	35,742	10,642
Retirement Fund Contribution	11,000	11,000	22,284	11,284
Dues and Membership	1,500	1,500	-	(1,500)
Miscellaneous	4,000	4,000	84	(3,916)
Professional Services	800	800	80	(720)
Telephone and Utilities	6,000	6,000	4,773	(1,227)
Travel and Training	49,000	49,000	61,675	12,675
Total Legislative	171,800	218,260	218,260	-
JUDICIAL				
Personnel Services	135,807	135,807	147,591	11,784
Municipal Court Judge	25,800	25,800	17,400	(8,400)
Indigent Defence Attorney	10,800	10,800	6,000	(4,800)
City Solicitor	14,400	14,400	12,737	(1,663)
Dues and Membership	-	-	-	-
Total Judicial	186,807	186,807	183,728	(3,079)
ADMINISTRATIVE				
Personnel Services	146,825	146,825	177,349	30,524
Employee Medical Insurance	13,000	13,000	15,244	2,244
Retirement Fund Contribution	2,300	2,300	8,275	5,975
Advertising	5,000	5,000	4,722	(278)
Appropriations:				-
Margaret Jones Public Library	58,000	58,000	60,000	2,000
Recreation Program and Community	150,000	150,000	100,000	(50,000)
Chamber of Commerce	20,000	20,000	25,000	5,000
Other	60,000	60,000	32,200	(27,800)
Capital Outlay	-	-	-	-
Clerical and Administrative	41,700	41,700	(481,311)	(523,011)
Dues and Membership	17,000	17,000	11,762	(5,238)
Insurance	60,000	60,000	56,320	(3,680)
Miscellaneous	27,000	27,000	54,126	27,126
Motor Fuels	2,000	2,000	2,236	236
Professional Services	206,000	206,000	209,076	3,076
Repairs and Maintenance - Equipment	21,500	21,500	37,653	16,153
Supplies	121,000	121,000	15,643	(105,357)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with Budget
	Original	Final	Actual	
Administrative (continued)				
Telephone and Utilities	$ 29,000	$ 29,000	$ 39,737	$ 10,737
Demolition and Removal	-	-	-	-
Travel and Training	12,000	12,000	28,791	16,791
Housing Authority Gas	10,000	10,000	11,441	1,441
Uniforms	3,000	3,000	4,626	1,626
Worth County Family Connection	52,500	52,500	52,500	-
Daisy Gamble Learning Center	9,400	9,400	14,825	5,425
Total Administrative	1,067,225	1,067,225	480,215	(587,010)
POLICE				
Personnel Services	1,182,104	1,378,007	1,474,408	96,401
Employee Medical Insurance	278,000	278,000	195,119	(82,881)
Retirement Fund Contribution	53,800	53,800	113,475	59,675
Capital Outlay	100,000	100,000	132,157	32,157
Clerical and Administrative	5,100	5,100	2,963	(2,137)
Community Programs	34,600	34,600	2,263	(32,337)
Courtware Solutions	30,000	30,000	24,633	(5,367)
Dues and Membership	1,000	1,000	1,032	32
Inmate Medical and Board	17,000	17,000	6,805	(10,195)
Insurance	40,000	40,000	35,586	(4,414)
Miscellaneous	2,600	2,600	2,617	17
Motor Fuels	55,250	55,250	76,472	21,222
Professional Services	20,000	20,000	6,210	(13,790)
Repairs and Maintenance-Equipment	79,500	79,500	56,355	(23,145)
Supplies	35,500	35,500	13,889	(21,611)
Travel and Training	25,000	25,000	9,168	(15,832)
Telephone and Utilities	61,500	61,500	38,189	(23,311)
Trust Fund Contributions	46,050	46,050	38,576	(7,474)
Uniforms	15,000	15,000	20,246	5,246
911 Cost	78,000	78,000	105,744	27,744
Total Police	2,160,004	2,355,907	2,355,907	-

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
CITY MANAGER				
Personnel Services	$ 288,800	$ 375,655	$ 366,849	$ (8,806)
Employee Medical Insurance	49,307	49,307	39,276	(10,031)
Retirement Fund Contribution	6,500	6,500	24,663	18,163
Advertising	1,000	1,000	-	(1,000)
Clerical and Administrative	-	-	200	200
Dues and Membership	5,000	5,000	6,634	1,634
Miscellaneous	8,500	8,500	2,554	(5,946)
Motor Fuels	1,000	1,000	34	(966)
Professional Fees	3,000	3,000	19,467	16,467
Repairs and Maintenance-Equipment	6,500	6,500	249	(6,251)
Supplies	14,000	14,000	2,308	(11,692)
Telephone and Utilities	2,300	2,300	1,539	(761)
Travel and Training	20,000	20,000	29,029	9,029
Uniforms	2,000	2,000	1,960	(40)
Total City Manager	407,907	494,762	494,762	-
FINANCIAL ADMINISTRATION				
Personnel Services	243,810	243,810	254,721	10,911
Employee Medical Insurance	49,700	49,700	33,528	(16,172)
Retirement Fund Contribution	8,700	8,700	13,472	4,772
Clerical and Administration	4,200	4,200	1,893	(2,307)
Dues and Membership	2,500	2,500	50	(2,450)
Repairs and Maintenance	3,500	3,500	806	(2,694)
Professional Fees	55,800	55,800	37,252	(18,548)
Supplies	3,500	3,500	2,501	(999)
Telephone and Utilities	2,800	2,800	925	(1,875)
Travel and Training	10,000	10,000	7,349	(2,651)
Miscellaneous	1,100	1,100	202	(898)
Uniforms	500	500	2,309	1,809
Advertising	1,000	1,000	894	(106)
Insurance	2,000	2,000	-	(2,000)
Total Financial Administration	389,110	389,110	355,902	(33,208)
HUMAN RESOURCES				
Personnel Services	145,100	145,100	152,900	7,800
Employee Medical Insurance	25,000	25,000	20,022	(4,978)
Retirement Fund Contribution	4,500	4,500	12,512	8,012
Dues and Membership	500	500	50	(450)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with
	Orginal	Final	Actual	Budget
Human Resources (continued)				
Miscellaneous	$ 100	$ 100	$ 258	$ 158
Professional Services	25,550	25,550	4,908	(20,642)
Repairs and Maintenance	1,000	1,000	100	(900)
Supplies	2,600	2,600	1,078	(1,522)
Telephone and Utilities	2,100	2,100	2,372	272
Travel and Training	7,500	7,500	7,683	183
Uniforms	550	550	1,316	766
Advertising	500	500	-	(500)
Clerical and Administrative	2,400	2,400	2,238	(162)
Total Human Resources	217,400	217,400	205,437	(11,963)
ANIMAL CONTROL				
Humane Society	43,000	43,000	41,741	(1,259)
Miscellaneous	100	100	100	-
Total Animal Control	43,100	43,100	41,841	(1,259)
CEMETERY AND PARKS				
Personnel Services	-	-	42,909	42,909
Clerical and Adminstrative	100	100	4,927	4,827
Insurance	7,000	7,000	912	(6,088)
Maintenance Contract	70,000	70,000	26,950	(43,050)
Miscellaneous	28,750	28,750	34,514	5,764
Capital Outlay	324,600	324,600	25,875	(298,725)
Repairs and Maintenance-Cemetery	1,000	1,000	-	(1,000)
Repairs and Maintenance-Equipment	64,500	64,500	30,343	(34,157)
Supplies	8,200	8,200	1,604	(6,596)
Telephone and Utilities	57,000	57,000	52,255	(4,745)
Total Cemetery and Parks	561,150	561,150	220,289	(340,861)
GENERAL GOVERNMENT MAINTENANCE				
Personnel Services	68,000	68,000	57,141	(10,859)
Employee Medical Insurance	13,000	13,000	10,805	(2,195)
Professional Services	-	-	-	-
Repairs and Maintenance	4,000	4,000	580	(3,420)
Supplies	4,000	4,000	100	(3,900)
Telephone and Utilities	500	500	647	147
Uniforms	2,500	2,500	3,370	870
Total General Government Maintenance	92,000	92,000	72,643	(19,357)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
FIRE				
Personnel Services	$ 743,970	$ 743,970	$ 809,360	$ 65,390
Employee Medical Insurance	244,000	244,000	96,984	(147,016)
Retirement Fund Contribution	43,023	43,023	49,078	6,055
Capital Outlay	41,500	41,500	12,570	(28,930)
Clerical and Administrative	5,000	5,000	8,483	3,483
Dues and Membership	2,000	2,000	525	(1,475)
Insurance	35,000	35,000	35,586	586
Miscellaneous	1,500	1,500	446	(1,054)
Motor Fuels	8,000	8,000	6,876	(1,124)
Professional Fees	1,000	1,000	-	(1,000)
Repairs and Maintenance-Equipment	75,250	75,250	69,691	(5,559)
Supplies	25,500	25,500	2,068	(23,432)
Telephone and Utilities	18,000	18,000	19,064	1,064
Travel and Training	15,000	15,000	1,699	(13,301)
Uniforms	4,500	4,500	9,035	4,535
Total Fire	1,263,243	1,263,243	1,121,465	(141,778)
ECONOMIC DEVELOPMENT				
Personnel Services	-	-	-	-
Employee Medical Insurance	-	-	-	-
Clerical and Administrative	-	-	-	-
Community Relations	-	-	-	-
Dues and Membership	-	-	-	-
Advertising	-	-	-	-
Professional Fees	-	-	-	-
Rent	-	-	-	-
Repairs and Maintenance	-	-	-	-
Supplies	-	-	-	-
Telephone and Utilities	-	-	-	-
Travel and Training	-	-	-	-
Total Economic Development	-	-	-	-

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
STREET				
Personnel Services	$ 681,985	$ 681,985	$ 529,652	$ (152,333)
Employee Medical Insurance	186,086	186,086	104,700	(81,386)
Retirement Fund Contribution	32,300	32,300	27,867	(4,433)
Advertising	-	-	662	662
Capital Outlay	580,111	580,111	-	(580,111)
Clerical and Administrative	49,000	49,000	36,788	(12,212)
General Supplies	15,000	15,000	8,417	(6,583)
Grounds Maintenance Contract	150,000	150,000	201,675	51,675
Miscellaneous	10,000	10,000	-	(10,000)
Motor Fuels	50,000	50,000	36,617	(13,383)
Professional Fees	7,500	7,500	3,850	(3,650)
Repairs and Maintenance-Equipment	81,000	81,000	56,223	(24,777)
Repairs and Maintenance-System	97,000	97,000	115,591	18,591
System Supplies and Chemicals	26,000	26,000	14,692	(11,308)
Telephone and Utilities	25,200	25,200	31,829	6,629
Travel and Training	6,500	6,500	1,522	(4,978)
Uniforms	10,000	10,000	14,248	4,248
Total Street	2,007,682	2,007,682	1,184,333	(823,349)
STORM WATER				
Personnel Services	102,150	102,150	123,105	20,955
Employee Medical Insurance	24,900	24,900	20,022	(4,878)
Retirement Fund Contribution	4,500	4,500	15,147	10,647
Capital Outlay	1,385,783	1,019,675	-	(1,019,675)
Motor Fuels	14,000	14,000	7,795	(6,205)
Professional Fees	-	-	-	-
Repairs and Maintenance	45,700	45,700	44,576	(1,124)
Rent	10,000	10,000	-	(10,000)
Telephone and Utilities	1,200	1,200	578	(622)
Travel and Training	1,000	1,000	150	(850)
Miscellaneous	1,500	1,500	206	(1,294)
Uniforms	2,000	2,000	1,893	(107)
Total Storm Water	1,592,733	1,226,625	213,472	(1,013,153)

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
SHOP				
Personnel Services	$ 111,900	$ 111,900	$ 153,801	$ 41,901
Employee Medical Insurance	24,900	24,900	26,855	1,955
Retirement Fund Contribution	4,400	4,400	8,901	4,501
Motor Fuels	4,000	4,000	5,346	1,346
Repairs and Maintenance	130,500	130,500	10,164	(120,336)
Supplies	14,000	14,000	10,949	(3,051)
Telephone and Utilities	10,700	10,700	15,592	4,892
Travel and Training	5,000	5,000	2,081	(2,919)
Uniforms	1,000	1,000	1,620	620
Professional Services	-	-	-	-
Total Shop	306,400	306,400	235,309	(71,091)
CODE ENFORCEMENT				
Personnel Services	49,598	55,714	50,979	(4,735)
Employee Medical Insurance	13,000	13,000	10,011	(2,989)
Retirement Fund Contribution	2,151	2,151	7,658	5,507
Clerical and Administrative	200	200	-	(200)
Advertising	500	500	991	491
Community Relations	1,000	1,000	137	(863)
Dues and Membership	1,000	1,000	62	(938)
Great Sylvester Cleanup	8,000	8,000	4,672	(3,328)
Miscellaneous	100	100	-	(100)
Motor Fuels	2,000	2,000	1,267	(733)
Professional Services	30,700	30,700	41,861	11,161
Rent	-	-	-	-
Repairs and Maintenance-Equipment	2,250	2,250	65	(2,185)
Supplies	800	800	342	(458)
Telephone and Utilities	2,500	2,500	2,055	(445)
Travel and Training	2,400	2,400	3,390	990
Uniforms	1,675	1,675	500	(1,175)
Total Code Enforcement	117,874	123,990	123,990	-

CITY OF SYLVESTER, GEORGIA
General Fund
Expenditures-Budget and Actual (Continued)
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
BUILDING AND ZONING				
Personnel Services	$ 105,160	$ 105,160	$ 105,320	$ 160
Retirement Contributions	4,400	4,400	11,646	7,246
Employee Medical Insurance	24,900	24,900	17,318	(7,582)
Professional Services	30,000	30,000	13,126	(16,874)
Clerical and Administrative	6,850	6,850	4,831	(2,019)
Motor Fuels	1,100	1,100	294	(806)
Rent	-	-	-	-
Repairs and Maintenance	1,250	1,250	140	(1,110)
Telephone and Utilities	1,700	1,700	506	(1,194)
Travel and Training	5,500	5,500	3,477	(2,023)
Total Building and Zoning	180,860	180,860	156,658	(24,202)
DOWNTOWN DEVELOPMENT				
Personnel Services	55,700	55,700	63,153	7,453
Employee Medical Insurance	13,000	13,000	10,011	(2,989)
Retirement Fund Contribution	2,200	2,200	5,241	3,041
Advertising	10,000	10,000	11,299	1,299
Community Relations	77,250	108,024	118,115	10,091
Georgia Cities Week	8,000	8,000	2,177	(5,823)
Clerical and Administrative	2,400	2,400	1,770	(630)
Dues and Membership	3,000	3,000	3,289	289
Façade Program	7,500	7,500	9,000	1,500
Miscellaneous	5,000	5,000	1,622	(3,378)
Rent	2,500	2,500	-	(2,500)
Repairs and Maintenance	13,099	13,099	3,096	(10,003)
Supplies	1,600	1,600	3,558	1,958
Telephone and Utilities	600	600	1,976	1,376
Travel and Training	4,000	4,000	2,316	(1,684)
Total Downtown Development	205,849	236,623	236,623	-
TOTAL EXPENDITURES	$ 10,971,144	$ 10,971,144	$ 7,900,834	$ (3,070,310)

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
June 30, 2023

	SPECIAL REVENUE FUNDS		
	CDBG Loan Fund	Hotel/ Motel Tax Fund	Total
ASSETS			
Cash	$ 135,392	$ 9,625	$ 145,017
Taxes Receivable	-	-	-
Loan Receivable	46,898	-	46,898
Due from Other Funds	-	-	-
TOTAL ASSETS	$ 182,290	$ 9,625	$ 191,915
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	182,290	-	182,290
Tourism	-	9,625	9,625
Capital Projects	-	-	-
Total Fund Balances	182,290	9,625	191,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 182,290	$ 9,625	$ 191,915

CITY OF SYLVESTER, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
June 30, 2023

	SPECIAL REVENUE FUNDS		
	CDBG Loan Fund	Hotel/ Motel Tax Fund	Total
REVENUES			
Grant Proceeds	$ -	$ -	$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Interest Income	14	-	14
Hotel/Motel Taxes	-	20,165	20,165
TOTAL REVENUES	14	20,165	20,179
EXPENDITURES			
Culture and Recreation	-	-	-
Community and Economic Development	-	12,432	12,432
Capital Outlay	-	-	-
TOTAL EXPENDITURES	-	12,432	12,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	14	7,733	7,747
OTHER FINANCING USES			
Transfer In (Out)	-	(5,000)	(5,000)
NET CHANGE IN FUND BALANCE	14	2,733	2,747
FUND BALANCE - JULY 1, 2022	182,276	6,892	189,168
FUND BALANCE - JUNE 30, 2023	$ 182,290	$ 9,625	$ 191,915

CITY OF SYLVESTER, GEORGIA
CDBG Economic Development Revolving Loan Fund
Balance Sheet
June 30, 2023

ASSETS		
Cash	$	135,392
Loan Receivable		46,898
TOTAL ASSETS	$	182,290
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Economic Development		182,290
TOTAL LIABILITIES AND FUND BALANCE	$	182,290

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, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Interest on Loan Receivable	$ 12,000	$ 12,000	$ -	$ (12,000)
Interest-Bank	1,200	1,200	14	(1,186)
TOTAL REVENUES	13,200	13,200	14	(13,186)
EXPENDITURES				
Loan Servicing Fees	-	-	-	-
Contingency	13,200	13,200	-	(13,200)
TOTAL EXPENDITURES	13,200	13,200	-	(13,200)
Excess of Revenues Over Expenditures	-	-	14	14
NET CHANGE IN FUND BALANCE	-	-	14	14
FUND BALANCE - JULY 1, 2022			182,276	
FUND BALANCE - JUNE 30, 2023			$ 182,290	

CITY OF SYLVESTER, GEORGIA
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2023

ASSETS		
Cash	$	9,625
Taxes Receivable		-
TOTAL ASSETS	$	9,625
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		-
Fund Balance		
Restricted:		
Tourism		9,625
TOTAL LIABILITIES AND FUND BALANCE	$	9,625

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, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Hotel/Motel Taxes	$ 25,000	$ 25,000	$ 20,165	$ (4,835)
TOTAL REVENUES	25,000	25,000	20,165	(4,835)
EXPENDITURES				
Chamber of Commerce Allocation	14,000	14,000	12,432	(1,568)
TOTAL EXPENDITURES	14,000	14,000	12,432	(1,568)
Excess of Revenues Over Expenditures	11,000	11,000	7,733	(3,267)
OTHER FINANCING USES				
Transfer Out	(11,000)	(11,000)	(5,000)	6,000
NET CHANGE IN FUND BALANCE	-	-	2,733	2,733
FUND BALANCE - JULY 1, 2022			6,892	
FUND BALANCE - JUNE 30, 2023			$ 9,625	

CITY OF SYLVESTER, GEORGIA
Designated Grant Fund
Balance Sheet
June 30, 2023

ASSETS		
Cash	$	98,957
Due from Other Funds		-
TOTAL ASSETS	$	98,957
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		117,946
TOTAL LIABILITIES		117,946
Fund Balance		
Unassigned (Deficit)		(18,989)
Restricted:		
Capital Projects		-
TOTAL LIABILITIES AND FUND BALANCE	$	98,957

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, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 2,178,727	$ 2,178,727	$ 141,425	$ (2,037,302)
Contributions	-	-	-	-
TOTAL REVENUES	2,178,727	2,178,727	141,425	(2,037,302)
EXPENDITURES				
Community and Economic Development	-	-	36	36
Capital Outlay	2,178,727	2,178,727	51,804	(2,126,923)
TOTAL EXPENDITURES	2,178,727	2,178,727	51,840	(2,126,887)
Excess of Expenditures Over Revenues	-	-	89,585	89,585
OTHER FINANCING USES				
Transfer In	-	-	8,000	8,000
Transfer Out	-	-	(102,450)	(102,450)
NET CHANGE IN FUND BALANCE	-	-	(4,865)	(4,865)
FUND BALANCE - JULY 1, 2022			(14,124)	
FUND BALANCE - JUNE 30, 2023			$ (18,989)	

CITY OF SYLVESTER, GEORGIA
American Rescue Plan Act Fund
Balance Sheet
June 30, 2023

ASSETS		
Cash	$	25,650
Due from Other Funds		-
TOTAL ASSETS	$	25,650
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	-
Due to Other Funds		-
TOTAL LIABILITIES		-
Fund Balance		
Restricted:		
Capital Projects		25,650
TOTAL LIABILITIES AND FUND BALANCE	$	25,650

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, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Grant Proceeds	$ 470,496	$ 1,078,484	$ 1,078,484	$ -
Interest - Bank	-	88	88	-
TOTAL REVENUES	470,496	1,078,572	1,078,572	-
EXPENDITURES				
Community and Economic Development	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Expenditures Over Revenues	470,496	1,078,572	1,078,572	-
OTHER FINANCING USES				
Transfer Out	(470,496)	(1,078,572)	(1,068,778)	9,794
NET CHANGE IN FUND BALANCE	-	-	9,794	9,794
FUND BALANCE - JULY 1, 2022			15,856	
FUND BALANCE - JUNE 30, 2023			$ 25,650	

CITY OF SYLVESTER, GEORGIA
Transportation SPLOST Capital Projects Fund
Balance Sheet
June 30, 2023

ASSETS		
Cash	$	304,087
Due from Other Funds		358,595
TOTAL ASSETS	$	662,682
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	110,731
Due to Other Funds		-
Fund Balance		
Restricted:		
Capital Projects		551,951
TOTAL LIABILITIES AND FUND BALANCE	$	662,682

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, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 494,311	$ 494,311	$ 581,418	$ 87,107
Interest - Bank	-	-	-	-
TOTAL REVENUES	494,311	494,311	581,418	87,107
EXPENDITURES				
Capital Outlay	12,000	12,000	511,770	499,770
TOTAL EXPENDITURES	12,000	12,000	511,770	499,770
Excess of Expenditures Over Revenues	482,311	482,311	69,648	(412,663)
OTHER FINANCING USES				
Transfer In	-	-	169,982	169,982
Transfer Out	(482,311)	(482,311)	(60,125)	422,186
NET CHANGE IN FUND BALANCE	-	-	179,505	179,505
FUND BALANCE - JULY 1, 2022			372,446	
FUND BALANCE - JUNE 30, 2023			$ 551,951	

CITY OF SYLVESTER, GEORGIA
SPLOST Capital Projects Fund
Balance Sheet
June 30, 2023

ASSETS		
Cash	$	135,720
Due from Other Funds		9,000
TOTAL ASSETS	$	144,720
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$	46,463
Due to Other Funds		27,678
Fund Balance		
Restricted:		
Capital Projects		70,579
TOTAL LIABILITIES AND FUND BALANCE	$	144,720

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, 2023

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 682,543	$ 682,543	$ 605,279	$ (77,264)
Interest - Bank	-	-	-	-
TOTAL REVENUES	682,543	682,543	605,279	(77,264)
EXPENDITURES				
Capital Outlay	694,600	694,600	638,465	(56,135)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	694,600	694,600	638,465	-
Excess of Expenditures Over Revenues	(12,057)	(12,057)	(33,186)	(77,264)
OTHER FINANCING USES				
Transfer In	12,057	12,057	47,184	35,127
Transfer Out	-	-	(74,377)	(74,377)
NET CHANGE IN FUND BALANCE	-	-	(60,379)	(116,514)
FUND BALANCE - JULY 1, 2022			130,958	
FUND BALANCE - JUNE 30, 2023			$ 70,579	

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Net Position
June 30, 2023

ASSETS		
Current Assets		
Cash	$	220,787
Investment-Certificate of Deposit		202,425
Investment		3,798,386
Restricted Assets		
Cash-Customer Deposits		99,135
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		440,708
Inventory		23,775
Prepaid Items		2,139
Due from Other Funds		138,272
Total Current Assets		4,925,627
Noncurrent Assets		
Capital Assets		
Electric System		3,737,888
Machinery and Equipment		161,975
Vehicles		964,231
Accumulated Depreciation		(3,546,197)
Total Noncurrent Assets		1,317,897
TOTAL ASSETS		6,243,524
LIABILITIES		
Current Liabilities		
Accounts Payable		173,644
Bank Overdraft		-
Accrued Expenses		55,446
Liabilities Payable from Restricted Assets-Customer Deposits		16,769
Due to Other Funds		391,037
Total Current Liabilities		636,896
Long-Term Liabilities		
Accrued Vacation		47,539
Total Long-Term Liabilities		47,539
TOTAL LIABILITIES		684,435
Investment in Capital Assets		1,317,897
Unrestricted		4,241,192
TOTAL NET POSITION	$	5,559,089

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES	
Electric Sales	$ 10,632,994
Penalties	98,711
Service Fees	133,744
Miscellaneous	60,113
Pole Rental	79,472
TOTAL OPERATING REVENUES	11,005,034
OPERATING EXPENSES	
Personnel Services	721,696
Employee Medical Insurance	119,868
Retirement Fund Contribution	39,720
Purchases - Electricity	4,781,311
Clerical and Administrative	1,536,506
Insurance - General	35,586
Marketing	33,524
Miscellaneous	8,910
Motor Fuels	25,644
Professional Fees	18,508
Repairs and Maintenance-Equipment	37,930
Repairs and Maintenance-System	232,459
Supplies-General	23,592
Supplies-System	111,560
Technical Support	75,084
Telephone and Utilities	54,456
Travel and Training	16,406
Uniforms	19,707
Depreciation	104,107
TOTAL OPERATING EXPENSES	7,996,574
OPERATING INCOME	3,008,460

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
For the Year Ended June 30, 2023

NON-OPERATING REVENUES (EXPENSES)	
Interest Income	$ 19
Market Gain on Investments	335,970
TOTAL NON-OPERATING REVENUES (EXPENSES)	335,989
Income Before Transfers	3,344,449
Transfers In	2,107,808
Transfers Out	(5,289,689)
CHANGE IN NET POSITION	162,568
NET POSITION - JULY 1, 2022	5,396,521
NET POSITION - JUNE 30, 2023	$ 5,559,089

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 11,062,792
Cash Payments to Suppliers	(6,699,156)
Cash Payments to Employees	(877,098)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,486,538
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	2,107,808
Payments to Other Funds	(5,346,562)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(3,238,754)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	19
Purchase of Investments	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	19
Net Increase (Decrease) in Cash and Cash Equivalents	247,803
CASH AND CASH EQUIVALENTS-JULY 1, 2022	274,544
CASH AND CASH EQUIVALENTS-JUNE 30, 2023	$ 522,347
Displayed As:	
Cash	$ 220,787
Investment-Certificate of Deposit	202,425
Restricted Assets	99,135
	$ 522,347

CITY OF SYLVESTER, GEORGIA
Electric Fund
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 3,008,460
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	104,107
(Increase) Decrease in Assets:	
Accounts Receivable	72,294
Prepaid Items	9,138
Inventory	174,190
Increase (Decrease) in Liabilities:	
Accounts Payable	85,314
Accrued Expenses	43,387
Accrued Vacation	4,186
Customer Deposits	(14,538)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,486,538
Noncash Investing, Capital and Financing Activities	
Increase in Fair Value of Investments	$ 335,970

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Net Position
June 30, 2023

ASSETS		
Current Assets		
Cash	$	196,847
Investment-Certificate of Deposit		184,356
Restricted Assets		
Cash-Customer Deposits		95,995
Cash-GEFA		180
Investment-Certificate of Deposit-GEFA		168,755
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		147,318
Inventory		-
Prepaid Items		21,095
Due from Other Funds		237,941
Total Current Assets		1,052,487
Noncurrent Assets		
Capital Assets		
Land		21,800
Buildings		365,283
Water and Sewer System		14,615,266
Machinery and Equipment		951,155
Vehicles		281,786
Construction in Progress		3,678,935
Accumulated Depreciation		(10,935,704)
Total Noncurrent Assets		8,978,521
TOTAL ASSETS		10,031,008
LIABILITIES		
Current Liabilities		
Accounts Payable		120,529
Notes Payable		301,001
Accrued Expenses		4,527
Liabilities Payable from Restricted Assets-Customer Deposits		10,307
Due to Other Funds		42,449
Total Current Liabilities		478,813
Long-Term Liabilities		
Accrued Vacation		23,245
Notes Payable		3,574,708
Total Long-Term Liabilities		3,597,953
TOTAL LIABILITIES		4,076,766
Net Investment in Capital Assets		5,102,812
Restricted for Debt Service		168,935
Unrestricted		682,495
TOTAL NET POSITION	$	5,954,242

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES	
Water Revenue	$ 1,569,346
Sewer Revenue	1,025,064
Other Revenue	5,406
Penalties	31,901
TOTAL OPERATING REVENUES	2,631,717
OPERATING EXPENSES	
Water (Schedule 1)	781,462
Sewer (Schedule 2)	738,900
Depreciation	364,927
TOTAL OPERATING EXPENSES	1,885,289
OPERATING INCOME	746,428
NON-OPERATING REVENUES (EXPENSES)	
Principal Forgiveness on Long-Term Debt	-
Interest Income	58
Interest Expense	(79,866)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(79,808)
Income Before Transfers	666,620
Transfers In	288,727
Transfers Out	(1,032,867)
CHANGE IN NET POSITION	(77,520)
NET POSITION-JULY 1, 2022	6,031,762
NET POSITION-JUNE 30, 2023	$ 5,954,242

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 2,599,194
Cash Payments to Suppliers	(713,552)
Cash Payment to Employees	(735,712)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,149,930
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	312,789
Payments to Other Funds	(1,032,867)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(720,078)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases and Construction of Capital Assets	-
Principal Paid on Capital Debt	(294,315)
Interest Paid on Capital Debt	(79,866)
Proceeds from Long Term Debt	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(374,181)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	58
NET CASH PROVIDED BY OPERATING ACTIVITIES	58
Net Increase (Decrease) in Cash and Cash Equivalents	55,729
CASH AND CASH EQUIVALENT-JULY 1, 2022	590,404
CASH AND CASH EQUIVALENT-JUNE 30, 2023	$ 646,133
Displayed As:	
Cash	$ 196,847
Investment-Certificate of Deposit	184,356
Restricted Assets	264,930
	$ 646,133

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 746,428
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	364,927
(Increase) Decrease in Assets:	
Accounts Receivable	(19,073)
Inventory	-
Prepaid Items	7,083
Increase (Decrease) in Liabilities:	
Accounts Payable	57,018
Accrued Expenses	-
Accrued Vacation	6,997
Customer Deposits	(13,450)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,149,930

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Water Operating Expenses – Schedule 1
For the Year Ended June 30, 2023

Water Operating Expenses

Personnel Services	$	341,743
Employee Medical Insurance		61,772
Retirement Fund Contribution		19,144
Advertising		832
Clerical and Administrative		67,422
Dues and Memberships		1,569
Insurance		35,586
Lab Fees		19,157
Motor fuels		6,239
Repairs and Maintenance-Equipment		4,462
Repairs and Maintenance-System		61,405
Supplies-General		4,679
Supplies- System		62,191
Telephone and Utilities		82,033
Travel and Training		3,313
Uniforms		9,915
Total Operating Expenses	$	781,462

CITY OF SYLVESTER, GEORGIA
Water and Sewer Fund
Sewer Operating Expenses – Schedule 2
For the Year Ended June 30, 2023

Sewer Operating Expenses

Personnel Services	$	241,763
Employee Medical Insurance		50,968
Retirement Fund Contribution		27,319
Advertising		473
Clerical and Administrative		26,035
Dues and Memberships		-
Insurance		36,323
Lab Fees		47,369
Motor fuels		17,824
Repairs and Maintenance-Equipment		19,899
Repairs and Maintenance-System		151,066
Supplies-General		1,648
Supplies- System		4,899
Telephone and Utilities		110,696
Travel and Training		376
Uniforms		2,242
Total Operating Expenses	$	738,900

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Net Position
June 30, 2023

ASSETS	
Current Assets	
Cash	$ 729
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	800
Due from Other Funds	-
Total Current Assets	1,529
Noncurrent Assets	
Capital Assets	
Land	382,791
Land Improvements	5,418,709
Equipment	6,040
Construction in Progress	-
Accumulated Depreciation	(2,135,559)
Total Noncurrent Assets	3,671,981
TOTAL ASSETS	3,673,510
LIABILITIES	
Current Liabilities	
Miscellaneous Liabilities	-
Accounts Payable	26,641
TOTAL LIABILITIES	26,641
NET POSITION	
Investment in Capital Assets	3,671,981
Unrestricted	(25,112)
TOTAL NET POSITION	$ 3,646,869

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES	
Rent	$ 4,800
Other Revenues	27,066
TOTAL OPERATING REVENUES	31,866
OPERATING EXPENSES	
Clerical and Administrative	12,856
Dues and Membership	300
Insurance	3,594
Repairs and Maintenance	91,445
Utilities	2,393
Miscellaneous	488
Depreciation	309,035
TOTAL OPERATING EXPENSES	420,111
OPERATING LOSS	(388,245)
NON-OPERATING REVENUES	
Capital Grants	-
Income Before Transfers	(388,245)
Transfers In	143,969
Transfers Out	(92,690)
CHANGE IN NET POSITION	(336,966)
NET POSITION-JULY 1, 2022	3,983,835
NET POSITION-JUNE 30, 2023	$ 3,646,869

CITY OF SYLVESTER, GEORGIA
Airport Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$	4,800
Cash Received from Others		27,066
Cash Received from Operating Grants		-
Cash Payments to Suppliers		(85,887)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(54,021)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments from Other Funds		143,969
Payments to Other Funds		(92,690)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		51,279
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 (Decrease) in Cash and Cash Equivalents		(2,742)
CASH AND CASH EQUIVALENTS - JULY 1, 2022		3,471
CASH AND CASH EQUIVALENTS - JUNE 30, 2023	$	729
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Loss		(388,245)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		309,035
(Increase) Decrease in Assets:		
Accounts Receivable		-
Increase (Decrease) in Liabilities:		
Unearned Revenues		-
Accounts Payable and Miscellaneous Liabilities		25,189
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	(54,021)

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Net Position
June 30, 2023

ASSETS	
Current Assets	
Cash	$ 51,521
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	138,168
Miscellaneous Current Assets	-
Due from Other Funds	20,000
Total Current Assets	209,689
Noncurrent Assets	
Capital Assets	
Land	19,780
Vehicles	139,855
Accumulated Depreciation	(55,842)
Total Noncurrent Assets	103,793
TOTAL ASSETS	313,482
LIABILITIES	
Current Liabilities	
Accounts Payable	145,331
Notes Payable	-
Due to Other Funds	-
Total Current Liabilities	145,331
Long-Term Liabilities	
Notes Payable	-
Total Long-Term Liabilities	-
TOTAL LIABILITIES	145,331
NET POSITION	
Net Investment in Capital Assets	103,793
Unrestricted	64,358
TOTAL NET POSITION	$ 168,151

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES	
Refuse Collection Fees	$ 895,225
Landfill Collection Fees	133,783
Penalties	11,186
TOTAL OPERATING REVENUES	1,040,194
OPERATING EXPENSES	
Refuse Disposal Fees	743,172
Landfill Fees	232,043
Miscellaneous	48
Clerical and Administrative	77,936
Depreciation	9,324
TOTAL OPERATING EXPENSES	1,062,523
OPERATING INCOME	(22,329)
Income Before Transfers	(22,329)
Transfers In	65,341
Transfers Out	(128,315)
CHANGE IN NET POSITION	(85,303)
NET POSITION-JULY 1, 2022	253,454
NET POSITION-JUNE 30, 2023	$ 168,151

CITY OF SYLVESTER, GEORGIA
Solid Waste Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 1,024,675
Cash Payments to Suppliers	(957,182)
Cash Payments to Employee	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	67,493
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	65,341
Payments to Other Funds	(128,315)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(62,974)
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase of Capital Assets	-
Principal Paid on Long Term Debt	-
Interest 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	-
NET CASH USED BY INVESTING ACTIVITIES	-
Net Increase in Cash and Cash Equivalents	4,519
CASH AND CASH EQUIVALENTS - JULY 1, 2022	47,002
CASH AND CASH EQUIVALENTS - JUNE 30, 2023	$ 51,521
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(22,329)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	9,324
(Increase) Decrease in Assets:	
Accounts Receivable and Miscellaneous Current Assets	(15,519)
Increase (Decrease) in Liabilities	
Accounts Payable	96,017
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 67,493

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Net Position
June 30, 2023

ASSETS		
Current Assets		
Cash	$	11,410
Restricted Assets		
Cash-Bond Proceeds Restricted for Broadband Project		188,037
Accounts Receivable (Net of Allowance for Uncollectible Accounts)		29,888
Due from Other Funds		-
Total Current Assets		229,335
Noncurrent Assets		
Capital Assets		
Construction in Progress		4,260,521
Fiber Optics System		381,861
Machinery and Equipment		106,184
Vehicles		3,060
Accumulated Depreciation		(334,468)
Total Noncurrent Assets		4,417,158
TOTAL ASSETS		4,646,493
LIABILITIES		
Current Liabilities		
Accounts Payable		102,278
2022 Series Bonds Payable - Current Portion		123,120
Due to Other Funds		29,024
Total Current Liabilities		254,422
Long-Term Liabilities		
2022 Series Bonds Payable		5,719,036
Total Long-Term Liabilities		5,719,036
TOTAL LIABILITIES		5,973,458
Net Investment in Capital Assets		(1,236,961)
Restricted for Broadband Capital Project		188,037
Unrestricted		(278,041)
TOTAL NET POSITION	$	(1,326,965)

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES	
Telecom and Internet Charges	$ 206,475
TOTAL OPERATING REVENUES	206,475
OPERATING EXPENSES	
Advertising	3,525
Internet Fees	98,598
Supplies - System	2,816
Licenses - System	24,236
Clerical and Administrative	4,785
Professional Services	39,612
Repairs and Maintenance - System	1,668
Repairs and Maintenance - Equipment	3,184
Telephone and Utilities	2,860
Depreciation	6,075
TOTAL OPERATING EXPENSES	187,359
OPERATING INCOME	19,116
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	-
Interest Expense	(199,065)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(199,065)
Income Before Transfers	(179,949)
Transfers In	327,029
Transfers Out	(132,827)
CHANGE IN NET POSITION	14,253
NET POSITION-JULY 1, 2022	(1,341,218)
NET POSITION-JUNE 30, 2023	$ (1,326,965)

CITY OF SYLVESTER, GEORGIA
Telecommunications Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 201,169
Cash Payments to Suppliers	(531,052)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(329,883)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	327,029
Payments to Other Funds	(132,827)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	194,202
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES	
Purchase and Construction of Capital Assets	(2,530,743)
Principal Paid on 2022 Series Bonds Payable	(119,044)
Interest Paid on 2022 Series Bonds Payable	(199,065)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,848,852)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-
Net Increase in Cash and Cash Equivalents	(2,984,533)
CASH AND CASH EQUIVALENTS - JULY 1, 2022	3,183,980
CASH AND CASH EQUIVALENTS - JUNE 30, 2023	$ 199,447
Displayed As:	
Cash	$ 11,410
Restricted Assets	188,037
	$ 199,447
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	19,116
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	6,075
(Increase) Decrease in Assets:	
Accounts Receivable	(5,306)
Increase (Decrease) in Liabilities	
Accounts Payable and Miscellaneous Liabilities	(349,768)
NET CASH USED BY OPERATING ACTIVITIES	$ (329,883)

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Net Position
June 30, 2023

ASSETS	
Current Assets	
Cash	$ 41,882
Restricted Assets	
Cash-Customer Deposits	25,093
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	14,300
Due from Other Funds	-
Inventory	-
Prepaid Items	2,033
Total Current Assets	83,308
Noncurrent Assets	
Capital Assets	
Land	2,500
Natural Gas System	896,021
Machinery and Equipment	197,577
Vehicles	103,094
Accumulated Depreciation	(1,068,986)
Total Noncurrent Assets	130,206
TOTAL ASSETS	213,514
LIABILITIES	
Current Liabilities	
Accounts Payable	26,211
Bank Overdraft	-
Due to Other Funds	13,831
Accrued Expenses	56,649
Miscellaneous Liabilities	-
Liabilities Payable from Restricted Assets-Customer Deposits	8,705
Total Current Liabilities	105,396
Long-Term Liabilities	
Accrued Vacation	1,713
Total Long-Term Liabilities	1,713
TOTAL LIABILITIES	107,109
NET POSITION	
Net Investment in Capital Assets	130,206
Unrestricted	(23,801)
TOTAL NET POSITION	$ 106,405

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES		
Gas Sales	$	895,932
Penalties		80,062
TOTAL OPERATING REVENUES		975,994
OPERATING EXPENSES		
Purchases-Natural Gas		507,247
Personnel Services		270,922
Employee Medical Insurance		24,371
Retirement Fund Contribution		20,950
Advertising		11,120
Clerical and Administrative		171
Dues and Membership		15,661
Insurance - General		35,586
Motor Fuels		7,188
Professional Fees		9,415
Repairs and Maintenance - Equipment		16,036
Repairs and Maintenance - System		75,572
Supplies - General		9,024
Supplies - Systems		8,098
Telephone and Utilities		1,239
Travel and Training		3,301
Uniforms		3,834
Depreciation		4,770
TOTAL OPERATING EXPENSES		1,024,505
OPERATING INCOME (LOSS)		(48,511)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income		9
Income Before Transfers		(48,502)
Transfers In		207,578
Transfers Out		(189,665)
CHANGE IN NET POSITION		(30,589)
NET POSITION - JULY 1, 2022		136,994
NET POSITION - JUNE 30, 2023	$	106,405

CITY OF SYLVESTER, GEORGIA
Natural Gas Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 989,367
Cash Payments to Suppliers	(635,213)
Cash Payments to Employee	(316,580)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	37,574
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from Other Funds	214,734
Payments to Other Funds	(189,665)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	25,069
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	9
NET CASH PROVIDED BY INVESTING ACTIVITIES	9
Net Increase (Decrease) in Cash and Cash Equivalents	62,652
CASH AND CASH EQUIVALENTS - JULY 1, 2022	4,323
CASH AND CASH EQUIVALENTS - JUNE 30, 2023	$ 66,975
Displayed As:	
Cash	$ 41,882
Restricted Assets	25,093
	$ 66,975
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	(48,511)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	4,770
(Increase) Decrease in Assets:	
Accounts Receivable	13,554
Inventory	31,047
Prepaid Items	2,844
Increase (Decrease) in Liabilities	
Accounts Payable	21,480
Accrued Expenses and Other Liabilities	15,752
Customer Deposits	(3,025)
Accrued Vacation	(337)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 37,574

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Utility Energy Crisis	Downtown Sylvester Farmer's Market	Total
ASSETS			
Cash	$ 861	$ 2,411	$ 3,272
TOTAL ASSETS	$ 861	$ 2,411	$ 3,272
LIABILITIES			
NET POSITION			
Net Position - Held for Others	861	2,411	3,272
TOTAL NET POSITION	$ 861	$ 2,411	$ 3,272

CITY OF SYLVESTER, GEORGIA
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Utility Energy Crisis	Downtown Sylvester Farmer's Market	Total
ADDITIONS			
Private Donations	$ -	$ -	$ -
Total Additions	-	-	-
DEDUCTIONS			
Payments of Fees to Other Agencies	-	120	120
Total Deductions	-	120	120
Change in Net Position	-	(120)	(120)
NET POSITION - JULY 1, 2022	861	2,531	3,392
NET POSITION - JUNE 30, 2023	$ 861	$ 2,411	$ 3,272

CITY OF SYLVESTER, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

2021 Referendum

Category	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	% Complete as of 6/30/2023
Roads, Bridges, Sidewalk, Curb and Stormwater Projects	$ 500,000	$ 500,000	$ 20,512	$ 120,200	$ 140,712	28%
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	25,752	162,361	65%
City Facilities and Grounds Improvements, Furniture and Projects	50,000	50,000	-	31,000	31,000	62%
Parks, Cultural, Recreation and Leisure Facilities, and Associated Capital Equipment	50,000	618,490	49,793	506,640	556,433	90%
Public Safety Capital Equipment	100,000	100,000	-	29,250	29,250	29%
Public Works Capital Equipment	100,000	100,000	-	-	-	0%
Holly School Gym and Grounds	100,000	100,000	-	-	-	0%
Police Department Building Debt Service	568,490	-	-	-	-	
TOTAL	$ 2,668,490	$ 2,668,490	$ 206,914	$ 712,842	$ 919,756	

CITY OF SYLVESTER, GEORGIA
Schedule of Projects Constructed
With Transportation Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2023

2019 Referendum

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Years	Expenditures Total	% Complete as of 6/30/2023
Road, Street, Bridge Purposes as allowed under O.C.G.A 48-8-260(4)	$ 2,711,300	$ 2,711,300	$ 953,660	$ 571,895	$ 1,525,555	56.3%
Total	$ 2,711,300	$ 2,711,300	$ 953,660	$ 571,895	$ 1,525,555	

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Project Cost Schedule
18p-x-159-2-6093
For the Year Ended June 30, 2023

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, 2023

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, 2023

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	47,706	7,951	55,657
General Administration	A-21A-00	40,965	25,965	10,000	35,965
Total		$ 683,055	$ 73,671	$ 17,951	$ 91,622

CITY OF SYLVESTER, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
21p-x-159-2-6231
For the Year Ended June 30, 2023

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	$	73,671
Funds Still Available from Program Year 2021 Resources	$	609,384
Total Program Year 2021 CDBG Funds Drawn and Received by Recipient	$	73,671
Local Matches and Other Receipts		17,951
Total Receipts Available for Program Year 2018 Costs		91,622
Less: Funds Applied and Expended to Program Year 2021 Costs		91,622
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, 2023

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, 2023

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, 2023

SINGLE AUDIT SECTION

CITY OF SYLVESTER, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
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	$ 43,853
Total U.S. Department of Housing and Urban Development			43,853
U.S. Treasury:			
Pass-Through State of Georgia Office of Planning and Budget:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0005197	1,078,484
Total Expenditures of Federal Awards			$ 1,122,337

See auditor's report.

CITY OF SYLVESTER, GEORGIA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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, 2023. 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 the 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, 2023, and the related notes to the financial statements, which collectively comprise the City of Sylvester, Georgia's basic financial statements and have issued our report thereon dated December 21, 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 2023-01) 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 2023-02, 2023-03, and 2023-04.

City of Sylvester, Georgia's Response to Findings

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

Purpose of this Report

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



Hudson & NeSmith, CPAs
Sylvester, Georgia
December 21, 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, 2023. 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, 2023.

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
December 21, 2023

CITY OF SYLVESTER, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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. Three 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 qualified as a low-risk auditee.

CITY OF SYLVESTER, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II-FINANCIAL STATEMENT FINDINGS

1. **Deficiency in Internal Control Structure**

2023-01 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**

2023-02 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 General Fund checking accounts in multiple months of the June 30, 2023 fiscal year due to a lack of understanding of the requirements of the Official Code of Georgia regarding prevention of the commingling of TPLOST funds with non TSPLOST funds. The Official Code of Georgia (48-8-269.5) requires proceeds from TSPLOST revenues be kept in a separate account from other funds of the City.

Cause – The City deposited TSPLOST funds into the General Fund bank 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 in the next fiscal year.

2023-03 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, and General Fund bank accounts in multiple months of the June 30, 2023 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 T-SPLOST Fund, Water and Sewer Fund, and General Fund bank accounts.

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, and General Fund in the next fiscal year.

2023-04 Law Section – O.C.G.A. 48-8-269.5

Condition and Criteria – The City transferred Transportation Special Purpose Local Option Sales Tax (T-SPLOST) funds from the T-SPLOST Capital Project Fund bank account into its General Fund and Airport Fund bank accounts in multiple months of the June 30, 2023 fiscal year for interfund lending purposes. The Official Code of Georgia (48- 8-269.5) requires proceeds from T-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 T-SPLOST proceeds, the spirit of the opinion should apply to cities as well.

Cause – The City deposited T-SPLOST funds with non-T-SPLOST funds in order to supplement cash flow shortfalls in its General Fund and Airport Fund bank accounts.

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

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

Management's Response - The City concurs with the finding. The City will reimburse the T-SPLOST Fund from the General Fund and Airport Fund in the next fiscal year.

CITY OF SYLVESTER, GEORGIA
Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

2022-1 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.

2022-02 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.

2022-03 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

December 21, 2023

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

Re: Compliance Section - Financial Statement Finding audit report year ending 6/30/2023.

2023-01 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.

2023-02 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.

2023-03 Interfund Lending of SPLOST proceeds to the T-SPLOST, Water/Sewer, and General Fund(s)

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 T-SPLOST, Water/Sewer, and General Fund(s) shortly after 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.

2023-04 Interfund Lending of T-SPLOST proceeds to the General and Airport Fund(s)

We agree with the auditor's comments as to the violation of O.C.G.A. 48-8-269.5. The City reimbursed the T-SPLOST Fund from the General and Airport Fund(s) shortly after the fiscal year end. The City will use other methods for funding cash flow shortfalls and not use T-SPLOST funds due to the restrictive nature of these funds.