

CITY OF SWAINSBORO, GEORGIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2021

City of Swainsboro, Georgia
Annual Financial Report
For The Fiscal Year Ended November 30, 2021

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Certified Public Accountant
P.O. Box 189
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Swainsboro, GA 30401**

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Swainsboro, Georgia

I 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 City of Swainsboro, Georgia, as of and for the year ended November 30, 2021 which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my 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 aggregate

discretely presented component units, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia as of November 30, 2021, and the respective change in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

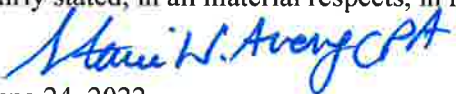
In accordance with *Government Auditing Standards*, I have also issued my report dated June 24, 2022 on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 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. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Swainsboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, the SPLOST schedule and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements as a whole.

The combining and individual non major fund financial statements and other supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements as a whole. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining individual nonmajor fund financial statements and other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.



June 24, 2022

Stacie W. Avery, CPA
Swainsboro, Georgia

City of Swainsboro, Georgia
Statement of Net Position
November 30, 2021

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 3,721,936	\$ 1,348,456	\$ 5,070,392	\$ 76,159
Investments	591,204	78	591,282	-
Receivables:				
Accounts	66,041	74,741	140,782	-
Taxes	2,257,609	-	2,257,609	-
Intergovernmental	105,457	-	105,457	-
Other	-	-	-	-
Interfund	416,721	-	416,721	-
Inventories	-	-	-	-
Restricted assets	1,149,044	521,732	1,670,776	-
Total Current Assets	8,308,012	1,945,007	10,253,019	76,159
Noncurrent Assets				
Net pension liability (excess)	1,539,482	-	1,539,482	-
Capital assets (Note 3D)				
Nondepreciable	1,207,930	520,300	1,728,230	-
Depreciable, net	11,571,456	16,291,263	27,862,719	-
Total Noncurrent Assets	14,318,868	16,811,563	31,130,431	-
Deferred Outflows of Resources	107,743	-	107,743	-
Total Assets and Total Deferred Outflows	22,734,623	18,756,570	41,491,193	76,159
Liabilities				
Current Liabilities				
Accounts payable	154,363	-	154,363	-
Accrued expenses	167,432	-	167,432	-
Other payable	16,744	-	16,744	-
Compensated absences payable	50,243	-	50,243	-
Customer deposits	-	241,885	241,885	-
Interfund payable	-	416,721	416,721	-
Capital leases payable	-	-	-	-
Promissory notes payable	161,126	-	161,126	31,120
GEFA loans payable	-	174,149	174,149	-
USDA bonds payable	-	129,146	129,146	-
Total Current Liabilities	549,908	961,901	1,511,809	31,120
Long-term Liabilities: (net of current portion) (Note 3G)				
Compensated absences payable	75,365	-	75,365	-
GEFA loans payable	-	245,834	245,834	-
USDA bonds payable	-	5,167,569	5,167,569	-
Promissory notes payable	72,315	-	72,315	-
Total Long-term Liabilities	147,680	5,413,403	5,561,083	-
Total Liabilities	697,588	6,375,304	7,072,892	31,120
Deferred Inflows of Resources	679,473	-	679,473	-
Total Liabilities and Deferred Inflows of Resources	1,377,061	6,375,304	7,752,365	31,120
Net Position				
Net investment in capital assets (Note 3I)	12,545,945	11,094,865	23,640,810	-
Restricted for debt service	-	521,732	521,732	-
Restricted for housing and development	385,553	-	385,553	45,039
Restricted for Covid	1,408,599	-	1,408,599	-
Restricted for capital outlay	1,243,177	-	1,243,177	-
Unrestricted (deficit)	5,774,288	764,669	6,538,957	-
Total Position	\$ 21,357,562	\$ 12,381,266	\$ 33,738,828	\$ 45,039

City of Swainsboro, Georgia
Statement of Activities
For the Year Ended November 30, 2021

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants	Capital Grants	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities								
General government	\$ 712,608	\$ 275,392	\$ -	\$ -	\$ (437,216)	\$ -	\$ (437,216)	\$ -
Public safety	3,690,974	509,941	83,290	-	(3,097,743)	-	(3,097,743)	-
Public works	3,148,948	1,274,717	123,574	-	(1,750,657)	-	(1,750,657)	-
Health and welfare	3,061	-	-	-	(3,061)	-	(3,061)	-
Culture and recreation	1,227,669	58,274	401,336	203,923	(564,136)	-	(564,136)	-
Housing and development	822,888	145,964	65,377	-	(611,547)	-	(611,547)	-
Interest	18,274	-	-	-	(18,274)	-	(18,274)	-
Total Governmental Activities	9,624,422	2,264,288	673,577	203,923	(6,482,634)	-	(6,482,634)	-
Business-type Activities:								
Water and sewerage	3,061,250	2,275,286	-	-	-	(785,964)	(785,964)	-
Total - Primary Government	\$ 12,685,672	\$ 4,539,574	\$ 673,577	\$ 203,923	(6,482,634)	(785,964)	(7,268,598)	-
Component Unit								
Downtown Development Authority	\$ 255,988	\$ 286,310	\$ -	\$ -	\$ -	-	-	30,322
General Revenues								
Property taxes levied for general government purposes					2,554,410	-	2,554,410	-
Sales tax					1,695,540	-	1,695,540	-
T-SPLIST					142,313	-	142,313	-
TIA					899,418	-	899,418	-
Insurance premium tax					600,493	-	600,493	-
Franchise tax					563,561	-	563,561	-
Beer and liquor tax					196,833	-	196,833	-
American rescue plan					1,408,229	-	1,408,229	-
Hotel/motel tax					143,142	-	143,142	-
Proceeds from the sale of capital assets					-	-	-	-
Investment earnings					3,725	2,295	6,020	13
Miscellaneous					134,157	3,335	137,492	-
Total General Revenues					8,341,821	5,630	8,347,451	13
Change in Net Position					1,859,187	(780,334)	1,078,853	30,335
Net Position (Deficit) Beginning of Year					19,498,375	13,161,600	32,659,975	14,704
Net Position (Deficit) End of Year					\$ 21,357,562	\$ 12,381,266	\$ 33,738,828	\$ 45,039

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Balance Sheet
Governmental Fund
November 30, 2021

	General	2018 SPLOST	ARP	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 692,050	\$ 1,147,052	\$ 1,408,599	\$ 474,235	\$ 3,721,936
Investments	591,204			-	591,204
Receivables:					
Accounts	58,598			7,443	66,041
Taxes	2,257,609			-	2,257,609
Intergovernmental	-			-	-
Other	105,457			-	105,457
Interfund	416,721			-	416,721
Inventories	-			-	-
Restricted cash and cash equivalents	1,149,044				1,149,044
Total Assets	\$ 5,270,683	\$ 1,147,052	\$ 1,408,599	\$ 481,678	\$ 8,308,012
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 154,363	\$ -	\$ -	\$ -	\$ 154,363
Accrued expenditures	167,432	-	-	-	167,432
Other payable	16,744	-	-	-	16,744
Notes payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Total Liabilities	338,539	-	-	-	338,539
Deferred Inflows of Resources					
Intergovernmental			1,408,229		1,408,229
- Property Taxes	503,453	-	-	-	503,453
Total Liabilities and Deferred Inflows of Resources	841,992	-	1,408,229	-	2,250,221
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	1,147,052	370	481,678	1,629,100
Unassigned	4,428,691		-	-	4,428,691
Total Fund Balances	4,428,691	1,147,052	370	481,678	6,057,791
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,270,683	\$ 1,147,052	\$ 1,408,599	\$ 481,678	\$ 8,308,012

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
November 30, 2021

Total Governmental Fund Balances		\$ 6,057,791
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 funds.		
Cost of capital assets	\$ 23,883,797	
Less accumulated depreciation	<u>(11,104,411)</u>	12,779,386
Deferred inflows of resources for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		(679,473)
Deferred outflows of resources for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		107,743
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		1,911,682
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.		
Compensated absences	\$ (125,608)	
Promissory note payable	(233,441)	
Net pension liability payable (excess)	<u>1,539,482</u>	<u>1,180,433</u>
Net Position of Governmental Activities		<u>\$ 21,357,562</u>

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Year Ended November 30, 2021

	General	2018 SPLOST	ARP	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 6,107,150	\$ 602,473	\$ -	\$ 143,142	\$ 6,852,765
Licenses and permits	255,554	-	-	-	255,554
Intergovernmental	877,500	-	-	-	877,500
Charges for services	1,506,682	-	-	-	1,506,682
Fines and forfeitures	490,152	-	-	-	490,152
Investment earnings	1,987	991	370	377	3,725
Miscellaneous	58,532	-	-	87,525	146,057
Total Revenues	<u>9,297,557</u>	<u>603,464</u>	<u>370</u>	<u>231,044</u>	<u>10,132,435</u>
Expenditures					
Current:					
General government	702,339	-	-	-	702,339
Public safety	3,439,702	-	-	-	3,439,702
Public works	3,121,676	6,381	-	-	3,128,057
Health and welfare	520	-	-	-	520
Culture and recreation	1,223,475	-	-	-	1,223,475
Housing and development	877,799	-	-	36,844	914,643
Capital Outlay	-	241,503	-	-	241,503
Debt Service:					
Principal	369,630	-	-	-	369,630
Interest	18,265	-	-	9	18,274
Total Expenditures	<u>9,753,406</u>	<u>247,884</u>	<u>-</u>	<u>36,853</u>	<u>10,038,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(455,849)</u>	<u>355,580</u>	<u>370</u>	<u>194,191</u>	<u>94,292</u>
Other Financing Sources (Uses)					
Debt proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(455,849)</u>	<u>355,580</u>	<u>370</u>	<u>194,191</u>	<u>94,292</u>
Fund Balances Beginning of Year	<u>4,884,540</u>	<u>791,472</u>	<u>-</u>	<u>287,487</u>	<u>5,963,499</u>
Fund Balances End of Year	<u>\$ 4,428,691</u>	<u>\$ 1,147,052</u>	<u>\$ 370</u>	<u>\$ 481,678</u>	<u>\$ 6,057,791</u>

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended November 30, 2021

Net Changes In Fund Balances - Total Governmental Funds	\$	94,292
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**Amounts reported for governmental activities in the
statement of activities are different because:**

Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. 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 by which capitalized capital outlay exceeded the depreciation expense in the current period.

Depreciation expense	\$ (790,836)	
Capital outlay	<u>615,602</u>	(175,234)

Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.

Liability @ 11/30/21	\$ 503,453	
Liability @ 11/30/20	<u>(560,508)</u>	(57,055)

The American Rescue Plan intergovernmental revenue is deferred at the fund level, but recognized as revenue at the government wide level.	1,408,229
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Deferred outflows and deferred inflows for pensions reported on the government-wide statement of activities but not reported on the governmental fund statement of revenues, expenditures and changes in fund balances.	(225,969)
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Pensions costs reported on the government-wide statement of activities but not reported on the governmental fund operating statement. These amounts are negative expenses.	431,364
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Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	369,630
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Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Liability @ 11/30/21	\$ (125,608)	
Liability @ 11/30/20	<u>139,538</u>	<u>13,930</u>

Change In Net Position of Governmental Activities	\$	<u>1,859,187</u>
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See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2021

Assets

Current Assets:

Cash and cash equivalents	\$ 1,348,456
Investments	78
Accounts receivable (net)	74,741
Interfund receivable	-
Restricted assets:	
Cash and cash equivalents	521,732

Total Current Assets	<u>1,945,007</u>
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Noncurrent Assets:

Capital assets:	
Nondepreciable	520,300
Depreciable, net	16,291,263

Total Noncurrent Assets	<u>16,811,563</u>
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Total Assets	<u>18,756,570</u>
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Liabilities

Current Liabilities:

Accounts payable	-
Customer deposits payable	241,885
Interfund payable	416,721
Note payable	-
GEFA loans payable	174,149
USDA bonds payable	129,146

Total Current Liabilities	<u>961,901</u>
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Long-term Liabilities (net of current portion):

Note payable	-
GEFA loans payable	245,834
USDA bonds payable	5,167,569

Total Long-term Liabilities	<u>5,413,403</u>
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Total Liabilities	<u>6,375,304</u>
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Net Position

Net investment in capital assets	11,094,865
Restricted for debt service	521,732
Unrestricted	764,669

Total Net Position	<u>\$ 12,381,266</u>
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See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2021

Operating Revenues	
Charges for services	\$ 2,148,056
Service charges	127,230
Miscellaneous	<u>3,335</u>
Total Operating Revenues	<u>2,278,621</u>
Operating Expenses	
Personal services - salaries	25,712
Personal services - benefits	21,813
Purchased services - professional and technical	1,399,916
Materials and supplies	460,385
Other	130,629
Depreciation	<u>1,014,650</u>
Total Operating Expenses	<u>3,053,105</u>
Operating (Loss)	<u>(774,484)</u>
Non-Operating Revenues (Expenses)	
Investment earnings	2,295
Interest and fiscal charges	<u>(8,145)</u>
Total Non-Operating Revenues (Expenses)	<u>(5,850)</u>
Income Before Contributions	(780,334)
Contributions	<u>-</u>
Change in Net Position	(780,334)
Net Position Beginning of Year	<u>13,161,600</u>
Net Position End of Year	<u><u>\$ 12,381,266</u></u>

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2021

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash received from customers	\$ 2,463,799
Cash payments to employees for services	(47,525)
Cash payments for goods and services	<u>(2,011,377)</u>

Net Cash Provided by (Used in) Operating Activities 404,897

Cash Flows from Noncapital Financing Activities

Interfund receivable	-
Interfund payable	<u>(105,039)</u>

Net Cash Provided by (Used in) Noncapital Financing Activities (105,039)

Cash Flows from Capital and Related Financing Activities

Capital grants	-
Principal paid on USDA loan	(123,030)
Principal paid on notes and capital leases	(227,709)
Interest paid on notes and capital leases	(8,145)
Acquisition of capital assets	<u>-</u>

Net Cash Provided by (Used in) Capital and Related Financing Activities (358,884)

Cash Flows from Investing Activities

Net decrease (increase) in investments	98,653
Investment earnings	<u>2,295</u>

Net Cash Flows from Investing Activities 100,948

Net Increase (Decrease) in Cash and Cash Equivalents 41,922

Cash and Cash Equivalents Beginning of Year 1,828,266

Cash and Cash Equivalents End of Year \$ 1,870,188

Reconciliation to Statement of Net Assets

Cash and cash equivalents	\$ 1,348,456
Restricted assets	<u>521,732</u>

Total Cash and Cash Equivalents \$ 1,870,188

City of Swainsboro, Georgia
Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2021

(continued)

**Reconciliation of Operating Income to Net Cash
Provided by (Used in) Operating Activities**

Operating Income (Loss)	\$ (774,484)
Adjustments:	
Depreciation	1,014,650
(Increase) Decrease in Assets:	
Accounts receivable	(37,629)
Increase (Decrease) in Liabilities:	
Accounts payable	(20,447)
Customer deposits	222,807
	<hr/>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 404,897</u></u>

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

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City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

The City of Swainsboro, Georgia (the “City”) was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater).

Note 1 - Summary of Significant Accounting Policies

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 accounting and financial reporting. The City has elected not to follow private-sector guidance issued after November 30, 1989.

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

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units 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 following separate entity is the discretely presented component unit of the City.

The City of Swainsboro Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. The Mayor and City Council appoint all members of the Development Authority. Financial statements of the Downtown Development Authority, if material, are required to be included in the City’s basic financial statements as a discretely presented component unit. This is in accordance with a determination made for such entities by the Georgia Department of Audits and Accounts. Specific information relative to the Authority may be obtained at City Hall, Swainsboro, Georgia as the Development Authority does not issue a separate financial report.

Emanuel County and City of Swainsboro Development Authority and Swainsboro Housing Authority are related organizations in that the City appoints all or some of the members of the authorities/commission but does not have any financial responsibility for them.

1-B. Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

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 for the City as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City’s general revenues, from business-type activities, generally financed in whole or in part with charges to external customers.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

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.

The three major individual funds, the general fund, the SPLOST fund and the water and sewer system enterprise fund are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following is the City's major governmental funds:

The General Fund – The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.

The American Rescue Plan Funds (ARPF) – This fund accounts for federal aid provided to local governments to offset loss in revenues due to Covid.

2018 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2018 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including water improvements, public safety equipment, fire building, recreation site improvements.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's proprietary fund is classified as a major enterprise fund, which is the water and sewer fund, which provides utility services to the City's citizens.

The Water and Sewer System Fund - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the incorporated and immediately surrounding areas.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels and the fiduciary fund uses the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within sixty days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, investment earnings and federal and state grants.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

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

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at November 30, 2020.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

On 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 an expenditure in the governmental fund types when consumed.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5 Capital Assets

General capital assets are those assets not specifically related to activities reported 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 government fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars for equipment and vehicles, fifty thousand dollars for buildings, and two hundred and fifty thousand dollars for infrastructure. The City began capitalizing its infrastructure in December 2003. The City is not capitalizing their infrastructure retroactively to 1980. 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 enterprise fund is capitalized.

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:

Asset Class	Estimated Lives	
	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 Years	30-50 Years
Infrastructure	15-50 Years	N/A
Utility plant and lines	N/A	40 Years
Machinery and equipment	5-10 Years	N/A

1-E-6 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

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

1-E-7 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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. Capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) 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 either 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 approval of a motion. Only, the City 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. By motion, the City Council has authorized the Mayor or City Clerk or designee to assign fund balances.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds. Currently, the City only reports unassigned fund balance.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City’s policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City’s policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Net position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-9. Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable for reporting purposes. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) or the refunded debt (the old debt).

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred with the exception of prepaid bond insurance costs which are deferred and amortized over the life of the debt as amortization expense.

At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitation services. Operating expenses are necessary costs incurred to provide the water and sewerage services. All other revenues and expenses are classified as nonoperating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings on investments.

1-E-11 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 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.

1-E-14 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance, and Accountability

2-A. Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and the water and sewer system fund. The City also adopts a project length budget for the various SPLOST capital projects funds.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Administrator may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. The 2019 budget was not amended.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

The following departments had expenditures in excess of departmental appropriations:

General fund:

Criminal investigation and other	\$32,338
Public works – operations	1,025,475
Sanitation and recycling	37,791
Community services	40
Recreation	99,412
Airport	372,251
Economic development	73,049
Debt service	148,640

Note 3 – Detailed Notes on All Funds

3-A. Deposits

Custodial Credit Risk – Deposits – 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.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The City's bank balances of deposits as of November 30, 2021, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at November 30, 2021:

		<u>Maturity</u>
Certificates of deposit	\$591,204	current to one year

3-B. Receivables

Receivables at November 30, 2021, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. At November 30, 2019, allowances for uncollectibles were reported as follows:

Water and sewerage fund (charges for services)	\$39,141
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3-C. Property Taxes

The City Council levied property taxes August 22, 2021. Property taxes attach as an enforceable lien on property as of January 1 2021. Property taxes are billed on November 12, 2021 and were payable on January 31, 2022

(This page continued on the subsequent page)

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended November 30, 2021, was as follows:

	Balance 12/1/2020	Additions	Deductions	Balance 11/30/2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,139,999	\$ 67,931	\$ -	\$ 1,207,930
Other capital assets:				
Buildings and improvements	10,805,185	401,895	-	11,207,080
Machinery and equipment	3,562,247	6,376	-	3,568,623
Infrastructure	7,760,764	139,400	-	7,900,164
Total other capital assets	22,128,196	547,671	-	22,675,867
Total capital assets	23,268,195	615,602	-	23,883,797
Accumulated depreciation:				
Buildings and improvements	4,451,968	326,925	-	4,778,893
Machinery and equipment	3,781,237	254,975	-	4,036,212
Infrastructure	2,080,370	208,936	-	2,289,306
Total accumulated depreciation	10,313,575	790,836	-	11,104,411
Governmental activities capital assets, net	\$ 12,954,620	\$ (175,234)	\$ -	\$ 12,779,386
Governmental activities depreciation expense:				
General government		\$ 9,975		
Public safety		259,350		
Public works		164,911		
Health and welfare		2,750		
Culture and recreation		195,730		
Housing and development		158,120		
Total governmental activities depreciation expense		\$ 790,836		

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended November 30, 2021, was as follows:

	Balance 12/1/2020	Additions	Deductions	Balance 11/30/2021
Water and sewerage fund				
Nondepreciable capital assets				
Land	\$ 520,300	\$ -	\$ -	\$ 520,300
Other capital assets:				
Buildings	31,319	-	-	31,319
Utility plant and lines	32,708,187	-	-	32,708,187
Machinery and equipment	875,835	-	-	875,835
Total other capital assets	33,615,341	-	-	33,615,341
Total capital assets	34,135,641	-	-	34,135,641
Accumulated depreciation:				
Buildings	26,743	1,081	-	27,824
Utility plant and lines	15,435,201	1,006,849	-	16,442,050
Machinery and equipment	847,484	6,720	-	854,204
Total accumulated depreciation	16,309,428	1,014,650	-	17,324,078
Water and sewerage fund capital assets, net	\$ 17,826,213	\$ (1,014,650)	\$ -	\$ 16,811,563

3-E. Interfund Balances

The general fund has loaned the water and sewer fund a net amount of \$416,721 for cash flow purposes.

3-F. Compensated Absences

In general, employees earn annual leave at the rate of 3 days per year for the first year of service, 6 days per year for 1-4 years of service, 12 days per year for 5-9 years of service and 15 days per year for over 10 years of service. A maximum of 30 days may be carried over into an employee's next service year. Any unused, accrued leave more than 30 days from service year to service year will be forfeited. Upon termination, employees are paid for any accrued annual leave.

In general, employees accrue sick leave at the rate of 12 days per year. Unused sick leave is allowed to accumulate from service year to service year. Upon termination, employees forfeit all accumulated unused sick leave.

3-G. Long-Term Debt

The following is a summary of the outstanding long-term debt issues at November 30, 2021:

Governmental Activities Debt

Promissory Notes Payable – The City has two outstanding promissory notes at November 30, 2021.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

2019 BB&T Promissory Note – On January 10, 2019, the City issued a promissory note for a pumper fire truck with BB&T bank for \$266,495. The financing period is 20 quarterly payments of \$14,809 (which includes interest expense) at a 4.11% interest rate.

Annual debt service requirements to amortize this debt, as of November 30, 2019 follow:

Fiscal Year	Principal	Interest	Total
2022	\$ 54,867	\$ 4,369	\$ 59,236
2023	57,157	2,079	59,236
2024	14,658	151	14,809
Total	<u>\$ 126,682</u>	<u>\$ 6,599</u>	<u>\$ 133,281</u>

Bancorp Promissory Note – On June 11, 2015, the City entered into a promissory note for \$1 million to finance the construction of an airport hanger. The note carries a variable interest rate. The loan is secured by a land parcel at 23 Airport Road.

Year	Principal
2021	<u>\$ 106,759</u>

Business-type Activities – November 30, 2021, the City has three loans outstanding.

GEFA Loan –CW 98-006 – On April 1, 2003 the City borrowed \$2,876,436 at a 3% interest rate for extending the water system. Payments of \$50,792, which includes principal and interest, are due quarterly with a final maturity date of January 1, 2023.

Annual debt service requirements to amortize this debt, as of November 30, 2021 follow:

Fiscal Year	Principal	Interest	Total
2021	<u>\$ 149,149</u>	<u>\$ 2,235</u>	<u>\$ 163,304</u>

GEFA Loan –DW09034—During fiscal year 2011, the City was advanced \$349,579 on a \$500,000 construction loan for a water tank project. The additional \$150,421 was advanced resulting in a total loan of \$500,000. Loan was converted to a fixed amortization loan on March 1 2012. Payments are being made at \$2,917 for 240 months at a 0% interest rate.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of November 30, 2021 follow:

Fiscal Year	Principal
2022	\$ 25,000
2023	25,000
2024	25,000
2025	25,000
2026	25,000
2027-2031	125,000
2032	<u>18,750</u>
Total	<u>\$ 268,750</u>

USDA Rural Development Loan – On December 21, 2011, the USDA loaned the City \$6,413,000 to construct a water treatment plant. A portion of the loan proceeds were used to repay the advance funding from the GEFA which was used to begin this project. Payments of \$20,330, which includes principal and interest, are due monthly with a final maturity date of November 21, 2051.

Annual debt service requirements to amortize this debt, as of November 30, 2021 follow:

USDA

Fiscal Year	Principal	Interest	Total
2022	\$ 114,337	\$ 129,623	\$ 243,960
2023	128,688	115,272	243,960
2024	131,299	112,661	243,960
2025	134,598	109,362	243,960
2026	137,658	106,302	243,960
2027-2031	736,379	483,421	1,219,800
2032--2036	823,808	395,992	1,219,800
2037-2041	922,109	297,691	1,219,800
2042-2046	1,031,846	187,954	1,219,800
2047-2051	<u>1,135,993</u>	<u>83,807</u>	<u>1,219,800</u>
Total	<u>\$ 5,296,715</u>	<u>\$ 2,022,085</u>	<u>\$ 7,318,800</u>

International Decision Systems, Inc. - On March 22, 2016, the City entered into a promissory note for one Mini-excavator with Bancorp Equipment Finance for \$48,447. The financing period is six annual payments \$9,806 (with includes monthly interest expense) at a .40% interest rate. This note was originally reported in governmental activities but was moved to debt in the water and sewer fund in this fiscal year. This note was retired in fiscal year 2021.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended November 30, 2021:

	Outstanding 12/1/2020	Additions	Reductions	Outstanding 11/30/2021	Amounts Due in One Year
Governmental Activities:					
Promissory note - fire pumper	\$ 179,351	\$ -	\$ 52,669	\$ 126,682	\$ 54,867
Promissory note - Airport hanger	423,720	-	316,961	106,759	106,759
Net pension liability (excess)	(1,108,118)	-	(431,364)	(1,539,482)	-
Compensated absences	139,538	41,885	55,815	125,608	50,243
Total Governmental Activities	\$ (365,509)	\$ 41,885	\$ (5,919)	\$ (1,180,433)	\$ 211,869
Business-type Activities:					
GEFA loan - CW 98-006	\$ 344,172	\$ -	\$ 195,023	\$ 149,149	\$ 149,149
GEFA loan - DW09034	293,750	-	22,917	270,833	25,000
USDA loan	5,419,745	-	123,030	5,296,715	129,146
Promissory note - International	9,769	-	9,769	-	9,769
Total Business-Type Activities	\$ 6,067,436	\$ -	\$ 350,739	\$ 5,716,697	\$ 313,064

The promissory notes of the City's governmental funds are retired by general fund and SPLOST fund revenues. Principal and interest payments related to the City's GEFA loans payable and USDA bonds are being repaid from the City's water and sewerage fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, normally the general fund.

3-J. Pensions

Defined Benefit Pension Plan

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance dated September 24, 1973, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

All full-time City employees (i.e., 30 hours per week) have immediate participation in the plan with benefits vesting after 10 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Membership in the plan is as follows:

Active participants	54
Fully vested former participants	18
Retirees and beneficiaries currently receiving benefits	55
Active elected officials	<u>7</u>
Total membership	<u><u>134</u></u>

Benefits Provided.

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

Contributions. City employees are not required to contribute to the Plan. The City contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. The City's actuarially determined contribution rate for the fiscal year ended November 30, 2021 was .78% of covered-employee payroll. The City's covered payroll for employees participating in the Plan as of January 1, 2021, (the most recent actuarial valuation date) was \$2,674,955 (based on covered earnings for the preceding year). The City's contributions were \$21,254.

The Georgia Constitution enables the governing authority of the City, the City Council, to establish, and amend from time-to-time contribution rates for the City and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At November 30, 2020 the City reported a net pension liability of (\$1,539,448) (an excess). The net pension liability was measured as of November 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. For the year ended November 30, 2021, the City recognized pension expense of (\$183,789).

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at November 30, 2019	<u>\$ 7,404,994</u>	<u>\$ 8,513,112</u>	<u>\$ (1,108,118)</u>
Changes for the year:			
Service cost	93,195	-	93,195
Interest	536,612	-	536,612
Differences between expected and actual experience	83,250	-	83,250
Employer contributions	-	21,606	(21,606)
Net investment income	-	1,142,490	(1,142,490)
Benefit payments	(444,175)	(444,175)	-
Administrative expense	-	(19,675)	19,675
Other changes	-	-	-
Net changes	<u>268,882</u>	<u>700,246</u>	<u>(431,364)</u>
Balances at November 30, 2020	<u><u>\$ 7,673,876</u></u>	<u><u>\$ 9,213,358</u></u>	<u><u>\$ (1,539,482)</u></u>

Plan fiduciary net position as a percentage of the total pension liability	120.06%
Covered employee payroll	\$ 2,674,955
Net pension liability as a percentage of covered employee payroll	-57.55%

At November 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (35,289)	\$ 107,743
Assumption change	(27,343)	-
Net difference between projected and actual earnings on pension plan investments	<u>(616,841)</u>	<u>-</u>
Total	<u><u>\$ (679,473)</u></u>	<u><u>\$ 107,743</u></u>

The (\$571,730) of deferred inflows and deferred outflows of resources resulting from the City's demographic changes, assumption changes, experience difference and investment changes will be recognized as an increase or decrease of the net pension liability in the fiscal year ending November 30, 2021.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending November 30	
2022	\$ (256,588)
2023	(46,838)
2024	(162,113)
2025	(106,191)
Totals	<u>\$ (571,730)</u>

Actuarial Assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25%
Net investment rate of return	7.375%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Total	<u>100%</u>	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375%) or one percentage-point higher (8.375%) than the current rate:

	Rate	Liability
1% decrease	(0.06375)	\$ (685,913)
Current discount rate	(0.07375)	(1,539,482)
1% increase	(0.08375)	(2,256,183)

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Actuary Assumptions. The following amounts reported in fiscal year ending in 2021 and later reflect the following assumption changes based upon an actuarial study conducted on January 1, 2021. There were no changes in plan provisions and in methods and assumptions in this valuation.

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

3-I. Fund Equity

- **Restricted** – The following fund balances are legally restricted to specified purposes:

Major Capital Projects:

SPLOST 18 \$1,147,052

Nonmajor Capital Project:

Capital Projects \$96,125

Nonmajor Special Revenue Hotel/Motel:

Housing and Development \$385,553

Unassigned – The following fund balances include the general fund unassigned amount:

\$4,428,691

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of November 30, 2020 are as follows:

	Governmental Activities	Business Type Activities
Net investment in capital assets:		
Cost of capital assets	\$ 23,883,797	\$ 34,135,641
Less accumulated depreciation	11,104,411	17,324,078
Book value	12,779,386	16,811,563
Less capital related debt	233,441	5,716,697
Net investment in capital assets	<u>\$ 12,545,945</u>	<u>\$ 11,094,866</u>

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 4 - Other Notes

4-A. Risk Management

Both the City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

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

The funds are to defend and protect the members of the funds against any liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Funds are to pay all costs assessed to its 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.

Settled claims in the last three years have not exceeded coverage.

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at November 30, 2019. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

Heart of Georgia Altamaha Regional Development Center
501 Oak Street
Eastman, Georgia 31023

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2021

Note 4 - Other Notes (Continued)

4-D. Hotel/Motel Taxes

The City levies a 5% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended November 30, 2021 follows:

Fund balance, December 1, 2020	\$ 272,885
Add hotel/motel taxes and investment earnings	143,467
Less expenditures	<u>(30,799)</u>
Fund balance, November 30, 2021	<u>\$ 385,553</u>

Expenditures of \$30,779 (21.5% current year's receipts) were for promotion of tourism as required by OCGA 48-13-51. This complies with the expenditure requirements of OCGA 48-13-51.

City of Swainsboro, Georgia
Required Supplementary Information
Schedule of Contributions
City of Swainsboro Retirement Plan
For the Last Five Fiscal Years

<i>Fiscal Year Ended November 30,</i>	<i>Actuarially Determined Contribution</i>	<i>Actual Employer Contribution</i>	<i>Contribution Deficiency (Excess)</i>	<i>Covered Payroll</i>	<i>Contributions as a % of Covered Payroll</i>
2017	\$ 141,871	\$ 130,048	\$ 11,823	\$ 1,997,936	6.51%
2018	138,264	150,087	(11,823)	2,104,249	7.13%
2019	151,061	151,061	-	2,435,693	6.20%
2020	19,924	21,606	(1,682)	2,560,994	0.84%
2021	N/A	N/A	N/A	N/A	N/A

Notes to The Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially contribution rate will be reported for the fiscal year ending November 30, 2021.
Actuarial Cost Method	P:rojected unit credit
Amortization Method	Closed Level Dollar for the remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Some 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 year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation Rate	3.25%
Salary Increases	2.25% plus service based merit increases
Investment Rate of Return	7.375%
Cost of Living Adjustments	2.25%
Retirement Age	Rates Based on Age and History
Mortality	RP-2000 mortality with sex-distinct rates, set forward 2 years for males and one year for females.

City of Swainsboro, Georgia
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
City of Swainsboro Retirement Plan
For the Year Ended December 31, 2021

Total Pension Liability	November 30, 2016	November 30, 2017	November 30, 2018	November 30, 2019	November 30, 2020	November 30, 2021
Service cost	\$ 91,846	\$ 89,074	\$ 101,808	\$ 106,312	\$ 111,790	\$ 93,195
Interest on total pension liability	498,108	517,174	525,326	511,312	525,068	536,612
Differences between expected and actual experience	66,286	(82,695)	(148,073)	(22,696)	90,606	83,250
Changes in assumptions	-	-	(126,933)	-	(3,912)	-
Benefit payments, including refunds of employee contributions	(403,729)	(416,726)	(420,014)	(418,658)	(415,344)	(444,175)
Net Change in Total Pension Liability	252,511	106,827	(67,886)	176,270	308,208	268,882
Total Pension Liability - Beginning of Fiscal Year	\$ 6,629,084	6,881,575	6,988,402	6,920,516	\$ 7,096,786	\$ 7,404,994
Total Pension Liability - End of Fiscal Year	\$ 6,881,595	\$ 6,988,402	\$ 6,920,516	\$ 7,096,786	\$ 7,404,994	\$ 7,673,876
Plan Fiduciary Net Position						
Employer contributions	\$ 138,271	\$ 130,048	\$ 150,087	151,061	18,502	21,606
Net investment income	215,620	361,391	1,286,225	130,235	965,339	1,142,490
Benefit payments, including refunds of employee contributions	(403,729)	(416,726)	(420,014)	(418,658)	(415,344)	(444,175)
Administrative expenses	(13,407)	(12,077)	(19,965)	(19,448)	(18,655)	(19,675)
Net Change in Plan Fiduciary Net Position	(63,245)	62,636	996,333	(156,810)	549,842	700,246
Total Plan Fiduciary Net Position - Beginning of Fiscal Year	7,124,366	7,061,111	7,123,747	\$ 8,120,080	\$ 7,963,270	\$ 8,513,112
Fiduciary Net Position - End of Fiscal Year	\$ 7,061,121	\$ 7,123,747	\$ 8,120,080	\$ 7,963,270	\$ 8,513,112	\$ 9,213,358
City's Net Pension Liability (Excess) - End of Fiscal Year	\$ (179,526)	\$ (135,345)	\$ (1,199,564)	\$ (866,484)	\$ (1,108,118)	\$ (1,539,482)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.61%	101.94%	117.33%	112.21%	114.96%	120.06%
Covered Employee Payroll	\$ 1,997,936	\$ 2,104,249	\$ 2,435,693	\$ 2,552,852	\$ 2,560,994	\$ 2,674,955
Net Pension Liability as a Percentage of Covered Employee Payroll	-8.99%	-6.43%	-49.25%	-93.95%	-43.27%	-57.55%
Notes to this Schedule:						
This schedule will present 10 years of information once it is accumulated.						

Schedule of Investment Returns

Annual money-weighted 20 rate of return, net of investment expensed	0.00%	0.00%	0.00%	0.00%	0.00%
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Notes to this Schedule:

This schedule will present 10 years of information once it is accumulated.

City of Swainsboro, Georgia
Notes to Required Supplemental Information
For the Year Ended November 30, 2021

- I. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.
- II. The departments that had excesses of expenditures over appropriations are as follows:

General fund:

- Criminal investigation and other
- Public works – operations
- Sanitation and Recycling
- Culture and Recreation
- Airport
- Economic Development
- Debt service

City of Swainsboro, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended November 30, 2021
(With Comparative Actual Amounts for the Year Ended November 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Real and personal property taxes					
General property tax - current	\$ 2,435,268	\$ 2,435,268	2,337,949	\$ (97,319)	\$ 2,154,449
Motor vehicle property tax - current	45,000	45,000	29,080	(15,920)	38,070
General property tax - delinquent	-	-	1,423	1,423	-
Motor vehicle title adv tax (TAVT)	220,000	220,000	170,391	(49,609)	140,501
Mobile home - personal property	1,000	1,000	3,226	2,226	946
Other - personal property	12,000	12,000	16,282	4,282	20,958
AAVT	5,000	5,000	9,399	4,399	8,697
Real estate transfer taxes	3,000	3,000	5,919	2,919	4,038
Railroad taxes	2,000	2,000	-	(2,000)	6,842
FLIPA exemption	1,400	1,400	-	(1,400)	8,897
Penalties and interest on taxes	70,000	70,000	37,796	(32,204)	37,619
Total real and personal property taxes	2,794,668	2,794,668	2,611,465	(183,203)	2,421,017
Selective taxes:					
Sales tax	900,000	900,000	1,093,067	193,067	1,107,152
TIA	68,000	68,000	899,418	831,418	-
Franchise tax	665,000	665,000	563,561	(101,439)	645,059
Alcoholic beverage tax	190,000	190,000	196,833	6,833	207,336
Insurance premium tax	550,000	550,000	600,493	50,493	581,696
Lost excise	28,000	28,000	26,012	(1,988)	32,938
T-SPLOST	93,000	93,000	116,301	23,301	111,216
Total selective taxes	2,494,000	2,494,000	3,495,685	1,001,685	2,685,397
Licenses and permits:					
Alcoholic beverages	30,000	30,000	31,775	1,775	30,575
General business license	200,000	200,000	201,699	1,699	186,920
General business license - insurance	16,000	16,000	13,350	(2,650)	15,350
Building structure and equipment permit	10,000	10,000	3,825	(6,175)	10,850
Inspections	5,000	5,000	4,905	(95)	3,555
Business license penalties	1,000	1,000	-	(1,000)	-
Total licenses and permits:	262,000	262,000	255,554	(6,446)	247,250
Intergovernmental					
Federal	75,000	75,000	65,377	(9,623)	649,088
State and local	904,881	904,881	812,123	(92,758)	825,097
Total intergovernmental	979,881	979,881	877,500	(102,381)	1,474,185
Fines and forfeitures:					
Court - superior	1,000	1,000	2,776	1,776	1,054
Court - recorders	325,000	325,000	487,376	162,376	425,944
Total fines and forfeitures:	326,000	326,000	490,152	164,152	426,998
Charges for services:					
Garbage collections	450,000	450,000	641,107	191,107	732,352
Dumpster	668,800	668,800	470,949	(197,851)	474,592
Recycled materials	-	-	825	825	1,140
Landfill fees	16,800	16,800	161,836	145,036	-
Airport	87,250	87,250	145,964	58,714	101,831
Public safety	16,000	16,000	16,828	828	15,853
Culture and recreation	51,500	51,500	58,274	6,774	40,597
Animal shelter fees	3,000	3,000	2,961	(39)	1,195
Sale of timber	-	-	-	-	-
Miscellaneous	500	500	7,938	7,438	32,327
Total charges for services:	1,293,850	1,293,850	1,506,682	212,832	1,399,887
Investment earnings	2,000	2,000	1,987	(13)	3,016
Miscellaneous:					
Rents and royalties	-	-	11,900	11,900	-
Miscellaneous	23,762	23,762	46,632	22,870	-
Total miscellaneous	23,762	23,762	58,532	34,770	-
Total revenues	\$ 8,176,161	\$ 8,176,161	\$ 9,297,557	\$ 1,121,396	\$ 8,657,750

City of Swainsboro, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended November 30, 2021
(With Comparative Actual Amounts for the Year Ended November 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
General government					
Governing body:					
Personal services	\$ 142,062	\$ 142,062	\$ 118,864	\$ 23,198	\$ 124,514
Operating	17,990	17,990	15,226	2,764	8,639
Total governing body	160,052	160,052	134,090	25,962	133,153
Mayor and commission:					
Personal services	37,103	37,103	35,545	1,558	35,037
Operating	14,982	14,982	12,456	2,526	11,403
Total mayor and commission	52,085	52,085	48,001	4,084	46,440
Total general government	212,137	212,137	182,091	30,046	179,593
Financial administration:					
Personal services	433,231	433,231	431,945	1,286	410,341
Operating	82,567	82,567	88,303	(5,736)	124,608
Capital outlay	36,314	36,314	-	36,314	6,975
Less reimbursement from other funds	-	-	-	-	(49,500)
Total financial administration	552,112	552,112	520,248	31,864	492,424
Tax assessor's commission	-	-	-	-	2,973
Total general government	764,249	764,249	702,339	61,910	674,990
Public safety:					
Police:					
Personal services	1,792,816	1,792,816	1,686,042	106,774	1,602,126
Operating	349,058	349,058	386,148	(37,090)	325,483
Capital outlay	22,896	22,896	14,416	8,480	21,526
Total police	2,164,770	2,164,770	2,086,606	78,164	1,949,135
Criminal investigation and other					
Personal services	77,322	77,322	106,812	(29,490)	96,717
Operating	18,082	18,082	27,640	(9,558)	19,002
Capital outlay	6,710	6,710	-	6,710	-
Total criminal investigation and other	102,114	102,114	134,452	(32,338)	115,719
Fire:					
Personal services	931,705	931,705	945,148	(13,443)	925,561
Operating	113,642	113,642	109,627	4,015	145,668
Capital outlay	25,600	25,600	6,376	19,224	51,898
Other	-	-	-	-	-
Total fire	1,070,947	1,070,947	1,061,151	9,796	1,123,127
Animal control:					
Personal services	130,348	130,348	133,531	(3,183)	118,226
Operating	42,645	42,645	23,962	18,683	21,192
Capital outlay	980	980	-	980	-
Total animal control	173,973	173,973	157,493	16,480	139,418
Total public safety	3,511,804	3,511,804	3,439,702	72,102	3,327,399
Public works:					
Public works - operations:					
Operating	1,308,410	1,308,410	1,350,697	(42,287)	1,628,809
Capital outlay	80,000	80,000	1,063,188	(983,188)	-
Total - public works - operations	1,388,410	1,388,410	2,413,885	(1,025,475)	1,628,809
Sanitation and recycling:					
Personal services	-	-	-	-	-
Operating	670,000	670,000	707,791	(37,791)	678,894
Total sanitation and recycling	670,000	670,000	707,791	(37,791)	678,894
Total public works	2,058,410	2,058,410	3,121,676	(1,063,266)	2,307,703
Community services					

Operating	480	480	520	(40)	4,057
Capital outlay	-	-	-	-	-
Community services	480	480	520	(40)	4,057
Total health and welfare	480	480	520	(40)	4,057
Culture and recreation					
Recreation					
Personal services	574,586	574,586	520,104	54,482	509,747
Operating	324,584	324,584	318,086	6,498	292,090
Capital outlay	-	-	160,392	(160,392)	18,000
Total recreation	899,170	899,170	998,582	(99,412)	819,837
Senior Citizen Support					
Operating	-	-	-	-	-
Sports facilities:					
Operating	87,600	87,600	87,600	-	89,120
Libraries:					
Operating	137,293	137,293	137,293	-	137,293
Total culture and recreation	1,124,063	1,124,063	1,223,475	(99,412)	1,046,250
Housing and development:					
Protective inspection					
Personal services	83,306	83,306	83,448	(142)	78,715
Operating	33,082	33,082	12,136	20,946	13,282
Total protective inspection	116,388	116,388	95,584	20,804	91,997
City Downtown Development Authority:					
Personal services	67,636	67,636	58,717	8,919	63,775
Operating	25,682	25,682	19,949	5,733	20,728
Capital outlay	6,093	6,093	-	6,093	-
Total City Downtown Development Authority:	99,411	99,411	78,666	20,745	84,503
Enterprise applications					
Operating	25,591	25,591	21,720	3,871	21,450
Airport:					
Operating	211,529	211,529	469,380	(257,851)	244,731
Capital outlay	25,000	25,000	139,400	(114,400)	-
Total airport	236,529	236,529	608,780	(372,251)	244,731
Economic development					
Operating	-	-	5,118	(5,118)	-
Capital outlay	-	-	67,931	(67,931)	-
Total economic development	-	-	73,049	(73,049)	-
Total housing and development:	477,919	477,919	877,799	(399,880)	442,681
Debt Service:					
Principal retirement	202,669	202,669	369,630	(166,961)	200,559
Interest and fiscal charges	36,567	36,567	18,265	18,321	43,664
Total Debt Service	239,236	239,236	387,895	(148,640)	244,223
Total Expenditures	\$ 8,176,161	\$ 8,176,161	\$ 9,753,406	\$ (1,577,226)	\$ 8,047,303

0.09482

City of Swainsboro, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
November 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in pooled cash and investments	\$ 378,110	\$ 96,125	\$ 474,235
Accounts receivable	7,443	-	7,443
Total Assets	\$ 385,553	\$ 96,125	\$ 481,678
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Notes payable	-	-	-
Total Liabilities	-	-	-
Restricted for debt service		-	-
Restricted for capital projects	-	96,125	96,125
Restricted for housing and development	385,553	-	385,553
Total Fund Balances	385,553	96,125	481,678
Total Liabilities and Fund Balances	\$ 385,553	\$ 96,125	\$ 481,678

City of Swainsboro, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - By Fund Type
For the Year Ended November 30, 2021

	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 143,142	\$ -	\$ -	\$ 143,142
Charges for services	-	-	-	-
Miscellaneous	-	87,525	-	87,525
Investment earnings	325	52	-	377
Total Revenues	143,467	87,577	-	231,044
Expenditures				
Current:				
Housing and development	30,799	6,045	-	36,844
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	9	9
Total Expenditures	30,799	6,045	9	36,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,668	81,532	(9)	194,191
Other Financing Sources				
Transfers in	-	-	-	-
Net Change in Fund Balances	112,668	81,532	(9)	194,191
Fund Balances Beginning of Year	272,885	14,593	9	287,487
Fund Balances End of Year	\$ 385,553	\$ 96,125	\$ -	\$ 481,678

City of Swainsboro, Georgia
General Fund
Comparative Balance Sheet
November 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 692,050	\$ 1,060,489
Investments	591,204	591,204
Receivables (net, where applicable):		
Property taxes	2,130,539	2,006,585
Sales taxes	127,070	188,020
Federal excise taxes	-	2,154
Accounts	58,598	194,895
Ingovernmental	105,457	-
Interfund	416,721	521,761
Inventories	-	-
Restricted cash and cash equivalents	1,149,044	952,144
Total Assets	\$ 5,270,683	\$ 5,517,252
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 154,363	\$ 72,204
Accrued expenditures	167,432	-
Others payable	16,744	-
Interfund payable	-	-
Total Liabilities	338,539	72,204
Deferred Inflows of Resources		
- Property Taxes	503,453	560,508
Total Liabilities and Deferred Inflows of Resources	841,992	632,712
Fund Balances		
Nonspendable	-	-
Unassigned	4,428,691	4,884,540
Total Fund Balances	4,428,691	4,884,540
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,270,683	\$ 5,517,252

City of Swainsboro, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended November 30, 2021 and 2020

	2021	2020
Revenues		
Taxes	\$ 6,107,150	\$ 5,106,414
Licenses and permits	255,554	247,250
Intergovernmental	877,500	1,474,185
Charges for services	1,506,682	1,399,887
Fines and forfeitures	490,152	426,998
Investment earnings	1,987	3,016
Miscellaneous	58,532	-
Total Revenues	9,297,557	8,657,750
Expenditures		
Current:		
General government	702,339	674,990
Public safety	3,439,702	3,327,399
Public works	3,121,676	2,307,702
Health and welfare	520	4,057
Culture and recreation	1,223,475	1,046,250
Housing and development	877,799	442,681
Debt Service:		
Principal	369,630	200,559
Interest and fiscal charges	18,265	43,664
Total Expenditures	9,753,406	8,047,302
Excess of Revenues Over Expenditures	(455,849)	610,448
Other Financing Sources		
Proceeds from the sale of capital assets	-	-
Loan proceeds	-	-
Transfers out	-	-
Total Other Financing Sources	-	-
Net Change in Fund Balances	(455,849)	610,448
Fund Balances Beginning of Year	4,884,540	4,274,092
Fund Balances End of Year	\$ 4,428,691	\$ 4,884,540

City of Swainsboro, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
November 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and investments	\$ 378,110	\$ 273,822
Accounts receivable	<u>7,443</u>	<u>-</u>
Total Assets	<u><u>\$ 385,553</u></u>	<u><u>\$ 273,822</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 937
Fund Balances		
Restricted for housing and development	<u>385,553</u>	<u>272,885</u>
Total Liabilities and Fund Balances	<u><u>\$ 385,553</u></u>	<u><u>\$ 273,822</u></u>

City of Swainsboro, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended November 30, 2021
(With Comparative Actual Amounts for the Year Ended November 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	\$ 125,000	\$ 125,000	\$ 143,142	\$ 18,142	\$ 123,857
Investment earnings	-	-	325	325	293
Total Revenues	125,000	125,000	143,467	18,467	124,150
Expenditures					
Current:					
Housing and development	125,000	125,000	30,799	94,201	41,976
Capital Outlay	-	-	-	-	-
Total Expenditures	125,000	125,000	30,799	94,201	41,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	112,668	\$ 112,668	82,174
Fund Balances Beginning of Year			272,885		190,711
Fund Balances End of Year			\$ 385,553		\$ 272,885

City of Swainsboro, Georgia
Comparative Balance Sheet
Debt Service Fund
November 30, 2021 and 2020

	<u>2020</u>	<u>2020</u>
Assets		
Equity in pooled cash and investments	<u>\$ -</u>	<u>\$ 9</u>
Fund Balances		
Restricted for debt service	<u>\$ -</u>	<u>\$ 9</u>

City of Swainsboro, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended November 30, 2021
(With Comparative Actual Amounts for the Year Ended November 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	9	(9)	-
Total Expenditures	-	-	9	(9)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(9)	(9)	-
Other Financing Sources					
Transfers in	-	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(9)	<u>\$ (9)</u>	-
Fund Balances Beginning of Year			9		9
Fund Balances End of Year			<u>\$ -</u>		<u>\$ 9</u>

City of Swainsboro, Georgia
Comparative Balance Sheet
2018 SPLOST Fund
November 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and investments	\$ 1,147,052	\$ 791,472
Accounts receivable	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,147,052</u>	<u>\$ 791,472</u>
Fund Balances		
Restricted for capital projects	<u>\$ 1,147,052</u>	<u>\$ 791,472</u>

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2018 SPLOST Fund
For the Fiscal Years Ended November 30, 2021 and 2020

	2021	2020
Revenues		
Sales taxes	\$ 602,473	\$ 471,909
Investment earnings	991	945
Total Revenues	603,464	472,854
Expenditures		
Current		
Public works	6,381	-
Capital Outlay	241,503	163,123
Total Expenditures	247,884	163,123
Excess of Revenue Over Expenditures	355,580	309,731
Fund Balances Beginning of Year	791,472	481,741
Fund Balances End of Year	\$ 1,147,052	\$ 791,472

City of Swainsboro, Georgia
Comparative Balance Sheet
Dixie Theater
November 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and investments	<u>\$ 96,125</u>	<u>\$ 14,593</u>
Fund Balances		
Restricted for capital projects	<u>\$ 96,125</u>	<u>\$ 14,593</u>

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Dlxie Theater Fund
For the Fiscal Years Ended November 30, 2021 and 2020

	2021	2020
Revenues		
Miscellaneous-contributions	\$ 87,525	\$ 5,616
Investment earnings	52	180
Total Revenues	87,577	5,796
Expenditures		
Housing and Development	6,045	-
Capital Outlay	-	184,259
Total Expenditures	6,045	184,259
Excess of Revenue Over Expenditures	81,532	(178,463)
Fund Balances Beginning of Year	14,593	193,056
Fund Balances End of Year	\$ 96,125	\$ 14,593

City of Swainsboro, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2021 and 2020

Assets	2021	2020
Current Assets:		
Cash and cash equivalents	\$ 1,348,456	\$ 1,430,072
Investments	78	98,731
Receivable:		
Accounts (net)	74,741	37,112
Interfund	-	-
Restricted assets:		
Cash and cash equivalents	521,732	398,194
Total Current Assets	1,945,007	1,964,109
Noncurrent Assets:		
Capital assets:		
Nondepreciable	520,300	530,300
Depreciable, net	16,291,263	17,295,913
Total Noncurrent Assets	16,811,563	17,826,213
Total Assets	18,756,570	19,790,322
Liabilities		
Current Liabilities:		
Accounts payable	-	20,447
Customer deposits payable	241,885	19,078
Interfund payable	416,721	521,760
Promissory note payable	-	9,769
GEFA loans payable	174,149	216,248
USDA bonds payable	129,146	123,030
Total Current Liabilities	961,901	910,332
Long-term Liabilities (net of current portion):		
Promissory note payable	-	-
GEFA loans payable	245,834	421,675
USDA bonds payable	5,167,569	5,296,715
Total Long-term Liabilities	5,413,403	5,718,390
Total Liabilities	6,375,304	6,628,722
Net Position		
Net investment in capital assets	11,094,865	11,758,776
Restricted for debt service	521,732	398,194
Unrestricted	764,669	1,004,630
Total Net Position	\$ 12,381,266	\$ 13,161,600

City of Swainsboro, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Position
Proprietary Fund - Water and Sewerage Fund
For the Fiscal Years Ended November 30, 2021 and 2020

City of Swainsboro, Georgia

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for services	\$ 2,148,056	\$ 2,485,870
Service charges	127,230	175,986
Miscellaneous	3,335	4,435
Total Operating Revenues	<u>2,278,621</u>	<u>2,666,291</u>
Operating Expenses		
Personal services - salaries	25,712	24,605
Personal services - benefits	21,813	21,004
Purchased services	1,399,916	1,640,386
Materials and supplies	460,385	369,098
Other	130,629	-
Depreciation	1,014,650	1,014,650
Total Operating Expenses	<u>3,053,105</u>	<u>3,069,743</u>
Operating (Loss)	<u>(774,484)</u>	<u>(403,452)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	2,295	2,876
Interest and fiscal charges	(8,145)	(129,733)
Total Non-Operating Revenues (Expenses)	<u>(5,850)</u>	<u>(126,857)</u>
Change in Net Position	(780,334)	(530,309)
Net Position Beginning of Year	<u>13,161,600</u>	<u>13,691,909</u>
Net Position End of Year	<u>\$ 12,381,266</u>	<u>\$ 13,161,600</u>
	\$ 12,381,266	\$ 13,161,600
	\$ -	\$ -

City of Swainsboro, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Fiscal Years Ended November 30, 2021 and 2020

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,463,799	\$ 2,666,291
Cash payments to employees for services	(47,525)	(45,609)
Cash payments for goods and services	(2,011,377)	(2,009,044)
Net Cash Provided by (Used in) Operating Activities	404,897	611,638
Cash Flows from Noncapital Financing Activities		
Other	-	233,303
Interfund payable	(105,039)	319,766
Net Cash Provided by (Used in) Noncapital Financing Activities	(105,039)	553,069
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Principal paid on USDA loan	(123,030)	(120,542)
Principal paid on notes and loans	(227,709)	(118,027)
Interest paid on notes and capital leases	(8,145)	-
Acquisition of capital assets	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(358,884)	(238,569)
Cash Flows from Investing Activities		
Net decrease (increase) in investments	98,653	-
Investment earnings	2,295	2,876
Net Cash Flows from Investing Activities	100,948	2,876
Net Increase (Decrease) in Cash and Cash Equivalents	41,922	929,014
Cash and Cash Equivalents Beginning of Year	1,828,266	899,252
Cash and Cash Equivalents End of Year	\$ 1,870,188	\$ 1,828,266
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 1,348,456	\$ 1,430,072
Restricted assets	521,732	398,194
Total Cash and Cash Equivalents	\$ 1,870,188	\$ 1,828,266

(continued)

City of Swainsboro, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Fiscal Years Ended November 30, 2021 and 2020

(continued)

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	\$ (774,484)	\$ (403,452)
Adjustments:		
Depreciation	1,014,650	1,014,650
(Increase) Decrease in Assets:		
Accounts receivable	(37,629)	-
Increase (Decrease) in Liabilities:		
Accounts payable	(20,447)	-
Customer deposits	222,807	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 404,897</u>	<u>\$ 611,198</u>

City of Swainsboro
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax
For the Year Ended 11/30/2021

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2018 SPLOST	\$ 250,000	\$ 250,000			
Public Safety Bldg and Equip			188,998	247,884	436,882
Recreation Equipment			-	-	-
W/S Improvements			-	-	-
TOTAL			\$ 188,998	\$ 247,884	\$ 436,882

Note A: The SPLOST Schedule has been prepared on the modified accrual basis.

Stacie W. Avery
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**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 Mayor and Council
City of Swainsboro, Georgia

I 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 the Governmental Audit Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia, as of and for the year ended November 30, 2021 and the related notes to the financial statements, which collectively comprise City of Swainsboro, Georgia's basic financial statements and have issued my report thereon dated June 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, I considered City of Swainsboro, Georgia's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Swainsboro Georgia's internal control. Accordingly, I do not express an opinion on the effectiveness of City of Swainsboro, 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 charge with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Swainsboro, Georgia's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Stacie W. Avery, Certified Public Accountant
Swainsboro, GA
June 24, 2022