

***CITY OF GUYTON, GEORGIA***  
***AUDITED FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED***  
***JUNE 30, 2022***

**City of Guyton, Georgia**  
**Audit of Financial Statements**  
**For the Year Ended June 30, 2022**

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**City of Guyton, Georgia**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 603,431	\$ 2,563,797	\$ 3,167,228
Receivables:			
Accounts	31,799	149,596	181,395
Taxes	106,861		106,861
Intergovernmental	258,235		258,235
Internal balances	631,287	(631,287)	
Prepaid items	12,284	5,114	17,398
<b>Restricted assets:</b>			
Cash and cash equivalents	3,189,972		3,189,972
<b>Capital assets:</b>			
Nondepreciable capital assets	1,237,633	2,208,696	3,446,329
Depreciable capital assets, net	1,841,698	10,063,757	11,905,455
<b>Other assets:</b>			
Net pension asset	169,521		169,521
<b>Total assets</b>	<b>8,082,721</b>	<b>14,359,673</b>	<b>22,442,394</b>
<b>Deferred outflows of resources</b>			
Pension:			
Differences between expected and actual experience	29,846		29,846
Contributions after measurement date	4,699		4,699
Changes in assumptions	4,740		4,740
Deferred charge on refunding of bonds		334,118	334,118
<b>Total deferred outflows of resources</b>	<b>39,285</b>	<b>334,118</b>	<b>373,403</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	1,095,206	23,045	1,118,251
Accrued salaries and wages	15,430	1,308	16,738
Accrued interest payable	665	104,538	105,203
Compensated absences payable	4,410	764	5,174
Unearned revenue	25,907		25,907
Unearned grant revenue		423,170	423,170
Bonds payable		165,000	165,000
Notes payable	260,505		260,505
Leases payable	4,152		4,152
<b>Long-term liabilities:</b>			
Bonds payable (net of current portion)		8,240,000	8,240,000
Notes payable (net of current portion)	801,454		801,454
Leases payable (net of current portion)	3,906		3,906
Premium on notes payable (net of amortization)		360,878	360,878
<b>Total liabilities</b>	<b>2,211,635</b>	<b>9,318,703</b>	<b>11,530,338</b>
<b>Deferred inflows of resources</b>			
Pension:			
Difference between projected and actual earnings on plan investments	84,829		84,829
Difference between expected and actual experience	7,602		7,602
<b>Total deferred inflows of resources</b>	<b>92,431</b>	<b>0</b>	<b>92,431</b>
<b>Net Position</b>			
Net investment in capital assets	1,750,817	4,174,775	5,925,592
Restricted for:			
Capital projects	2,029,443		2,029,443
Debt service	303,122		303,122
Unrestricted	1,734,558	1,200,313	2,934,871
<b>Total net position</b>	<b>\$ 5,817,940</b>	<b>\$ 5,375,088</b>	<b>\$ 11,193,028</b>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
*Statement of Activities*  
*For the Year Ended June 30, 2022*

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government	Business-Type Activities	Total
		Charges for Services and Sales			Governmental Activities		
<b>Primary government</b>							
<b>Governmental activities</b>							
General government							
City Council	\$ 35,108				\$ (35,108)		\$ (35,108)
Administration	343,213	\$ 86,433			(256,780)		(256,780)
Other governmental services	109,528				(109,528)		(109,528)
Public safety							
Police	639,360	39,986		\$ 9,462	(589,912)		(589,912)
Fire	3,192	288			(2,904)		(2,904)
Public works							
Streets and lanes	522,437			658,956	136,519		136,519
Sanitation	189,000	250,008			61,008		61,008
Water and sewer				189,247	189,247		189,247
Parks and recreation	32,176			89,892	57,716		57,716
Interest	12,952				(12,952)		(12,952)
<b>Total governmental activities</b>	<u>1,886,966</u>	<u>376,715</u>		<u>947,557</u>	<u>(562,694)</u>		<u>(562,694)</u>
<b>Business-type activities:</b>							
Water and sewer	<u>1,445,057</u>	<u>1,380,486</u>				\$ (64,571)	<u>(64,571)</u>
<b>Total - primary government</b>	<u>\$ 3,332,023</u>	<u>\$ 1,757,201</u>	<u>\$</u>	<u>\$ 947,557</u>	<u>(562,694)</u>	<u>(64,571)</u>	<u>(627,265)</u>
				<b>General revenues</b>			
				Property taxes	204,937		204,937
				Local option sales tax	443,744		443,744
				Franchise taxes	119,959		119,959
				Motor vehicle and title ad valorem tax	113,429		113,429
				Real estate transfer tax	6,235		6,235
				Intangible tax	20,067		20,067
				Alcohol taxes	55,118		55,118
				Insurance premium taxes	139,009		139,009
				Excise tax	21,520		21,520
				Investment earnings	144		144
				Gain on sale of capital assets	1,752		1,752
				Miscellaneous	39,644		39,644
				<b>Total general revenues</b>	<u>1,165,558</u>	<u>40,000</u>	<u>1,205,558</u>
				<b>Transfers</b>	<u>(218,034)</u>	<u>218,034</u>	<u>0</u>
				<b>Total general revenues and transfers</b>	<u>947,524</u>	<u>258,034</u>	<u>1,205,558</u>
				<b>Change in net position</b>	384,830	193,463	578,293
				<b>Net position beginning of year, as restated *</b>	<u>5,433,110</u>	<u>5,181,625</u>	<u>10,614,735</u>
				<b>Net position end of year</b>	<u>\$ 5,817,940</u>	<u>\$ 5,375,088</u>	<u>\$ 11,193,028</u>

\* See Note 3

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<u>General</u>	<u>Capital Projects Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>		<u>SPLOST</u>	<u>TSPLOST</u>		
Cash and cash equivalents					
Unrestricted	\$ 603,431				\$ 603,431
Restricted		\$ 1,259,609	\$ 1,367,299	\$ 563,064	\$ 3,189,972
Receivables					
Accounts	31,799				31,799
Taxes	106,861				106,861
Intergovernmental		99,031	159,204		258,235
Interfund balances	801,795				801,795
Prepaid items	12,284				12,284
<b>Total assets</b>	<u>\$ 1,556,170</u>	<u>\$ 1,358,640</u>	<u>\$ 1,526,503</u>	<u>\$ 563,064</u>	<u>\$ 5,004,377</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 120,900	\$ 29,550	\$ 928,506	\$ 16,250	\$ 1,095,206
Accrued salaries and wages	15,430				15,430
Interfund balances		118,543		51,965	170,508
Unearned revenues	25,907				25,907
<b>Total liabilities</b>	<u>162,237</u>	<u>148,093</u>	<u>928,506</u>	<u>68,215</u>	<u>1,307,051</u>
<b>Deferred inflows of resources - property taxes</b>	<u>14,519</u>				<u>14,519</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>176,756</u>	<u>148,093</u>	<u>928,506</u>	<u>68,215</u>	<u>1,321,570</u>
<b>Fund balances</b>					
Nonspendable - prepaid items	12,284				12,284
Restricted for:					
Capital projects	29,172	1,210,547	438,793	350,931	2,029,443
Debt service			159,204	143,918	303,122
Unassigned	1,337,958				1,337,958
<b>Total fund balances</b>	<u>1,379,414</u>	<u>1,210,547</u>	<u>597,997</u>	<u>494,849</u>	<u>3,682,807</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,556,170</u>	<u>\$ 1,358,640</u>	<u>\$ 1,526,503</u>	<u>\$ 563,064</u>	<u>\$ 5,004,377</u>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Statement of Net Position**  
**June 30, 2022**

**Total governmental fund balances** \$ 3,682,807

**Amounts reported for governmental activities in the statement of net position are different because:**

Property tax revenues are deferred in the governmental funds because they are not available but they are reported as revenue in the statement of activities. 14,519

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets	\$ 5,279,388	
Less accumulated depreciation	<u>(2,200,057)</u>	3,079,331

Net pension asset in governmental activities is not an available financial resource and is therefore not reported in the funds. However, it is recognized as an asset in the statement of net position. 169,521

The deferred outflows of resources below are not current assets or financial resources and the deferred inflows resources are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at June 30, 2022, are:

Deferred outflows		39,285
Deferred inflows		<u>(92,431)</u>

Liabilities, including notes and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable	665	
Compensated absences	4,410	
Notes payable	1,061,959	
Leases payable	<u>8,058</u>	<u>(1,075,092)</u>

**Net position of governmental activities** \$ 5,817,940

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	General	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
		SPLOST	TSPLOST		
<b>Revenues</b>					
Taxes	\$ 1,122,516				\$ 1,122,516
Licenses and permits	86,433				86,433
Intergovernmental	37,119	\$ 473,118	\$ 414,693		924,930
Charges for services	250,296				250,296
Fines and forfeitures	39,986				39,986
Investment income	97		22,627	\$ 47	22,771
Miscellaneous	39,644				39,644
<b>Total revenues</b>	<u>1,576,091</u>	<u>473,118</u>	<u>437,320</u>	<u>47</u>	<u>2,486,576</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government					
City Council	35,108				35,108
Administration	349,628				349,628
Other governmental services	123,677				123,677
Public safety - police	611,170				611,170
Public works					
Streets and lanes	433,005			90	433,095
Sanitation	189,000				189,000
Parks and recreation	3,255				3,255
<b>Capital Outlays</b>		176,715	965,389		1,142,104
<b>Debt service:</b>					
Principal	4,112		254,675		258,787
Interest and fiscal charges	106		12,181		12,287
<b>Total expenditures</b>	<u>1,749,061</u>	<u>176,715</u>	<u>1,232,245</u>	<u>90</u>	<u>3,158,111</u>
<b>Excess (deficit) of revenues to expenditures</b>	<u>(172,970)</u>	<u>296,403</u>	<u>(794,925)</u>	<u>(43)</u>	<u>(671,535)</u>
<b>Other financing sources (uses) -</b>					
Proceeds from sale of capital assets	1,752				1,752
Interfund transfers		(138,650)		(79,384)	(218,034)
Proceeds from long term debt			1,316,634		1,316,634
<b>Total other financing sources (uses)</b>	<u>1,752</u>	<u>(138,650)</u>	<u>1,316,634</u>	<u>(79,384)</u>	<u>1,100,352</u>
<b>Net change in fund balances</b>	(171,218)	157,753	521,709	(79,427)	428,817
<b>Fund balances beginning of year</b>	<u>1,550,632</u>	<u>1,052,794</u>	<u>76,288</u>	<u>574,276</u>	<u>3,253,990</u>
<b>Fund balances end of year</b>	<u>\$ 1,379,414</u>	<u>\$ 1,210,547</u>	<u>\$ 597,997</u>	<u>\$ 494,849</u>	<u>\$ 3,682,807</u>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended June 30, 2022**

**Net change in fund balances - total governmental funds** \$ 428,817

**Amounts reported for governmental activities in the statement of activities are different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period.

Depreciation expense	\$ (182,122)	
Capital outlay	<u>1,169,524</u>	987,402

Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred at 06/30/2022	\$ 14,519	
Deferred at 06/30/2021	<u>(13,017)</u>	1,502

The issuance of long-term debt (e.g., notes payable) provides current financial resources to the governmental funds, but the receipt of proceeds from long-term debt increases long-term liabilities in the statement of net assets.

(1,316,634)

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.

254,675

Repayment of lease liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

4,112

Interest expense on long-term debt reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.

Liability at 06/30/2022	\$ (665)	
Liability at 06/30/2021	<u>0</u>	(665)

Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences at 06/30/2022	\$ (4,410)	
Compensated absences at 06/30/2021	<u>15,882</u>	11,472

Net pension asset reported in the statement of activities does not provide/require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net pension asset		
Asset balance at 06/30/2022	\$ 169,521	
Asset balance at 06/30/2021	(112,303)	
Deferred inflows/outflows of resources from pensions		
Balance at 06/30/2022	(53,146)	
Balance at 06/30/2021	<u>10,077</u>	<u>14,149</u>

**Change in net position of governmental activities** **\$ 384,830**



**City of Guyton, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<u>Water and Sewer</u>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 2,563,797
Receivables - accounts	149,596
Prepaid expenses	5,114
Interfund balances	165,315
<b>Total current assets</b>	<u>2,883,822</u>
<b>Noncurrent assets:</b>	
<b>Capital assets:</b>	
Nondepreciable capital assets	2,208,696
Depreciable capital assets, net	10,063,757
<b>Total noncurrent assets</b>	<u>12,272,453</u>
<b>Total assets</b>	<u>15,156,275</u>
<b>Deferred outflows of resources</b>	
Deferred charge on refunding of bonds	<u>334,118</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	23,045
Accrued salaries and wages	1,308
Accrued interest payable	104,538
Interfund balances	796,602
Compensated absences	764
Unearned grant revenue	423,170
Bonds payable	165,000
<b>Total current liabilities</b>	<u>1,514,427</u>
<b>Long-term liabilities:</b>	
Bonds payable (net of current portion)	8,240,000
Premium on bonds payable (net of amortization)	360,878
<b>Total long-term liabilities</b>	<u>8,600,878</u>
<b>Total liabilities</b>	<u>10,115,305</u>
<b>Net Position</b>	
Net investment in capital assets	4,174,775
Unrestricted	1,200,313
<b>Total net position</b>	<u>\$ 5,375,088</u>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Statement of Revenues,**  
**Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Water and Sewer</b>
<b>Operating revenues</b>	
Charges for services	\$ 1,156,249
Connection fees	179,500
Miscellaneous	44,737
<b>Total operating revenues</b>	<b>1,380,486</b>
<b>Operating expenses</b>	
Salaries	38,321
Payroll taxes	3,258
Professional fees	352,213
Utilities	69,345
Repairs and maintenance	180,961
Supplies	91,691
Postage	6,642
Chlorine	7,260
Insurance	19,044
Bad debts	4,329
Miscellaneous	28,411
Depreciation	336,427
<b>Total operating expenses</b>	<b>1,137,902</b>
<b>Operating income</b>	<b>242,584</b>
<b>Non-operating revenues (expenses)</b>	
Interest expense and fiscal fees	(307,155)
Insurance proceeds	40,000
<b>Total non-operating revenues (expenses)</b>	<b>(267,155)</b>
<b>Income before transfers</b>	<b>(24,571)</b>
<b>Interfund transfers</b>	
Transfer from SPLOST fund	138,650
Transfer from construction trust fund	81,184
Transfer to debt service fund	(1,800)
<b>Total interfund transfers</b>	<b>218,034</b>
<b>Change in net position</b>	<b>193,463</b>
<b>Net position beginning of year</b>	<b>5,181,625</b>
<b>Net position end of year</b>	<b>\$ 5,375,088</b>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<u><b>Water and Sewer</b></u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 1,381,890
Cash payments to employees for personal services	(40,922)
Cash payments for goods and services	<u>(859,391)</u>
<b>Net cash provided by operating activities</b>	<u>481,577</u>
<b>Cash flows from noncapital financing activities</b>	
Grant proceeds	423,170
Interfund balances	<u>53,875</u>
<b>Net cash provided by noncapital financing activities</b>	<u>477,045</u>
<b>Cash flows from capital and related financing activities</b>	
Interfund transfers for capital asset projects	
From SPLOST Capital Projects Fund	138,650
From Construction Trust Capital Projects Fund	81,184
To Debt Service Trust	(1,800)
Principal paid on bonds	(140,000)
Interest and fiscal fees paid on debt	(326,950)
Insurance proceeds	40,000
Payments for capital acquisitions	<u>(181,533)</u>
<b>Net cash used for capital and related financing activities</b>	<u>(390,449)</u>
<b>Net increase in cash and cash equivalents</b>	568,173
<b>Cash and cash equivalents beginning of year</b>	<u>1,995,624</u>
<b>Cash and cash equivalents end of year</b>	<u><u>\$ 2,563,797</u></u>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

(continued)

**Water and  
Sewer**

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**Reconciliation of operating income to net cash provided by operating activities**

<b>Operating income</b>	\$ 242,584
<b>Adjustments:</b>	
Depreciation and amortization	336,427
<b>(Increase) decrease in assets</b>	
Accounts receivable	1,404
Prepaid expense	6,751
<b>Increase (decrease) in liabilities:</b>	
Accounts payable	(106,246)
Accrued salaries and wages	231
Compensated absences payable	426
	<hr style="width: 100%;"/>
<b>Net cash provided by operating activities</b>	<b>\$ <u>481,577</u></b>

The accompanying notes are an integral part of the financial statements.

**City of Guyton, Georgia**  
***Notes to Basic Financial Statements***  
***For the Year Ended June 30, 2022***

***Note 1 - Summary of Significant Accounting Policies***

The City of Guyton, Georgia (the City) was incorporated under the provisions of Georgia law in 1887. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets and lanes, sanitation, planning and zoning, water and sewer, and various administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles applicable to governments (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

**Reporting Entity**

The reporting entity is comprised of the primary government 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.

The City has no component units and there are no organizations which have been excluded from the reporting entity.

**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 is 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 fees charged to external customers.

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.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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; and (2) 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 in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns on the fund statements.

**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** - Government 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 are the City's major governmental funds:

**The General Fund** – The general fund accounts for all financial resources except those required to be accounted for 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 Georgia.

**The SPLOST Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of capital projects under the Special Local Option Sales Tax referendum.

**The TSPLOST Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of transportation capital projects under the Transportation Special Local Option Sales Tax referendum.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds. The following is the City's major enterprise fund:

**Water and Sewer Fund** – This fund is used to account for the construction of facilities and operation of activities involved in providing water and sewer services to City residents.

**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 manner in which 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, all proprietary fund types are 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.

**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. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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 60 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. 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 60 days) before it can be recognized.

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

**Unearned Revenue** - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

**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.

**Assets, Liabilities and Fund Equity**

**Cash, Cash Equivalents** - 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.

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Investments** - 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

**Receivables** - All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water, sewer and garbage collection charges are accrued as receivables and revenue at June 30, 2022. The general fund and water and sewer enterprise fund reported an allowance of \$16,852 and \$84,282, respectively, at June 30, 2022.

**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.

**Prepaid Items** - Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**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 governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars or at management's discretion for items less than this threshold. The City's infrastructure consists of roads, bridges, water lines and sewer lines. Improvements to capital assets are capitalized. The City has capitalized only those infrastructure costs incurred in the years subsequent to June 30, 2003. 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.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives	
	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 Years	
Machinery and equipment	5-10 years	7-10 Years
Intangible right to use lease equipment	5 Years	5 Years
Furniture and fixtures	5 Years	
Office equipment	5 Years	
Vehicles	5-8 Years	5 Years
Infrastructure	3-10 Years	
Water System		50 Years
Sewer collection system		50 Years

**Compensated Absences** - Vacation benefits are accrued as a liability as the benefits are earned if the employee’s 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 proprietary fund reports total compensated absence liability at the fund level, if applicable. Governmental funds report compensated absence liability at the fund reporting level only “when due.”

**Accrued Liabilities and Long-term Obligations** - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences 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. Leases payable are recognized as a liability in the governmental fund financial statements when due.

**Debt Premiums, Discounts and Issuance Costs** - On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

At the governmental 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 expenditures.

**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 balance* - amounts that are not in spendable form (such as prepaid items) or are required to be maintained intact.

*Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

*Committed fund balance* - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. the City Council). To be reported as committed, amounts cannot be used for any other purposes unless the City takes the same highest level action to remove or change the constraint.

*Assigned fund balance* - amounts the City intends to use for a specific purpose. Intent can be expressed by the City or by an official or body to which the City Council delegates the authority.

*Unassigned fund balance* - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

**Fund Balance Flow Assumptions** - It is the City's policy to consider restricted fund balance to have been used before 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 and then unassigned.

**Net Position** - Net position represents the difference between assets and liabilities. The net position component, "net investment in capital assets, 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. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The balance of net position is reported as unrestricted.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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.

**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 water and sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Contributions of Capital** - Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**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 after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular 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.

**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.

**New Accounting Pronouncements - Adopted** - In June 2017, GASB issued Statement No. 87, Leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract.

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 2 – Stewardship, Compliance and Accountability**

**Budgetary Information**

The City adopts an annual operating budget for the general fund, capital projects fund and the special revenue fund. The budget resolution reflects the total of each department’s appropriation in each fund.

The general, capital projects and special revenue fund’s budgets are adopted on a basis consistent with GAAP.

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. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

Transfer of budget amounts can occur within departments. All unexpended annual appropriations lapse at year-end.

**Note 3 - Restatement for Change in Accounting Principle**

Pursuant to the adoption of GASB Statement No. 87 (see Note 1), the City is required to reevaluate the accounting treatment of leases. The new standard requires that the following restatement be made to account for the right to use leased assets and the commitment to make future lease payments existing at the beginning of the year.

	<u>Governmental Activities Net Position</u>
As previously stated	\$ 5,436,191
Right to use leased assets, June 30, 2021	12,170
Accumulated amortization	(3,081)
Lease liability	<u>(12,170)</u>
As restated	<u>\$ 5,433,110</u>

**Note 4 - Cash and Cash Equivalents**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk; however, as of June 30, 2022, the government is not exposed to custodial credit risk.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 5 - Receivables**

Receivables at June 30, 2022, consisted of taxes, intergovernmental, and accounts (billings for user charges).

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.

**Note 6 - Property Taxes**

The City Council levies property taxes on or about July 15th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are usually billed on or about September 15th of each year and are payable within sixty days. The Effingham County Tax Commissioner bills and collects the City's property taxes and City property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2022, property taxes were levied on August 24, 2021. Property tax bills were mailed on October 15, 2021, and were due December 15, 2021. The lien date was March 11, 2022.

**Note 7 - Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2022, was as follows:

	Balance 6/30/2021, as Restated	Additions	Deductions	Balance 6/30/2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 199,901	\$ 27,750		\$ 227,651
Construction in progress		1,009,982		1,009,982
Total capital assets not being depreciated	\$ 199,901	1,037,732		\$ 1,237,633

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 7 - Capital Assets (continued)**

	Balance 6/30/2021, as Restated	Additions	Deductions	Balance 6/30/2022
Depreciable capital assets:				
Buildings	932,745			932,745
Machinery and equipment	394,582	16,640		411,222
Vehicles	531,624	115,152	\$ 50,830	595,946
Furniture & fixtures	29,409			29,409
Office equipment	95,207			95,207
Infrastructure	1,965,056			1,965,056
Intangible right to use office equipment	12,170			12,170
Total depreciable capital assets	<u>3,960,793</u>	<u>131,792</u>	<u>50,830</u>	<u>4,041,755</u>
Total capital assets	<u>4,160,694</u>	<u>1,169,524</u>	<u>50,830</u>	<u>5,279,388</u>
Accumulated depreciation:				
Buildings	385,639	21,226		406,865
Machinery and equipment	197,269	27,187		224,456
Vehicles	437,520	37,775	50,830	424,465
Furniture & fixtures	29,408			29,408
Office equipment	44,249	14,547		58,796
Infrastructure	971,599	78,438		1,050,037
Intangible right to use office equipment	3,081	2,949		6,030
Total accumulated depreciation	<u>2,068,765</u>	<u>182,122</u>	<u>50,830</u>	<u>2,200,057</u>
Governmental activities capital assets, net	<u>\$ 2,091,929</u>	<u>\$ 987,402</u>	<u>\$</u>	<u>\$ 3,079,331</u>
Governmental activities depreciation expense:				
General government		\$ 23,152		
Public safety - police		32,798		
Public safety - fire		3,192		
Public works - streets		96,245		
Parks and recreation		26,735		
Total governmental activities depreciation expense		<u>\$ 182,122</u>		

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 7 - Capital Assets (continued)**

Capital asset activity for business-type activities for the year ended June 30, 2022, was as follows:

	Balance 6/30/2021	Additions	Deductions	Balance 6/30/2022
Business-type activities:				
Capital assets not being depreciated:				
Land and rights	\$ 2,127,513			\$ 2,127,513
Construction in progress		\$ 81,183		81,183
Land and rights	2,127,513	81,183		2,208,696
Depreciable capital assets:				
Improvements - not building	13,309,643	30,609		13,340,252
Machinery and equipment	720,031	113,350	\$ 53,060	780,321
Office equipment	8,350			8,350
Total depreciable capital assets	14,038,024	143,959	53,060	14,128,923
Total capital assets	16,165,537	225,142	53,060	16,337,619
Accumulated depreciation:				
Improvements - not building	3,324,551	293,786		3,618,337
Machinery and equipment	452,731	41,868	53,060	441,539
Office equipment	4,517	773		5,290
Total accumulated depreciation	3,781,799	336,427	53,060	4,065,166
Water and sewer capital assets, net	\$ <u>12,383,738</u>	\$ <u>(111,285)</u>	\$ <u>          </u>	\$ <u>12,272,453</u>

**Note 8 - Interfund Balances and Transfers**

Interfund balances at June 30, 2022, consisted of the following:

General fund receivable from water and sewer fund for various expenses paid by general fund	\$ 796,602
General fund receivable from SPLOST for various expenses paid by general fund	\$ 5,193
Water and sewer fund receivable from SPLOST for various expenses paid by water and sewer fund	\$ 113,350



**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 8 - Interfund Balances and Transfers (continued)**

Water and sewer fund receivable from construction trust fund for various expenses paid by water and sewer fund	\$ 51,965
Interfund transfers for the year ended June 30, 2022, consisted of the following:	
SPLOST transfers to water and sewer fund for water and sewer capital additions	\$ 138,650
Construction trust fund transfers to water and sewer fund for allowable waste water treatment plant development expenditures	\$ 81,184
Water and sewer fund transfers to debt service trust fund in accordance with bond covenant to ensure necessary amounts are on hand to make debt service payments	\$ 1,800

**Note 9 - Deferred Inflows and Deferred Outflows of Resources**

In addition to assets, the financial statements of the City will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. Deferred charges on the refunding of bonds are reported in this category in the proprietary fund statement of net position and the government-wide statement of net position. Additionally, the differences between expected and actual experience and changes in assumptions related to pensions and the contributions made to the pension plan after the measurement date qualify for reporting in this category in the government-wide statement of net position.

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The portion of property taxes that are not available for use (not received within 60 days subsequent to year end) are reported as deferred inflows of resources in the governmental funds balance sheet. This element is not present in the government-wide statement of net position. The changes in assumptions, the net difference between projected and actual earnings on investments and the difference between expected and actual experience related to pensions are the only items the City has that qualify for reporting in this category in the government-wide statement of net position for governmental activities.

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 10 - Long-Term Liabilities**

**Governmental Activities**

**General Obligation Debt**

General obligation debt at June 30, 2022, is comprised of an intergovernmental agreement between the City and Effingham County under which the County advanced funds to the City to cover its TSPLOST projects. The advance is to be repaid over the life of the TSPLOST revenue collection period first from TSPLOST revenues and then to the extent necessary, by the general revenues of the City. Semi-annual payments from December 1, 2021, through June 1, 2026, include interest at 0.793%.

As of June 30, 2022, debt service requirement to maturity are as follows.

Year	Principal	Interest	Total
2023	\$ 260,505	\$ 8,421	\$ 268,926
2024	263,891	6,356	270,247
2025	267,089	4,263	271,352
2026	270,474	2,145	272,619
Total	<u>\$ 1,061,959</u>	<u>\$ 21,185</u>	<u>\$ 1,083,144</u>

**Leases** - The City has entered into various lease agreements for the rights to use various pieces of office equipment. As the arrangements meet the criteria of a lease under GASB Statement No. 87, adopted in the current year (see Note 1), they are required to be recorded as intangible right to lease assets and lease liabilities. The right to lease assets are amortized over the lease terms which are shorter than the useful lives of the underlying assets and the City is not taking ownership of the underlying assets.

Lease payable to Pitney Bowes in equal quarterly payments of approximately \$192, including imputed interest at 1.46%. This asset will be amortized over the lease term of five years. There are no residual value guarantees in the lease provisions. A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest	Total
2023	\$ 751	\$ 15	\$ 766
2024	387	3	390
Total	<u>\$ 1,138</u>	<u>\$ 18</u>	<u>\$ 1,156</u>

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 10 - Long-Term Liabilities (continued)**

Lease payable to GreatAmerica Financial Services Corporation in equal monthly payments of approximately \$67, including interest at 1.69%. This asset will be amortized over the lease term of four years. There are no residual value guarantees in the lease provisions. A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest	Total
2023	\$ 799	\$ 12	\$ 811
2024	674	3	677
Total	\$ 1,473	\$ 15	\$ 1,488

Lease payable to GreatAmerica Financial Services Corporation in equal monthly payments of approximately \$220, including interest at 0.89%. This asset will be amortized over the lease term of four years. There are no residual value guarantees in the lease provisions. A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest	Total
2023	\$ 2,602	\$ 38	\$ 2,640
2024	2,625	15	2,640
2025	220		220
Total	\$ 5,447	\$ 53	\$ 5,500

**Business Type Activities**

**Water & Sewer Refunding and Improvement Revenue Bonds, "Series 2011 Bonds"**

Issued on August 25, 2011, in the amount of \$9,565,000 for the refunding of all outstanding water and sewer related bonds and the construction of a waste water treatment facility. The bonds have maturity dates ranging from March 1, 2012, to March 1, 2041, in varying amounts. Interest is payable at varying rates ranging from 2.0% to 4.8% based on bond maturity. The bonds are secured by direct revenues of the water/sewer system.

**Bond refunding** - All of the Series 2011 Bonds were advance refunded on February 23, 2017, with Series 2017 bonds because of the decrease in interest rates.

**Water and Sewer Refunding Revenue Bonds, Series 2017**

Issued on February 23, 2017, in the amount of \$8,845,000 for the advance refunding of the remaining Series 2011 bonds. See Note 11 for further information of the refunding of bonds. The bonds have maturity dates ranging from March 1, 2016, through March 1, 2041, in varying amounts. Interest is payable at varying rates ranging from 2.0% to 4.0% based on bond maturity. The bonds were issued at a premium of \$596,870 which, net of accumulated amortization of \$235,992, is reported in the statement of net position at a value of \$360,878. The bonds are secured by direct revenues of the water/sewer system.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 10 - Long-Term Liabilities (continued)**

As of June 30, 2022, debt service requirement to maturity are as follows.

Year	Principal	Interest	Total
2023	\$ 165,000	\$ 324,150	\$ 489,150
2024	230,000	320,850	550,850
2025	255,000	315,675	570,675
2026	310,000	305,475	615,475
2027	370,000	293,075	663,075
2028-2033	2,100,000	1,230,175	3,330,175
2034-2038	2,550,000	775,375	3,325,375
2039-2041	2,425,000	230,625	2,655,625
Total	<u>\$ 8,405,000</u>	<u>\$ 3,795,400</u>	<u>\$ 12,200,400</u>

**Changes in Long-term Debt** - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2022:

	Outstanding 6/30/2021, as Restated	Additions	Reductions	Outstanding 6/30/2022	Amounts due in one year
Governmental activities					
General obligation debt					
Notes payable		\$ 1,316,634	\$ 254,675	\$ 1,061,959	\$ 260,505
Leases	\$ 12,170		4,112	8,058	4,152
Compensated absences	15,882	14,952	26,424	4,410	4,410
Total governmental activities	<u>\$ 28,052</u>	<u>\$ 1,331,586</u>	<u>\$ 285,211</u>	<u>\$ 1,074,427</u>	<u>\$ 269,067</u>
Business-type activities					
Water & Sewer Refunding & Improvement Bonds - "Series 2017 Bonds"	\$ 8,545,000		\$ 140,000	\$ 8,405,000	\$ 165,000
Compensated absences	338	2,293	1,867	764	764
Total business-type activities	<u>\$ 8,545,338</u>	<u>\$ 2,293</u>	<u>\$ 141,867</u>	<u>\$ 8,405,764</u>	<u>\$ 165,764</u>

Principal and interest payments related to the City's water and sewer bonds are financed from income derived from the operation of the water and sewer system.

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

***Note 10 - Long-Term Liabilities (continued)***

The compensated absences liability will be paid from the fund from which the employee's salaries are paid. Generally, the compensated absences liability has been liquidated by the general fund and the water and sewer fund in the prior year.

Total interest incurred (all of which was charged to operations) in the government-wide financial statements amounted to \$12,952 for governmental activities and \$307,155 for business-type activities.

***Note 11 - Refunding of Bonds***

On February 23, 2017, the City issued City of Guyton Water and Sewer Refunding Revenue Bonds, Series 2017, in the amount of \$8,845,000, with interest rates ranging between 2.00% and 4.00%. The City used the bonds to advance refund the Series 2011 bonds, with interest rates varying from 2.0% to 4.80%. The City deposited the net proceeds in an irrevocable trust to purchase U.S. government securities to provide for all future debt service on the aforementioned bond series. As a result, the refunded bonds are considered defeased, and the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$8,810,000 at June 30, 2022.

***Note 12 - Pension***

**General Information About the Pension Plan**

***Plan Description*** - All full-time city employees are eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and an adoption agreement executed by City Council. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia, 30303.

***Benefits Provided*** - GMEBS provides retirement, disability benefits and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with 5 years of total service are eligible to retire at age 65 and with ten years of total service are eligible to retire at age 55 with full benefits.

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 12 - Pension (continued)**

**Employees Covered** - At June 30, 2022, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	7
Active employees	7
Total	19

**Contributions** - The City's employee's participation is noncontributory. The City is subject to minimum standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following the notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The City's contributions to the plan were \$6,979 for the year ended June 30, 2022.

**Net Pension Liability**

The City's net pension liability (NPL) for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2021, using an annual actuarial valuation as of January 1, 2022. a summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation date	January 1, 2022
Measurement date	September 30, 2021
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount rate	7.375%
Inflation rate	2.25%
Net investment rate of return	7.375%

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 12 - Pension (continued)**

Projected salary increase	2.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2019. Further details of the experience study can be obtained by contacting the Georgia Municipal Association.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.375%. The discount rate remained unchanged since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
Total	<u>100%</u>	

**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 12 - Pension (continued)**

**Changes in Net Pension Liability**

The changes in the Net Pension Liability for the plan are as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability/ (Asset)</u>
Balances as of September 30, 2020	\$ 525,437	\$ 637,740	\$ (112,303)
Changes for the year:			
Service cost	14,768		14,768
Interest	38,436		38,436
Differences between expected and actual experience	41,839		41,839
Contributions - employer		4,485	(4,485)
Net investment income		152,477	(152,477)
Benefit payments	(38,068)	(38,068)	0
Administrative expense		(4,701)	4,701
Net changes	<u>56,975</u>	<u>114,193</u>	<u>(57,218)</u>
Balances as of September 30, 2021	<u>\$ 582,412</u>	<u>\$ 751,933</u>	<u>\$ (169,521)</u>

Sensitivity of the Net Pension Liability (Asset) to changes in the discount rate is as follows:

1% Decrease	Discount Rate	1% Increase
<u>(6.375%)</u>	<u>(7.375%)</u>	<u>(8.375%)</u>
\$ (112,825)	\$ (169,521)	\$ (217,809)

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 12 - Pension (continued)**

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the City recognized negative pension expense of \$9,421. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,846	\$ (7,602)
Pension contributions subsequent to measurement date	4,699	
Changes of assumptions	4,740	
Net difference between projected and actual earnings on pension plan investments		(84,829)
Total	\$ 39,285	\$ (92,431)

\$4,699 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30:		
2023	\$	(9,112)
2024		(3,336)
2025		(24,026)
2026		(21,371)
	\$	(57,845)

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**City of Guyton, Georgia**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 13 - Net Investment in Capital Assets**

Net investment in capital assets on the government-wide statement of net position as of June 30, 2022, are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Cost of capital assets	\$ 5,279,388	\$ 16,337,619
Less accumulated depreciation	<u>2,200,057</u>	<u>4,065,166</u>
Book value	<u>3,079,331</u>	<u>12,272,453</u>
Less capital related debt		
Total debt	1,070,017	8,405,000
Less unspent debt proceeds	<u>(685,833)</u>	<u>(350,931)</u>
Total capital related debt	<u>384,184</u>	<u>8,054,069</u>
Less other capital related liabilities	<u>944,330</u>	<u>43,609</u>
Net investment in capital assets	<u>\$ 1,750,817</u>	<u>\$ 4,174,775</u>

**Note 14 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions; and workers compensation for which the City carries the following insurance coverages.

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City’s management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA’s responsibility includes paying claims, and representing the city in defense and settlement of claims. GIRMA’s basis for estimating the liabilities for unpaid claims is “IBNR” established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2022. No provisions have been made in the financial statements for the year ended June 30, 2022, for any estimate of potential unpaid claims.

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**City of Guyton, Georgia**  
***Notes to Basic Financial Statements***  
***For the Year Ended June 30, 2022***

***Note 14 - Risk Management (continued)***

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (the Fund). As a participant in the Fund, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the Fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

***Note 15 - Commitments***

The City had contractual commitments at June 30, 2022, of approximately \$120,000 for various road construction projects. Future appropriations will fund these commitments as work is performed.

***Note 16 - Contingent Liabilities***

***Federal Grant Audits*** - 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.

***Note 17 - Joint Ventures***

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (CRC) and is required to pay annual dues thereto. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a CRC. Separate financial statements may be obtained from Coastal Regional Commission of Georgia, 1181 Coastal Drive SW, Darien, GA 31305.

***Note 18 - Subsequent Events***

Subsequent events have been evaluated by management through December 30, 2022, which is the date the financial statements were available to be issued.

***Required Supplementary Information***

**City of Guyton, Georgia**  
**General Fund**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2022*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 984,354	\$ 1,122,516	\$ 1,122,516	\$ 0
Licenses and permits	162,000	86,433	86,433	0
Intergovernmental	30,000	37,119	37,119	0
Charges for services	214,000	250,296	250,296	0
Fines and forfeitures	35,000	39,986	39,986	0
Investment earnings	0	97	97	0
Miscellaneous	11,200	39,644	39,644	0
<b>Total revenues</b>	<u>1,436,554</u>	<u>1,576,091</u>	<u>1,576,091</u>	<u>0</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government				
City Council	36,075	35,108	35,108	0
Administration	435,523	353,035	353,035	0
Other governmental services	163,429	123,677	123,677	0
Public Safety - police	534,136	611,981	611,981	0
Public works				
Streets and lanes	320,416	433,005	433,005	0
Sanitation	187,805	189,000	189,000	0
Parks and recreation - leisure services	50,786	3,255	3,255	0
<b>Total expenditures</b>	<u>1,728,170</u>	<u>1,749,061</u>	<u>1,749,061</u>	<u>0</u>
<b>Excess (deficit) of revenues to expenditures</b>	(291,616)	(172,970)	(172,970)	0
<b>Other financing sources</b>				
Proceeds from sale of capital assets	6,200	1,752	1,752	0
Interfund transfers	285,416			0
<b>Total other financing sources</b>	<u>291,616</u>	<u>1,752</u>	<u>1,752</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ 0</u>	<u>\$ (171,218)</u>	(171,218)	<u>\$ 0</u>
<b>Fund balance beginning of year</b>			<u>1,550,632</u>	
<b>Fund balance end of year</b>			<u>\$ 1,379,414</u>	

See the accompanying notes to the required supplementary information.

**City of Guyton, Georgia**  
**Notes to the Required Supplementary Information**  
**Budget to Actual Comparisons**  
**For the Year Ended June 30, 2022**

**Note 1 - Budgetary Information**

The City adopts an annual operating budget for the general fund, each special revenue fund, and each capital projects fund.

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 Manager may approve budget transfers within departments. Any changes to a fund total or departmental appropriation within a fund requires approval of the City Council. During the year, the City Council approved one budget revision which affected governmental funds.

All unexpended annual appropriations lapse at year-end.

All budgets are adopted on a basis consistent with GAAP with the exception that on the budgetary basis, payments for debt service on long-term debt, including leases (i.e, \$4,218 for the general fund), are budgeted within the functions but are reported as separate character classifications on the GAAP basis. The reconciliation to the Schedule of Revenue, Expenditures, and Changes in Fund Balance is as follows:

	<u>Financial Statement</u>	<u>Budgetary Adjustment</u>	<u>Budget</u>
General fund			
General government - Administration	\$ 349,628	\$ 3,407	\$ 353,035
Public safety - Police	611,170	811	611,981
Debt service			
Principal	4,112	(4,112)	0
Interest and fiscal charges	<u>106</u>	<u>(106)</u>	<u>0</u>
	<u>\$ 965,016</u>	<u>\$ 0</u>	<u>\$ 965,016</u>

**City of Guyton, Georgia**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Defined Benefit Pension Plan**  
**For the Year Ended June 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>								
Service cost	\$ 14,768	\$ 5,763	\$ 9,549	\$ 11,861	\$ 13,551	\$ 17,751	\$ 14,276	\$ 14,706
Interest	38,436	37,108	36,646	36,788	36,222	35,225	38,030	35,985
Difference between expected and actual experience	41,839	3,906	(3,835)	(15,664)	(21,062)	(19,089)	(72,387)	(10,856)
Changes in assumptions			13,429		8,297			(5,805)
Benefit payments, including refunds of employee contributions	<u>(38,068)</u>	<u>(37,462)</u>	<u>(37,462)</u>	<u>(27,659)</u>	<u>(23,829)</u>	<u>(18,225)</u>	<u>(13,994)</u>	<u>(1,302)</u>
Net change in total pension liability	56,975	9,315	18,327	5,326	13,179	15,662	(34,075)	32,728
Total pension liability - beginning	525,437	516,122	497,795	492,469	479,290	463,628	497,703	464,975
Total pension liability - ending	<u>\$ 582,412</u>	<u>\$ 525,437</u>	<u>\$ 516,122</u>	<u>\$ 497,795</u>	<u>\$ 492,469</u>	<u>\$ 479,290</u>	<u>\$ 463,628</u>	<u>\$ 497,703</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 4,485	\$ 3,565	\$ 5,480	\$ 14,943	\$ 21,054	\$ 24,327	\$ 31,224	\$ 25,814
Net investment income	152,477	57,445	17,498	58,450	78,366	52,094	4,677	43,717
Benefit payments, including of employee contributions	<u>(38,068)</u>	<u>(37,462)</u>	<u>(37,462)</u>	<u>(27,659)</u>	<u>(23,829)</u>	<u>(18,225)</u>	<u>(13,994)</u>	<u>(1,302)</u>
Administrative expense	<u>(4,701)</u>	<u>(3,403)</u>	<u>(3,305)</u>	<u>(3,512)</u>	<u>(3,835)</u>	<u>(1,937)</u>	<u>(2,004)</u>	<u>(1,618)</u>
Net change in fiduciary net position	114,193	20,145	(17,789)	42,222	71,756	56,259	19,903	66,611
Plan fiduciary net position - beginning	637,740	617,595	635,384	593,162	521,406	465,147	445,244	378,633
Plan fiduciary net position - ending	<u>\$ 751,933</u>	<u>\$ 637,740</u>	<u>\$ 617,595</u>	<u>\$ 635,384</u>	<u>\$ 593,162</u>	<u>\$ 521,406</u>	<u>\$ 465,147</u>	<u>\$ 445,244</u>
<b>Net pension (asset) liability- ending</b>	<u>\$ (169,521)</u>	<u>\$ (112,303)</u>	<u>\$ (101,473)</u>	<u>\$ (137,589)</u>	<u>\$ (100,693)</u>	<u>\$ (42,116)</u>	<u>\$ (1,519)</u>	<u>\$ 52,459</u>
Plan fiduciary net position as a percentage of total pension liability	129.11%	121.37%	119.66%	127.64%	120.45%	108.79%	100.33%	89.46%
Covered employee payroll	288,710	373,327	239,552	264,482	239,257	259,344	307,296	301,617
Net position asset as a percentage of covered-employee payroll	-58.72%	-30.08%	-42.36%	-52.02%	-42.09%	-16.24%	-0.49%	17.39%

**Changes in assumptions**

There were no changes in assumptions in the last two fiscal years.

**Benefit changes**

There were no changes in benefit provisions in the last two fiscal years.

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time, this schedule will present the required ten years of data.

**City of Guyton, Georgia**  
**Schedule of Contributions**  
**Defined Benefit Pension Plan**  
**For the Year Ended June 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	*	\$ 3,584	\$ 3,559	\$ 6,121	\$ 17,884	\$ 22,110	\$ 25,067	\$ 30,233
Contributions in relation to actuarially determined contribution	*	3,584 **	3,559 **	6,121 **	17,884 **	22,110 **	25,066 **	32,515 **
Contribution deficiency (excess)	*	0	0	0	0	0	1	(2,282)
Covered-employee payroll	*	373,327	239,552	264,482	239,257	259,344	307,296	301,617
Contributions as a percentage of covered-employee payroll	*	0.96%	1.49%	2.31%	7.47%	8.53%	8.16%	10.78%

**Notes to Schedule of Contributions**

\* 2022 information will be determined after fiscal year end and will be included in 2023 reporting.

\*\* Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

\*\*\* 2021 covered payroll is based on data collected as of September 30, 2020, for the 2021 actuarial valuation.

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.

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**City of Guyton, Georgia  
Schedule of Contributions  
Defined Benefit Pension Plan  
For the Year Ended June 30, 2022**

**Notes to Schedule of Contributions (continued)**

Valuation Date                              The actuarially determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2023.

*Methods and Assumptions Used to Determine Contribution Rates*

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	N/A
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%
Cost of Living Adjustments	0.00%
Retirement age	Retirement rates are adjusted to closely reflect actual experience
Mortality rates	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Active and terminated vested participants and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

***Other Supplementary Information***

**City of Guyton Georgia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	<b>Construction Trust</b>	<b>Debt Service Trust</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 419,146	\$ 143,918	\$ 563,064
<b>Liabilities</b>			
Accounts payable	\$ 16,250		\$ 16,250
Interfund balances	51,965		51,965
<b>Total liabilities</b>	<b>68,215</b>	<b>\$ 0</b>	<b>68,215</b>
<b>Fund Balances</b>			
Restricted for capital projects	350,931		350,931
Restricted for debt service		143,918	143,918
<b>Total fund balances</b>	<b>\$ 350,931</b>	<b>\$ 143,918</b>	<b>\$ 494,849</b>
<b>Total liabilities and fund balances</b>	<b>367,181</b>	<b>143,918</b>	<b>511,099</b>

**City of Guyton, Georgia**  
***Combining Schedule of Revenues, Expenses and Changes in Fund Balances***  
***Nonmajor Governmental Funds***  
***For the Year Ended June 30, 2022***

	<u>Construction Trust</u>	<u>Debt Service Trust</u>	<u>Total</u>
<b>Revenues</b>			
Investment income	\$ 33	\$ 14	47
<b>Expenditures</b>			
<b>Current:</b>			
Public Works	<u>90</u>	<u>          </u>	<u>90</u>
<b>Excess (deficit) of revenues to expenditures</b>	(57)	14	(43)
<b>Other financing sources - Interfund transfers</b>	<u>(81,184)</u>	<u>1,800</u>	<u>(79,384)</u>
<b>Net change in fund balance</b>	(81,241)	1,814	(79,427)
<b>Fund balances beginning of year</b>	<u>432,172</u>	<u>142,104</u>	<u>574,276</u>
<b>Fund balances end of year</b>	<u>\$ 350,931</u>	<u>\$ 143,918</u>	<u>\$ 494,849</u>

**City of Guyton, Georgia**  
**Schedule of Projects Paid with**  
**Special Purpose Local Option Sales Tax Proceeds**  
**For the Year Ended June 30, 2022**

	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total	Percentage Complete
<b>2012 Effingham County SPLOST</b>						
Roads, streets and bridges	\$ 513,864	\$ 338,416	\$ 317,302	\$ 21,114	\$ 338,416	100.00%
Public safety	26,352	26,352	26,352		26,352	100.00%
Recreation	250,344	150,830	102,508	2,186	104,694	69.41%
Water and sewer	527,040	404,497	404,497		404,497	100.00%
Total	<u>\$ 1,317,600</u>	<u>\$ 920,095</u>	<u>\$ 850,659</u>	<u>\$ 23,300</u>	<u>\$ 873,959</u>	
Funds remaining at June 30, 2022					<u>\$ 46,136</u>	
<b>2017 Effingham County SPLOST</b>						
Streets and lanes	\$ 676,800	\$ 676,800		\$ 86,067	\$ 86,067	12.72%
Public safety	676,800	676,800	\$ 83,685	67,348	151,033	22.32%
Recreation	112,800	112,800				0.00%
Technology	112,800	112,800	10,837		10,837	9.61%
Water and sewer	676,800	676,800		138,650	138,650	20.49%
Total	<u>\$ 2,256,000</u>	<u>\$ 2,256,000</u>	<u>\$ 94,522</u>	<u>\$ 292,065</u>	<u>\$ 386,587</u>	
Funds remaining at June 30, 2022					<u>\$ 1,164,411</u>	

*City of Guyton, Georgia*  
*Schedule of Projects Paid with*  
*Transportation Special Purpose Local Option Sales Tax Proceeds*  
*For the Year Ended June 30, 2022*

	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Complete
Glenmore Drive	\$ 43,000	\$ 36,751		\$ 5,925	\$ 5,925	16.12%
Exit to Guyton Elementary	40,000	36,689		36,689	36,689	100.00%
W Central Blvd. (119 to Halfway Rd.)	217,550	168,560		140,505	140,505	83.36%
Powell Rd. (4th Street to Brogdon)	50,000	57,851		54,626	54,626	94.43%
Central Blvd. (PO to Lynn Bonds)	70,000	70,644		58,907	58,907	83.39%
Del A Rae Circle	182,500	121,076		110,625	110,625	91.37%
Brogdon Rd. (Mabnolia to City Limits)	135,000	125,970		110,218	110,218	87.50%
Lynn Bonds (17 to Church)	57,905	39,164		34,932	34,932	89.19%
Reese Ln.	15,000	15,000				0.00%
Dilmus Jackson Ln.	75,000	60,500		52,446	52,446	86.69%
Cherry St. (Samual Smalls to Brogdon)	45,000	36,019		28,419	28,419	78.90%
Crossgate Subdivision	200,000	300,283		300,283	300,283	100.00%
Drainage Improvements	25,000	25,000				0.00%
Contingency 10%	93,096	122,178		8,517	8,517	6.97%
Surveying/Engineering/Testing	99,924	99,924	\$ 42	23,297	23,339	23.36%
Debt service		33,366		12,181	12,181	36.51%
Total	<u>\$ 1,348,975</u>	<u>\$ 1,348,975</u>	<u>\$ 42</u>	<u>\$ 977,570</u>	<u>\$ 977,612</u>	72.47%

Reconciliation of current year disbursements

Total disbursements per the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 1,232,245
Amount disbursed for principal payments on debt service for assets purchased in prior year	(254,675)
	<u>\$ 977,570</u>