

CITY OF TYBEE ISLAND, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022

CITY OF TYBEE ISLAND, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of City Council
City of Tybee Island
Tybee Island, Georgia**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison information for the General Fund and the Hotel/Motel Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

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

Emphasis of Matter

The City implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of July 1, 2021. This standard significantly changed the financial reporting for the City's Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A"), the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions on pages 56 and 57 and 58 and 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and schedules and schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia (O.C.G.A.) §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining statements and schedules and schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tybee Island, Georgia's internal control over financial reporting and compliance.

Savannah, Georgia
December 20, 2022

Mauldin & Jenkins, LLC

CITY OF TYBEE ISLAND, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

As management of the City of Tybee Island (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Tybee Island for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The City's total net position is \$52,583,049, an increase of \$6,492,988. Net position from governmental activities increased \$5,000,997 and business-type activities increased \$1,491,991.
- The General Fund reported fund balance of \$15,714,194. This is an increase of \$2,774,172 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to those financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets, deferred outflows of resources, long-term liabilities, and deferred inflows of resources.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and housing and community development.

The business-type activities of the City include water and sewer, sanitation, and campground management.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's government-wide financial statements are presented on pages 16 and 17.

Reporting the City's Most Significant Funds

Unlike government-wide financial statements, the focus of fund financial statements is directed at specific activities of the City rather than the City as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The City's fund financial statements are divided into two broad categories, namely: 1) governmental funds, and 2) proprietary funds.

Governmental Funds

The governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities and deferred inflows of resources is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis at the bottom of the balance sheet that reconciles the total fund balance to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis at the bottom of the statement of revenues, expenditures and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The City presents, in separate columns, funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (nonmajor funds). The City's governmental fund financial statements are presented on pages 17 through 23.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds

The proprietary fund financial statements consist of a statement of net position, statement of revenues, expenses, and changes in fund net position and statement of cash flows, and are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements.

The City uses proprietary funds to account for business-type activities that charge fees to customers for the use of specific goods or services. For the most part, the balances and activities accounted for in the City's proprietary funds are also reported in the business-type activities columns of the government-wide financial statements.

The City presents, in separate columns, proprietary funds that are most significant to the City and all other proprietary funds are aggregated and reported in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 24 through 27.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements (see pages 16 and 17):

City of Tybee Island Summary of Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 19,335,386	\$ 17,086,282	\$ 2,207,207	\$ 2,432,126	\$ 21,542,593	\$ 19,518,408
Capital and leased assets	20,949,644	18,761,318	24,504,146	23,543,708	45,453,790	42,305,026
Total assets	<u>40,285,030</u>	<u>35,847,600</u>	<u>26,711,353</u>	<u>25,975,834</u>	<u>66,996,383</u>	<u>61,823,434</u>
Deferred Outflows of Resources						
Pension	833,243	647,744	153,538	110,027	986,781	757,771
Total deferred outflows of resources	<u>833,243</u>	<u>647,744</u>	<u>153,538</u>	<u>110,027</u>	<u>986,781</u>	<u>757,771</u>
Liabilities						
Current liabilities	2,838,871	3,497,336	1,895,116	1,864,076	4,733,987	5,361,412
Long-term liabilities	3,661,582	4,395,809	5,558,782	6,507,217	9,220,364	10,903,026
Total liabilities	<u>6,500,453</u>	<u>7,893,145</u>	<u>7,453,898</u>	<u>8,371,293</u>	<u>13,954,351</u>	<u>16,264,438</u>
Deferred Inflows of Resources						
Pension	1,220,811	206,187	224,953	20,519	1,445,764	226,706
Total pension inflow of resources	<u>1,220,811</u>	<u>206,187</u>	<u>224,953</u>	<u>20,519</u>	<u>1,445,764</u>	<u>226,706</u>
Net Assets						
Invested in capital assets	17,739,670	15,413,710	17,947,929	16,258,486	35,687,599	31,672,196
Restricted for capital outlay	1,238,057	1,745,688	-	-	1,238,057	1,745,688
Restricted for debt service	164,128	162,028	414,009	405,419	578,137	567,447
Unrestricted	14,255,154	11,074,586	824,102	1,030,144	15,079,256	12,104,730
Total net position	<u>\$ 33,397,009</u>	<u>\$ 28,396,012</u>	<u>\$ 19,186,040</u>	<u>\$ 17,694,049</u>	<u>\$ 52,583,049</u>	<u>\$ 46,090,061</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Position

The total net position of the City increased by \$6,492,988, or 14%, as noted in the table above. The governmental activities net position increased by \$5,000,997 while the business-type activities net position increased by \$1,491,991.

City of Tybee Island Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 9,331,574	\$ 9,114,345	\$ 6,985,954	\$ 6,456,345	\$ 16,317,528	\$ 15,570,690
Capital grants and contributions	2,821,333	1,611,176	42,813	77,426	2,864,146	1,688,602
General revenues:						
Property taxes	2,263,201	2,278,037	-	-	2,263,201	2,278,037
Other taxes	11,052,307	8,158,789	-	-	11,052,307	8,158,789
Investment earnings	13,134	7,316	953	-	14,087	7,316
Gain on sale of capital assets	125,000	-	-	-	125,000	-
Total revenues	<u>25,606,549</u>	<u>21,169,663</u>	<u>7,029,720</u>	<u>6,533,771</u>	<u>32,636,269</u>	<u>27,703,434</u>
Expenses						
Governmental activities:						
General government	4,055,378	2,743,555	-	-	4,055,378	2,743,555
Judicial	966,180	1,437,142	-	-	966,180	1,437,142
Public safety	6,698,461	6,360,400	-	-	6,698,461	6,360,400
Public works	3,429,408	3,745,771	-	-	3,429,408	3,745,771
Cultural and recreation	3,995,702	3,463,888	-	-	3,995,702	3,463,888
Housing and community development	1,126,120	1,069,934	-	-	1,126,120	1,069,934
Other expenses	120,410	102,442	-	-	120,410	102,442
Business-type activities:						
Water and sewer service	-	-	3,239,946	3,428,542	3,239,946	3,428,542
Solid waste collection	-	-	1,175,496	1,118,994	1,175,496	1,118,994
Campground	-	-	1,336,180	1,273,419	1,336,180	1,273,419
Total expenses	<u>20,391,659</u>	<u>18,923,132</u>	<u>5,751,622</u>	<u>5,820,955</u>	<u>26,143,281</u>	<u>24,744,087</u>
Transfers	(213,893)	(158,931)	213,893	158,931	-	-
Change in net position	<u>5,000,997</u>	<u>2,087,600</u>	<u>1,491,991</u>	<u>871,747</u>	<u>6,492,988</u>	<u>2,959,347</u>
Beginning net position, as restated	<u>28,396,012</u>	<u>26,308,412</u>	<u>17,694,049</u>	<u>16,822,302</u>	<u>46,090,061</u>	<u>43,130,714</u>
Ending net assets	<u>\$ 33,397,009</u>	<u>\$ 28,396,012</u>	<u>\$ 19,186,040</u>	<u>\$ 17,694,049</u>	<u>\$ 52,583,049</u>	<u>\$ 46,090,061</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The total revenues for governmental activities increased \$4,436,886 or 20.96%. Other taxes increased \$2.8 million, or 35.47% as a result of increased room tax revenue. Capital grants and contributions increased \$1.2 million or 75.11%, as a result of increases in federal and state grant revenues. All other categories of revenue remained consistent with the prior year.

Total governmental expenses have increased \$1.4 million, or 7.76%. General Government expense increased \$1,311,823 as a result of new positions and IT requirements. Public works expenses decreased \$316,363 as a result of vacant positions.

Business-type Activities

Net position for business-type activities increased \$1,491,991. The Water and Sewer Fund had an increase of \$361,104; the River's End RV Park Fund increased by \$1,124,438; and the Solid Waste Fund a change of 6,449. Below is the analysis of each enterprise fund.

Water and Sewer Fund

Water and Sewer operating revenues increased \$283,726, or 9%, which is fairly consistent with the prior year. Operating expenses were also consistent with the prior year.

City of Tybee Island Water and Sewer Fund

	2022	2021	\$ Change	% Change
Operating revenues	\$ 3,558,237	\$ 3,274,511	\$ 283,726	8.66%
Operating expenses	3,165,784	3,349,809	(184,025)	-5.49%
Net operating income (loss)	392,453	(75,298)	467,751	-621.20%
Nonoperating income (expenses)	(74,162)	(78,733)	4,571	-5.81%
Loss on disposal of assets	-	-	-	0.00%
Income (loss) before contributions and transfers	318,291	(154,031)	472,322	-306.64%
Capital contributions	42,813	77,426	(34,613)	-44.70%
Change in net position	361,104	(76,605)	437,709	-571.38%
Beginning net position	11,896,212	11,972,817	(76,605)	-0.64%
Ending net position	\$ 12,257,316	\$ 11,896,212	\$ 361,104	3.04%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Solid Waste Collection Fund

Solid Waste operating revenues increased \$7,989 or 1.0%. Operating expenses were consistent with the prior year. The General Fund transferred \$213,893 to the Solid Waste Collection Fund to cover operating deficits.

City of Tybee Island Solid Waste Collection Fund

	2022	2021	\$ Change	% Change
Operating revenues	\$ 968,052	\$ 960,063	\$ 7,989	0.83%
Operating expenses	1,175,496	1,118,994	56,502	5.05%
Net operating income (loss)	<u>(207,444)</u>	<u>(158,931)</u>	<u>(48,513)</u>	<u>30.52%</u>
Transfers in	<u>213,893</u>	158,931	54,962	100.00%
Beginning net position	634	634	-	0.00%
Ending net position	<u>\$ 7,083</u>	<u>\$ 634</u>	<u>\$ 6,449</u>	<u>1017.19%</u>

River's End RV Park Fund

Operating revenues for the River's End RV Park Fund increased \$237,894, or 11%. Operating expenses increased \$72,319, or 6%.

City of Tybee Island River's End RV Park Fund

	2022	2021	\$ Change	% Change
Operating revenues	\$ 2,459,665	\$ 2,221,771	\$ 237,894	10.71%
Operating expenses	1,289,212	1,216,893	72,319	5.94%
Net operating income (loss)	<u>1,170,453</u>	<u>1,004,878</u>	<u>165,575</u>	<u>16.48%</u>
Nonoperating income (expenses)	<u>(46,015)</u>	<u>(56,526)</u>	10,511	-18.59%
Income (loss) before contributions and transfers	<u>1,124,438</u>	<u>948,352</u>	<u>176,086</u>	<u>18.57%</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>100.00%</u>
Change in net position	1,124,438	948,352	176,086	18.57%
Beginning net position, restated	<u>5,797,203</u>	<u>4,848,851</u>	<u>948,352</u>	<u>19.56%</u>
Ending net position	<u>\$ 6,921,641</u>	<u>\$ 5,797,203</u>	<u>\$ 1,124,438</u>	<u>19.40%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Fund Balance

The City's combined fund balances as of the end of the current year for governmental funds, presented on pages 18 and 19 were \$16,381,435. This balance represents an increase of \$2,617,813, or 16%, from last year's ending balance. The tables below reflect changes in governmental fund balances.

The City Council assigned \$5,463,416, or 35%, of the General Fund's fund balance for economic stabilization and \$2,070,402, or 13% for beach renourishment.

The following schedule reflects changes in the fund balance for the City's governmental funds.

City of Tybee Island Governmental Fund Balance (Deficit)				
	2022	2021	\$ Change	% Change
General Fund	\$ 15,714,194	\$ 12,940,022	\$ 2,774,172	21.44%
Hotel/Motel Fund	-	-	-	0.00%
FEMA/GEMA Grant Fund	-	3,000	(3,000)	-100.00%
American Rescue Act Fund	-	-	-	0.00%
Grant Fund	(734,944)	(1,081,313)	346,369	0.00%
Confiscated Asset Fund	4,454	4,454	-	0.00%
Emergency Telephone 911 Fund	-	(2,803)	2,803	-100.00%
SPLOST 2003 Fund	121,887	184,554	(62,667)	-33.96%
SPLOST 2014 Fund	482,191	976,765	(494,574)	-50.63%
SPLOST 2020 Fund	629,525	576,915	52,610	0.00%
Debt Service Fund	164,128	162,028	2,100	1.30%
Total	\$ 16,381,435	\$ 13,763,622	\$ 2,617,813	15.98%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The components of changes to governmental fund balances are analyzed in the table below:

City of Tybee Island, Changes in Fund Balances - Governmental Funds

	2022	2021	\$ Change	% Change
Revenues				
Taxes	\$ 13,364,625	\$ 10,403,061	\$ 2,961,564	28.47%
Licenses and permits	954,054	443,295	510,759	115.22%
Intergovernmental	2,819,936	1,610,079	1,209,857	75.14%
Charges for services	6,628,661	6,109,562	519,099	8.50%
Fines and forfeitures	1,635,901	2,304,440	(668,539)	-29.01%
Interest	14,531	8,413	6,118	72.72%
Other revenues	112,958	257,048	(144,090)	-56.06%
Total revenues	<u>25,530,666</u>	<u>21,135,898</u>	<u>4,394,768</u>	<u>20.79%</u>
Expenditures				
Current:				
General government	3,593,334	2,595,993	997,341	38.42%
Judicial	969,339	1,440,226	(470,887)	-32.70%
Public safety	6,059,304	5,923,788	135,516	2.29%
Public works	3,056,064	3,464,679	(408,615)	-11.79%
Culture and recreation	3,439,456	2,593,296	846,160	32.63%
Housing and community development	1,092,768	1,072,818	19,950	1.86%
Capital outlay	4,428,558	2,188,894	2,239,664	102.32%
Debt service				
Principal	296,032	125,000	171,032	100.00%
Interest	139,060	121,651	17,409	100.00%
Total expenditures	<u>23,073,915</u>	<u>19,526,345</u>	<u>3,547,570</u>	<u>18.17%</u>
Excess of revenues over (under) expenditures	<u>2,456,751</u>	<u>1,609,553</u>	<u>847,198</u>	<u>52.64%</u>
Other financing sources (uses)				
Transfers in	6,217,604	3,316,237	2,901,367	87.49%
Transfers out	(6,431,497)	(3,475,168)	(2,956,329)	85.07%
Leases	249,955	-	249,955	100.00%
Sale of capital assets	125,000	-	125,000	100.00%
Total other financing sources (uses)	<u>161,062</u>	<u>(158,931)</u>	<u>319,993</u>	<u>-201.34%</u>
Net change in fund balance	<u>2,617,813</u>	<u>1,450,622</u>	<u>1,167,191</u>	<u>80.46%</u>
Fund balances, beginning of year	<u>13,763,622</u>	<u>12,313,000</u>	<u>1,450,622</u>	<u>11.78%</u>
Fund balances, end of year	<u>\$ 16,381,435</u>	<u>\$ 13,763,622</u>	<u>\$ 2,617,813</u>	<u>19.02%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall governmental revenues increased \$4,394,768, or 21%. Taxes increased \$2,961,564 or 28% as a result of increased hotel/motel receipts. Licenses and permits increased \$510,759 or 115% as a result of increased short term vacation rental licenses. Intergovernmental revenues increased \$1,209,857, or 75%, as more grant money was received compared to prior year.

Overall governmental expenditures increased \$3,547,570 or 18%. General government expenditures increased \$997,341, or 38%, due to filled positions. Judicial expenses decreased \$470,887 or 33% as a result of decreased court expenditures. Culture and recreation expenditures increased \$846,160 or 33%, as a result of increased disbursements of hotel/motel tax receipts. Capital outlays decreased \$2,239,664, or 102%, because more projects were completed in the current year.

The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final budgets passed by the City Council anticipated using \$631,500 of General Fund reserves to meet expenses. A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on pages 21 through 23.

- For the General Fund, the actual operating revenues were \$964,458 more than budgeted. Operating revenues were budgeted for \$13,850,971, and actual operating revenues were \$14,815,429. The most significant variance was parking fees which were \$451,246 more than budgeted due high volumes of visitors to island.
- The actual operating expenditures of \$14,592,223 were \$247,896 more than the budgeted amount of \$14,344,327. Department deficits are offset by the anticipated surplus at year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets

The City has invested \$45,453,790 in capital assets (net of depreciation). Capital assets held by the City at the end of the current and previous year are summarized below:

City of Tybee Island Capital Asset Year-End Comparison						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets:						
Land	\$ 1,102,857	\$ 1,102,857	\$ 6,973,632	\$ 6,973,632	\$ 8,076,489	\$ 8,076,489
Construction in progress	41,354	-	-	-	41,354	-
Total non-depreciable assets	<u>1,144,211</u>	<u>1,102,857</u>	<u>6,973,632</u>	<u>6,973,632</u>	<u>8,117,843</u>	<u>8,076,489</u>
Depreciable assets:						
Land improvements	-	-	357,003	350,314	357,003	350,314
Building	14,344,272	13,414,460	780,643	770,776	15,124,915	14,185,236
Machinery and equipment	8,567,330	7,866,468	1,759,977	2,195,841	10,327,307	10,062,309
Infrastructure	6,837,620	6,383,077	23,659,448	21,872,054	30,497,068	28,255,131
Total depreciable assets	<u>29,749,222</u>	<u>27,664,005</u>	<u>26,557,071</u>	<u>25,188,985</u>	<u>56,306,293</u>	<u>52,852,990</u>
Less accumulated depreciation	<u>9,943,789</u>	<u>10,005,544</u>	<u>9,026,557</u>	<u>8,618,909</u>	<u>18,970,346</u>	<u>18,624,453</u>
Book value - depreciable assets	<u>19,805,433</u>	<u>17,658,461</u>	<u>17,530,514</u>	<u>16,570,076</u>	<u>37,335,947</u>	<u>34,228,537</u>
Percentage depreciated	<u>33.43%</u>	<u>36.17%</u>	<u>33.99%</u>	<u>34.22%</u>	<u>33.69%</u>	<u>35.24%</u>
Book value - all assets	<u>\$20,949,644</u>	<u>\$ 18,761,318</u>	<u>\$ 24,504,146</u>	<u>\$ 23,543,708</u>	<u>\$ 45,453,790</u>	<u>\$ 42,305,026</u>

The schedules of capital asset activity are reported in Note 5 of the financial statements. The City added \$3.3 million of new governmental capital assets. The City added \$1.8 million of new business-type capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

At the end of the current year, the City had long-term debt related to governmental activities of \$4,258,514 and \$6,619,785 for business-type activities. The debt position of the City is summarized below and is more fully analyzed in Note 7 of the financial statements.

City of Tybee Island Outstanding Long-Term Debt

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>%</u>
Governmental Activities				
Leases	\$ 588,376	\$ 504,453	\$ 83,923	0.00%
Chatham County Recreation Bond	3,200,153	3,347,608	(147,455)	-4.40%
Compensated absences	450,395	376,759	73,636	19.54%
Net pension liability	19,590	1,027,497	(1,007,907)	-5145.01%
Total debt service governmental-type activities	<u>4,258,514</u>	<u>5,256,317</u>	<u>(997,803)</u>	<u>-18.98%</u>
Business-type activities				
Chatham County Recreation Bond	1,977,996	2,426,950	(448,954)	-18.50%
Water and Sewer - Bonds	1,866,843	1,980,803	(113,960)	-5.75%
Notes Payable	2,711,378	2,877,469	(166,091)	-5.77%
Compensated absences	59,958	42,855	17,103	39.91%
Net pension liability	3,610	203,462	(199,852)	-98.23%
Total debt service business-type activities	<u>6,619,785</u>	<u>7,531,539</u>	<u>(911,754)</u>	<u>-12.11%</u>
Total all debt service	<u>\$ 10,878,299</u>	<u>\$ 12,787,856</u>	<u>\$ (1,909,557)</u>	<u>-14.93%</u>

Economic Factors and Next Year's Budgets and Rates

Currently known facts, decisions or conditions that could have a significant effect on the financial position or results of operations include:

In fiscal year 2023, the City plans to raise parking fees by \$.50. The city parking funds are significant as are the cost of services for the impacts of tourists, most of whom arrive by vehicles. Thus, parking and traffic regulation are substantial factors. The City also expects to increase water/sewer rates by 4% in 2023.

The City expects the tax digest to remain steady and approved a millage rate of 3.931 which is the same as the prior year.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, City Hall, 403 Butler Street, Tybee Island, Georgia 31328 or by calling the Finance Director at (912) 472-5021.

BASIC FINANCIAL STATEMENTS

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2022**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,743,991	\$ 1,584,484	\$ 17,328,475
Taxes receivable	1,363,296	-	1,363,296
Accounts receivable, net of allowances	287,949	474,566	762,515
Due from other governments	550,866	-	550,866
Internal balances	578,635	(578,635)	-
Inventory	-	84,597	84,597
Prepaid expenses	232,094	228,186	460,280
Restricted assets:			
Cash and cash equivalents	-	414,009	414,009
Leased assets	578,555	-	578,555
Capital assets:			
Nondepreciable	1,144,211	6,973,632	8,117,843
Depreciable, net of accumulated depreciation	19,805,433	17,530,514	37,335,947
Total assets	<u>40,285,030</u>	<u>26,711,353</u>	<u>66,996,383</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	833,243	153,538	986,781
Total deferred outflows of resources	<u>833,243</u>	<u>153,538</u>	<u>986,781</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
LIABILITIES			
Accounts payable	1,245,697	160,178	1,405,875
Accrued liabilities	247,569	47,717	295,286
Unearned revenue	738,973	262,968	1,001,941
Customer deposits payable	9,700	363,250	372,950
Notes payable due within one year	-	167,965	167,965
Notes payable due in more than one year	-	2,543,413	2,543,413
Lease liabilities due within one year	191,695	-	191,695
Lease liabilities due in more than one year	396,681	-	396,681
Compensated absences due within one year	270,237	59,958	330,195
Compensated absences due in more than one year	180,158	-	180,158
Bonds payable due within one year	135,000	833,080	968,080
Bonds payable due in more than one year	3,065,153	3,011,759	6,076,912
Net pension liability due in more than one year	19,590	3,610	23,200
Total liabilities	<u>6,500,453</u>	<u>7,453,898</u>	<u>13,954,351</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	1,220,811	224,953	1,445,764
Total deferred inflows of resources	<u>1,220,811</u>	<u>224,953</u>	<u>1,445,764</u>
NET POSITION			
Net investment in capital assets	17,739,670	17,947,929	35,687,599
Restricted for capital outlay	1,238,057	-	1,238,057
Restricted for debt service	164,128	414,009	578,137
Unrestricted	14,255,154	824,102	15,079,256
Total net position	<u>\$ 33,397,009</u>	<u>\$ 19,186,040</u>	<u>\$ 52,583,049</u>

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

CITY OF TYBEE ISLAND, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,055,378	\$ 1,062,764	\$ -	\$ -	\$ (2,992,614)	\$ -	\$ (2,992,614)
Judicial	966,180	793,010	-	-	(173,170)	-	(173,170)
Public safety	6,698,461	450,794	-	1,745,755	(4,501,912)	-	(4,501,912)
Public works	3,429,408	-	-	52,170	(3,377,238)	-	(3,377,238)
Culture and recreation	3,995,702	71,830	-	1,023,408	(2,900,464)	-	(2,900,464)
Housing and community development	1,126,120	6,953,176	-	-	5,827,056	-	5,827,056
Interest on long-term debt	120,410	-	-	-	(120,410)	-	(120,410)
Total governmental activities	20,391,659	9,331,574	-	2,821,333	(8,238,752)	-	(8,238,752)
Business-type activities:							
Water and sewer	3,239,946	3,558,237	-	42,813	-	361,104	361,104
River's End RV Park	1,336,180	2,459,665	-	-	-	1,123,485	1,123,485
Solid waste collection	1,175,496	968,052	-	-	-	(207,444)	(207,444)
Total business-type activities	5,751,622	6,985,954	-	42,813	-	1,277,145	1,277,145
Total primary government	\$ 26,143,281	\$ 16,317,528	\$ -	\$ 2,864,146	(8,238,752)	1,277,145	(6,961,607)
General revenues:							
Property taxes					2,263,201	-	2,263,201
Sales taxes					1,871,577	-	1,871,577
Hotel/Motel taxes					7,865,210	-	7,865,210
Franchise taxes					482,859	-	482,859
Insurance premium taxes					247,662	-	247,662
Other taxes					584,999	-	584,999
Unrestricted investment earnings					13,134	953	14,087
Gain on sale of capital assets					125,000	-	125,000
Transfers					(213,893)	213,893	-
Total general revenues and transfers					13,239,749	214,846	13,454,595
Change in net position					5,000,997	1,491,991	6,492,988
Net position, beginning of year					28,396,012	17,694,049	46,090,061
Net position, end of year					\$ 33,397,009	\$ 19,186,040	\$ 52,583,049

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

CITY OF TYBEE ISLAND, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>General Fund</u>	<u>Hotel/ Motel Tax Fund</u>	<u>Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 12,559,238	\$ -	\$ 864,500	\$ 2,320,253	\$ 15,743,991
Taxes receivable, net of allowance	430,563	932,733	-	-	1,363,296
Accounts receivable	84,817	-	-	203,132	287,949
Due from other governments	178,982	-	371,884	-	550,866
Due from other funds	1,111,785	-	-	-	1,111,785
Advance to other funds	1,762,893	-	-	-	1,762,893
Prepaid items	232,094	-	-	-	232,094
Total assets	<u>\$ 16,360,372</u>	<u>\$ 932,733</u>	<u>\$ 1,236,384</u>	<u>\$ 2,523,385</u>	<u>\$ 21,052,874</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 263,702	\$ 399,583	\$ 41,380	\$ 541,032	\$ 1,245,697
Accrued liabilities	203,177	-	-	8,250	211,427
Due to other funds	-	533,150	-	-	533,150
Deposits payable	9,700	-	-	-	9,700
Advance from other funds	-	-	1,762,893	-	1,762,893
Unearned revenue	-	-	-	571,918	571,918
Total liabilities	<u>476,579</u>	<u>932,733</u>	<u>1,804,273</u>	<u>1,121,200</u>	<u>4,334,785</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - intergovernmental	4,318	-	-	-	4,318
Unavailable revenue - grants	-	-	167,055	-	167,055
Unavailable revenue - property taxes	165,281	-	-	-	165,281
Total deferred inflows of resources	<u>169,599</u>	<u>-</u>	<u>167,055</u>	<u>-</u>	<u>336,654</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid items	232,094	-	-	-	232,094
Restricted for:					
Capital projects	-	-	-	1,233,603	1,233,603
Refuse truck	-	-	-	4,454	4,454
Debt service	-	-	-	164,128	164,128
Committed for:					
Future capital projects	2,327,724	-	-	-	2,327,724
Pavement maintenance	500,000	-	-	-	500,000
Assigned to:					
Economic stabilization	5,463,416	-	-	-	5,463,416
Beach renourishment	2,070,402	-	-	-	2,070,402
Unassigned	5,120,558	-	(734,944)	-	4,385,614
Total fund balances	<u>15,714,194</u>	<u>-</u>	<u>(734,944)</u>	<u>1,402,185</u>	<u>16,381,435</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 16,360,372</u>	<u>\$ 932,733</u>	<u>\$ 1,236,384</u>	<u>\$ 2,523,385</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					20,949,644
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					169,599
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					578,555
Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.					
Leases					(588,376)
Net pension liability					(19,590)
Deferred outflows of resources - pension					833,243
Deferred inflows of resources - pension					(1,220,811)
Revenue bonds payable, including unamortized premiums of \$187,608					(3,200,153)
Accrued interest payable					(36,142)
Compensated absences					(450,395)
Net position of governmental activities					<u>\$ 33,397,009</u>

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

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund	Hotel/ Motel Tax Fund	Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 5,499,415	\$ 7,865,210	\$ -	\$ -	\$ 13,364,625
Licenses and permits	954,054	-	-	-	954,054
Intergovernmental	50,773	-	1,023,408	1,745,755	2,819,936
Charges for services	6,549,194	-	-	79,467	6,628,661
Fines and forfeitures	1,635,901	-	-	-	1,635,901
Interest	13,134	-	-	1,397	14,531
Other revenues	112,958	-	-	-	112,958
Total revenues	14,815,429	7,865,210	1,023,408	1,826,619	25,530,666
Expenditures					
Current:					
General government	3,593,334	-	-	-	3,593,334
Judicial	969,339	-	-	-	969,339
Public safety	5,693,526	-	-	365,778	6,059,304
Public works	3,056,064	-	-	-	3,056,064
Culture and recreation	-	3,439,456	-	-	3,439,456
Housing and community development	1,092,768	-	-	-	1,092,768
Capital outlay	-	-	677,039	3,751,519	4,428,558
Debt service:					
Principal	166,032	-	-	130,000	296,032
Interest	21,160	-	-	117,900	139,060
Total expenditures	14,592,223	3,439,456	677,039	4,365,197	23,073,915
Excess (deficiency) of revenues over (under) expenditures	223,206	4,425,754	346,369	(2,538,578)	2,456,751
Other financing sources (uses)					
Sale of capital assets	125,000	-	-	-	125,000
Leases	249,955	-	-	-	249,955
Transfers in	4,178,754	-	-	2,038,850	6,217,604
Transfers out	(2,002,743)	(4,425,754)	-	(3,000)	(6,431,497)
Total other financing sources (uses)	2,550,966	(4,425,754)	-	2,035,850	161,062
Net change in fund balances	2,774,172	-	346,369	(502,728)	2,617,813
Fund balances (deficit), beginning of year	12,940,022	-	(1,081,313)	1,904,913	13,763,622
Fund balances (deficit), end of year	\$ 15,714,194	\$ -	\$ (734,944)	\$ 1,402,185	\$ 16,381,435

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

CITY OF TYBEE ISLAND, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Net change in fund balances - total governmental funds. \$ 2,617,813

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 and reported as depreciation expense.

Total capital outlay	3,314,425
Total depreciation	(1,126,099)

Governmental funds report lease assets as expenditures. However, in the statement of activities, the cost of those right to use lease assets is allocated over the shorter of the lease term or their estimated useful lives and reported as amortization expense.

Total right to use lease assets	249,955
Total amortization	(175,853)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (49,117)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Leases	(249,955)
Principal payments of leases	166,032
Principal payments of bonds	130,000

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

Pension expense	178,782
Amortization expense	17,455
Accrued interest	1,195
Compensated absences	(73,636)

\$ 5,000,997

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

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 2,154,650	\$ 2,154,150	\$ 2,312,318	\$ 158,168
Local option sales tax	1,360,000	1,860,000	1,871,577	11,577
Franchise taxes	471,500	471,500	482,859	11,359
Insurance premium tax	240,000	240,000	247,662	7,662
Alcoholic beverage excise tax	415,000	415,000	475,964	60,964
Real estate transfer tax	15,000	15,000	36,411	21,411
Occupational taxes	81,000	15,000	14,390	(610)
Energy excise tax	25,025	25,025	58,234	33,209
Total taxes	<u>4,762,175</u>	<u>5,195,675</u>	<u>5,499,415</u>	<u>303,740</u>
Licenses and permits:				
Regulatory fees	110,000	110,000	105,211	(4,789)
Business licenses	-	121,000	125,598	4,598
Building permits	130,000	230,000	236,667	6,667
Zoning variance request fees	10,000	10,000	3,041	(6,959)
Penalties	1,500	1,500	38	(1,462)
Other	442,000	387,000	483,499	96,499
Total licenses and permits	<u>693,500</u>	<u>859,500</u>	<u>954,054</u>	<u>94,554</u>
Intergovernmental	<u>55,000</u>	<u>55,000</u>	<u>50,773</u>	<u>(4,227)</u>
Charges for services:				
Parking fees	5,150,000	5,749,146	6,200,392	451,246
Other charges for services	189,900	189,900	348,802	158,902
Total charges for services	<u>5,339,900</u>	<u>5,939,046</u>	<u>6,549,194</u>	<u>610,148</u>
Fines and forfeitures:				
Municipal fines	720,000	1,220,000	1,164,337	(55,663)
Parking fines	355,000	355,000	471,564	116,564
Total fines and forfeitures	<u>1,075,000</u>	<u>1,575,000</u>	<u>1,635,901</u>	<u>60,901</u>
Interest income	<u>40,000</u>	<u>40,000</u>	<u>13,134</u>	<u>(26,866)</u>
Miscellaneous:				
Rents and royalties	66,000	66,000	71,830	5,830
Other	86,750	120,750	41,128	(79,622)
Total miscellaneous	<u>152,750</u>	<u>186,750</u>	<u>112,958</u>	<u>(73,792)</u>
Total revenues	<u>12,118,325</u>	<u>13,850,971</u>	<u>14,815,429</u>	<u>964,458</u>
Expenditures				
Current:				
General government				
Governing body	595,883	630,216	630,182	34
Clerk of council	122,255	113,105	113,101	4
City manager	266,923	386,491	386,490	1
Financial administration	816,819	1,048,246	1,048,245	1
Information technology	783,889	1,055,731	1,055,731	-
Human resources	289,264	359,585	359,585	-
Total general government	<u>\$ 2,875,033</u>	<u>\$ 3,593,374</u>	<u>\$ 3,593,334</u>	<u>\$ 40</u>

(Continued)

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued):				
Judicial				
Municipal Court	\$ 279,352	\$ 971,352	\$ 969,339	\$ 2,013
Total judicial	<u>279,352</u>	<u>971,352</u>	<u>969,339</u>	<u>2,013</u>
Public safety				
Police administration	3,622,964	3,572,749	3,713,817	(141,068)
Fire administration	2,313,269	1,986,079	1,979,709	6,370
Total public safety	<u>5,936,233</u>	<u>5,558,828</u>	<u>5,693,526</u>	<u>(134,698)</u>
Public works				
General operations	3,119,377	3,123,507	3,056,064	67,443
Total public works	<u>3,119,377</u>	<u>3,123,507</u>	<u>3,056,064</u>	<u>67,443</u>
Housing and development				
Zoning and inspection	762,365	619,040	619,036	4
Parking	482,941	478,226	473,732	4,494
Total housing and development	<u>1,245,306</u>	<u>1,097,266</u>	<u>1,092,768</u>	<u>4,498</u>
Total current expenditures	<u>13,455,301</u>	<u>14,344,327</u>	<u>14,405,031</u>	<u>(60,704)</u>
Debt service:				
Principal	-	-	166,032	(166,032)
Interest	-	-	21,160	(21,160)
Total debt service	<u>-</u>	<u>-</u>	<u>187,192</u>	<u>(187,192)</u>
Total expenditures	<u>13,455,301</u>	<u>14,344,327</u>	<u>14,592,223</u>	<u>(247,896)</u>
Deficiency of revenues under expenditures	<u>(1,336,976)</u>	<u>(493,356)</u>	<u>223,206</u>	<u>716,562</u>
Other financing sources (uses)				
Appropriation of fund balance	-	631,500	-	(631,500)
Sale of assets	26,000	151,000	125,000	(26,000)
Leases	-	-	249,955	249,955
Transfers in	1,713,600	1,713,600	4,178,754	2,465,154
Transfers out	<u>(402,624)</u>	<u>(2,002,744)</u>	<u>(2,002,743)</u>	<u>1</u>
Total other financing sources, net	<u>1,336,976</u>	<u>493,356</u>	<u>2,550,966</u>	<u>2,057,610</u>
Net change in fund balance	-	-	2,774,172	2,774,172
Fund balances, beginning of year	12,940,022	12,940,022	12,940,022	-
Appropriation of fund balance	<u>-</u>	<u>(631,500)</u>	<u>-</u>	<u>631,500</u>
Fund balances, end of year	<u>\$ 12,940,022</u>	<u>\$ 12,308,522</u>	<u>\$ 15,714,194</u>	<u>\$ 3,405,672</u>

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

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
HOTEL/MOTEL TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 4,000,000	\$ 4,000,000	\$ 7,865,210	\$ 3,865,210
Total revenues	<u>4,000,000</u>	<u>4,000,000</u>	<u>7,865,210</u>	<u>3,865,210</u>
Expenditures				
Current:				
Culture and recreation	1,783,600	1,783,600	3,439,456	(1,655,856)
Total expenditures	<u>1,783,600</u>	<u>1,783,600</u>	<u>3,439,456</u>	<u>(1,655,856)</u>
Excess of revenues over expenditures	<u>2,216,400</u>	<u>2,216,400</u>	<u>4,425,754</u>	<u>2,209,354</u>
Other financing uses				
Transfers out	(2,216,400)	(2,216,400)	(4,425,754)	(2,209,354)
Total other financing uses	<u>(2,216,400)</u>	<u>(2,216,400)</u>	<u>(4,425,754)</u>	<u>(2,209,354)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	<u>Water and Sewer Fund</u>	<u>River's End RV Park Fund</u>	<u>Solid Waste Collection Fund</u>	<u>Totals</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 1,584,484	\$ -	\$ 1,584,484
Accounts receivable, net of allowances	392,297	-	82,269	474,566
Inventory	65,245	19,352	-	84,597
Prepaid expenses	142,802	85,384	-	228,186
Total current assets	<u>600,344</u>	<u>1,689,220</u>	<u>82,269</u>	<u>2,371,833</u>
Non-current assets:				
Restricted cash	414,009	-	-	414,009
Capital assets:				
Nondepreciable	103,632	6,870,000	-	6,973,632
Depreciable, net of accumulated depreciation	16,841,024	689,490	-	17,530,514
Total non-current assets	<u>17,358,665</u>	<u>7,559,490</u>	<u>-</u>	<u>24,918,155</u>
Total assets	<u>17,959,009</u>	<u>9,248,710</u>	<u>82,269</u>	<u>27,289,988</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	91,794	61,744	-	153,538
Total deferred outflows of resources	<u>91,794</u>	<u>61,744</u>	<u>-</u>	<u>153,538</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES				
Current liabilities:				
Accounts payable	134,759	18,518	6,901	160,178
Accrued liabilities	32,522	15,195	-	47,717
Due to other funds	510,350	-	68,285	578,635
Compensated absences, current	37,737	22,221	-	59,958
Notes payable, current	167,965	-	-	167,965
Bonds payable, current	374,378	458,702	-	833,080
Unearned revenue	-	262,968	-	262,968
Total current liabilities	<u>1,257,711</u>	<u>777,604</u>	<u>75,186</u>	<u>2,110,501</u>
Non-current liabilities:				
Customer deposits	363,250	-	-	363,250
Notes payable, net of current portion	2,543,413	-	-	2,543,413
Bonds payable, net of current portion	1,492,465	1,519,294	-	3,011,759
Net pension liability	2,158	1,452	-	3,610
Total non-current liabilities	<u>4,401,286</u>	<u>1,520,746</u>	<u>-</u>	<u>5,922,032</u>
Total liabilities	<u>5,658,997</u>	<u>2,298,350</u>	<u>75,186</u>	<u>8,032,533</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	134,490	90,463	-	224,953
Total deferred inflows of resources	<u>134,490</u>	<u>90,463</u>	<u>-</u>	<u>224,953</u>
NET POSITION				
Net investment in capital assets	12,366,435	5,581,494	-	17,947,929
Restricted for debt service	414,009	-	-	414,009
Unrestricted	(523,128)	1,340,147	7,083	824,102
Total net position	<u>\$ 12,257,316</u>	<u>\$ 6,921,641</u>	<u>\$ 7,083</u>	<u>\$ 19,186,040</u>

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

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Water and Sewer Fund</u>	<u>River's End RV Park Fund</u>	<u>Solid Waste Collection Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services:				
Water and sewer charges	\$ 3,295,082	\$ -	\$ -	\$ 3,295,082
Camping fees	-	2,459,665	-	2,459,665
Stubbing fees	1,100	-	-	1,100
Tapping fees	2,473	-	-	2,473
Rental fees	219,492	-	-	219,492
Sanitation collection fees	-	-	968,052	968,052
Other	40,090	-	-	40,090
Total operating revenues	<u>3,558,237</u>	<u>2,459,665</u>	<u>968,052</u>	<u>6,985,954</u>
OPERATING EXPENSES				
Personnel services	1,539,659	565,644	-	2,105,303
Administrative	46,132	380,584	-	426,716
Utilities	316,105	227,101	-	543,206
Supplies	132,047	35,629	-	167,676
Repairs and maintenance	214,480	15,889	-	230,369
Sanitation services	-	-	1,175,496	1,175,496
Miscellaneous	103,268	-	-	103,268
Depreciation	814,093	64,365	-	878,458
Total operating expenses	<u>3,165,784</u>	<u>1,289,212</u>	<u>1,175,496</u>	<u>5,630,492</u>
Operating income (loss)	<u>392,453</u>	<u>1,170,453</u>	<u>(207,444)</u>	<u>1,355,462</u>
NON-OPERATING EXPENSES				
Interest expense	(74,162)	(46,968)	-	(121,130)
Interest income	-	953	-	953
Total non-operating expenses	<u>(74,162)</u>	<u>(46,015)</u>	<u>-</u>	<u>(120,177)</u>
Income (loss) before contributions and transfers	318,291	1,124,438	(207,444)	1,235,285
CAPITAL CONTRIBUTIONS				
	42,813	-	-	42,813
TRANSFERS				
Transfers in	-	-	213,893	213,893
Total transfers	<u>-</u>	<u>-</u>	<u>213,893</u>	<u>213,893</u>
Change in net position	361,104	1,124,438	6,449	1,491,991
NET POSITION, beginning of year	<u>11,896,212</u>	<u>5,797,203</u>	<u>634</u>	<u>17,694,049</u>
NET POSITION, end of year	<u>\$ 12,257,316</u>	<u>\$ 6,921,641</u>	<u>\$ 7,083</u>	<u>\$ 19,186,040</u>

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

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Water and Sewer Fund</u>	<u>River's End RV Park Fund</u>	<u>Solid Waste Collection Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 3,495,301	\$ 2,397,535	\$ 964,282	\$ 6,857,118
Payments to suppliers	(283,282)	(680,568)	(1,178,175)	(2,142,025)
Payments to employees	(1,567,373)	(557,338)	-	(2,124,711)
Net cash provided by (used in) operating activities	<u>1,644,646</u>	<u>1,159,629</u>	<u>(213,893)</u>	<u>2,590,382</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	213,893	213,893
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>213,893</u>	<u>213,893</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,779,527)	(16,556)	-	(1,796,083)
Proceeds from notes payable	252,462	-	-	252,462
Principal paid on bonds	(366,422)	(448,954)	-	(815,376)
Principal paid on notes payable	(166,091)	-	-	(166,091)
Interest paid	(55,687)	(40,210)	-	(95,897)
Net cash used in capital and related financing activities	<u>(2,115,265)</u>	<u>(505,720)</u>	<u>-</u>	<u>(2,620,985)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	953	-	953
Net cash provided by investing activities	<u>-</u>	<u>953</u>	<u>-</u>	<u>953</u>
Net change in cash and cash equivalents	(470,619)	654,862	-	184,243
Cash and cash equivalents, beginning of year	<u>884,628</u>	<u>929,622</u>	<u>-</u>	<u>1,814,250</u>
Cash and cash equivalents, end of year	<u>\$ 414,009</u>	<u>\$ 1,584,484</u>	<u>\$ -</u>	<u>\$ 1,998,493</u>
Classified as				
Cash and cash equivalents	\$ -	\$ 1,584,484	\$ -	\$ 1,584,484
Restricted assets: cash	414,009	-	-	414,009
	<u>\$ 414,009</u>	<u>\$ 1,584,484</u>	<u>\$ -</u>	<u>\$ 1,998,493</u>

(Continued)

CITY OF TYBEE ISLAND, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Water and Sewer Fund</u>	<u>River's End RV Park Fund</u>	<u>Solid Waste Collection Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 392,453	\$ 1,170,453	\$ (207,444)	\$ 1,355,462
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	814,093	64,365	-	878,458
Change in assets and liabilities:				
(Increase) decrease:				
Accounts receivable	(90,036)	-	(3,356)	(93,392)
Prepaid expenses	(4,207)	(3,175)	-	(7,382)
Increase (decrease):				
Accounts payable	22,607	(18,190)	(261)	4,156
Accrued expenses	13,408	3,695	-	17,103
Customer deposits	27,100	(62,130)	-	(35,030)
Net pension liability	(41,122)	4,611	(2,418)	(38,929)
Due to other funds	510,350	-	(414)	509,936
Net cash provided by (used in) operating activities	<u>\$ 1,644,646</u>	<u>\$ 1,159,629</u>	<u>\$ (213,893)</u>	<u>\$ 2,590,382</u>
Noncash capital and related financing activities				
Contributions from developers	<u>\$ 42,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,813</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF TYBEE ISLAND, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Tybee Island, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

A. Reporting Entity

The City was incorporated October 15, 1887. The City operates under the Council–City Manager form of government and provides the following services to its citizens as authorized by its charter: public safety (police and fire), highways and streets, water and sewer, sanitation, culture and recreation, planning and zoning, and general and administrative services. As required by generally accepted accounting principles, the financial statements of the reporting entity include the accounts of all City operations and all activities of the City.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include those of the City and its component unit.

The Downtown Development Authority (the “Authority”) was activated by the Mayor and City Council in August 2014. The Authority is part of the City’s Main Street Program and Directors serve as the Tybee Island Main Street Board of Directors for the Authority. Program Directors are appointed by City Council to provide assistance and opportunities as available that encourage economic growth and development while preserving the unique architectural and community heritage. The Authority had no financial activity during the fiscal year ended June 30, 2022.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency fund has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and lease liabilities, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City right to use leased assets, are reported as expenditures in governmental funds. Issuance of long term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel accommodation excise tax receipts and distributions to tourism promoting organizations as required by agreements with these organizations.

The **Grant Fund** accounts for the receipts and disbursements of various capital grants received by the City.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The **River's End RV Park Fund** accounts for the revenues and operating costs of the City's River's End RV Park. All activities necessary to provide such services are accounted for in this fund.

The **Solid Waste Collection Fund** accounts for the provision of sanitation collection services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes.

The **Capital Projects Funds** account for expenditures for capital improvements made by the City. Financing is provided by SPLOST and grants.

The **Debt Service Fund** accounts for the payment of the 2019 Series Recreation Authority Bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water, sewer, gas and solid waste functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services provided. The City also recognizes as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, the Hotel/Motel Tax Fund, the Emergency 911 Fund, the Confiscated Assets Fund, the FEMA/GEMA Grant Fund, and the American Rescue Act Fund in accordance with state law. Only the General Fund and major special revenue funds are presented. All appropriations lapse at the end of the June 30th fiscal year. Revenues and expenditures of the Capital Projects Fund are budgeted on a project length basis and are, therefore, excluded from presentation in the financial statements.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

For purposes of the statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. Inventory and Prepaid Items

Inventories are valued at average cost, which approximates market, using the first-in/first-out ("FIFO") method. The City accounts for inventory on the purchase basis. Prepaid expenditures/expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as advances. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose not to include all such items regardless of their acquisition date, but rather only those infrastructure assets acquired subsequent to the adoption of GASB No. 34 as allowed by the GASB. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Major outlays for capital assets and major improvements are capitalized as projects are constructed.

Capital assets and right to use leased assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	10 – 40
Machinery and equipment	5 – 20
Infrastructure	20 – 50
Utility systems and improvements	20 – 50
Right to use leased vehicles and equipment	5 – 20

I. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases

The City is a lessee for noncancellable leases of equipment and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. An employee may be compensated for up to 65 days of sick leave at a rate of \$25 per day upon retirement or death. In the event the payment is owed as a result of the death of the employee, the payment will be made to the beneficiary designated by the employee for this purpose and/or the representative(s) of the employee's estate if no beneficiary is designated.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Other than the items related to the changes in the net pension liability as discussed below, the City did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items related to the changes in the net pension liability as discussed below, the City has one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, intergovernmental revenues, and grants not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred outflows and inflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time, instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized in pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Additionally, any contributions made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Tybee Island Retirement Plan (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. 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 Balances – Generally, fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting.

In the fund financial statements, governmental funds report fund balance 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 adoption of a resolution. Only the City Council 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. Through resolution, City Council has authorized the Director of Finance to assign fund balance.
- **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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund Balances (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balances, it is the City’s policy to use fund balances in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted, using the same definition as used for restricted fund balance as described in the section above. All other net position are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to the beginning of the fiscal year, the various departments submit to the governing Council, a proposed operating budget for the fiscal year commencing the following July 1st.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. Prior to the beginning of the year, the budget is formally enacted through passage of a resolution by the City Council.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and the special revenue funds. Project length budgets are adopted for the Capital Projects Fund.
5. The budget for the General Fund and special revenue funds are adopted on a basis consistent with GAAP.
6. The governing Council must approve all revisions. Expenditures should not exceed the legally adopted budget at the department level without Council action amending the budget. All appropriations lapse at the end of each fiscal year.

Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, the following departments of the General Fund and Hotel/Motel Tax Fund had excess of actual expenditures over appropriations. The over-expenditures were funded by excess revenues over appropriations.

	Excess
General Fund:	
Public safety	
Police administration	141,068
Debt service	
Principal	166,032
Interest	21,160
 Hotel/Motel Tax Fund:	
Culture and recreation	1,655,856

C. Deficit Fund Balance

The Grant Fund reported a deficit fund balance of \$734,944 for the fiscal year ended June 30, 2022. This deficit is intended to be eliminated through the receipt of revenues in the next fiscal year that were unavailable as of June 30, 2022 and through General Fund transfers.

NOTE 3. CASH AND INVESTMENTS

Total cash and investments as of June 30, 2022 are summarized as follows:

Amounts as presented on the government-wide statement of net position:

Cash and cash equivalents	\$ 17,328,475
Restricted cash and cash equivalents	414,009
Total	\$ 17,742,484
 Cash deposited with financial institutions	 \$ 17,742,484
Total	\$ 17,742,484

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

State statutes authorize the City to invest in obligations of the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). As of June 30, 2022 the City does not have any investments.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, the City's investment policy has been established to structure the investment portfolio so that securities mature to meet the City's cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity as well as investing operating funds primarily in short-term securities, money market funds, certificates of deposit or similar investment pools. As of June 30, 2022, the City does not have any investments.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. At June 30, 2022, the City was not exposed to custodial credit risk for its deposits.

Custodial credit risk – investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2022, the City does not have any investments.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Property taxes were levied in two installments on September 15, 2022 with a due date of November 15, 2022, and again on April 1, 2022 with a due date of June 1, 2022. Taxes are considered delinquent after November 15 and June 1 for the respective levy dates, which would also be the lien date. The net receivables collected during the year ended June 30, 2022 and expected to be collected by August 31, 2022, are recognized as revenues in the year ended June 30, 2022. Net receivables estimated to be collectible subsequent to August 31, 2022 are recorded as revenue when received. Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Hotel/Motel Fund	Grant Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Solid Waste Collection Fund	Total
Receivables:							
Taxes	\$ 441,266	\$ 932,733	\$ -	\$ -	\$ -	\$ -	\$ 1,373,999
Due from other governments	178,982	-	371,884	-	-	-	550,866
Accounts	84,817	-	-	203,132	430,867	86,599	805,415
Gross receivables	705,065	932,733	371,884	203,132	430,867	86,599	2,730,280
Less: allowance for uncollectibles	(10,703)	-	-	-	(38,570)	(4,330)	(53,603)
Net total receivables	<u>\$ 694,362</u>	<u>\$ 932,733</u>	<u>\$ 371,884</u>	<u>\$ 203,132</u>	<u>\$ 392,297</u>	<u>\$ 82,269</u>	<u>\$ 2,676,677</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,102,857	\$ -	\$ -	\$ -	\$ 1,102,857
Construction in progress	-	41,354	-	-	41,354
Total capital assets, not being depreciated	<u>1,102,857</u>	<u>41,354</u>	<u>-</u>	<u>-</u>	<u>1,144,211</u>
Capital assets, being depreciated:					
Buildings and improvements	13,414,460	929,812	-	-	14,344,272
Machinery and equipment	7,866,468	1,888,716	(1,187,854)	-	8,567,330
Infrastructure	6,383,077	454,543	-	-	6,837,620
Total capital assets, being depreciated	<u>27,664,005</u>	<u>3,273,071</u>	<u>(1,187,854)</u>	<u>-</u>	<u>29,749,222</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,419,711)	(305,935)	-	-	(2,725,646)
Machinery and equipment	(5,220,713)	(668,961)	1,187,854	-	(4,701,820)
Infrastructure	(2,365,120)	(151,203)	-	-	(2,516,323)
Total accumulated depreciation	<u>(10,005,544)</u>	<u>(1,126,099)</u>	<u>1,187,854</u>	<u>-</u>	<u>(9,943,789)</u>
Total capital assets, being depreciated, net	<u>17,658,461</u>	<u>2,146,972</u>	<u>-</u>	<u>-</u>	<u>19,805,433</u>
Governmental activities capital assets, net	<u>\$ 18,761,318</u>	<u>\$ 2,188,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,949,644</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
depreciated:					
Land	\$ 6,973,632	\$ -	\$ -	\$ -	\$ 6,973,632
Total capital assets, not being depreciated	<u>6,973,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,973,632</u>
Capital assets, being depreciated:					
Land improvements	350,314	6,689	-	-	357,003
Buildings	770,776	9,867	-	-	780,643
Utility systems and improvements	21,872,054	1,787,394	-	-	23,659,448
Machinery and equipment	2,195,841	34,946	(470,810)	-	1,759,977
Total capital assets, being depreciated	<u>25,188,985</u>	<u>1,838,896</u>	<u>(470,810)</u>	<u>-</u>	<u>26,557,071</u>
Less accumulated depreciation for:					
Land improvements	(194,320)	(23,828)	-	-	(218,148)
Buildings	(216,568)	(30,147)	-	-	(246,715)
Utility systems and improvements	(6,967,505)	(679,936)	-	-	(7,647,441)
Machinery and equipment	(1,240,516)	(144,547)	470,810	-	(914,253)
Total accumulated depreciation	<u>(8,618,909)</u>	<u>(878,458)</u>	<u>470,810</u>	<u>-</u>	<u>(9,026,557)</u>
Total capital assets, being depreciated, net	<u>16,570,076</u>	<u>960,438</u>	<u>-</u>	<u>-</u>	<u>17,530,514</u>
Business-type activities capital assets, net	<u>\$ 23,543,708</u>	<u>\$ 960,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,504,146</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 272,811
Public safety	312,977
Public works	156,463
Culture and recreation	383,848
Total depreciation expense - governmental activities	<u>\$ 1,126,099</u>
Business-type activities:	
Water and sewer	\$ 814,093
River's End RV Park	64,365
Total depreciation expense - business-type activities	<u>\$ 878,458</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASED ASSETS

Leased asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Remeasurement	Ending Balance
Leased assets, being amortized:					
Vehicles and equipment	\$ 734,256	\$ 249,955	\$ -	\$ -	\$ 984,211
Total leased assets, being amortized	<u>734,256</u>	<u>249,955</u>	<u>-</u>	<u>-</u>	<u>984,211</u>
Less accumulated amortization for:					
Vehicles and equipment	(229,803)	(175,853)	-	-	(405,656)
Total accumulated amortization	<u>(229,803)</u>	<u>(175,853)</u>	<u>-</u>	<u>-</u>	<u>(405,656)</u>
Governmental activities leased assets, net	<u>\$ 504,453</u>	<u>\$ 74,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,555</u>

Beginning balances were restated for the implementation of GASB Statement No. 87.

NOTE 7. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Revenue bonds payable	\$ 3,160,000	\$ -	\$ (130,000)	\$ 3,030,000	\$ 135,000
Plus bond premium	187,608	-	(17,455)	170,153	-
Total bonds payable	<u>3,347,608</u>	<u>-</u>	<u>(147,455)</u>	<u>3,200,153</u>	<u>135,000</u>
Leases	504,453	249,955	(166,032)	588,376	191,695
Compensated absences	376,759	666,487	(592,851)	450,395	270,237
Net pension liability	<u>1,027,497</u>	<u>1,426,493</u>	<u>(2,434,400)</u>	<u>19,590</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 5,256,317</u>	<u>\$ 2,342,935</u>	<u>\$ (3,340,738)</u>	<u>\$ 4,258,514</u>	<u>\$ 596,932</u>
Business-type activities					
Notes payable	\$ 2,877,469	\$ -	\$ (166,091)	\$ 2,711,378	\$ 167,965
Revenue bonds payable	4,407,753	252,462	(815,376)	3,844,839	833,080
Compensated absences	42,855	115,163	(98,060)	59,958	59,958
Net pension liability	<u>203,462</u>	<u>262,871</u>	<u>(462,723)</u>	<u>3,610</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$ 7,531,539</u>	<u>\$ 630,496</u>	<u>\$ (1,542,250)</u>	<u>\$ 6,619,785</u>	<u>\$ 1,061,003</u>

For the governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund. For the business-type activities, compensated absences and the net pension liability are liquidated by the Water and Sewer Fund and the River's End RV Park Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's outstanding bonds at June 30, 2022 are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
Chatham County Recreation Authority Refunding Revenue Bond, Series 2016	\$ 4,466,000	2.15%	2026	\$ 1,977,989
Water and Sewer Refunding Revenue Bonds, Series 2016	3,750,000	2.15%	2026	1,614,388
Chatham County Recreation Authority Revenue Bond, Series 2019	3,410,000	3% - 4%	2039	3,030,000
Water and Sewer Revenue Bond, Series 2021	4,045,000	2.75%	2041	<u>252,462</u>
				6,874,839
		Add unamortized bond premium		170,153
		Less current portion		<u>(968,080)</u>
				<u><u>\$ 6,076,912</u></u>

Chatham County Recreation Authority Refunding Revenue Bonds (City of Tybee Island – Campground Project), Series 2016

The City of Tybee Island entered into an intergovernmental agreement with the Chatham County Recreation Authority to issue the Chatham County Recreation Authority Refunding Revenue Bonds (City of Tybee Island – Campground Project), Series 2016. The Series 2016 bonds were issued on August 1, 2016 to: 1) refund and redeem all of the outstanding Series 2006 Bonds, and 2) pay the necessary costs of issuing the bonds. These bonds are secured by and payable from revenues to be received by the Authority from the City pursuant to the intergovernmental agreement.

City of Tybee Island Water and Sewer Refunding Revenue Bond, Series 2016

The City of Tybee Island Water and Sewer Refunding Revenue Bond, Series 2016 was issued in August 1, 2016. The Series 2016 bond was used to: 1) fully pay off three loans with Georgia Environmental Facilities Authority, and 2) pay the necessary costs of issuing the bonds. These bonds are secured by and payable from net revenues of the City's water and sewer system.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds (Continued)

Chatham County Recreation Authority Revenue Bond, Series 2019

The City of Tybee Island entered into an intergovernmental agreement with the Chatham County Recreation Authority to issue the Chatham County Recreation Authority Revenue Bonds (Tybee Island Marine Science Center Project), Series 2019. The Series 2019 bonds were issued on February 14, 2019 to finance a new Tybee Island Marine Science Center in the City, which includes recreational picnic and playground areas, a dune walk, and climbable marine life replicas. These bonds are secured under the provisions of an intergovernmental contract with the City.

City of Tybee Island Water and Sewer Revenue Bond, Series 2021

The City of Tybee Island Water and Sewer Revenue Bond, Series 2021 was issued on November 17, 2021. The Series 2021 bond is being advanced to fund construction of water and sewer infrastructure. These bonds are secured by and payable from net revenues of the City's water and sewer system and are currently in the construction phase as of June 30, 2022.

Revenue bond debt service requirements to maturity, including interest, are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,150,388	\$ 968,080	\$ 182,308
2024	1,146,339	986,169	160,170
2025	1,147,289	1,009,650	137,639
2026	1,151,689	1,038,534	113,155
2027	393,897	299,944	93,953
2028 – 2032	1,226,900	850,000	376,900
2033 – 2037	1,226,600	1,010,000	216,600
2038 and 2039	487,800	460,000	27,800
	<u>\$ 7,930,902</u>	<u>\$ 6,622,377</u>	<u>\$ 1,308,525</u>

The Series 2021 bonds are not included in debt service requirements to maturity schedule noted above as they remained in the construction phase as of June 30, 2022. The Series 2021 bonds will be added when the final draw is made and an amortization schedule is available.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

C. Notes Payable

The Water and Sewer Fund has incurred debt to the Georgia Environmental Facilities Authority for water and sewer system improvements. These notes are as follows at June 30, 2022:

Description	Original Amount	Interest Rate	Due Date	Amount
Water line extensions and lift stations	\$ 1,601,090	1.40%	2035	\$ 1,129,010
Water and sewer improvements	1,361,000	0.89%	2038	1,125,980
Water and sewer improvements	568,973	0.89%	2038	456,388
				<u>2,711,378</u>
		Less current portion		<u>(167,965)</u>
				<u>\$ 2,543,413</u>

Total notes payable service requirements to maturity are as follows:

Fiscal Year Payable	Total	Principal	Interest
2023	\$ 187,232	\$ 167,965	\$ 19,267
2024	187,808	169,861	17,947
2025	188,389	171,779	16,610
2026	188,973	173,719	15,254
2027	189,564	175,683	13,881
2028 – 2032	956,862	908,695	48,167
2033 – 2037	834,689	822,293	12,396
2038 and 2039	121,517	121,383	134
	<u>\$ 2,855,034</u>	<u>\$ 2,711,378</u>	<u>\$ 143,656</u>

D. Leases

In prior years, the City entered into an agreement with Enterprise Lease Management as lessee for the acquisition and use of vehicles and equipment. An initial lease liability was recorded in the amount of \$504,453 in accordance with GASB Statement No. 87, resulting in the restatement of the beginning balance of the lease liability. As of June 30, 2022, the value of the lease liability was \$588,376. The individual leases have an interest rate of 2 – 4.5%. No bargain purchase options are expected to be exercised as a part of this agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

D. Leases (Continued)

Total lease requirements to maturity are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 210,101	\$ 191,695	\$ 18,406
2024	209,728	198,177	11,551
2025	129,146	123,057	6,089
2026	54,566	52,766	1,800
2027	22,909	22,681	228
	<u>\$ 626,450</u>	<u>\$ 588,376</u>	<u>\$ 38,074</u>

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund balances for the fiscal year ended June 30, 2022 consisted of the following:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>Hotel/Motel Tax Fund</u>	<u>Water & Sewer Fund</u>	<u>Solid Waste Collection Fund</u>	
General Fund	\$ 533,150	\$ 510,350	\$ 68,285	\$ 1,111,785
Total	<u>\$ 533,150</u>	<u>\$ 510,350</u>	<u>\$ 68,285</u>	<u>\$ 1,111,785</u>

These amounts represent short-term receivables and payables. The balances resulted from the time lag between dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

In addition to the above, the General Fund has an advance to the Grant Fund in the amount of \$1,762,893. This amount represents a long-term receivable and payable between these funds. It is anticipated this advance will be reduced by additional grant reimbursements.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the fiscal year ended June 30, 2022 consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Hotel/Motel Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ 4,175,754	\$ 3,000	\$ 4,178,754
Solid Waste Fund	213,893	-	-	213,893
Nonmajor Governmental Funds	1,788,850	250,000	-	2,038,850
Total	<u>\$ 2,002,743</u>	<u>\$ 4,425,754</u>	<u>\$ 3,000</u>	<u>\$ 6,431,497</u>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the Hotel/Motel Tax Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City has established a non-contributory defined benefit pension plan City of Tybee Island Retirement Plan (the "Plan"), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive 1.5% – 2%, based on the dynamic breakpoint formula, multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend, from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com, by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Plan membership. As of January 1, 2022, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	60
Terminated employees entitled to benefits but not yet receiving them	65
Active Plan members	128
Total membership in the Plan	253

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. Employees make no contributions to the Plan. The City is required to contribute at an actuarially determined rate. For the year ended June 30, 2022, the City's contribution rate was 7.23% of annual payroll. City contributions to the Plan were \$455,971 for the year ended June 30, 2022.

B. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021.

Actuarial assumptions. The total pension liability in the January 1, 2022 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
Net investment rate of return	7.375%
Cost of living adjustment	2.10% for participants terminated on or after June 1, 1999, N/A otherwise

Mortality rates were based on the Pri-2012 head-count weighted Healthy Retiree Mortality Table with rate multiplied by 1.25.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

The investment return and inflation assumptions used to value the Plan were approved in December 2019 by the Board. The remaining assumptions and methods used to value the Plan were approved in December 2019 by the Board of Trustees based on an experience study for the period January 1, 2015 through June 30, 2019.

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 March 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
	100%	

*Rates shown are net of the 2.25% assumed rate of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balances	\$ 11,671,396	\$ 10,440,437	\$ 1,230,959
<i>Changes for the year:</i>			
Service cost	271,885	-	271,885
Interest	861,439	-	861,439
Differences between expected and actual experience	525,506	-	525,506
Contributions - employer	-	374,341	(374,341)
Net investment income	-	2,522,782	(2,522,782)
Benefit payments, including refunds of employee contributions	(525,514)	(525,514)	-
Administrative expense	-	(30,534)	30,534
Other	-	-	-
<i>Net changes</i>	1,133,316	2,341,075	(1,207,759)
Ending balances	<u>\$ 12,804,712</u>	<u>\$ 12,781,512</u>	<u>\$ 23,200</u>

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City of Tybee Island's net pension liability (asset)	\$ 1,711,902	\$ 23,200	\$ (1,372,484)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2021, and the current sharing pattern of costs between employer and employee.

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of \$193,528. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 643,602	\$ -
Changes in assumptions	-	(32,683)
Net difference between projected and actual earnings on pension plan investments	-	(1,413,081)
City contributions subsequent to the measurement date	343,179	-
Total	\$ 986,781	\$ (1,445,764)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$343,179 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a component of pension expense as follows:

<u>Year ending June 30,</u>	
2022	\$ (74,264)
2023	(111,422)
2024	(264,576)
2025	(351,900)
Total	<u>\$ (802,162)</u>

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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 pool's 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 also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded insurance coverage.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the nine county coastal Georgia region, is a member of the Coastal Georgia Regional Commission (“RC”) and is required to pay annual dues thereto. During the fiscal year ended June 30, 2022, the City paid \$5,078 in such dues. Membership in an RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Georgia Regional Commission, 127 “F” Street, Brunswick, Georgia 31520.

NOTE 12. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

B. Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied a 6% lodging tax. For the fiscal year ended June 30, 2022, \$7,865,210 of Hotel/Motel tax was collected. Of the total collected, 100% was used for the promotion of tourism within the City (\$2,246,079 to the Savannah Chamber of Commerce, \$1,123,377 to the Georgia International Convention Center, \$70,000 to the Tybee Post Theater, \$806,298 to the Beach Renourishment, \$3,369,456 to the General Fund, and \$250,000 to the Debt Service Fund).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TYBEE ISLAND, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability				
Service cost	\$ 271,885	\$ 236,096	\$ 222,306	\$ 259,255
Interest on total pension liability	861,439	799,348	750,299	724,949
Differences between expected and actual experience	525,506	276,274	445,331	(180,875)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(525,514)	(485,696)	(447,024)	(409,734)
Other	-	-	(130,732)	-
Net change in total pension liability	1,133,316	826,022	840,180	393,595
Total pension liability - beginning	11,671,396	10,845,374	10,005,194	9,611,599
Total pension liability - ending (a)	12,804,712	11,671,396	10,845,374	10,005,194
Plan fiduciary net position				
Contributions - employer	374,341	383,945	421,734	433,667
Net investment income	2,522,782	926,792	283,751	850,056
Benefit payments, including refunds of employee contributions	(525,514)	(485,696)	(447,024)	(409,734)
Administrative expenses	(30,534)	(30,976)	(27,528)	(28,995)
Net change in plan fiduciary net position	2,341,075	794,065	230,933	844,994
Plan fiduciary net position - beginning	10,440,437	9,646,372	9,415,439	8,570,445
Plan fiduciary net position - ending (b)	12,781,512	10,440,437	9,646,372	9,415,439
City's net pension liability - ending (a) - (b)	\$ 23,200	\$ 1,230,959	\$ 1,199,002	\$ 589,755
Plan fiduciary net position as a percentage of the total pension liability	89.45%	89.45%	88.94%	94.11%
Covered payroll	\$ 6,308,432	\$ 5,695,722	\$ 4,727,282	\$ 4,158,606
City's net pension liability as a percentage of covered payroll	21.61%	21.61%	25.36%	14.18%

Notes to the Schedule: The Schedule will present 10 years of information once it is accumulated.

	2018	2017	2016	2015
\$	270,293	\$ 243,211	\$ 271,181	\$ 254,414
	678,645	632,774	591,196	559,195
	107,516	55,701	(6,456)	(90,395)
	-	-	-	(2,320)
	(404,293)	(331,010)	(307,853)	(308,101)
	577	27,856	-	-
	652,738	628,532	548,068	412,793
	8,958,861	8,330,329	7,782,261	7,369,468
	9,611,599	8,958,861	8,330,329	7,782,261
	423,061	430,220	450,057	428,260
	1,123,477	745,075	67,622	651,704
	(404,293)	(331,010)	(307,853)	(308,101)
	(29,890)	(17,953)	(20,168)	(15,776)
	1,112,355	826,332	189,658	756,087
	7,458,090	6,631,758	6,442,100	5,686,013
	8,570,445	7,458,090	6,631,758	6,442,100
\$	<u>1,041,154</u>	<u>\$ 1,500,771</u>	<u>\$ 1,698,571</u>	<u>\$ 1,340,161</u>
	89.17%	83.25%	79.61%	82.78%
\$	4,497,809	\$ 4,327,782	\$ 3,832,932	\$ 3,837,698
	23.15%	34.68%	44.32%	34.92%

CITY OF TYBEE ISLAND, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 455,971	\$ 408,372	\$ 372,670	\$ 438,089
Contributions in relation to the actuarially determined contribution	<u>455,971</u>	<u>408,372</u>	<u>372,670</u>	<u>438,089</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,308,432	\$ 5,695,722	\$ 4,727,282	\$ 4,158,606
Contributions as a percentage of covered payroll	7.23%	7.17%	7.88%	10.53%

Notes to the Schedule:

Valuation date	January 1, 2021
Cost method	Projected unit credit
Actuarial 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 amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases.
Cost-of-living adjustment	2.10%
Amortization method	Closed level dollar for remaining unfunded liability.
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years.

The Schedule will present 10 years of information once it is accumulated.

2018	2017	2016	2015
\$ 432,193	\$ 420,017	\$ 433,621	\$ 455,536
432,193	420,017	433,621	455,536
\$ -	\$ -	\$ -	\$ -
\$ 4,497,809	\$ 4,327,782	\$ 3,832,932	\$ 3,837,698
9.61%	9.71%	11.30%	11.87%

COMBINING STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

E911 Fund – To account for the operations of the E911 system.

Confiscated Assets Fund – To account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from drug enforcement.

FEMA/GEMA Grant Fund – To account for grants used to recover and repair damages caused by Hurricane Matthew.

American Rescue Act Fund – To account for and report financial resources and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021.

CAPITAL PROJECT FUNDS

2003 SPLOST Fund – To account for capital projects financed from special purpose local option sales taxes. The projects include public safety buildings and equipment, beach related projects, road projects, and water and sewer equipment. These projects are financed with a special 1% sales tax.

2014 SPLOST Fund – To account for capital projects financed from special purpose local option sales taxes. The projects include public safety buildings and equipment, beach related projects, road projects, and water and sewer equipment. These projects are financed with a special 1% sales tax.

2020 SPLOST Fund – To account for capital projects financed from special purpose local option sales taxes. The projects include public safety buildings and equipment, beach related projects, road projects, and water and sewer equipment. These projects are financed with a special 1% sales tax.

Capital Projects Fund – To account for financial resources to be used for the acquisition of equipment or the construction of major capital projects.

DEBT SERVICE FUND

Debt Service Fund – To account for the debt payments and debt proceeds of the City.

CITY OF TYBEE ISLAND, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor 2003 SPLOST Fund	Nonmajor 2014 SPLOST Fund	Nonmajor 2020 SPLOST Fund	Nonmajor Capital Projects Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 580,899	\$ 121,887	\$ 824,854	\$ 431,327	\$ 197,158	\$ 164,128	\$ 2,320,253
Accounts receivable	4,934	-	-	198,198	-	-	203,132
Total assets	<u>\$ 585,833</u>	<u>\$ 121,887</u>	<u>\$ 824,854</u>	<u>\$ 629,525</u>	<u>\$ 197,158</u>	<u>\$ 164,128</u>	<u>\$ 2,523,385</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 1,211	\$ -	\$ 342,663	\$ -	\$ 197,158	\$ -	\$ 541,032
Accrued liabilities	8,250	-	-	-	-	-	8,250
Unearned revenue	571,918	-	-	-	-	-	571,918
Total liabilities	<u>581,379</u>	<u>-</u>	<u>342,663</u>	<u>-</u>	<u>197,158</u>	<u>-</u>	<u>1,121,200</u>
FUND BALANCE							
Restricted for:							
Public safety vehicles and equipment	4,454	-	-	-	-	-	4,454
Capital projects	-	121,887	482,191	629,525	-	-	1,233,603
Debt service	-	-	-	-	-	164,128	164,128
Total fund balance	<u>4,454</u>	<u>121,887</u>	<u>482,191</u>	<u>629,525</u>	<u>-</u>	<u>164,128</u>	<u>1,402,185</u>
Total liabilities and fund balance	<u>\$ 585,833</u>	<u>\$ 121,887</u>	<u>\$ 824,854</u>	<u>\$ 629,525</u>	<u>\$ 197,158</u>	<u>\$ 164,128</u>	<u>\$ 2,523,385</u>

CITY OF TYBEE ISLAND, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor 2003 SPLOST Fund	Nonmajor 2014 SPLOST Fund	Nonmajor 2020 SPLOST Fund	Nonmajor Capital Projects Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues							
Intergovernmental	\$ -	\$ -	\$ 700,000	\$ 1,045,755	\$ -	\$ -	\$ 1,745,755
Charges for services	79,467	-	-	-	-	-	79,467
Interest income	-	-	752	645	-	-	1,397
Total revenues	79,467	-	700,752	1,046,400	-	-	1,826,619
Expenditures							
Current:							
Public safety	365,778	-	-	-	-	-	365,778
Capital outlay	-	62,667	1,195,326	993,790	1,499,736	-	3,751,519
Debt service:							
Principal	-	-	-	-	-	130,000	130,000
Interest and fiscal charges	-	-	-	-	-	117,900	117,900
Total expenditures	365,778	62,667	1,195,326	993,790	1,499,736	247,900	4,365,197
Excess (deficiency) of revenues over (under) expenditures	(286,311)	(62,667)	(494,574)	52,610	(1,499,736)	(247,900)	(2,538,578)
Other financing source							
Transfers in	289,114	-	-	-	1,499,736	250,000	2,038,850
Transfers out source	(3,000)	-	-	-	-	-	(3,000)
	286,114	-	-	-	1,499,736	250,000	2,035,850
Net change in fund balance	(197)	(62,667)	(494,574)	52,610	-	2,100	(502,728)
Fund balance, beginning of year	4,651	184,554	976,765	576,915	-	162,028	1,904,913
Fund balance, end of year	\$ 4,454	\$ 121,887	\$ 482,191	\$ 629,525	\$ -	\$ 164,128	\$ 1,402,185

CITY OF TYBEE ISLAND, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	E911 Fund	Confiscated Assets Fund	FEMA/GEMA Grant Fund	American Rescue Act Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 4,393	\$ 4,588	\$ -	\$ 571,918	\$ 580,899
Accounts receivable	4,934	-	-	-	4,934
Total assets	<u>\$ 9,327</u>	<u>\$ 4,588</u>	<u>\$ -</u>	<u>\$ 571,918</u>	<u>\$ 585,833</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,077	\$ 134	\$ -	\$ -	\$ 1,211
Accrued liabilities	8,250	-	-	-	8,250
Unearned revenue	-	-	-	571,918	571,918
Total liabilities	<u>9,327</u>	<u>134</u>	<u>-</u>	<u>571,918</u>	<u>581,379</u>
FUND BALANCES					
Restricted for:					
Public safety	-	4,454	-	-	4,454
Total fund balance	-	4,454	-	-	4,454
Total liabilities and fund balance	<u>\$ 9,327</u>	<u>\$ 4,588</u>	<u>\$ -</u>	<u>\$ 571,918</u>	<u>\$ 585,833</u>

CITY OF TYBEE ISLAND, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	E911 Fund	Confiscated Assets Fund	FEMA/GEMA Grant Fund	American Rescue Act Fund	Total Nonmajor Special Revenue Funds
Revenues					
Charges for services	\$ 79,467	\$ -	\$ -	\$ -	\$ 79,467
Total revenues	<u>79,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,467</u>
Expenditures					
Current:					
Public safety	365,778	-	-	-	365,778
Total expenditures	<u>365,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,778</u>
Excess (deficiency) of revenues					
over (under) expenditures	<u>(286,311)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286,311)</u>
Other financing source					
Transfers in	289,114	-	-	-	289,114
Transfers out	-	-	(3,000)	-	(3,000)
Total other financing source	<u>289,114</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>286,114</u>
Net change in fund balance	2,803	-	(3,000)	-	(197)
Fund balance (deficit), beginning of year	<u>(2,803)</u>	<u>4,454</u>	<u>3,000</u>	<u>-</u>	<u>4,651</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 4,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,454</u>

CITY OF TYBEE ISLAND, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2014 RESOLUTION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Public Safety					
Police department vehicles	\$ 120,000	\$ 228,434	\$ 258,433	\$ -	\$ 258,433
Public safety software upgrade	165,000	196,665	196,665	-	196,665
Fire department truck	630,000	867,347	882,347	357,931	1,240,278
Fire department equipment	630,000	246,431	230,792	-	230,792
Police department equipment	-	41,000	27,843	-	27,843
Water and Sewer					
Various projects	1,554,000	-	-	-	-
Street and Infrastructure					
Street paving and repair	550,000	159,561	71,856	-	71,856
Marsh Hen Trail/Highway 80 bike trail	47,000	46,242	46,058	-	46,058
Drainage project - various	-	196,030	72,225	29,256	101,481
Street sweeper equipment	-	180,000	180,000	-	180,000
Cultural and Recreation					
Memorial Park pavilion building	32,000	45,997	151,620	-	151,620
Memorial Park restroom building	-	212,872	212,872	-	212,872
Playground equipment	120,000	195,390	195,390	-	195,390
Tybee Arts Association - audio/video	-	54,018	27,017	-	27,017
YMCA - batting cage	-	5,842	5,842	-	5,842
Friends/Post Tybee Theater audio/video equipment	-	117,056	117,056	-	117,056
JayCee Park	-	460,000	716,268	-	716,268
Various projects	332,000	-	-	-	-
South end restrooms	-	400,000	32,506	808,139	840,645
Beach Related					
Mobile mats	20,000	-	-	-	-
Beach crossovers	-	224,770	224,769	-	224,769
Future projects	-	248,039	-	-	-
	<u>\$ 4,200,000</u>	<u>\$ 4,125,694</u>	<u>\$ 3,649,559</u>	<u>\$ 1,195,326</u>	<u>\$ 4,844,885</u>

CITY OF TYBEE ISLAND, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2003 RESOLUTION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Drainage					
Drainage reconstruction/maintenance North Beach area	\$ 200,000	\$ 559	\$ 559	\$ -	\$ 559
14th Street drainage project	-	966,226	966,226	-	966,226
Water and Sewer Improvements					
Beach side of Butler water line improvement	575,000	2,130,273	2,130,273	-	2,130,273
Butler Avenue water line	817,000	-	-	-	-
Water line looping	224,040	15,460	15,460	-	15,460
Replacement of 6" ACX water line improvement	168,960	-	-	-	-
Fort Screven water line replacement, Lift station upgrades, I&I continuation	440,000	82,522	82,522	-	82,522
Roads					
Various improvements	250,000	-	-	-	-
ADA sidewalk improvement	-	22,000	22,000	-	22,000
Bike paths	100,000	3,200	3,200	-	3,200
Jones Avenue	350,000	175,653	175,653	-	175,653
Street paving and sidewalks	-	70,000	70,000	-	70,000
Marsh Hen Trail TE match	-	21,717	21,717	-	21,717
Public Safety					
Public safety facility	500,000	294,402	294,402	-	294,402
Fire department equipment	-	163,310	163,310	-	163,310
Beach Related					
Beach renourishment	1,000,000	1,000,000	1,000,000	-	1,000,000
Community Development					
Old Fort Theater, guardhouse	600,000	774,825	774,825	-	774,825
Playground equipment	200,000	196,559	196,559	-	196,559
Marine Rescue Squadron facility	100,000	71,165	71,165	-	71,165
Tybee Marine Science Center project	600,000	601,908	3,506,123	62,667	3,568,790
South Beach Business District	-	764,381	764,381	-	764,381
Other					
Other capital equipment	190,354	-	-	-	-
	<u>\$ 6,515,354</u>	<u>\$ 7,354,160</u>	<u>\$ 10,258,375</u>	<u>\$ 62,667</u>	<u>\$ 10,321,042</u>

CITY OF TYBEE ISLAND, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2020 RESOLUTION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Public Safety					
Fire station	\$ 460,000	\$ 460,000	\$ -	\$ -	\$ -
Fire vehicles	545,000	545,000	-	468,977	468,977
Public Works					
Street paving and maintenance	200,000	200,000	-	205,331	205,331
Water/Sewer improvements	500,000	500,000	-	-	-
Drainage projects	230,000	230,000	-	54,680	54,680
Cultural and Recreational					
Recreational facilities	469,653	469,653	-	2,214	2,214
Recreational area improvements	550,000	550,000	-	858	858
Beach area improvements	450,000	450,000	-	-	-
General Government					
City facilities	550,000	550,000	-	261,730	261,730
	<u>\$ 3,954,653</u>	<u>\$ 3,954,653</u>	<u>\$ -</u>	<u>\$ 993,790</u>	<u>\$ 993,790</u>

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Honorable Mayor and Members
of City Council
City of Tybee Island
Tybee Island, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tybee Island, Georgia (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that is 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 in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Savannah, Georgia
December 20, 2022

CITY OF TYBEE ISLAND, GEORGIA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

An audit of federal awards was not required for the fiscal year ended June 30, 2022 as the City did not expend \$750,000 or more in federal expenditures.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

CITY OF TYBEE ISLAND, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.



December 20, 2022

City of Tybee Island, Georgia
c/o Ms. Melissa Freeman
403 Butler Avenue
Tybee Island, Georgia 31328

Dear Angela:

We are enclosing ten (10) bound copies of the financial statements and ten (10) copies of our Auditor's Discussion and Analysis (AD&A) for the City of Tybee Island, Georgia as of June 30, 2022.

Thank you for allowing us to serve you. If you have any questions, please call.

Sincerely,

MAULDIN & JENKINS, LLC

A handwritten signature in blue ink, appearing to read 'Trey Scott'.

Trey Scott

TS:sh
Enclosures