CITY OF BAINBRIDGE, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

CITY OF BAINBRIDGE, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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INTRODUCTORY SECTION

CITY OF BAINBRIDGE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2022

ELECTED OFFICIALS

Edward Reynolds, Mayor

BOARD OF ALDERMEN

Roslyn Palmer	Glennie Bench
Sylvia Washington	Kregg Close
Phil Long	Don Whaley

APPOINTED OFFICIALS

City Manager	Chris M. Hobby
Assistant City Manager	Roy Oliver
Attorney	Tom Conger
Director of Administrative Services	Lisa Taylor
Director of Economic and Comm. Dev.	Steve O'Neil
Director of Public Safety	Frank Green
Director of Engineering and Community Services	Gabriel Menendez

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
City of Bainbridge, Georgia
Bainbridge, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Bainbridge, Georgia** (the "City"), as of and for the year ended September 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinions

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*"Government Auditing Standards"*). 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.

Change in Accounting Principle

As discussed in Notes 1, 6, and 7 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of October 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 Schedule of Changes in the City's Net Pension Liability and Related Ratios (pages 56 and 57) the Schedule of City Contributions (pages 58 and 59), and the budgetary comparison information for the General Fund and the Local Relief Fund (pages 60 – 62), be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

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 and individual fund statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax ("TSPLOST") proceeds, as required by the O.C.G.A. §48-8-260 (the "supplementary information") are the responsibility of management and were derived from and relate 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, the supplementary information is 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 September 27, 2023, 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 Bainbridge, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
September 27, 2023

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention and Visitor's Bureau
ASSETS					
Cash and cash equivalents	$ 9,149,136	$ 42,258,864	$ 51,408,000	$ 481,604	$ 106,625
Taxes receivables, net	314,663	-	314,663	-	-
Account receivables, net	2,526,142	1,282,171	3,808,313	30	-
Due from other governments	977,390	203	977,593	-	-
Due from primary government	-	-	-	-	10,023
Due from component units	2,780	-	2,780	-	-
Notes receivable	529,261	-	529,261	-	-
Lease receivable	72,835	81,334	154,169	-	-
Internal balances	1,726,293	(1,726,293)	-	-	-
Inventories	154,072	172,130	326,202	-	-
Prepaid items	241,109	158,644	399,753	-	101
Right to use leased assets, amortized, net	1,157,800	353,212	1,511,012	44,389	-
Capital assets, not depreciated	14,431,951	19,528,185	33,960,136	276,304	-
Capital assets, depreciated, net	25,412,463	27,904,220	53,316,683	289,457	-
Total assets	56,695,895	90,012,670	146,708,565	1,091,784	116,749
DEFERRED OUTFLOWS OF RESOURCES					
Differences between expected and actual experience of economic/demographic losses	570,013	190,593	760,606	-	1,069
Assumption changes	199,235	66,617	265,852	-	374
City contributions subsequent to the measurement date	484,215	161,905	646,120	-	908
Total deferred outflows of resources	1,253,463	419,115	1,672,578	-	2,351
LIABILITIES					
Accounts payable	1,849,735	4,265,118	6,114,853	-	920
Accrued expenses	388,833	780,778	1,169,611	47	-
Claims payable	246,977	-	246,977	-	-
Due to component unit	10,023	-	10,023	-	-
Due to primary government	-	-	-	321	2,459
Customer deposits	-	374,086	374,086	-	-
Unearned revenue	2,010,628	9,343	2,019,971	-	-
Bonds payable, due within one year	1,100,000	-	1,100,000	-	-
Bonds payable, due in more than one year	26,228,521	65,073,644	91,302,165	-	-
Notes payable, due within one year	26,643	-	26,643	-	-
Notes payable, due in more than one year	516,102	-	516,102	-	-
Financed purchases, due within one year	200,125	65,392	265,517	-	-
Financed purchases, due in more than one year	498,935	269,283	768,218	-	-
Leases, due within one year	360,295	415,342	775,637	5,444	-
Leases, due in more than one year	833,174	-	833,174	39,185	-
Compensated absences payable, due within one year	219,291	70,187	289,478	-	-
Compensated absences payable, due in more than one year	96,631	30,080	126,711	-	-
Landfill post-closure care	237,308	-	237,308	-	-
Net pension liability	1,599,737	534,897	2,134,634	-	3,000
Total liabilities	36,422,958	71,888,150	108,311,108	44,997	6,379
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	1,327,668	-	1,327,668	-	-
Differences between expected and actual experience of economic/demographic gains	23,372	7,816	31,188	-	44
Net difference between projected and actual earnings on pension plan investments	1,133,478	378,995	1,512,473	-	2,125
Leased related	72,700	80,305	153,005	-	-
Total deferred inflows of resources	2,557,218	467,116	3,024,334	-	2,169
NET POSITION					
Net investment in capital assets	14,065,378	23,763,089	37,828,467	610,150	-
Restricted for:					
General government	2,341	-	2,341	-	-
Public safety	75,775	-	75,775	-	-
Capital projects	4,690,484	-	4,690,484	-	-
Unrestricted	135,204	(5,686,570)	(5,551,366)	436,637	110,552
Total net position	$ 18,969,182	$ 18,076,519	$ 37,045,701	$ 1,046,787	$ 110,552

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: DDA	Component Units: CVB
Primary government									
Governmental activities:									
General government	$ 2,412,535	$ 403,983	$ 1,156,667	$ 2,460,747	$ 1,608,862	$ -	$ 1,608,862	$ -	$ -
Judicial	287,094	-	-	-	(287,094)	-	(287,094)	-	-
Public safety	4,762,768	166,225	2,418,876	193,108	(1,984,559)	-	(1,984,559)	-	-
Public works	9,303,499	-	197,550	1,468,026	(7,637,923)	-	(7,637,923)	-	-
Community development	463,735	-	100,622	178,473	(184,640)	-	(184,640)	-	-
Interest and fiscal charges on long-term debt	927,341	-	-	-	(927,341)	-	(927,341)	-	-
Total governmental activities	18,156,972	570,208	3,873,715	4,300,354	(9,412,695)	-	(9,412,695)	-	-
Business-type activities:									
Water and sewer	6,050,447	5,813,860	-	-	-	(236,587)	(236,587)	-	-
Natural gas	2,635,563	2,594,932	-	-	-	(40,631)	(40,631)	-	-
Sanitation	2,970,956	3,483,816	-	-	-	512,860	512,860	-	-
Telecommunications	598,712	519,764	-	-	-	(78,948)	(78,948)	-	-
Total business-type activities	12,255,678	12,412,372	-	-	-	156,694	156,694	-	-
Total primary government	$ 30,412,650	$ 12,982,580	$ 3,873,715	$ 4,300,354	(9,412,695)	156,694	(9,256,001)	-	-
Component units:									
Downtown Development Authority	$ 44,003	$ 7,805	$ 679,304	$ -	-	-	-	643,106	-
Convention and Visitor's Bureau	90,798	-	95,092	-	-	-	-	-	4,294
Total component units	$ 134,801	$ 7,805	$ 774,396	$ -	-	-	-	643,106	4,294
General revenues:									
Property taxes					1,864,043	-	1,864,043	-	-
Sales taxes					2,573,619	-	2,573,619	-	-
Insurance premium tax					1,171,126	-	1,171,126	-	-
Alcoholic beverage taxes					353,986	-	353,986	-	-
Franchise taxes					866,556	-	866,556	-	-
Hotel taxes					235,211	-	235,211	-	-
Business taxes					452,220	-	452,220	-	-
Other taxes					34,525	-	34,525	-	-
Unrestricted investment earnings					12,549	259,770	272,319	-	9,035
Gain on sale of capital assets					232,746	5,050	237,796	10,091	-
Transfers					9,892,268	(9,892,268)	-	-	-
Total general revenues and transfers					17,688,849	(9,627,448)	8,061,401	10,091	9,035
Change in net position					8,276,154	(9,470,754)	(1,194,600)	653,197	13,329
Net position, beginning of year, as restated					10,693,028	27,547,273	38,240,301	393,590	97,223
Net position, end of year					$ 18,969,182	$ 18,076,519	$ 37,045,701	$ 1,046,787	$ 110,552

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

CITY OF BAINBRIDGE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	SPLOST Fund	SPLOST VII Fund	TSPLOST Fund
ASSETS				
Cash and cash equivalents	$ 1,762,696	$ 191,362	$ 1,360,005	$ 595,478
Accounts receivable, net	291,172	-	-	-
Taxes receivable, net	2,526,142	-	-	-
Lease receivable	72,835	-	-	-
Notes receivable	529,261	-	-	-
Due from other funds	3,846,114	-	352,787	900
Due from other governments	237,869	-	406,134	331,962
Due from component units	2,780	-	-	-
Inventories	69,461	-	-	-
Prepaid items	142,712	-	-	-
Total assets	$ 9,481,042	$ 191,362	$ 2,118,926	$ 928,340
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 969,624	$ -	$ 586,187	$ 246,585
Accrued other expenses	319,814	-	-	-
Due to other funds	1,761,678	-	-	-
Unearned revenues	-	-	-	-
Due to component units	-	-	-	-
Total liabilities	3,051,116	-	586,187	246,585
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,327,668	-	-	-
Unavailable revenue - fines	177,774	-	-	-
Unavailable revenue - leases	72,700	-	-	-
Total deferred inflows of resources	1,578,142	-	-	-
FUND BALANCES				
Non-spendable:				
Inventories	69,461	-	-	-
Prepaid items	142,712	-	-	
Notes receivable	529,261	-	-	-
Restricted for:				
Capital projects	-	191,362	1,532,739	681,755
General government	-	-	-	-
Public safety	-	-	-	-
Unassigned	4,110,350	-	-	-
Total fund balances	4,851,784	191,362	1,532,739	681,755
Total liabilities, deferred inflows of resources and fund balances	$ 9,481,042	$ 191,362	$ 2,118,926	$ 928,340

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

Capital assets and leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
Revenue earned but unavailable is not reported in the funds.
Deferred outflows of resources related to pension are not available to pay for current period expenditures and, therefore, are not reported in the funds.
Internal service funds are used by management to charge the costs of employee health care self-insurance and the City Shop to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.
Deferred inflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the funds
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:
- Notes payable
- Financed purchases
- Bonds payable
- Unamortized bond premium
- Accrued interest payable
- Accrued compensated absences
- Net pension liability
- Leases payable
- Landfill post-closure care obligation

Net position of governmental activities

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

Bainbridge Public Facilities Authority	Local Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,759,523	$ 2,132,766	$ 117,749	$ 8,919,579
-	-	20,675	311,847
-	-	-	2,526,142
-	-	-	72,835
-	-	-	529,261
-	-	-	4,199,801
-	-	-	975,965
-	-	-	2,780
-	-	-	69,461
-	-	-	142,712
$ 2,759,523	$ 2,132,766	$ 138,424	$ 17,750,383
$ -	$ -	$ 22,065	$ 1,824,461
-	-	-	319,814
474,895	122,138	28,220	2,386,931
-	2,010,628	-	2,010,628
-	-	10,023	10,023
474,895	2,132,766	60,308	6,551,857
-	-	-	1,327,668
-	-	-	177,774
-	-	-	72,700
-	-	-	1,578,142
-	-	-	69,461
-	-	-	142,712
-	-	-	529,261
2,284,628	-	-	4,690,484
-	-	2,341	2,341
-	-	75,775	75,775
-	-	-	4,110,350
2,284,628	-	78,116	9,620,384
$ 2,759,523	$ 2,132,766	$ 138,424	
			40,955,090
			177,774
			1,195,117
			(12,542)
			(1,103,001)
			(542,745)
			(699,060)
			(25,605,000)
			(1,723,521)
			(69,019)
			(302,178)
			(1,525,273)
			(1,159,536)
			(237,308)
			$ 18,969,182

CITY OF BAINBRIDGE, GEORGIA

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

	General Fund	SPLOST Fund	SPLOST VII Fund	TSPLOST Fund
Revenues				
Taxes	$ 7,316,075	$ -	$ -	$ -
Licenses and permits	178,717	-	-	-
Intergovernmental	1,354,217	-	2,370,481	1,925,327
Charges for services	99,563	-	-	-
Fines and forfeitures	180,454	-	-	-
Investment earnings	2,265	194	3,499	853
Other revenues	125,078	-	100,556	66
Total revenues	9,256,369	194	2,474,536	1,926,246
Expenditures				
Current:				
General government	2,706,862	-	-	-
Judicial	294,077	-	-	-
Public safety	5,014,538	-	-	-
Public works	10,210,299	-	-	-
Community development	1,847,681	-	-	-
Capital projects	-	386,054	3,725,093	3,424,181
Debt service:				
Principal	436,102	104,738	-	243,513
Interest	50,489	14,628	-	5,978
Total expenditures	20,560,048	505,420	3,725,093	3,673,672
Excess (deficiency) of revenues over (under) expenditures	(11,303,679)	(505,226)	(1,250,557)	(1,747,426)
Other financing sources (uses)				
Transfers in	11,890,030	360,680	3,463,025	1,857,509
Transfers out	(201,394)	-	(1,719,875)	(279,461)
Issuance of leases	904,667	-	-	310,688
Proceeds from sale of capital assets	232,746	-	-	-
Total other financing sources (uses)	12,826,049	360,680	1,743,150	1,888,736
Net change in fund balances	1,522,370	(144,546)	492,593	141,310
Fund balances, beginning of year	3,329,414	335,908	1,040,146	540,445
Fund balances, end of year	$ 4,851,784	$ 191,362	$ 1,532,739	$ 681,755

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

Bainbridge Public Facilities Authority Fund	Local Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 235,211	$ 7,551,286
-	-	-	178,717
-	2,348,993	69,883	8,068,901
-	-	-	99,563
-	-	-	180,454
10,255	-	29	17,095
-	-	625	226,325
10,255	2,348,993	305,748	16,322,341
-	-	830	2,707,692
-	-	-	294,077
-	-	32,086	5,046,624
-	-	10,000	10,220,299
591,305	23,014	94,091	2,556,091
-	113,269	-	7,648,597
1,075,000	-	-	1,859,353
762,923	-	-	834,018
2,429,228	136,283	137,007	31,166,751
(2,418,973)	2,212,710	168,741	(14,844,410)
1,719,875	-	-	19,291,119
(4,682,294)	(2,212,710)	(141,120)	(9,236,854)
-	-	-	1,215,355
-	-	-	232,746
(2,962,419)	(2,212,710)	(141,120)	11,502,366
(5,381,392)	-	27,621	(3,342,044)
7,666,020	-	50,495	12,962,428
$ 2,284,628	$ -	$ 78,116	$ 9,620,384

CITY OF BAINBRIDGE, 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 SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	$ (3,342,044)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	
Capital outlay	12,883,911
Depreciation expense	(1,702,071)
Amortization expense	(365,949)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(161,997)
The issuance of long-term debt provides current financial resources while the repayment of principle on long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal payments of bonds	1,075,000
Prinicipal payments of financed purchases	443,604
Prinicipal payments of notes payable	26,285
Prinicipal payments of leases	328,283
Issuance of leases	(1,215,355)
Amortization of bond premium	153,178
The net effect of revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(14,229)
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities.	253,358
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. Adjustments for these items are as follows:	
Accrued interest on debt	7,056
Amortization of deferred charge on refunding	(253,557)
Compensated absences	(2,649)
Net pension liability and deferred inflows and outflows	163,330
Change in net position of governmental activities	$ 8,276,154

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Cash	$ 42,170,485	$ 40,061	$ -	$ 48,318	$ 42,258,864	$ 229,557
Receivables, net:						
Utility accounts	423,115	430,675	312,242	116,139	1,282,171	-
Other	-	-	-	-	-	2,816
Lease receivable	81,334	-	-	-	81,334	-
Due from other funds	1,480,631	348,287	-	430,197	2,259,115	329,388
Due from other governments	203	-	-	-	203	1,425
Inventory	108,207	21,851	18,310	23,762	172,130	84,611
Prepaid items	122,492	15,651	18,056	2,445	158,644	98,397
Total current assets	44,386,467	856,525	348,608	620,861	46,212,461	746,194
NON-CURRENT ASSETS						
Capital assets:						
Construction in progress	15,632,939	3,335,033	-	450,946	19,418,918	-
Land	-	-	13,870	95,397	109,267	-
Buildings and improvements	38,590,385	4,315,830	615,097	594,554	44,115,866	23,749
Machinery and equipment	1,710,578	244,258	3,812,729	968,842	6,736,407	150,717
Right to use leased asset	73,592	8,150	779,652	-	861,394	47,401
	56,007,494	7,903,271	5,221,348	2,109,739	71,241,852	221,867
Less accumulated depreciation	(17,279,392)	(2,449,423)	(2,648,145)	(571,093)	(22,948,053)	(161,298)
Less accumulated amortization	(44,896)	(4,890)	(458,396)	-	(508,182)	(13,445)
Total capital assets	38,683,206	5,448,958	2,114,807	1,538,646	47,785,617	47,124
Total assets	83,069,673	6,305,483	2,463,415	2,159,507	93,998,078	793,318
DEFERRED OUTFLOWS OF RESOURCES						
Difference between expected and actual experience	92,348	32,355	65,890	-	190,593	26,533
Assumption changes	32,278	11,309	23,030	-	66,617	9,274
Contributions subsequent to the measurement date	78,448	27,485	55,972	-	161,905	22,539
Total deferred outflows of resources	203,074	71,149	144,892	-	419,115	58,346
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	2,969,577	1,128,130	79,332	88,079	4,265,118	25,274
Accrued expenses	736,300	43,525	953	-	780,778	-
Claims payable	-	-	-	-	-	246,977
Due to other funds	2,954,260	84,930	352,568	694,861	4,086,619	314,754
Customer deposit payable	373,336	-	750	-	374,086	-
Unearned revenue	9,343	-	-	-	9,343	-
Compensated absences - current portion	30,051	9,602	28,664	1,870	70,187	9,621
Financed purchases - current portion	21,840	-	43,552	-	65,392	-
Leases payable - current portion	28,850	3,441	383,051	-	415,342	10,620
Total current liabilities	7,123,557	1,269,628	888,870	784,810	10,066,865	607,246
NON-CURRENT LIABILITIES						
Compensated absences, net of current portion	12,879	4,115	12,285	801	30,080	4,123
Financed purchases, net of current portion	38,241	-	231,042	-	269,283	-
Leases payable, net of current portion	-	-	-	-	-	23,313
Bonds payable, net of current portion	65,073,644	-	-	-	65,073,644	-
Net pension liability	259,174	90,804	184,919	-	534,897	74,464
Total long-term liabilities	65,383,938	94,919	428,246	801	65,907,904	101,900
Total liabilities	72,507,495	1,364,547	1,317,116	785,611	75,974,769	709,146
DEFERRED INFLOWS OF RESOURCES						
Difference between expected and actual experience	3,787	1,327	2,702	-	7,816	1,088
Net difference between projected and actual earnings on pension plan investments	183,635	64,338	131,022	-	378,995	52,761
Lease related	80,305	-	-	-	80,305	-
Total deferred inflows of resources	267,727	65,665	133,724	-	467,116	53,849
NET POSITION						
Net investment in capital assets	15,321,764	5,445,517	1,457,162	1,538,646	23,763,089	13,191
Unrestricted (deficit)	(4,824,239)	(499,097)	(299,695)	(164,750)	(5,787,781)	75,478
Total net position	$ 10,497,525	$ 4,946,420	$ 1,157,467	$ 1,373,896	17,975,308	$ 88,669
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					101,211	
Net position of business-type activities					$ 18,076,519	

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

CITY OF BAINBRIDGE, GEORGIA

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

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
Operating revenues						
Charges for services	$ 5,758,538	$ 2,529,747	$ 3,423,118	$ 519,764	$ 12,231,167	$ 3,994,869
Other revenues	55,322	65,185	60,698	-	181,205	68,051
Total operating revenues	5,813,860	2,594,932	3,483,816	519,764	12,412,372	4,062,920
Operating expenses						
Personnel services	1,309,299	422,079	1,004,390	51,977	2,787,745	398,844
Cost of operations	1,420,919	2,133,744	1,135,741	505,847	5,196,251	420,324
Depreciation/amortization	903,899	85,913	824,292	40,888	1,854,992	15,662
Benefits and claims	-	-	-	-	-	2,928,620
Total operating expenses	3,634,117	2,641,736	2,964,423	598,712	9,838,988	3,763,450
Operating income (loss)	2,179,743	(46,804)	519,393	(78,948)	2,573,384	299,470
Non-operating revenues (expenses)						
Investment income	259,577	151	7	35	259,770	328
Interest expense	(2,439,252)	(452)	(25,068)	-	(2,464,772)	(1,107)
Gain (loss) from disposal of capital assets	(165)	-	5,050	-	4,885	2,725
Total non-operating revenues (expenses)	(2,179,840)	(301)	(20,011)	35	(2,200,117)	1,946
Income (loss) before transfers and contributions	(97)	(47,105)	499,382	(78,913)	373,267	301,416
Transfers						
Transfers in	50,031	3,052,663	48,509	768,297	3,919,500	-
Transfers out	(12,791,206)	(81,069)	(801,490)	(300,000)	(13,973,765)	-
Total transfers	(12,741,175)	2,971,594	(752,981)	468,297	(10,054,265)	-
Capital contributions	-	-	-	161,997	161,997	-
Change in net position	(12,741,272)	2,924,489	(253,599)	551,381	(9,519,001)	301,416
Net position (deficit), beginning of year, as restated	23,238,797	2,021,931	1,411,066	822,515		(212,747)
Net position, end of year	$ 10,497,525	$ 4,946,420	$ 1,157,467	$ 1,373,896		$ 88,669
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					48,247	
Change in net position of business-type activities.					$ (9,470,754)	

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

CITY OF BAINBRIDGE, GEORGIA

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

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 5,694,335	$ 2,340,000	$ 3,372,511	$ 519,601	$ 11,926,447	$ 3,977,900
Cash payments for goods and services	2,269,067	(1,547,080)	(743,475)	(317,675)	(339,163)	(421,813)
Cash payments to employees	(1,344,503)	(410,458)	(1,038,138)	(49,306)	(2,842,405)	(418,094)
Cash payments for claims and benefits	-	-	-	-	-	(2,897,286)
Net cash provided by (used in) operating activities	6,618,899	382,462	1,590,898	152,620	8,744,879	240,707
CASH FLOWS FROM NON-CAPITAL						
Transfers from other funds	50,031	3,052,663	48,509	768,297	3,919,500	-
Transfers to other funds	(12,791,206)	(81,069)	(801,490)	(300,000)	(13,973,765)	-
Net cash provided by (used in) non-capital financing activities	(12,741,175)	2,971,594	(752,981)	468,297	(10,054,265)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(14,954,978)	(3,350,746)	(317,300)	(600,267)	(19,223,291)	(33,393)
Purchase of leased assets	-	-	(779,652)	-	(779,652)	-
Proceeds from bonds issuance	65,288,525	-	-	-	65,288,525	-
Proceeds from sale of capital assets	-	8,396	5,050	-	13,446	2,537
Proceeds from leases	-	-	779,652	-	779,652	33,483
Principal payments on leases	(42,297)	(4,693)	(396,601)	-	(443,591)	-
Principal payments on financed purchases	(40,719)	(6,707)	(464,272)	-	(511,698)	(13,369)
Interest paid	(2,519,385)	(452)	(25,068)	-	(2,544,905)	(1,107)
Net cash provided by (used in) capital and related financing activities	47,731,146	(3,354,202)	(1,198,191)	(600,267)	42,578,486	(11,849)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	259,577	151	7	35	259,770	328
Net cash provided by investing activities	259,577	151	7	35	259,770	328
Net increase (decrease) in cash	41,868,447	5	(360,267)	20,685	41,528,870	229,186
Cash and cash equivalents						
Begininning of year	302,038	40,056	360,267	27,633	729,994	371
End of year	$ 42,170,485	$ 40,061	$ -	$ 48,318	$ 42,258,864	$ 229,557

(Continued)

CITY OF BAINBRIDGE, GEORGIA

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

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ 2,179,743	$ (46,804)	$ 519,393	$ (78,948)	$ 2,573,384	$ 299,470
Depreciation/amortization	903,899	85,913	824,292	40,888	1,854,992	15,662
Changes in assets and liabilities, deferred outflows and inflows of resources:						
(Increase) decrease in assets and deferred outflows:						
Accounts receivables	(37,988)	(254,932)	(111,305)	(500)	(404,725)	(2,725)
Leases receivable	(81,334)	-	-	-	(81,334)	-
Due from other funds	(1,480,631)	(348,031)	610	(151,766)	(1,979,818)	(307,109)
Due from other govermments	(203)	-	-	337	134	(1,425)
Due from component units	28	-	-	-	28	-
Inventory	3,328	(8,079)	(592)	(5,327)	(10,670)	(7,330)
Prepaid items	(817)	(3,058)	(1,300)	(2,445)	(7,620)	235
Deferred outflows - pension	8,133	(14,756)	18,790	-	12,167	9,042
Increase (decrease) in liabilities and deferred inflows:						
Checks in excess of bank balance	-	-	-	-	-	(1,739)
Accounts payable	2,196,883	909,962	41,493	57,004	3,205,342	7,568
Accrued liabilities	739,447	316	10,404	2,671	752,838	(43)
Due to other funds	2,147,089	37,312	352,568	290,706	2,827,675	226,239
Customer deposits	8,238	-	600	-	8,838	-
Claim payable	-	-	-	-	-	32,105
Deferred inflows - leases	80,305	-	-	-	80,305	-
Deferred inflows - pension	163,561	59,294	115,232	-	338,087	46,236
Net pension liability	(210,782)	(34,675)	(179,287)	-	(424,744)	(75,479)
Net cash provided by (used in) operating activities	$ 6,618,899	$ 382,462	$ 1,590,898	$ 152,620	$ 8,744,879	$ 240,707
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Capital assets transferred from other funds	$ -	$ -	$ -	$ 161,997	$ 161,997	$ -
Net noncash investing, capital and financing activities	$ -	$ -	$ -	$ 161,997	$ 161,997	$ -

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bainbridge, Georgia (the "City") have been prepared in conformity with U. S. generally accepted accounting principles ("GAAP") as applied to governmental entities units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City was created in 1824 and operates under an elected Mayor/Council ("Board of Aldermen") form of government. The City's major operations include public safety, community development, highways and streets, water, sewage, natural gas, telecommunications, sanitation, marina, public improvements, and general administrative services.

The financial statements of the reporting entity include those of the City of Bainbridge (the "primary government") and in accordance with GAAP, as is set forth in GASB Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34", the financial statements of its component units. The fiscal year of the component units is September 30. The component units discussed below are included in the reporting entity because of the financial relationship with the City.

Discretely Presented Component Units

Downtown Development Authority ("DDA"): The Downtown Development Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly on January 15, 1981. The purpose of the DDA is the redevelopment and improvement of the downtown Bainbridge district. The City's Board of Aldermen appoints all members of the DDA and is able to impose its will on the DDA. Separate financial statements are not prepared for the Downtown Development Authority but are included in the City's Annual Financial Report.

Bainbridge Convention and Visitor's Bureau ("CVB"): The Bainbridge Convention and Visitor's Bureau was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly. The purpose of the CVB is to promote tourism, conventions, and trade shows in the area. The City's Board of Aldermen approves the annual budget of the CVB and provides the majority of the CVB's resources for current year expenses. Separate financial statements are not prepared for the CVB but are included in the City's Annual Financial Report.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Blended Component Unit

City of Bainbridge Public Facilities Authority (the "Authority"): The City of Bainbridge Public Facilities Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly in 2013. The purpose of the Authority is to assist the City in providing facilities, equipment, and services. The Authority provides funding through intergovernmental agreements for the construction of governmental facilities. The Authority is composed of six to nine members. Six of the members are the City Aldermen and Mayor. The City Aldermen and Mayor may nominate and appoint up to three additional members. Separate financial statements are not prepared for the City of Bainbridge Public Facilities Authority.

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.*

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and all intergovernmental revenues to be available if they are collected within nine months of the end of the current fiscal year. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, 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.

The ***Special Purpose Local Option Sales Tax ("SPLOST") Fund*** is used to account for projects financed by a 1% SPLOST as well as loan proceeds used for these same projects.

The ***Special Purpose Local Option Sales Tax ("SPLOST") VII Fund*** is used to account for projects financed by a 1% SPLOST as well as loan proceeds used for these same projects.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund*** is a capital projects fund that is used to account for TSPLOST projects financed by a 1% SPLOST.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Public Facilities Authority Fund*** is a capital projects fund that provides funding through intergovernmental agreements for the construction of governmental facilities.

The ***Local Relief Fund*** is a special revenue fund that is used to account for the financial resources provided and subsequently expended from the American Rescue Plan Act ("ARPA") grant received from the federal government.

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

The ***Natural Gas Fund*** accounts for the activities of the City's natural gas distribution system.

The ***Sanitation Fund*** accounts for the activities of refuse collection and delivery to the Decatur County landfill, including tipping fees.

The ***Telecommunications Fund*** accounts for the leasing of the telecommunications infrastructure.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** are used to account for the proceeds of specific revenue sources that relate to expenditures for specified purposes.

The ***Capital Projects Funds*** are used to account for financial resources to be used for the acquisition, renovation, and construction of major capital assets (other than those financed by proprietary funds).

The ***Internal Service Funds*** are used to account for the services performed by a central service department for other departments of the governmental unit.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 Enterprise Funds and Internal Service Funds are charges to customers for sales and services provided. Operating Expenses for the Enterprise 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

An operating budget is legally adopted each fiscal year for the General Fund and Special Revenue Funds. Capital Projects Funds adopt project length budgets.

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

- A proposed operating budget including proposed expenditures and the means of financing them is submitted to the Board of Aldermen and the citizens by the City Manager.
- A public hearing on the budget is held, giving notice thereof at least ten days in advance.
- The budget is then revised and adopted by the Board of Aldermen before September 30 of each year.
- The level of control (the level at which expenditures may not legally exceed appropriations) of each of the above adopted budgets is at the department level. The City's Manager may make transfers of appropriations within a department. Transfers of appropriations between functions require the approval of the Mayor and the Board of Aldermen.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the Board of Aldermen. Individual amendments were not material in relation to the original appropriations which were amended.

Encumbrances accounting, under which purchase orders, contracts, and other commitments in excess of $1,000 for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds.

Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. There were no open purchase orders in excess of $1,000 as of September 30, 2022.

The following General Fund departments and Special Revenue Funds incurred expenditures in excess of budgeted amounts. Excess expenditures were funded by excess revenues.

General Fund		
General government - finance, budget, and accounting	$	390
Public works - parks		885,669
Debt service - principal		276,396
Debt service - interest		4,844

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For the purpose of the Statement of Cash Flows, cash and cash equivalents include short-term investments with original maturities of three months or less from the date of acquisition.

All of the City's investments are certificates of deposit or money market accounts held at local banks. Investments are stated at fair value. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligation of other counties, municipal corporations, and political subdivisions of the State which are rated "AA" or better by Moody's Investor's Services, Inc., non-negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 governmental and business-type activities are reported in the government-wide Statement of Net Position as “internal balances.”

G. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, land easement, or capital asset acquisitions, are recorded as capital contributions within the statement of revenues, expenses and changes in fund net assets. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

H. Inventory

Inventory is valued at the lower of average cost or market. Inventories of the government, for both governmental fund types and proprietary fund types, are recorded as expenditures when consumed rather than when purchased.

I. Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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 columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

The cost of normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate are not capitalized.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25 – 50
Improvements	25
System improvements	30
Machinery and equipment	5 – 15
Right to use leased assets	5 – 15
Infrastructure	15 – 50

K. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Liabilities (Continued)

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. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

M. Compensated Absences

Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year’s accumulation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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. The City has three items that qualify for reporting in this category that are related to changes in its net pension liability. 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. Changes in actuarial assumptions, which adjust the net pension liability, are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Additionally, 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 and are amortized into pension expense over the expected remaining service lives of the plan members.

In addition to liabilities, the governmental funds balance sheet and 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. The City has two types of items, arising 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 fines 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. Deferred revenue is reported in the governmental fund balance sheet and the Statement of Net Position for property taxes levied as of September 30, 2022 for the September 30, 2023 budget.

Additionally, the City has two items that qualify for reporting in this category related to the City's net pension liability which are reported in the government-wide and proprietary fund statements of net position. The differences between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred inflow of resources. Additionally, 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 inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity

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

Fund Balance - Generally, fund balance represents the difference between the 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. The City does not have a formal fund balance policy. Fund balances are classified as follows:

- ***Non-spendable*** - Fund balances are reported as non-spendable 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 Alderman through the adoption of a resolution prior to the end of a fiscal year. Only the City Alderman 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, the City Alderman has authorized City management to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (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:

- Committed
- Assigned
- 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 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. The following calculations provide further detail into the net investment in capital assets reported by the City.

	Governmental Activities	Business-type Activities	Total Primary Government
Capital assets, net of depreciation	$ 41,002,214	$ 47,785,617	$ 88,787,831
Less - financed purchases	(699,060)	(334,675)	(1,033,735)
Less - notes payable	(542,745)	-	(542,745)
Less - bonds payable	(27,328,521)	(65,073,644)	(92,402,165)
Less - leases payable	(1,193,469)	(415,342)	(1,608,811)
Plus - unspent proceeds	2,826,959	41,801,133	44,628,092
Net investment in capital assets	$ 14,065,378	$ 23,763,089	$ 37,828,467

Net position is reported as restricted using the same definition as used for restricted fund balances as described in the section above. All other net position is reported as unrestricted.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The City reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of September 30, 2022, the City was not exposed to custodial credit risk.

NOTE 3. RECEIVABLES

Property taxes. Decatur County, Georgia bills and collects real and personal property taxes for the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in August of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days. Liens may attach to property for unpaid taxes at any time within three years after the due date.

Assessed values are established by the Decatur County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed value of real and personal property (excluding motor vehicles and mobile home taxes) at January 1, 2022 was $367,741,327.

Based on the 2022 millage levy of 3.778, a property tax owner would pay $3.778 per $1,000 of assessed valuation. Current tax collections of $1,400,760 for the fiscal year ended September 30, 2022 were 99.9% of the levy.

NOTE 3. RECEIVABLES (CONTINUED)

Property taxes (Continued). Receivables as of September 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST VII	TSPLOST	Water and Sewer	Natural Gas
Receivables:					
Accounts	$ 612,518	$ -	$ -	$ -	$ -
Taxes	2,526,142	-	-	-	-
Intergovernmental	237,869	406,134	331,962	203	-
Utility	-	-	-	596,707	433,206
Leases	72,835	-	-	81,334	-
Notes	529,261	-	-	-	-
Gross receivables	3,978,625	406,134	331,962	678,244	433,206
Less allowance for uncollectible	(321,346)	-	-	(173,592)	(2,531)
Net total receivables	$ 3,657,279	$ 406,134	$ 331,962	$ 504,652	$ 430,675

	Sanitation	Telecom-munications	Internal Service	Nonmajor Governmental Funds
Receivables:				
Accounts	$ -	$ -	$ 2,816	$ 20,675
Taxes	-	-	-	-
Intergovernmental	-	-	1,425	-
Utility	370,713	116,139	-	-
Leases	-	-	-	-
Notes	-	-	-	-
Gross receivables	370,713	116,139	4,241	20,675
Less allowance for uncollectible	(58,471)	-	-	-
Net total receivables	$ 312,242	$ 116,139	$ 4,241	$ 20,675

NOTE 4. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances at September 30, 2022 are summarized as follows:

	Payable Fund				
	General Fund	Local Relief Fund	Public Facilities Authority Fund	Nonmajor Govt Funds	Water and Sewer Fund
Receivable Fund:					
General Fund	$ -	$ 122,138	$ 122,108	$ 28,220	$ 2,470,414
SPLOST VII Fund	-	-	352,787	-	-
TSPLOST Fund	-	-	-	-	900
Water and Sewer Fund	1,413,391	-	-	-	-
Natural Gas Fund	348,287	-	-	-	-
Telecommunications Fund	-	-	-	-	388,088
Internal Service Funds	-	-	-	-	94,858
Total	$ 1,761,678	$ 122,138	$ 474,895	$ 28,220	$ 2,954,260

	Payable Fund				
	Natural Gas Fund	Sanitation Fund	Tele-communications Fund	Internal Service Funds	Total
Receivable Fund:					
General Fund	$ -	$ 94,030	$ 694,450	$ 314,754	$ 3,846,114
SPLOST VII Fund	-	-	-	-	352,787
TSPLOST Fund	-	-	-	-	900
Water and Sewer Fund	64,138	3,102	-	-	1,480,631
Natural Gas Fund	-	-	-	-	348,287
Telecommunications Fund	20,731	21,378	-	-	430,197
Internal Service Funds	61	234,058	411	-	329,388
Total	$ 84,930	$ 352,568	$ 694,861	$ 314,754	$ 6,788,304

NOTE 4. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. These balances are expected to be repaid within one year.

Interfund transfers for the current fiscal year are as follows:

	Transfers Out			
Transfers in	General Fund	TSPLOST Fund	Public Facilities Authority	SPLOST VII Fund
General Fund	$ -	$ 279,461	$ -	$ -
SPLOST Fund	-	-	-	-
SPLOST VII Fund	-	-	3,463,025	-
TSPLOST Fund	-	-	384,780	-
Public Facilities Authority Fund	-	-	-	1,719,875
Water & Sewer Fund	-	-	-	-
Natural Gas Fund	-	-	834,489	-
Sanitation Fund	-	-	-	-
Telecommunications Fund	201,394	-	-	-
Total	$ 201,394	$ 279,461	$ 4,682,294	$ 1,719,875

	Transfers Out			
Transfers in	Local Relief Fund	Water & Sewer Fund	Natural Gas Fund	Sanitation Fund
General Fund	$ -	$ 10,398,997	$ -	$ 770,452
SPLOST Fund	-	360,680	-	-
SPLOST VII Fund	-	-	-	-
TSPLOST Fund	-	1,472,729	-	-
Public Facilities Authority Fund	-	-	-	-
Water & Sewer Fund	-	-	50,031	-
Natural Gas Fund	2,212,710	5,464	-	-
Sanitation Fund	-	48,509	-	-
Telecommunications Fund	-	504,827	31,038	31,038
Total	$ 2,212,710	$ 12,791,206	$ 81,069	$ 801,490

(Continued)

NOTE 4. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

	Transfers Out		
Transfers in	Tele-communications Fund	Nonmajor Governmental Funds	Total
General Fund	$ 300,000	$ 141,120	$ 11,890,030
SPLOST Fund	-	-	360,680
SPLOST VII Fund	-	-	3,463,025
TSPLOST Fund	-	-	1,857,509
Public Facilities Authority Fund	-	-	1,719,875
Water & Sewer Fund	-	-	50,031
Natural Gas Fund	-	-	3,052,663
Sanitation Fund	-	-	48,509
Telecommunications Fund	-	-	768,297
Total	$ 300,000	$ 141,120	$ 23,210,619

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

Transfers between the SPLOST Fund and other funds are for the receipt of grant proceeds and for the disbursement of funds for payment of debt service. Transfers from the TSPLOST Fund to the General Fund are for reimbursement of salaries and equipment rental for TSPLOST projects.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	(As restated) Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,361,139	$ -	$ -	$ -	$ 2,361,139
Construction in progress	7,490,753	11,462,028	-	(6,881,969)	12,070,812
Total	9,851,892	11,462,028	-	(6,881,969)	14,431,951
Capital assets, being depreciated:					
Buildings and improvements	16,768,043	76,790	-	4,319,379	21,164,212
Machinery and equipment	9,702,969	124,593	(481,551)	-	9,346,011
Infrastructure	11,743,891	-	-	2,400,593	14,144,484
Total	38,214,903	201,383	(481,551)	6,719,972	44,654,707
Less accumulated depreciation for:					
Buildings and improvements	(6,487,981)	(642,428)	-	-	(7,130,409)
Machinery and equipment	(6,621,320)	(539,593)	481,551	-	(6,679,362)
Infrastructure	(4,910,205)	(522,268)	-	-	(5,432,473)
Total	(18,019,506)	(1,704,289)	481,551	-	(19,242,244)
Total capital assets, being depreciated, net	20,195,397	(1,502,906)	-	6,719,972	25,412,463
Governmental activities capital assets, net	$ 30,047,289	$ 9,959,122	$ -	$ (161,997)	$ 39,844,414

	(As restated) Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 109,267	$ -	$ -	$ -	$ 109,267
Construction in progress	865,668	18,859,379	(138,146)	(167,983)	19,418,918
Total	974,935	18,859,379	(138,146)	(167,983)	19,528,185
Capital assets, being depreciated:					
Buildings and plant in service	44,526,169	-	-	329,980	44,856,149
Machinery and equipment	6,524,484	363,912	(893,370)	-	5,995,026
Total	51,050,653	363,912	(893,370)	329,980	50,851,175
Less accumulated depreciation for:					
Buildings and plant in service	(18,036,005)	(911,881)	-	-	(18,947,886)
Machinery and equipment	(4,449,885)	(434,929)	885,745	-	(3,999,069)
Total	(22,485,890)	(1,346,810)	885,745	-	(22,946,955)
Total capital assets, being depreciated, net	28,564,763	(982,898)	(7,625)	329,980	27,904,220
Business-type activities capital assets, net	$ 29,539,698	$ 17,876,481	$ (145,771)	$ 161,997	$ 47,432,405

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Downtown Development Authority for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - DDA					
Capital assets, not being depreciated:					
Land	$ 276,304	$ -	$ -	$ -	$ 276,304
Total	276,304	-	-	-	276,304
Capital assets, being depreciated:					
Buildings and improvements	301,523	-	-	-	301,523
Total	301,523	-	-	-	301,523
Less accumulated depreciation for:					
Buildings and improvements	(6,030)	(6,036)	-	-	(12,066)
Total	(6,030)	(6,036)	-	-	(12,066)
Total capital assets, being depreciated, net	295,493	(6,036)	-	-	289,457
Governmental activities capital assets, net	$ 571,797	$ (6,036)	$ -	$ -	$ 565,761

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

Governmental activities:	
General government	$ 466,305
Public safety	209,225
Public works	830,602
Community development	563,732
Total depreciation/amortization expense - governmental activities	$ 2,069,864
Business-type activities:	
Water and sewer	$ 903,899
Natural gas	85,913
Sanitation	824,292
Telecommunications	40,888
Total depreciation/amortization expense - business-type activities	$ 1,854,992

NOTE 6. LEASED ASSETS

Leased asset activity for the fiscal year ended September 30, 2022 was as follows:

	(As restated) Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Right-to-use leased assets, being amortized:					
Machinery and equipment	$ 272,776	$ 1,250,599	$ -	$ -	$ 1,523,375
Total	272,776	1,250,599	-	-	1,523,375
Less accumulated depreciation for:					
Machinery and equipment	-	(365,575)	-	-	(365,575)
Total	-	(365,575)	-	-	(365,575)
Total capital assets, being depreciated, net	$ 272,776	$ 885,024	$ -	$ -	$ 1,157,800

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Right-to-use leased assets, being amortized:					
Machinery and equipment	$ 81,742	$ 779,652	$ -	$ -	$ 861,394
Total	81,742	779,652	-	-	861,394
Less accumulated depreciation for:					
Machinery and equipment	-	(508,182)	-	-	(508,182)
Total	-	(508,182)	-	-	(508,182)
Total capital assets, being depreciated, net	$ 81,742	$ 271,470	$ -	$ -	$ 353,212

NOTE 6. LEASED ASSETS (CONTINUED)

Leased asset activity for the Downtown Development Authority ("DDA") for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - DDA					
Right-to-use leased assets, being amortized:					
Buildings and improvements	$ 50,056	$ -	$ -	$ -	$ 50,056
Total	50,056	-	-	-	50,056
Less accumulated depreciation for:					
Buildings and improvements	-	(5,667)	-	-	(5,667)
Total	-	(5,667)	-	-	(5,667)
Total capital assets, being depreciated, net	$ 50,056	$ (5,667)	$ -	$ -	$ 44,389

NOTE 7. LONG-TERM DEBT

Notes Payable (Direct Borrowings) – Governmental Activities

In 2019, the City entered into an agreement with the Georgia Environmental Finance Authority ("GEFA") to finance the installation of new gravity sewer lines, rehabilitate five pump stations, and related appurtenances. The total amount of the loan was $588,549, with an interest rate of 1.25%. Principal and interest payments are due monthly beginning January 1, 2021 through December 2040.

Upon the occurrence of an event of default, GEFA, at its option, without demand or notice of any kind, may declare the loans immediately due and payable, whereupon all outstanding principal and accrued interest shall become immediately due and payable.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Direct Borrowings) – Governmental Activities (Continued)

Debt service requirements to maturity for the note payable are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 26,643	$ 6,631	$ 33,274
2024	26,978	6,296	33,274
2025	27,316	5,958	33,274
2026	27,660	5,614	33,274
2027	28,007	5,267	33,274
2028 – 2032	145,439	20,932	166,371
2033 – 2037	154,783	11,588	166,371
2038 – 2041	105,919	2,222	108,141
Total	$ 542,745	$ 64,508	$ 607,253

Financed Purchases (Direct Borrowing)

The City has entered into financed purchase agreements to finance the acquisition of various equipment and vehicles. These agreements qualify as financed purchases for accounting purposes (title transfers at the end of the agreement). The financed purchase agreements have maturity dates ranging from 2021 through 2028 and bear interest at rates of 1.26% to 4.72%.

At September 30, 2022, future payments for financed purchases of governmental activities are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 200,125	$ 19,083	$ 219,208
2024	205,937	13,272	219,209
2025	292,998	6,955	299,953
Total	$ 699,060	$ 39,310	$ 738,370

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases (Direct Borrowing) (Continued)

At September 30, 2022, future payments for financed purchases of business-type activities are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 65,392	$ 6,873	$ 72,265
2024	67,257	5,289	72,546
2025	61,438	3,773	65,211
2026	46,191	2,798	48,989
2027	47,105	1,884	48,989
2028	47,292	951	48,243
Total	$ 334,675	$ 21,568	$ 356,243

Revenue Bonds (Direct Placement) - Governmental Activities

On December 19, 2019, the Bainbridge Public Facilities Authority issued the Series 2019 A&B Revenue Bonds. The Series 2019A Bonds were issued in the amount of $2,245,000 for the purpose of refunding a portion of the Bainbridge Public Facilities Authority Series 2013 Revenue Bonds, certain leases held by the City, and paying the cost of issuance of the Series 2019A Bonds. Principal payments on the Series 2019A Bonds are due annually beginning September 1, 2020 and mature on September 1, 2028. Interest rates on the 2019A Bonds range from 2.00% to 2.85% with interest due semi-annually on February 1 and September 1, beginning February 1, 2020.

The Series 2019B Bonds were issued in the amount of $8,645,000 for the purpose of financing the acquisition, construction, and equipping of recreation, public safety, and utilities facilities for the City, refunding the Bainbridge Downtown Development Authority Series 2013 Revenue Bonds, and various outstanding loans made to the City of Bainbridge by the GEFA, other leases held by the City and paying the cost of issuance of the Series 2019B Bonds. Principal payments on the 2019B Bonds are due annually beginning September 1, 2028, and the bonds mature on September 1, 2039. Interest is due semi-annually on February 1 and September 1, beginning February 1, 2020, at rates ranging from 3.00% to 4.00%.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Direct Placement) - Governmental Activities (Continued)

In February 2021, the Bainbridge Public Facilities Authority issued the Series 2021 A&B Revenue Bonds. The Series 2021A Bonds were issued in the amount of $12,320,000 for the purpose of: 1) refunding all of the Bainbridge Public Facilities Authority Series 2013 Revenue Bonds, 2) financing, in whole or in part, the acquisition, construction, and equipping of multiple buildings, 3) related capitalized interest, and 4) paying the cost of issuance of the Series 2021A Bonds. Principal payments on the 2021A Bonds are due annually beginning September 1, 2022, and the bonds mature on September 1, 2041. The 2021A Bonds have an interest rate of 2.00%, which are due semi-annually on March 1 and September 1, beginning September 1, 2021. The issuance of the Series 2021A Bonds were used to refund the Bainbridge Public Facilities Authority Series 2013 Revenue Bonds. The difference between the cash flows required to service the old debt and the cash flow to service the new debt and complete the refunding totaled $301,408. The economic gain resulting from the refunding was $240,696.

The Series 2021B Bonds were issued in the amount of $5,285,000 for the purpose of: 1) financing, in whole or in part, the acquisition, construction, and equipping of multiple buildings, 2) related capitalized interest, and 3) paying the cost of issuance of the Series 2021B Bonds. Principal payments on the 2021B Bonds are due annually beginning September 1, 2025, and the bonds mature on September 1, 2041. The 2021B Bonds have an interest rate of 3.00%, which are due semi-annually on March 1 and September 1, beginning September 1, 2021.

Debt service requirements to maturity for the revenue bonds at September 30, 2022 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 1,100,000	$ 741,228	$ 1,841,228
2024	1,005,000	718,890	1,723,890
2025	1,030,000	698,300	1,728,300
2026	1,140,000	675,900	1,815,900
2027	1,170,000	649,858	1,819,858
2028 – 2032	6,380,000	2,776,486	9,156,486
2033 – 2037	7,430,000	1,683,513	9,113,513
2038 – 2041	6,350,000	444,480	6,794,480
Total	$ 25,605,000	$ 8,388,655	$ 33,993,655

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Direct Placement) – Business-type Activities

The Combined Utilities Revenue Bonds, Series 2021 (the "Series 2021 Bonds") were issued in the amount of $55,000,000 for the purpose of paying the costs of: (a) renovation, addition, extension, and expension of the (i) water system, (ii) wastewater system, (iii) road system, (iv) natural gas distribution system, and (v) telecommunication system; (b) the acquisition of certain economic development property; and (c) paying issuance costs. Principal payments on the 2021 Bonds are due annually beginning December 1, 2026, and the bonds mature on September 1, 2052. The Series 2021 Bonds have an interest rate of 4.00%, which are due semi-annually on June 1, 2022 and December 1, beginning June 1, 2022.

Debt service requirements to maturity for the revenue bonds at September 30, 2022 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ -	$ 2,200,600	$ 2,200,600
2024	-	2,200,600	2,200,600
2025	-	2,200,600	2,200,600
2026	-	2,200,600	2,200,600
2027	615,000	2,188,300	2,803,300
2028 – 2032	5,045,000	10,453,900	15,498,900
2033 – 2037	8,920,000	9,007,600	17,927,600
2038 – 2042	10,895,000	7,032,100	17,927,100
2043 – 2047	13,295,000	4,621,100	17,916,100
2048 – 2052	16,245,000	1,676,500	17,921,500
Total	$ 55,015,000	$ 43,781,900	$ 98,796,900

Leases

The City has entered into a lease agreement with Enterprise Fleet Management as lessee for financing vehicles. The leases have been recorded at the present value of the future minimum lease payments as of the date the vehicles are received. The City uses the implicit interest rate provided by Enterprise to compute the net present value which ranges from 2 – 4.5%. Lease terms on the leases range from 3 – 5 years.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Leases (Continued)

Lease payments to maturity for the governmental activities leases are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 360,295	$ 25,580	$ 385,875
2024	404,053	5,312	409,365
2025	191,337	2,989	194,326
2026	184,590	1,459	186,049
2027	53,194	182	53,376
Total	$ 1,193,469	$ 35,522	$ 1,228,991

Lease payments to maturity for the business-type activities leases are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 415,342	$ 12,494	$ 427,836
Total	$ 415,342	$ 12,494	$ 427,836

Component Unit – Downtown Development Authority – Leases

The Downtown Development Authority entered into a lease agreement for the financing of a building. The lease has been recorded at the present value of the future minimum lease payments as of the date the building was received. The Downtown Development Authority is required to make annual principal and interest payments of $6,000. The lease has an interest rate of 3%. The lease matures on September 30, 2030.

Lease payments to maturity for the component unit's lease is as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 5,444	$ 556	$ 6,000
2024	5,516	484	6,000
2025	5,589	411	6,000
2026	5,664	336	6,000
2027	5,739	261	6,000
2028 – 2032	16,677	323	17,000
Total	$ 44,629	$ 2,371	$ 47,000

NOTE 7. LONG-TERM DEBT (CONTINUED)

Component Unit – Downtown Development Authority – Leases (Continued)

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2022:

	(As restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due In More Than One Year
Governmental activities:						
Revenue bonds payable	$ 26,680,000	$ -	$ (1,075,000)	$ 25,605,000	$ 1,100,000	$ 24,505,000
Premium	1,876,699	-	(153,178)	1,723,521	-	1,723,521
Note payable from direct borrowing	569,030	-	(26,285)	542,745	26,643	516,102
Financed purchases from direct borrowing	1,142,664	-	(443,604)	699,060	200,125	498,935
Leases	272,464	1,248,838	(327,833)	1,193,469	360,295	833,174
Landfill post-closure care	237,308	-	-	237,308	-	237,308
Compensated absences	312,322	197,663	(194,063)	315,922	219,291	96,631
Net pension liability	2,804,766	1,161,656	(2,366,685)	1,599,737	-	1,599,737
Governmental activities: Long-term liabilities	$ 33,895,253	$ 2,608,157	$ (4,586,648)	$ 31,916,762	$ 1,906,354	$ 30,010,408
Business-type activities:						
Compensated absences	$ 80,465	$ 74,250	$ (54,448)	$ 100,267	$ 70,187	$ 30,080
Revenue bonds payable	-	55,015,000	-	55,015,000	-	55,015,000
Premium	-	10,273,525	(214,881)	10,058,644	-	10,058,644
Financed purchases from direct borrowing	846,373	-	(511,698)	334,675	65,392	269,283
Leases	79,281	779,652	(443,591)	415,342	415,342	-
Net pension liability	959,641	497,852	(845,132)	612,361	-	612,361
Business-type activities: Long-term liabilities	$ 1,965,760	$ 66,640,279	$ (2,069,750)	$ 66,536,289	$ 550,921	$ 65,985,368
Component unit - DDA						
Note payable from direct borrowing	$ 600,136	$ -	$ (600,136)	$ -	$ -	$ -
Leases	50,056	-	(5,427)	44,629	5,444	39,185
Component unit - DDA: Long-term liabilities	$ 650,192	$ -	$ (605,563)	$ 44,629	$ 5,444	$ 39,185

Compensated absences, landfill post-closure care costs, and the net pension liability of governmental activities are typically liquidated by the General Fund. Compensated absences and the net pension liability of business-type activities are liquidated by the Water and Sewer Fund, Natural Gas Fund, and Sanitation Fund.

NOTE 8. LANDFILL POST-CLOSURE CARE

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. A liability has been recognized based on the expected future post-closure care costs that will be incurred. The recognition of these landfill post-closure care costs has been accrued in full because the landfill is no longer accepting waste. The estimated liability for landfill post-closure care costs is $237,308 as of September 30, 2022, which is based on 100% usage (filled) of the landfill. This landfill was operated and accounted for in the General Fund prior to the City's creation of the Sanitation Enterprise Fund.

The estimated total current cost of the landfill post-closure care of $237,308 is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2022. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 9. PENSION PLAN

Plan Description

The City contributes to the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The plan also provides for death benefits for early retirees. The benefit provisions and all other requirements are established and may be amended by the System and the Adoption Agreement executed by the City. All full-time employees become eligible for the plan after one year of service. Benefits vest after completing ten years of service and are payable beginning at age 55.

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 or 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.

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

As of January 1, 2022, the date of the most recent actuarial valuation, there were 184 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	89
Inactive plan members entitled to, but not receiving benefits	47
Active plan members	156
Total	292

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 Commission, 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. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Commission. For the year ended September 30, 2022, the actuarially determined rate was 9.42% of annual pay. City contributions to the plan were $647,028 for the year ended September 30, 2022.

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, 2022.

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%
Salary increases	3.00% – 8.50%, including inflation
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pri-2012 head-count weighted Healthy Retiree Mortality Table with gender-distinct rates, set forward two years for males and one year for females multiplied by 1.25.

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial assumptions (Continued). The investment return and inflation assumptions used in the January 1, 2022 valuation were based on the results of an actuarial study in December 2019. The mortality and other actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – September 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. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the table below.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
Total	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 plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 9. PENSION PLAN (CONTINUED)

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 September 30, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 15,062,785	$ 11,293,663	$ 3,769,122
Changes for the year:			
Service cost	147,432	-	147,432
Interest	1,085,555	-	1,085,555
Differences between expected and actual experience	396,659	-	396,659
Contributions - employer	-	577,354	(577,354)
Net investment income	-	2,713,642	(2,713,642)
Benefit payments, including refunds of employee contributions	(981,646)	(981,646)	-
Administrative expense	-	(29,862)	29,862
Net changes	648,000	2,279,488	(1,631,488)
Ending Balance	$ 15,710,785	$ 13,573,151	$ 2,137,634

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's net pension liability	$ 3,849,283	$ 2,137,634	$ 690,722

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (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.

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

For the year ended September 30, 2022, the City recognized pension expense of $388,264. At September 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
Net difference between projected and actual earnings on pension plan investments	$ -	$ (1,514,599)
Differences between expected and actual experience	761,674	(31,231)
Changes in actuarial assumptions	266,226	-
City contributions subsequent to the measurement date	647,029	-
Total	$ 1,674,929	$ (1,545,830)

City contributions subsequent to the measurement date of $647,028 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	
2023	$ (21,581)
2024	59,063
2025	(255,395)
2026	(300,017)
Total	$ (517,930)

NOTE 10. POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of Bainbridge's OPEB Plan is a single-employer defined benefit healthcare plan administered by the City. The City has the authority to establish and amend benefit provisions. The City provides medical, prescription drug, dental, and vision benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree with the exception of life insurance. City employees may become eligible for those benefits if they retire on or after the age of 55, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement, is equal to or greater than 90. Effective October 1, 2014, the plan was closed to new retirees. As of September 30, 2022, there are two retirees with two covered spouses eligible for benefits. No new retirees will be eligible for benefits.

Funding Policy - The contribution requirements are established and may be amended by the City. The plan is financed on a pay-as-you-go basis. During the year ended September 30, 2022, the City contributed $30,356 to the plan. Employees are not required to contribute to the plan. There are no assets accumulated in a trust to pay related benefits.

Total OPEB Liability - An estimate of the total OPEB liability is not material to the City's financial statements and, therefore, the City has elected not to implement GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefit Plans Other than Pensions.*

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency ("GIRMA") whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated ("O.C.G.A.") authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

NOTE 11. RISK MANAGEMENT (CONTINUED)

The City must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund or funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purpose of GIRMA.
- To follow all loss reduction and prevention procedures established by GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a public entity risk pool managed by the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund whereby the risk is pooled with other entities.

NOTE 11. RISK MANAGEMENT (CONTINUED)

Pursuant to Title 34, Chapter 9, Article 5 of the O.C.G.A, the City became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the 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 fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City believes that coverage provided by these various insurance policies is adequate to cover any outstanding claims as detailed by the carrier. A liability for unpaid deductibles on claims outstanding at year-end has been recorded for workers' compensation.

NOTE 12. GROUP INSURANCE

During fiscal year 2017, the City entered into the Decatur County Healthcare Cooperative (the "Cooperative"), a captive insurance plan, along with Decatur County, Georgia and the Hospital Authority of Bainbridge, Decatur County, Georgia. Stop-loss coverage is provided by QBE Insurance Group Limited ("QBE"). Health Smart handles the administration of the program and claims. Financing of the plan is provided by the City and employees participating in the plan. The transactions of the self-funded group insurance plan are accounted for in the Employee Benefits fund.

NOTE 12. GROUP INSURANCE (CONTINUED)

Liabilities of the Employee Benefits Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR"). Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts and other economic and social factors.

	September 30, 2022	September 30, 2021
Claims liability, beginning of year	**$ 214,872**	$ 319,929
Incurred claims (including IBNRs)	**2,088,907**	1,759,559
Claims paid	**(2,056,802)**	(1,864,616)
Claims liability, end of year	**$ 246,977**	$ 214,872

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the southwest Georgia area, is a member of the Southwest Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During its fiscal year ended September 30, 2022, the City paid $13,289 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 Southwest Georgia Regional Commission, 181 E. Broad Street, Camilla, GA 31730.

NOTE 14. RELATED ORGANIZATIONS

The Bainbridge Housing Authority (the "Authority") is a related organization which has not been included in the reporting entity. The Authority is a legally separate entity having a board composed of some members appointed by the City. The City does not have the ability to impose its will or have a financial benefit or burden relationship with the Authority. A copy of the Authority's annual financial report is available at 108 South Sims Street, Bainbridge, Georgia 39817.

NOTE 15. TAX ABATEMENT PROGRAMS

GASB Statement No. 77, *Tax Abatement Disclosures,* requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the County's tax revenues. As of September 30, 2022, the City did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

NOTE 16. GUARANTEES

The State's Industrial Financing Act (the "Act") permits local governments to extend non-exchange financial guarantees on certain debt issued by unrelated entities located within the government's physical boundaries. In accordance with the Act, the City has guaranteed certain debt of the Development Authority of Bainbridge and Decatur County, a legally separate entity that is located within the City boundaries but is not a component unit of the City or part of the City's financial reporting entity. The following are the non-exchange financial guarantees extended by the City on behalf of that entity:

On August 8, 2013, the City entered into an intergovernmental contract with the Development Authority of Bainbridge and Decatur County. The Authority issued $1,200,000 Development Authority of Bainbridge and Decatur County Taxable Revenue Bonds (Industrial Building Project), Series 2013 for the purpose of financing the acquisition of property. Payment for the bonds is secured by a pledge of tax revenues by the County and the intergovernmental contract with the City beginning December 1, 2013 through December 1, 2028. At September 30, 2022, the outstanding principal amount of the guaranteed debt is $445,384. In the event the Authority is unable to make a required payment on the bonds, the City would be required to make that payment. Under the intergovernmental agreement, if the City makes a payment, the Authority will reimburse the City as soon as such other monies become available.

On May 13, 2016, the Development Authority of Bainbridge and Decatur County signed a promissory note with a local financial institution for the purpose of financing the acquisition of property. The original note amount was $708,342 and will mature August 10, 2026. Payment for the note is secured by a guaranteed agreement with the City. At September 30, 2022, the outstanding principal amount of the loan was $69,575. In the event the Authority is unable to make a required payment on the loan, the City would be required to make that payment. The Authority is not required to repay the City for any payments the City makes pursuant to the guarantee.

NOTE 16. GUARANTEES (CONTINUED)

On March 1, 2017, the City entered into intergovernmental contracts with the Hospital Authority of Bainbridge and Decatur County. The Authority issued $9,330,000 Hospital Authority of the City of Bainbridge and Decatur County Revenue Anticipation Certificates, Series 2017A, and $2,040,000 Hospital Authority of the City of Bainbridge and Decatur County Taxable Revenue Bonds, Series 2017B, for the purpose of financing the modification of property and acquisition of equipment. Payment for the bonds is secured by a pledge of tax revenues by the County and the intergovernmental contract with the City beginning September 1, 2018 through September 1, 2032. At September 30,2022, the outstanding principal amount of the guaranteed debt is $8,120,000. In the event the Indigent Care Reimbursements, SPLOST Payments, Net Revenues (as defined in the bond resolution) of the Authority and the additional payments to be made by the County are not sufficient to make required payments on the bonds, the City would be required to make the payment.

NOTE 17. CONDUIT DEBT

The City's blended component unit, the Bainbridge Public Facilities Authority, has issued Revenue Bonds to provide financial assistance to local governmental entities for the acquisition and construction of property and facilities deemed to be in the public interest.

The bonds are secured by and are payable solely from payments from underlying funding agreements. As further security, the scheduled payment of principal of and interest on the Series 2018 Bonds when due is guaranteed under an insurance policy issued concurrently with the delivery of the Series 2018 Bonds. Upon repayment of the bonds, ownership of the acquired property or facilities transfers to the entity served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds. As of September 30, 2022, there was one series of Revenue Bonds (Series 2018: Decatur County Projects) with an aggregate outstanding principal amount payable of $20,420,000, none of which was recognized as a liability by the City.

NOTE 18. HOTEL/MOTEL TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. For the fiscal year ended September 30, 2022, $235,211 of hotel/motel tax was collected and spent by the City to promote tourism in accordance with O.C.G.A. §48-13-51.

NOTE 19. CHANGE IN ACCOUNTING PRINCIPLE – GASB 87

Net position as of October 1, 2021, has been restated as follows for the implementation of GASB Statement No. 87, *Leases.* The table below reflects the restatement amounts on the government-wide Statement of Net Position and fund level:

	Govt-wide Governmental Activities
Net position, beginning of year as previously reported	$ 10,873,133
Prior period restatement - implementation of GASB 87	(180,105)
Net position, beginning of year as restated	$ 10,693,028

	Fund Level City Shop Fund
Net position, beginning of year as previously reported	$ (78,953)
Prior period restatement - implementation of GASB 87	189
Net position, beginning of year as restated	$ (78,764)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BAINBRIDGE, GEORGIA

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

	2022	2021	2020	2019
Total pension liability				
Service cost	**$ 147,432**	126,132	$ 129,354	$ 130,052
Interest on total pension liability	**1,085,555**	1,033,867	950,651	943,557
Differences between expected and actual experience	**396,659**	459,909	421,002	(156,157)
Changes of assumptions	**-**	-	-	-
Changes of benefit terms	**-**	-	-	-
Benefit payments, including refunds of employee contributions	**(981,646)**	(899,049)	(832,019)	(812,325)
Other	**-**	-	710,935	**-**
Net change in total pension liability	**648,000**	720,859	1,379,923	105,127
Total pension liability - beginning	**15,062,785**	14,341,926	12,962,003	12,856,876
Total pension liability - ending (a)	**15,710,785**	15,062,785	14,341,926	12,962,003
Plan fiduciary net position				
Contributions - employer	**577,354**	497,797	450,322	435,729
Net investment income	**2,713,642**	1,010,940	309,739	998,189
Benefit payments, including refunds of member contributions	**(981,646)**	(899,049)	(832,019)	(812,325)
Administrative expenses	**(29,862)**	(26,954)	(28,310)	(27,316)
Other	**-**	-	-	-
Net change in plan fiduciary net position	**2,279,488**	582,734	(100,268)	594,277
Plan fiduciary net position - beginning	**11,293,663**	10,710,929	10,811,197	10,216,920
Plan fiduciary net position - ending (b)	**13,573,151**	11,293,663	10,710,929	10,811,197
City's net pension liability (asset) - ending (a) - (b)	**$ 2,137,634**	$ 3,769,122	$ 3,630,997	$ 2,150,806
Plan fiduciary net position as a percentage of the total pension liability	**86.39%**	74.98%	74.68%	83.41%
Covered employee payroll	**$ 6,097,953**	$ 5,804,992	$ 5,139,295	$ 5,080,129
Net pension liability as a percentage of covered employee payroll	**35.05%**	64.93%	70.65%	42.34%

2018	2017	2016
$ 122,901	$ 126,686	$ 131,037
910,296	939,969	874,344
286,049	(337,899)	630,372
193,828	-	-
-	(308,161)	-
(803,914)	(803,028)	(774,930)
-	-	-
709,160	(382,433)	860,823
12,147,716	12,530,149	11,669,326
12,856,876	12,147,716	12,530,149
493,675	424,435	513,517
1,360,020	973,314	112,520
(803,914)	(803,028)	(774,930)
(30,375)	(17,074)	(20,370)
-	(262,379)	-
1,019,406	315,268	(169,263)
9,197,514	8,882,246	9,051,509
10,216,920	9,197,514	8,882,246
$ 2,639,956	$ 2,950,202	$ 3,647,903
79.47%	75.71%	70.89%
$ 4,988,379	$ 4,665,079	$ 4,902,829
52.92%	63.24%	74.40%

CITY OF BAINBRIDGE, GEORGIA

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

	2022	2021	2020	2019
Actuarially determined contribution	**$ 647,028**	$ 577,354	$ 457,040	$ 489,079
Contributions in relation to the actuarially determined contribution	**647,028**	577,354	457,040	489,079
Contribution deficiency (excess)	$ **-**	$ -	$ -	$ -
Covered employee payroll	**$ 6,865,715**	$ 6,097,953	$ 5,804,992	$ 5,139,295
Contributions as a percentage of covered employee payroll	**9.42%**	9.47%	7.87%	9.52%

Notes to the Schedule

Actuarial Cost Method	Projected Unit Credit.
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.
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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%

The schedule will present ten years of information once it is accumulated.

Changes since prior valuation:

- Amounts reported for fiscal year ended in 2020 and later reflect that a one-time Early Retirement Incentive Program was offered to employees between July 1, 2019 and August 30, 2019 who met the Rule of 90 as of January 1, 2019.

2018	2017	2016
$ 493,675	$ 424,435	$ 423,714
493,675	424,435	423,714
$ -	$ -	$ -
$ 5,080,129	$ 4,988,379	$ 4,665,079
9.72%	8.51%	9.08%

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 7,148,047	$ 7,148,047	$ 7,316,075	$ 168,028
Licenses and permits	194,250	194,250	178,717	(15,533)
Intergovernmental	467,550	997,922	1,354,217	356,295
Charges for services	47,800	47,800	99,563	51,763
Fines and forfeitures	220,000	220,000	180,454	(39,546)
Investment earnings	-	-	2,265	2,265
Other revenues	162,000	162,000	125,078	(36,922)
Total revenues	8,239,647	8,770,019	9,256,369	486,350
Expenditures				
General government:				
Mayor and council	838,355	2,381,748	846,651	1,535,097
City manager	477,276	518,272	518,272	-
Finance, budget and accounting	1,030,544	1,109,816	1,110,206	(390)
Purchasing	169,813	187,232	187,232	-
City attorney	15,000	44,501	44,501	-
Total general government	2,530,988	4,241,569	2,706,862	1,534,707
Judicial:				
City court	270,593	294,077	294,077	-
Community development:				
Mainstreet tourism	524,815	507,141	507,140	1
Building code enforcement	192,857	259,214	259,214	-
Communications	212,462	247,934	247,934	-
Code enforcement	798,075	833,393	833,393	-
Total community development	1,728,209	1,847,682	1,847,681	1
Public works:				
Maintenance	126,622	161,525	161,525	-
Streets	2,088,094	2,391,960	2,391,960	-
Parks	1,553,083	6,771,145	7,656,814	(885,669)
Total public works	3,767,799	9,324,630	10,210,299	(885,669)
Public safety:				
Services	4,596,048	5,014,538	5,014,538	-
Debt service:				
Principal	437,189	159,706	436,102	(276,396)
Interest	58,014	45,645	50,489	(4,844)
Total debt service	495,203	205,351	486,591	(281,240)
Total expenditures	13,388,840	20,927,847	20,560,048	367,799
Deficiency of revenues under expenditures	(5,149,193)	(12,157,828)	(11,303,679)	854,149

(Continued)

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Transfers in	$ 5,005,587	$ 12,278,950	$ 11,890,030	$ (388,920)
Transfers out	(201,394)	(201,394)	(201,394)	-
Proceeds from the sale of capital assets	345,000	345,000	232,746	(112,254)
Issuance of leases	-	-	904,667	904,667
Total other financing sources	5,149,193	12,422,556	12,826,049	403,493
Net change in fund balance	$ -	$ 264,728	1,522,370	$ 1,257,642
	Reconciliation to GAAP Basis			
	Unbudgeted capital outlay		-	
			$ 1,522,370	

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
LOCAL RELIEF FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 4,511,484	$ 4,557,774	$ 2,348,993	$ (2,208,781)
Total revenues	4,511,484	4,557,774	2,348,993	(2,208,781)
Expenditures				
Administration	651,294	-	-	-
Community development	-	23,014	23,014	-
Capital projects	3,860,190	113,269	113,269	-
Total expenditures	4,511,484	136,283	136,283	-
Excess of revenues over expenditures	-	4,421,491	2,212,710	(2,208,781)
Other financing uses				
Transfers out	-	(2,212,709)	(2,212,710)	1
Net change in fund balance	$ -	$ 2,208,782	$ -	$ (2,208,780)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BAINBRIDGE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue Funds				
	Hotel/Motel Tax Fund	Confiscated Assets Fund	Bricks for Veterans Fund	CDBG Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 17,468	$ 97,200	$ 2,981	$ 100	$ 117,749
Accounts receivable, net	20,675	-	-	-	20,675
Total assets	$ 38,143	$ 97,200	$ 2,981	$ 100	$ 138,424
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	$ 28,120	$ -	$ -	$ 100	$ 28,220
Due to component units	10,023	-	-	-	10,023
Accounts payable	-	21,425	640	-	22,065
Total liabilities	38,143	21,425	640	100	60,308
FUND BALANCES					
Restricted for:					
Public safety	-	75,775	-	-	75,775
General government	-	-	2,341	-	2,341
Total fund balances	-	75,775	2,341	-	78,116
Total liabilities and fund balances	$ 38,143	$ 97,200	$ 2,981	$ 100	$ 138,424

CITY OF BAINBRIDGE

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

	Special Revenue Funds				
	Hotel/Motel Tax Fund	Confiscated Assets Fund	Bricks for Veterans Fund	CDBG Fund	Total Nonmajor Governmental Funds
Revenues					
Taxes	$ 235,211	$ -	$ -	$ -	$ 235,211
Intergovernmental	-	59,883	-	10,000	69,883
Investment earnings	-	29	-	-	29
Other revenues	-	-	625	-	625
Total revenues	235,211	59,912	625	10,000	305,748
Expenditures					
Current:					
General government	-	-	830	-	830
Public safety	-	32,086	-	-	32,086
Public works	-	-	-	10,000	10,000
Community development	94,091	-	-	-	94,091
Total expenditures	94,091	32,086	830	10,000	137,007
Excess (deficiency) of revenues over expenditures	141,120	27,826	(205)	-	168,741
Other financing uses					
Transfers out	(141,120)	-	-	-	(141,120)
Total other financing uses	(141,120)	-	-	-	(141,120)
Net change in fund balances	-	27,826	(205)	-	27,621
Fund balances, beginning of year	-	47,949	2,546	-	50,495
Fund balances, end of year	$ -	$ 75,775	$ 2,341	$ -	$ 78,116

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL/MOTEL TAX FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	$ 241,642	$ 235,211	$ (6,431)
Investment earnings	25	-	(25)
Total revenues	241,667	235,211	(6,456)
Expenditures			
Current:			
Community development	96,667	94,091	2,576
Total expenditures	96,667	94,091	2,576
Excess of revenues over expenditures	145,000	141,120	(9,032)
Other financing uses			
Transfers out	(145,000)	(141,120)	(3,880)
Net change in fund balance	$ -	-	$ (12,912)
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CONFISCATED ASSETS FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 59,883	$ 59,883	$ -
Investment earnings	29	29	-
Total revenues	59,912	59,912	-
Expenditures			
Current:			
Public safety	32,086	32,086	-
Total expenditures	32,086	32,086	-
Net change in fund balance	$ 27,826	27,826	$ -
Fund balance, beginning of year		47,949	
Fund balance, end of year		$ 75,775	

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BRICKS FOR VETERANS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Other revenues	$ 2,000	$ 625	$ (1,375)
Total revenues	2,000	625	(1,375)
Expenditures			
Current:			
General government	2,000	830	1,170
Total expenditures	2,000	830	1,170
Net change in fund balance	$ -	(205)	$ (205)
Fund balance, beginning of year		2,546	
Fund balance, end of year		$ 2,341	

CITY OF BAINBRIDGE, GEORGIA

CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance
Revenues			
Intergovernmental	$ 10,000	$ 10,000	$ -
Total revenues	10,000	10,000	-
Expenditures			
Current:			
Public works	10,000	10,000	-
Total expenditures	10,000	10,000	-
Net change in fund balance	$ -	-	$ -
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	Employee Benefits Fund	City Shop Fund	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 229,557	$ -	$ 229,557
Accounts receivable, net of allowances	91	2,725	2,816
Due from other funds	-	329,388	329,388
Due from other governments	-	1,425	1,425
Inventory	-	84,611	84,611
Prepaid items	95,975	2,422	98,397
Total current assets	325,623	420,571	746,194
NON-CURRENT ASSETS			
Capital assets:			
Buildings and improvements	-	23,749	23,749
Machinery and equipment	-	150,717	150,717
Right to use leased asset	-	47,401	47,401
	-	221,867	221,867
Less accumulated depreciation	-	(161,298)	(161,298)
Less accumulated amortization	-	(13,445)	(13,445)
Total capital assets	-	47,124	47,124
Total assets	325,623	467,695	793,318
DEFERRED OUTFLOWS OF RESOURCES			
Differences between expected and actual experience	-	26,533	26,533
Assumption changes	-	9,274	9,274
Contributions subsequent to the measurement date	-	22,539	22,539
Total deferred outflows of resources	-	58,346	58,346

(Continued)

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	Employee Benefits Fund	City Shop Fund	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 3,706	$ 21,568	$ 25,274
Claims payable	246,977	-	246,977
Due to other funds	7,460	307,294	314,754
Current portion - compensated absences	-	9,621	9,621
Current portion - leases	-	10,620	10,620
Total current liabilities	258,143	349,103	607,246
LONG-TERM LIABILITIES			
Compensated absences, net of current portion	$ -	$ 4,123	$ 4,123
Leases, net of current portion	-	23,313	23,313
Net pension liability	-	74,464	74,464
Total long-term liabilities	-	101,900	101,900
Total liabilities	258,143	451,003	709,146
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience	-	1,088	1,088
Net difference between projected and actual earnings on pension plan investments	-	52,761	52,761
Total deferred inflows of resources	-	53,849	53,849
NET POSITION			
Net investment in capital assets	-	13,191	13,191
Unrestricted	67,480	7,998	75,478
Total net position	$ 67,480	$ 21,189	$ 88,669

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Employee Benefits Fund	City Shop Fund	Total
OPERATING REVENUES			
Charges for services	$ 3,061,704	$ 933,165	$ 3,994,869
Other revenues	68,051	-	68,051
Total operating revenues	3,129,755	933,165	4,062,920
OPERATING EXPENSES			
Personnel services	-	398,844	398,844
Cost of operations	-	420,324	420,324
Depreciation/amortization	-	15,662	15,662
Benefits and claims	2,928,620	-	2,928,620
Total operating expenses	2,928,620	834,830	3,763,450
Operating income	201,135	98,335	299,470
NON-OPERATING INCOME (EXPENSE)			
Investment income	328	-	328
Interest expense	-	(1,107)	(1,107)
Gain on sale of assets	-	2,725	2,725
Total non-operating income, net	328	1,618	1,946
Change in net position	201,463	99,953	301,416
NET POSITION (DEFICIT), beginning of year, as restated	(133,983)	(78,764)	(212,747)
NET POSITION, end of year	$ 67,480	$ 21,189	$ 88,669

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Employee Benefits Fund	City Shop Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 3,126,515	$ 851,385	$ 3,977,900
Payments for goods and services	-	(421,813)	(421,813)
Payments to employees	-	(418,094)	(418,094)
Payments for claims and benefits	(2,897,286)	-	(2,897,286)
Net cash provided by operating activities	229,229	11,478	240,707
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on leases	-	(13,369)	(13,369)
Purchase of capital assets	-	(33,393)	(33,393)
Proceeds from leases	-	33,483	33,483
Interest paid on leases	-	(1,107)	(1,107)
Proceeds from sale of capital assets	-	2,537	2,537
Net cash used in capital and related financing activities	-	(11,849)	(11,849)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	328	-	328
Net cash provided by investing activities	328	-	328
Net increase in cash	229,557	(371)	229,186
Cash:			
Beginning of year	-	371	371
End of year	$ 229,557	$ -	$ 229,557

(Continued)

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Employee Benefits Fund	City Shop Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 201,135	$ 98,335	$ 299,470
Depreciation	-	15,662	15,662
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivables	-	(2,725)	(2,725)
Due from other funds	-	(307,109)	(307,109)
Due from other governments	-	(1,425)	(1,425)
Inventory	-	(7,330)	(7,330)
Prepaid items	-	235	235
Deferred outflows - pension	-	9,042	9,042
Increase (decrease) in liabilities:			
Checks in excess of bank balance	(1,739)	-	(1,739)
Accounts payable	968	6,600	7,568
Accrued liabilities	-	(43)	(43)
Due to other funds	(3,240)	229,479	226,239
Claims payable	32,105	-	32,105
Deferred inflows - pension	-	46,236	46,236
Net pension liability	-	(75,479)	(75,479)
Net cash provided by operating activities	$ 229,229	$ 11,478	$ 240,707

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX VI PROCEEDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

Project	Original Estimated Cost	Prior Years	Current Year	Total
Water and Sewer bond service	$ 6,500,000	$ 357,706	$ -	$ 357,706
General Fund bond service	3,000,000	13,440	-	13,440
Road construction and improvements	1,700,000	83,032	-	83,032
Recreation improvements	1,000,000	1,639,555	25,374	1,664,929
Public safety equipment	1,082,000	1,445,419	360,680	1,806,099
	$ 13,282,000	3,539,152	386,054	3,925,206
Debt Service Expenditures		7,560,469	119,366	7,679,835
		$ 11,099,621	$ 505,420	$ 11,605,041

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX VII PROCEEDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

Project	Original Estimated Cost	Prior Years	Current Year	Total
Sanitary sewer improvements and related debt service	$ 5,035,000	$ 6,338	$ 6,338	$ 12,676
Park improvements and related debt service	2,800,000	3,776,636	3,718,755	7,495,391
Animal shelter and related debt service	500,000	-	-	-
Public property improvements, acquisitions and construction and related debt	2,500,000	-	-	-
Public safety equipment and related debt	1,100,000	-	-	-
	$ 11,935,000	$ 3,782,974	3,725,093	$ 7,508,067
Transfers to Bainbridge Public Facilities Authority for debt service payments			1,719,875	
			$ 5,444,968	

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

Project	Original and Current Estimated Cost	Prior Years	Current Year	Total
Equipment	$ 1,317,500	$ 2,146,282	$ 693,140	$ 2,839,422
Paving	5,779,321	6,594,666	2,704,464	9,299,130
Sidewalk and concrete repair	683,179	-	-	-
Stormwater improvements	620,000	380,496	26,577	407,073
	$ 8,400,000	9,121,444	3,424,181	12,545,625
Debt service payments		912,226	249,491	1,161,717
		$ 10,033,670	$ 3,673,672	$ 13,707,342
Total expenditures - TSPLOST Fund			$ 3,673,672	
Transfers out - TSPLOST Fund			279,461	
			$ 3,953,133	

CITY OF BAINBRIDGE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2022

ASSETS		
Cash	$	481,604
Interest receivable		30
Total assets		481,634
LIABILITIES		
Accrued expenses		47
Due to primary government		321
Total liabilities		368
FUND BALANCE		
Assigned for downtown development		481,266
Total fund balance	$	481,266

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

REVENUES	
Intergovernmental	$ 679,304
Other revenues	7,805
Total revenues	687,109
EXPENDITURES	
Current:	
Community development	18,347
Debt service:	
Principal	600,136
Interest	9,289
Total expenditures	627,772
Net change in fund balance	59,337
FUND BALANCE, BEGINNING OF YEAR	421,929
FUND BALANCE, END OF YEAR	$ 481,266

CITY OF BAINBRIDGE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CONVENTION AND VISITOR'S BUREAU
SEPTEMBER 30, 2022

ASSETS		
Cash	$	106,625
Due from primary government		10,023
Prepaid items		101
Total assets		116,749
LIABILITIES		
Accounts payable		920
Due to primary government		2,459
Total liabilities		3,379
FUND BALANCE		
Assigned for tourism		113,370
Total fund balance	$	113,370

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION AND VISITOR'S BUREAU
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

REVENUES	
Intergovernmental	$ 95,092
Investment income	9,035
Total revenues	104,127
EXPENDITURES	
Current:	
Culture and recreation	90,814
Total expenditures	90,814
Net change in fund balances	13,313
FUND BALANCES, BEGINNING OF YEAR	100,057
FUND BALANCES, END OF YEAR	$ 113,370

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Bainbridge, Georgia
Bainbridge, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bainbridge, Georgia (the "City"), as of and for the year ended September 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 September 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 or significant deficiencies may exist that were not identified.

Report on 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 matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

Mauldin & Jenkins, LLC

Macon, Georgia
September 27, 2023

CITY OF BAINBRIDGE, GEORGIA

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

SECTION I
SUMMARY OF AUDITOR'S 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 __X__ No
Significant deficiencies identified?	___ Yes __X__ None Reported
Noncompliance material to financial statements noted?	____Yes __X__ None Reported

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

2021–001. Proper Recording of Capital Assets, Lease Activity, and Accounts Payable

Criteria: Under the economic resources measurement focus used by proprietary funds, the cost of property, equipment, and construction in progress are recorded as capital assets when the costs are incurred. Additionally, payments made under operating leases should be recorded as an expense. Principal payments made under a capital lease should be recorded as a reduction in the capital lease payable, and the interest portion of the capital lease payment should be recorded as interest expense. Under the current financial resources measurement focus used by governmental funds, capital leases are recognized as an increase in other financing sources for capital lease proceeds and an increase in capital outlay for the face value of the debt. Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the related cash flows.

Condition: The City was not properly recording capital assets, contributed capital, capital leases payable and accounts payable during fiscal year 2021.

Auditee Response/Status: Resolved in the current year.