CITY OF BLACKSHEAR, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia

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City of Blackshear, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2019

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Introductory Section

CITY OFFICIALS

MAYOR
Kevin L. Grissom

MAYOR PROTEM & DISTRICT 2 COUNCIL
Keith Brooks

COUNCIL
Keith Brooks, District 1
Corey Lesseig, District 2
Timmy Sapp, District 3
Charles Boady, District 4
Vacant, District 5
David Smith, District 6

CITY CLERK
Suzanne Manning

CITY JUDGE
Dan Bennett

POLICE CHIEF
Chris Wright

FIRE CHIEF
Bucky Goble

CITY ATTORNEY
Adam Ferrell

PUBLIC WORKS SUPERVISOR
Wallace Tomlinson

WATER AND SEWER SUPERVISOR
Wallace Tomlinson

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Earl A. Lawson, CPA
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the City Council
Blackshear, Georgia

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Blackshear, Georgia, as of and for the year ended June 30, 2019, and the related notes which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the budgetary comparison schedule for the Water and Sewer Fund and the aggregate remaining fund information of the City of Blackshear, Georgia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension information on pages 12-21 and 88-90 be presented to supplement the financial statements. Such information although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blackshear, Georgia's basic financial statements. The combining, individual nonmajor fund financial statements, the budgetary comparison schedules for capital projects, the budgetary comparison schedule for the Water and Sewer fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reproting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated August 20, 2019 on my consideration of the City of Blackshear Georgia's internal controls over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing, of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 Blackshear's internal control over financial reporting.



Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia
August 20, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the City.

Management's Discussion and Analysis

Within this section of the City of Blackshear, Georgia (City) annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City the year ended June 30, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government.

FINANCIAL HIGHLIGHTS

The City's total assets exceeded its total liabilities by $17,467,023 (net position) for the year reported. This compares to the previous year when the total assets exceeded the total liabilities by $16,607,202

Total net position is comprised of the following:

1. Net Investment in Capital Assets, of $11,888,331 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $1,874,829 are restricted by constraints imposed upon the City by laws and regulations.
3. Unrestricted net position of $3,703,863 represent the portion available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported total ending fund balance of $4,384,866 this year. This compares to the prior year ending fund balance, of $4,129,957 showing an increase of $254,909 during the current year.

At the end of the current year, unassigned fund balance for the General Fund was $2,274,765, or 95.1% of total General Fund expenditures.

Overall, the City of Blackshear, Georgia, is in a strong financial position.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 23-24 provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on pages 25-33. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Overview to the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City's annual report includes two government- wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification to the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the City's net position changed during the current year. All current year revenues and expenses are included *regardless of when cash is received or paid. An important purpose of the design of the statement* of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Governmental activities include general government, public safety, public works, culture and recreation and community development.

The City's financial reporting includes the funds of the City (primary government).

The Government-wide financial statements are presented on pages 23-24 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus Is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for the general. fund Budgetary comparison for special revenue funds and capital project funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 25-29 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. These are enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as the water system, solid waste and revolving loans.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds. Individual fund information for the non-major enterprise funds is found in combining and individual fund statements in a later section of this report.

The basic proprietary fund financial statements are presented on pages 30-33 of this report.

Notes to the basic financial statements:

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 34-77 of this report.

THE CITY AS A WHOLE

The City's combined net position were $17,467,023 at the end of June 30, 2019 and $16,607,202 at the end of June 30, 2018 for a increase of $859,821 during the year. The net position belonging to the Governmental Activities $10,253,576 and the Business-type Activities $7,213,447.

Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	June '30		June '30		June '30	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 4,382,568	$ 4,195,440	$ 1,560,781	$ 1,415,398	$ 5,943,349	$ 5,610,838
Non-Current assets	6,730,765	6,354,149	6,853,193	6,829,143	13,583,958	13,183,292
Deferred outflows of resources	159,088	227,136	33,209	62,344	192,297	289,480
Total assets and deferred outflows of resources	11,272,421	10,776,725	8,447,183	8,306,885	19,719,604	19,083,610
Current Liabilities	113,794	116,888	140,095	342,194	253,889	459,082
Long term liabilities	828,326	913,004	1,077,625	1,104,322	1,905,951	2,017,326
Deferred inflows of resources	76,725	-	16,016	(1,357)	92,741	(1,357)
Total liabilities and deferred inflows o	1,018,845	1,029,892	1,233,736	1,445,159	2,159,840	2,475,051
Net position:						
Net investment in capital assets	6,158,209	5,780,436	5,730,122	5,300,738	11,888,331	11,081,174
Restricted	1,648,794	1,750,245	226,035	239,878	1,874,829	1,990,123
Unrestricted (deficit)	2,446,573	2,216,152	1,257,290	1,319,753	3,703,863	3,535,905
Total net position	$ 10,253,576	$ 9,746,833	$ 7,213,447	$ 6,860,369	$ 17,467,023	$ 16,607,202

Net position of the City's governmental activities increase by $506,743 during the year ended June 30, 2019 compared to $884,083 for the year ended June 30, 2018

The net position of our business type activities increased by $353,078 for the year ended June 30, 2019, but decreased by $228,171 for the year ended June 30, 2018. This increase in the business type activities is the result of the transfer of capital assets from the 2014 SPLOST fund in the amount of $252,459, also in 2018 the Revolving Loan Fund returned $266,164 to the Department of Community Affairs.

Governmental Activities and Business Type Activities:

The City has net position for 2019 of $17,467,023 and in 2018 of $16,607,202.

The City has an increase in net position for 2019 of $859,821 and in 2018 increase of $655,912

The Governmental Activities recognized more revenue from grants in 2017 as compared to 2018. The other increase in revenue and the increase in expenses was the result of timing differences.

The revenue decrease within the Business-type Activities and the increase in expenses was the result of timing differences in the recognition of revenue as well as expenses.

Table 2
Changes in Net Position of
Government and Business Type Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	June '30		June '30		June '30	
Revenues:	2018	2019	2018	2019	2018	2019
Program Revenues:						
Charges for services	$ 234,091	$ 931,032	$ 1,874,922	$ 1,767,855	$ 2,109,013	$ 2,698,887
Operating grants	-	62,713	-	-	-	62,713
Capital grants	590,433	590,659	54,421	66,925	644,854	657,584
General Revenues:						
Property taxes	1,193,577	1,239,947	-	-	1,193,577	1,239,947
Other taxes	1,041,402	1,154,119	-	-	1,041,402	1,154,119
Interest	4,236	17,672	4,149	1,805	8,385	19,477
Total Revenues	3,063,739	3,996,142	1,933,492	1,836,585	4,997,231	5,832,727
Expenses						
General government	269,527	378,410	-	-	269,527	378,410
Public safety	1,357,567	2,105,269	-	-	1,357,567	2,105,269
Public works	771,238	730,258	-	-	771,238	730,258
Culture and recreation	64,018	71,642	-	-	64,018	71,642
Community development	82,349	60,421	-	-	82,349	60,421
Interest	17,418	13,950	29,576	14,859	46,994	28,809
Revolving loan	-	-	266,164	26,953	266,164	26,953
Water and Sewer	-	-	1,316,264	1,384,462	1,316,264	1,384,462
Solid waste	-	-	288,572	309,692	288,572	309,692
Total expense	2,562,117	3,359,950	1,900,576	1,735,966	4,462,693	5,095,916
Excess (deficiency) before transfers and contributions	501,622	636,192	32,916	100,619	534,538	736,811
Other Income	121,374	72,688	-	-	121,374	72,688
Capital Contributions	-	44,453			-	44,453
Gain on sale of capital assets	-	5,869	-	-	-	5,869
Transfers	261,087	(252,459)	(261,087)	252,459	-	-
Increase (decrease) in net position	$ 884,083	$ 506,743	$ (228,171)	$ 353,078	$ 534,538	$ 815,368

The cost of all governmental activities this year was $3,359,950 compared to $2,562,117 last year. However, as shown in the Statement of Activities on page 24, the amount that our taxpayers ultimately financed for these activities through City taxes was $1,775,546 because some of the cost was paid by those who directly benefited from the programs $931,032 or by other governments and organizations that subsidized certain programs with grants and contribution $653,372

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) decreased by 5.00 percent $96,907 in 2019 compared to an increase $40,430 in 2018 and expenses decreased by 8.66 percent $164,610 in 2019 compared to a increase by 11.29% $192,874 in 2018. The factors driving these results include:

The Revolving Loan Fund paid $26,953 in 2019 to the Georgia Department of Community Affairs, and $266,164 in 2018

THE CITY'S FUNDS

As the City completed the year, its governmental funds as presented in the balance sheet on page 25 reported a combined fund balance of $4,384,866 which is an increase from last year's total of $4,129,957

General Fund Budgetary Highlights

The City Council did adjust the budget during the year ended June 30, 2019.

The City General Fund had a variance of $324,276 in the revenue. The budget had total revenue of as originally adopted $2,471,590 and as amended $2,471,590 . The actual revenue was $2,795,866. The City Clerk, Mayor and the City Council is monitoring the budget to actual results monthly.

The City General Fund had a variance of $(62,822) in expenditures. The budget as originally adopted had total expenditures of $2,471,590 and as amended $2,471,590.The actual expenditures were $2,534,412. The City Clerk, Mayor, City Council and department heads are monitoring the budget to actual results monthly.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2019 the City had $13,174,783 invested in a broad range of capital assets, including police and fire equipment, buildings, roads, bridges, and water and sewer lines. (See Table 4 below.) This amount represents a net increase) including additions and deductions) of $439,806, or 03.45 percent, over last year. The increase in net capital assets resulted from the additions to the land of the governmental activities and to the construction in process in the business-type activities and the additions of equipment in the governmental activities.

Table 4
Capital Assets at Year-End June 30, 2018 and 2019
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Primary Government	
	June '30		June '30		June '30	
	2019	2018	2019	2018	2019	2018
Land and construction in progr	$ 814,453	$ 770,000	$ 2,243,546	$ 1,715,311	$ 3,057,999	$ 2,485,311
Building and Improvements	784,394	791,128	-	17	784,394	791,145
Infrastructure	3,403,236	3,485,988	-	-	3,403,236	3,485,988
System and system improvements			4,393,027	4,775,454	4,393,027	4,775,454
Equipment	1,536,127	1,197,079	-	-	1,536,127	1,197,079
Totals	$ 6,538,210	$ 6,244,195	$ 6,636,573	$ 6,490,782	$ 13,174,783	$ 12,734,977

This year's major addition included:

> The City plans to continue to update its equipment within it's Governmental Activities as well as it's Business-type Activities, as well as a construction project for it's Waste Water Treatment Plant.

See note 5 on page 52 and page 53 of this report for additional information about the City's capital assets.

The City has entered into an agreement with the United States Department of Agriculture to improve and expand it's Waste Water Treatment Plant.
The upgrade and expansion is estimated to cost approximately $7,737,000 and will be paid for with a loan from USDA in the amount of $5,667,000 and a grant from USDA of $2,070,000.However, these estimates may be adjusted as the construction continues.

Debt

At year-end, the City had $1,861,104 in notes outstanding verse $1,698,196 last year a increase of $162,908 or 9.59 percent --as shown in Table 5.

Table 5
Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Primary Government	
	June '30		June '30		June '30	
	2019	2018	2019	2018	2019	2018
Leases	$ -	$ -	$ -	$ -	$ -	$ -
Revenue bonds (backed by water & sewer fee revenues)	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Note payable	380,001	463,759	906,451	1,162,579	1,286,452	1,626,338
Compensated absences	191,426	234,766	-	-	191,426	234,766
Totals	$ 571,427	$ 698,525	$ 906,451	$ 1,162,579	$ 1,477,878	$ 1,861,104

The City will issue new debt within the Water and Serwer Fund to construct a Waste Water Treatment Facility. The total new debt is expected to be $5,667,000. The City drewdown $65,940 of these funds during the year ended June 30, 2019.

The City repaid debt during the year ended June 30, 2019 in the amount of $322,068 in its business type activities and $159,738 in its governmental activities.

See Note 8 on pages 57 - 64 for additional information about the City's long term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year June 30, 2020 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy.

The City is continuing to upgrade its water and sewer system, with a major expansion . to it's Waste Water Treatment System.

If these estimates are realized, the City's budgetary General Fund balance is expected to increase modestly by the close of June 30, 2020.

As for the City's business-type activities, we expect that the June 30, 2020 results will also improve based upon these decisions:

Blackshear also features:

A modern library facility.
A modern community center.
The Better Hometown Program is very active within the City.
The City Park is undergoing extensive improvements.
Other improvements are continuing to be made within the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the

Basic Financial Statements

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all of the primary government's governmental activities and business-type activities. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

City of Blackshear, Georgia
Statement of Net Position
June 30, 2019

	Primary Government		
Assets and Deferred Outflows of Resources:	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash	$ 3,901,631	$ 1,159,411	$ 5,061,042
Receivables (net)	316,452	398,220	714,672
Intergovernmental receivables	155,285	-	155,285
Notes receivable	-	-	-
Prepaid	9,200	3,150	12,350
Total Current Assets	4,382,568	1,560,781	5,943,349
Non-Current Assets:			
Internal balances	192,555	(192,555)	-
Notes receivable	-	409,175	409,175
Capital assets :			
Land, improvements, and construction in progress	814,453	2,243,546	3,057,999
Other capital assets, net of depreciation	5,723,757	4,393,027	10,116,784
Total Non-Current Assets	6,730,765	6,853,193	13,583,958
Total assets	11,113,333	8,413,974	19,527,307
Deferred Outflows of Resources	159,088	33,209	192,297
Total Assets and Deferred Outflows of Resources	11,272,421	8,447,183	19,719,604
Liabilities and Deferred Inflow of Resources			
Current Liabilities			
Accounts payable and accrued expenses	25,051	116,465	141,516
Accured Interest	5,948	-	5,948
Intergovernmental	-	-	-
Due within one year	82,795	23,630	106,425
Total Current Liabilities	113,794	140,095	253,889
Long-term liabilities (net of current portion):			
Due in more than one year	297,206	882,821	1,180,027
Customer Deposits	-	123,915	123,915
Net Pension Liability	339,694	70,889	410,583
Compensated absences	191,426	-	191,426
Total long term liabilities	828,326	1,077,625	1,905,951
Deferred Inflows of Resources	76,725	16,016	92,741
Total Liabilities and Deferred Inflows or Resources	1,018,845	1,233,736	2,252,581
Net Position			
Net Investment in Capital Assets	6,158,209	5,730,122	11,888,331
Restricted for:			
Debt service	-	226,035	226,035
Capital projects	1,648,794	-	1,648,794
Public Safety	-	-	-
Unrestricted (deficit)	2,446,573	1,257,290	3,703,863
Total net position	$ 10,253,576	$ 7,213,447	$ 17,467,023

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

City of Blackshear, Georgia
Statement of Activities
For The Year Ended June 30, 2019

Functions/Programs	Expense	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
PRIMARY GOVERNMENT:							
Government activities:							
General government	$ 378,410	$ 87,732	$ -	$ -	$ (290,678)	$ -	$ (290,678)
Public safety	2,105,269	826,162	-	257,320	(1,021,787)	-	(1,021,787)
Public works	730,258	17,138	62,713	303,339	(347,068)	-	(347,068)
Culture and recreation	71,642	-	-	30,000	(41,642)	-	(41,642)
Community development	60,421	-	-	-	(60,421)	-	(60,421)
Interest on long-term debt	13,950	-	-	-	(13,950)	-	(13,950)
Total governmental activities	3,359,950	931,032	62,713	590,659	(1,775,546)	-	(1,775,546)
Business-type activities:							
Revolving loan	26,953	2,794	-	-	-	(24,159)	(24,159)
Solid Waste	309,692	283,702	-	66,925	-	40,935	40,935
Water & Sewer	1,399,321	1,481,359	-	-	-	82,038	82,038
Total business-type activities	1,735,966	1,767,855	-	66,925	-	98,814	98,814
Total primary government	$ 5,095,916	$ 2,698,887	$ 62,713	$ 657,584	(1,775,546)	98,814	(1,676,732)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					1,239,947	-	1,239,947
Sales Taxes					447,293	-	447,293
Franchise taxes					276,988	-	276,988
Insurance premium tax					246,490	-	246,490
Other taxes					183,348	-	183,348
Gain on sale of capital assets					5,869	-	5,869
Other income					72,688	-	72,688
Capital Contributions					44,453	-	44,453
Interest earned					17,672	1,805	19,477
Total general revenues					2,534,748	1,805	2,536,553
Transfers					(252,459)	252,459	-
Total general revenues, special items, and transfers					2,282,289	254,264	2,536,553
Change in net position					506,743	353,078	859,821
Net position---beginning					9,746,833	6,860,369	16,607,202
Net position---ending					$ 10,253,576	$ 7,213,447	$ 17,467,023

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

City of Blackshear, Georgia
Balance Sheet
Governmental Funds
June 30, 2019

	General	Capital Project 2014 SPLOST	Special Revenue Police Confiscations	Other Govern-mental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,889,815	$ 1,467,390	$ 168,177	$ 376,249	$ 3,901,631
Receivables, net	316,452	-	-	-	316,452
Due from other funds	192,655	-	-	-	192,655
Intergovernmental	7,650	131,250	-	16,385	155,285
Prepaids	9,200	-	-	-	9,200
Inventories	-	-	-	-	-
Total Assets	$ 2,415,772	$ 1,598,640	$ 168,177	$ 392,634	$ 4,575,223
Liabilities and Deferred inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable and accruals	$ 25,051	$ -	$ -	$ -	$ 25,051
Due to other funds	-	-	-	100	100
Payable to other governments	-	-	-	-	-
Total Liabilities	25,051	-	-	100	25,151
Deferred Inflows of Resources	115,956	43,750		5,500	165,206
Total Liabilities and Deferred Inflows of Resources	141,007	43,750	-	5,600	190,357
Fund balances:					
Nonspendable	9,200	-	-	-	9,200
Restricted:					
Capital Projects	-	1,554,890	-	103,904	1,658,794
Public Safety	-	-	-		-
Committed					
Public Safety	-	-	168,177	-	168,177
Capital Projects	-	-	-	283,130	283,130
Assigned	-	-	-	-	-
Unassigned	2,265,565	-	-	-	2,265,565
Total Fund Balances	2,274,765	1,554,890	168,177	387,034	4,384,866
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 2,415,772	$ 1,598,640	$ 168,177	$ 392,634	$ 4,575,223

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

City of Blackshear, Georgia
Reconciliation of Total Governmental Fund
Balances to Net Position of Governmental Activities
For The Year Ended June 30, 2019

TOTAL GOVERNMENTAL FUND BALANCES		$ 4,384,866
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Cost	10,422,217	
Less accumulated depreciation	(3,884,007)	
Net capital assets		6,538,210
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Outflows Pension	159,088	
Property taxes	79,456	
Special Local Option Sales Tax	43,750	
Transporation Special Local Option Sales Tax	5,500	
Local Option Sales Tax	36,500	324,294
Liabilities, including notes and capital leases are not due and payable in the current period and therefore are not reported in the funds:		
Accrued Interest	(5,948)	
Notes payable	(380,001)	
Net Pension Liability	(339,694)	
Inflows Pension	(76,725)	
Compensated absences	(191,426)	(993,794)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 10,253,576

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

City of Blackshear, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended June 30, 2019

Revenues	General	Capital Project 2014 SPLOST	Special Revenue Police Confiscations	Other Govern-mental Funds	Total Governmental Funds
Taxes	$ 2,348,559	$ -	$ -	$ 33,381	$ 2,381,940
License and permits	87,732	-	-	-	87,732
Fines and forfeitures	124,631	-	562,702	-	687,333
Intergovernmental	-	527,541	-	117,189	644,730
Charges for services	155,967	-	-	-	155,967
Interest	17,139	1,582	253	430	19,404
Other	61,838	-	-	10,850	72,688
Total Revenues	2,795,866	529,123	562,955	161,850	4,049,794
Expenditures					
Current:					
General government	333,645	-	-	-	333,645
Public safety	1,480,235	-	440,966	-	1,921,201
Public works	502,596	-	-	-	502,596
Parks and recreation	14,257	-	-	33,381	47,638
Community development	60,421	-	-	-	60,421
Capital Outlay:					
General government	-	58,168	-	4,965	63,133
Public safety	-	33,797	37,404	132,663	203,864
Public works	-	186,363	-	128,838	315,201
Parks and recreation	-	2,236	-	-	2,236
Capital Outlay: Utilities		237,768	-	22,981	260,749
Debt service:					
Principal	-	-	-	83,759	83,759
Interest and other charges	-	-	-	14,601	14,601
Total Expenditures	2,391,154	518,332	478,370	421,188	3,809,044
Excess (deficiency) of revenues over expenditures	404,712	10,791	84,585	(259,338)	240,750
Other Financing Sources (Uses)					
Issuance of Debt	-	-	-	-	-
Sale of general capital assets	5,869	-	-	-	5,869
Transfers in	-	-	-	190,361	190,361
Transfers out	(143,258)	-	-	(38,813)	(182,071)
Total financing Sources And Uses	(137,389)	-	-	151,548	14,159
Net Change in Fund Balance	267,323	10,791	84,585	(107,790)	254,909
Fund Balances Beginning	2,007,442	1,544,099	83,592	494,824	4,129,957
Fund Balances Ending	$ 2,274,765	$ 1,554,890	$ 168,177	$ 387,034	$ 4,384,866

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

City of Blackshear, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2019

NET CHANGES IN FUND BALANCES TOTAL GOVERNMENTAL FUNDS			$ 254,909
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.			
Capital outlay	$	628,887	
Depreciation expense		(334,872)	294,015
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position deiffers from the change in fund balance by the net book value of assets sold.			
Cost of capital assets sold	$	131,375	
Less: accumulated depreciation		(131,375)	
Net book value of assets sold			-
Elimination of transfers between Governmental funds:			
Transfers in	$	182,071	
Transfers out		(182,071)	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Taxes		10,356	
Special Local Option Sales Tax		1,410	
Transporation Special Local Option Sales Tax		5,500	
Local Option Sales taxes		1,770	19,036
Issuance of long term debt provides current financial resources to governmental funds while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. The issuance of long term debt increases long term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net position.			
Issuance of Note Payable		-	
Accrued interest		651	
Repayment of long term debt		83,759	84,410
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Compensated absences		43,340	
Net pension deferred outflows and pension deferred inflows		(188,967)	(145,627)

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

City of Blackshear, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2019

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 506,743

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

City of Blackshear, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2019

Assets and Deferred Outflows of Resources Resources	Enterprise Funds Water and Sewer	Solid Waste	Other Proprietary	Totals
Current assets:				
Cash	$ 713,651	$ 210,090	$ 9,635	$ 933,376
Receivables, net	333,238	64,982	-	398,220
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid	3,150	-	-	3,150
Total Current Assets	1,050,039	275,072	9,635	1,334,746
Noncurrent assets:				
Restricted cash	226,035	-	-	226,035
Notes Receivable	324,651	-	84,524	409,175
Capital assets:				
Land and improvements	644,147	-	-	644,147
Construction in progress	1,599,399	-	-	1,599,399
Distribution, collection systems and				
Buildings and equipment	13,187,008	-	-	13,187,008
Less accumulated depreciation	(8,793,981)	-	-	(8,793,981)
Total Noncurrent Assets	7,187,259	-	84,524	7,271,783
Deferred Outflows of Resources	24,479	8,730		33,209
Total Assets and Deferred Outflows of Resources	$ 8,261,777	$ 283,802	$ 94,159	$ 8,639,738
Liabilities and Deferred Inflows of Resources and Net Position:				
Current liabilities:				
Accounts payable and accrued expenses	$ 61,384	$ 55,081	$ -	$ 116,465
Accrued interest bonds and notes	-	-	-	-
Due to other funds	192,555	-	-	192,555
Bonds, notes, and loans payable	23,630	-	-	23,630
Total Current Liabilities	277,569	55,081	-	332,650
Noncurrent liabilities:				
Customer deposits	123,915	-	-	123,915
Net pension liability	52,248	18,641		70,889
Bonds, notes, and loans payable	882,821	-	-	882,821
Total Noncurrent Liabilities	1,058,984	18,641	-	1,077,625
Total Liabilities	1,336,553	73,722	-	1,410,275
Deferred Inflows of Resources	11,806	4,210		16,016
Total Liabilities and Deferred Inflows of Resources	1,348,359	77,932	-	1,426,291
Net Position				
Net Investment in capital assets	5,730,122	-	-	5,730,122
Restricted for debt service	226,035	-	-	226,035
Unrestricted	957,261	205,870	94,159	1,257,290
Total Net Position	6,913,418	205,870	94,159	7,213,447
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 8,261,777	$ 283,802	$ 94,159	$ 8,639,738

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

City of Blackshear, Georgia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2019

	Enterprise Funds			
	Water and Sewer	Solid Waste	Other Proprietary	Totals
OPERATING REVENUES				
Charges for services	$ 1,359,413	$ 283,702	$ -	$ 1,643,115
Other service charges	121,946	-	-	121,946
Interest on Loans	-	-	2,794	2,794
TOTAL OPERATING REVENUES	1,481,359	283,702	2,794	1,767,855
OPERATING EXPENSES				
Personnel services	354,514	83,811	-	438,325
Contracted services	511,733	187,588	-	699,321
Repairs and maintenance	18,438	29,548	-	47,986
Other supplies and expense	117,333	8,744	-	126,077
Depreciation	382,444	-	-	382,444
TOTAL OPERATING EXPENSES	1,384,462	309,692	-	1,694,154
OPERATING INCOME (LOSS)	96,897	(25,990)	2,794	73,701
NONOPERATING INCOME (EXPENSES)				
Intergovernmental	-	66,925	(26,953)	39,972
Interest revenue	1,794	-	11	1,805
Interest expense	(14,859)	-	-	(14,859)
TOTAL NONOPERATING INCOME (EXPENSES)	(13,065)	66,925	(26,942)	26,918
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	83,832	40,935	(24,148)	100,619
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions: Utilities	260,749	-	-	260,749
Transfers In	-	1,413	-	1,413
Transfers Out	(9,703)	-	-	(9,703)
NET CAPITAL CONTRIBUTIONS AND TRANSFERS	251,046	1,413	-	252,459
CHANGE IN NET POSITION	334,878	42,348	(24,148)	353,078
				-
TOTAL NET POSITION BEGINNING	6,578,540	163,522	118,307	6,860,369
TOTAL NET POSITION ENDING	$ 6,913,418	$ 205,870	$ 94,159	$ 7,213,447

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

City of Blackshear, Georgia
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2019

	Enterprise Funds			
	Water and Sewer	Solid Waste	Other Proprietary	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,650,868	$ 279,494	$ 2,794	$ 1,933,156
Payments to suppliers	(626,725)	(208,107)	-	(834,832)
Payments to employees	(332,624)	(78,031)	-	(410,655)
Other receipts (payments)	-	-	-	-
Net cash provided by operating activities	691,519	(6,644)	2,794	687,669
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental Grant	-	66,925	-	66,925
Funds returned to DCA			(26,953)	(26,953)
Loans receivable	-	-	16,266	16,266
Transfers In (Out)	(9,703)	1,413	-	(8,290)
Net cash (used) by Noncapital Financing Activities	(9,703)	68,338	(10,687)	47,948
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	65,940	-	-	65,940
Proceeds from sale of equipment	-	-	-	-
Acquisition and Construstion of Capital Assets	(267,486)	-	-	(267,486)
Principal paid on Revenue bonds & equipment debt	(322,068)	-	-	(322,068)
Interest paid on Revenue bonds & equipment debt	(14,859)	-	-	(14,859)
Other receipts (payments)	-	-	-	-
Net cash (used) by capital and related financing activities	(538,473)	-	-	(538,473)
CASH FLOWS FROM INVESTING ACTIVITIES				
	-	-	-	-
Interest	1,794	-	11	1,805
Net cash provided by investing activities	1,794	-	11	1,805
Net (decrease) in cash and cash equivalents	145,137	61,694	(7,882)	198,949
BALANCES BEGINNING OF THE YEAR	794,549	148,396	17,517	960,462
BALANCES END OF THE YEAR	$ 939,686	$ 210,090	$ 9,635	$ 1,159,411
Displayed As:				
Cash	$ 713,651	$ 210,090	$ 9,635	$ 933,376
Restricted cash	226,035	-	-	226,035
CASH BALANCE END OF YEAR	$ 939,686	$ 210,090	$ 9,635	$ 1,159,411
Noncash Transactions:				
Contribution of Capital Assets	260,749	-	-	260,749

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

City of Blackshear, Georgia
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2019

	Enterprise Funds			
	Water and Sewer	Solid Waste	Other Proprietary	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 96,897	$ (25,990)	$ 2,794	$ 73,701
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	382,444	-	-	382,444
Change in assets and liabilities:				
Receivables	57,274	(4,208)	-	53,066
Due from other funds	136,497	-	-	136,497
Due from other Governments	22,874	-	-	22,874
Prepaid	500	-	-	500
Deferred Outflows of Resources	(1,185)	15,799	-	14,614
Accounts and other payables	20,279	14,774	-	35,053
Due to Other Funds	(82,601)	-	-	(82,601)
Defered Inflows of Resources	26,327	4,210	-	30,537
Accrued expenses	-	-	-	-
Net Pension Liability	(3,252)	(11,229)	-	(14,481)
Deposits	35,465	-	-	35,465
Net cash provided by operating activities	$ 691,519	$ (6,644)	$ 2,794	$ 687,669

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Blackshear, Georgia
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City of Blackshear, Georgia
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The City of Blackshear, Georgia (the "City") is a Georgia municipal corporation and operates under a charter and a mayor/council form of government.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. For it's enterprise funds, the City applies any FASB statements and interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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

1-A. Reporting Entity

The reporting entity is comprised of the primary government, and other organizations that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Discretely presented component units generally are reported only at the government-wide financial reporting level.

Discretely Presented Component Units - Based on the GASB criteria, the City has no entities that qualify as discretely presented component units.

Blended Component Units - Based on the GASB criteria, the City has no entities that qualify as blended component units.

1-B. Basis of Presentation

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-wide Financial Statements - The government-wide financial statements include a statement of net position and a statement of activities. These statements report financial information for the City as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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

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

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

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

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

> ***General Fund*** - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.
>
> **Capital Project Funds:**
>
> The 2014 Special Local Option Sales Tax Fund is to account for the acquisition and construction of major facilities as required by the resolution.
>
> **Special Revenue Funds:**
>
> The Police Fines and Forfeitures fund is to account of the Revenue from the police seizures and forfeitures and the related expenditures.

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

> ***Water and Sewer System Fund*** - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the City.
>
> **Solid Waste Fund**- To account for the collection of funds for the removal and disposal of yard and other waste material.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-C. Measurement Focus

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

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

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

1-D. Basis of Accounting

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 4-c) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue form non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

Unearned Revenue:

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity

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

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

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

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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

1-E-2. Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed.

1-E-3. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure in the year in which the services are consumed. At the fund reporting level, an equal amount of fund balance in reserved as this amount is not available for general appropriation.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-4 Receivables:

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Accounts receivable comprise the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The majority receivable for the City is property taxes and grant receivable. Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property taxes are levied by the last quarter of the year in which they are assessed, or as soon after as deemed practical. Taxes are due and payable when levied. Property taxes are levied on all taxable real, public utility and personal property (including vehicles) located within the City. Assessed values for property tax purposes are determined by the Pierce County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia. The City of Blackshear may place liens on property once the related tax payments become delinquent.

The property tax calendar is as follows:

Beginning of year for taxes	January 1, 2018
Levy date and Millage Rate Established	August 20, 2018
Real Property Assessment Notice Mailed	May 25, 2018
City digest approved by the State of Georgia	October 21, 2018
Real Property tax bill rendered	October 20, 2018
Real Property tax payment due	December 20, 2018

1-E-5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement to net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consist of roads, bridges and water and sewer lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend as asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

The City of Blackshear is a Phase III Government in regards to the implementation of GASB 34. Therefore, the infrastructure included in these financial statements includes the infrastructure added since GASB 34 was implemented. Infrastructure prior to the implementation of GASB 34 is not included.

All reported capital assets are depreciated except for land, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	20 years	20 years
Buildings and plant	40 years	40 years
Machinery and equipment	5 - 10 years	5 - 30 years
Vehicles	8 years	8 years
Infrastructure	10 - 65 years	0
System Improvements Water & Sewer	0	30-40 Years

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003.

It is the City's policy not to capitalize interest during construction.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6. Compensated Absences

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

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

1-E-8. Bond Premiums, Discounts and Issuance Cost

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable and bonds payable and bond issuance costs are expensed in the period incurred.

1-E-9. Fund Equity

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9. Fund Equity (Continued)

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because that are either (a) no in spendable form (I.E., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

Assigned - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted or committed. Through resolution, the City Council has authorized the City's Mayor 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.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance. It is the City's policy to use fund balance in the following order:

Committed
Assigned
Unassigned

Net Position- Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e., the amount the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net positions are reported as unrestricted .

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10. Operating and non-operating revenues and expenses: Revenues and Expense

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and or services. Also included are all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as needed.

Expenditures/expenses:

In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, governmental fund expenditures are classifies by character i.e. current (further classified by function), debt service, and capital outlay. Proprietary fund expenses are classified as operating and non-operating.

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

1-E-11. Contributions of Capital

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

1-E-12. Interfund Activity

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

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

1-E-12. Interfund Activity (continue)

Policy for eliminating internal activity in government-wide statements:

Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

Internal activities- amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for for the net amount of transfers between governmental and business-type activities, which are reported as transfers-internal activities.

The effect of interfund services between funds is not eliminated in the statement of activities.

1-E-13. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information - The City adopts an annual operating budget for the general fund and enterprise fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds budgets are adopted on the modified accrual basis of accounting. The budget for the enterprise funds are prepared on the accrual basis of accounting.

The City Charter established the fiscal year as the twelve-month period beginning July 1. The departments submit to the City Administer a budget of estimated expenditures for the ensuing fiscal year after which the City Administer subsequently submits a budget of estimated expenditures and revenues to the City Council by May 1.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

Prior to May 1, the City's Financial Management prepares a proposed budget for the fiscal year commencing July 1.

The City's Financial Management submits the proposed budget to the Mayor and Council.

Public hearings are held to obtain taxpayer's comments.

The budget is legally enacted through the passage of a resolution.

All revisions to the budget must be submitted to the City Council for approval.

Budgetary appropriations lapse at the end of the fiscal year.

Encumbrances - The City does not use encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

The City Council may transfer funds from one object or purpose to another within the same department.

The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

3. Excess of Expenditures Over Appropriations

The General fund had expenditures over appropriations for the year ended June 30, 2019.

Fund	Appropriation	Expenditures	Over-Appropriation
General:			
Public Safety	$ 1,434,094	$1,480,235	$ 46,141
Public Works	$ 454,813	$ 502,596	$ 47,783

Note 4 - Detailed Notes on All Funds

4. Receivables

Receivables at June 30, 2019, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

The receivable between the general fund and the water and sewer fund is cash advanced to the water and sewer fund which will be repaid within one year.

NOTE 4. RECEIVABLES AND PAYABLES

Receivables

Receivables at June 30, 2019 were as follows:

	Accounts	Taxes	Due from Other Gov't	Notes	Interest	Total
Governmental activities:						
General	$ 7,715	$ 302,035	$ 7,650	$ -	6,702	$ 324,102
Special revenue	-		-	-	-	-
Capital projects	-	-	147,635	-	-	147,635
Total governmental activities	$ 7,715	$ 302,035	$ 155,285	$ -	6,702	$ 471,737
Business-type activities:						
Water and Sewer	$ 333,238	$ -	$ -	$ 324,651	-	$ 657,889
Solid Waste	64,982	-	-	-	-	64,982
Revolving Loan	-	-	-	84,524	-	84,524
Total business-type activities	$ 398,220	$ -	$ -	$ 409,175	-	$ 807,395

Payables at June 30, 2019, were as follows:

Governmental activities:	Vendors	Salaries/ Benefits	Accrued Interest	Other	Total Payables
General	$ 25,051	$ -	$ 5,948	$ -	30,999
Special revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Total governmental activities	$ 25,051	$ -	$ -	$ -	30,999
Business-type activities:					
Water and Sewer	$ 61,384	$ -	$ -	$ -	61,384
Solid Waste	55,081	-	-	-	55,081
Revolving loan	-	-	-	-	-
Total business-type activities	$ 116,465	$ -	$ -	$ -	116,465

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

Primary Government

Governmental activities--Net Position Invested in Capital Assets Net of Related Debts:

	Beginning Balance	Increase	Decrease	Ending Balance
Not being depreciated:				
Land	$ 770,000	$ 44,453	$ -	$ 814,453
Being depreciated:				
Buildings	1,806,533	47,133	-	1,853,666
Equipment	3,060,616	489,186	131,375	3,418,427
Infrastructure	4,287,556	48,115	-	4,335,671
Totals	9,154,705	584,434	131,375	9,607,764
Less accumulated depreciation for:				
Buildings	1,015,405	53,867	-	1,069,272
Equipment	1,863,537	150,138	131,375	1,882,300
Infrastructure	801,568	130,867	-	932,435
Totals	3,680,510	334,872	131,375	3,884,007
Depreciable-net	5,474,195	249,562	-	5,723,757
Capital Assets-Net	6,244,195	294,015	-	6,538,210
Note Payable	163,932	-	41,628	122,304
Note Payable	263,000	-	24,028	238,972
Note Payable	36,827	-	18,102	18,725
Totals	463,759	-	83,758	380,001
Net Investment in Capital Assets	$ 5,780,436	$ 294,015	$ 83,758	$ 6,158,209

Current year increases in the accumulated depreciation of the capital assets were allocated to the governmental functional activities as follows:

General government	$ 13,473
Police	65,124
Fire	61,777
Public Works	170,494
Parks and recreation	24,004
Total	$ 334,872

NOTE 5. CAPITAL ASSETS (CONT'D)

Business-type activities-Net Position Invested in Capital Assets Net of Related Debts:

	Beginning Balance	Increase	Decrease	Ending Balance
Not being depreciated:				
Construction in progress	$ 1,071,164	$ 528,235	$ -	$ 1,599,399
Land	644,147	-	-	644,147
Total	1,715,311	528,235	-	2,243,546
Being depreciated:				
Buildings	74,717	-	-	74,717
System Improvements	13,112,291	-	-	13,112,291
Total	13,187,008	-	-	13,187,008
Less accumulated depreciation for:				
Buildings	74,700	17	-	74,717
Systems Improvements	8,336,837	382,427	-	8,719,264
Total	8,411,537	382,444	-	8,793,981
Depreciable-net	4,775,471	(382,444)	-	4,393,027
Capital Assets-Net	6,490,782	145,791	-	6,636,573
Notes Payable	-	-	-	-
Notes Payable	347,525	-	22,874	324,651
Notes Payable	299,194	-	299,194	-
Notes Payable	515,860	65,940	-	581,800
Total	1,162,579	65,940	322,068	906,451
Capital Assets Net of Related Debt	$ 5,328,203	$ 79,851	$ (322,068)	$ 5,730,122

NOTE 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows of Resources

Statement of Net Position:

In addition to assets, the statement of net position reports a separate section for deferred expenses. This separate financial statement element, *deferred outflows of resources,* represents a decrease in net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The City reports two of these items.

The deferred outflows of resources are reported in the Statement of Net Postion in the Governmental Activities and the Business-type Activities as follows:

NOTE 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

Statement of Net Position:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflow of Resources-Pensions	$ 159,088	$ 33,209	$ 192,297

The reporting requirements of GASB 68 Accounting and Financial Reporting for Pensions and is timing difference between the January 1, 2019 year end of the Actuarial Valuation and Review of the Georgia Municipal Employees Benefit System and the June 30, 2019 of the City.

The Deferred Outflow of Resources--Pensions consists of the following:

	Governmental Activities	Water & Sewer	Solid Waste	Totals
Contributions subsequent to the measurement date	$ 78,707	$ 12,109	$ 4,319	$ 95,135
Differences between expected and actuarial experience	65,557	10,088	3,598	79,242
(Gain)/Loss due to assumption change	14,824	2,283	813	17,920
	$ 159,088	$ 24,479	$ 8,730	$ 192,297

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so ill not be recognized as an inflow of resources (revenue) until that time. The City reports three of these items.

Statement of Net Position:

The Deferred Outflow of Resources--Pensions consists of the following:

	Governmental Activities	Water & Sewer	Solid Waste	Totals
Differences between projected and actual investment earnings	$ 76,725	$ 11,806	$ 4,210	$ 92,741

NOTE 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

Deferred Inflows of Resources

The Deferred Inflows of Resources are reported on the Governmental Funds Balance Sheet as follows:

General Fund	$ 115,956
Capital Project 2014 SPLOST	43,750
Other Governmenal Funds	5,500
Total	$ 165,206

Governmental Funds:
Balance Sheet

General Fund:

Local Option Sales Tax	$ 36,500
Property Taxes	79,456
Total General Fund	$ 115,956

2014 SPLOST:

Special Local Option Sales Taxes	$ 43,750

Other Governmental Funds:

Transporation SPLOST:

Transporation Special Local Option Sales Tax	$ 5,500

These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

NOTE 7. INTERFUND BALANCES AND ACTIVITY

Transfers:

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Fund Transferred From:	Fund Transferred To:	Amount	Purpose
General Fund	Solid Waste Fund	$ 1,413	To pay current operations.
General Fund	Capital Improvement Fund	141,845	To purchase capital assets
Water and Sewer Fund	Multi Purpose Building	9,703	To provide for payment of note
Capital Improvement Fund	Multi Purpose Building	38,813	To provide for payment of note

Interfund Balances:

Interfund balances at June 30, 2019 consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

Receivable Fund:	Payable Fund	Amount
General fund	Water and Sewer Fund	$ 192,555
General fund	Transporation SPLOST	$ 100

All interfund balances are due either to timing differences within the various funds. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2019.

NOTE 8. LONG-TERM OBLIGATIONS

Governmental Activities:	Outstanding 7/1/2018	Additions	Deductions	Outstanding 6/30/2019	Due In one year	Due In more than one year
Note payable	$ 163,932	-	$ 41,628	$ 122,304	$ 40,214	$ 82,090
Note payable	263,000	-	24,028	238,972	23,856	215,116
Note payable	36,827	-	18,102	18,725	18,725	-
Compensated absences	234,766	32,640	75,980	191,426	-	191,426
Total governmental activities	$ 698,525	$ 32,640	$ 159,738	$ 571,427	$ 82,795	$ 488,632

Notes Payable:

The City entered into a note with the United States Department of Agriculture in April of 2002 for the purpose of constructing a Multi Purpose Building to house the City Fire, Police and Public Works. The original principal portion of the loan was $606,000. The repayment is as follows $28,785 due April 16, 2003 with $4,043 due the 16th of each month thereafter for a period of 20 years at 4.750%.

Year Ended	Principal	Interest	Total Princ & Interest
6/30/2020	$ 40,214	9,625	$ 49,839
6/30/2021	41,537	8,302	49,839
6/30/2022	40,553	6,979	47,532
6/30/2023	-	-	-
6/30/2024	-	-	-
6/30/2025-2029	-	-	-
6/30/2030-2034	-	-	-
Totals	$ 122,304	$ 24,906	$ 147,210

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

The City entered into a note with the United States Department of Agriculture in June of 2017 for the purpose of purchasing a fire truck for the public safety. The original principal portion of the note was $263,000. The repayment is to be in ten annual installments of $30,349.55 at 2.75% interest. The payments are to began on September 15, 2018.

Year Ended	Principal	Interest	Total
6/30/2020	$ 23,856	6,494	30,350
6/30/2021	24,501	5,849	30,350
6/30/2022	25,175	5,175	30,350
6/30/2023	25,868	4,482	30,350
6/30/2024	26,581	3,769	30,350
6/30/2025-2029	112,991	7,663	120,654
6/30/2030-2034	-	-	-
Totals	$ 238,972	$ 33,432	$ 272,404

The City entered into a note with a bank On August 18, 2017 for the purchase of two (2) Ford Explorer police vehicles. The original principal portion of the note is $54,532.00, the note is to be repaid in three (3) annual installments with two (2) of the installments to be $19,483.08 and one annual installment of $19,427.00 at an annual reate of 3.75% interest. The payments will begin on July 1, 2018.

Year Ended	Principal	Interest	Total
6/30/2020	$ 18,725	702	19,427
6/30/2021	-	-	-
6/30/2022	-	-	-
6/30/2023	-	-	-
6/30/2024	-	-	-
6/30/2025-2029	-	-	-
6/30/2030-2034	-	-	-
Totals	$ 18,725	$ 702	$ 19,427

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Compensated Absences:

	Balance 6/30/18	Additions	Deductions	Balance 6/30/2019
Compensated absences:	$ 234,766	$ 32,640	$ 75,980	$ 191,426

The compensated absences are expected to be paid from the fund benefited.

Governmental Funds:	General Fund
Prpprietary Funds:	Water and Sewer Fund Solid Waste Fund

The pension liabilities are expected to be paid from the fund benefited.

Governmental Funds:	General Fund
Prpprietary Funds:	Water and Sewer Fund Solid Waste Fund

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Business type activities:

Business type activities:	Outstanding 7/1/2018	Additions	Deductions	Outstanding 6/30/2019	Due In one year	Due In more than one year
Note payable	$ 299,194	$ -	$ 299,194	$ -	$ -	$ -
Note payable	347,525	-	22,874	324,651	23,630	301,021
Note Payable	515,860	65,940	-	581,800	-	581,800
Note Payable	-	-	-	-	-	-
Total business type activitie:	$ 1,162,579	$ 65,940	$ 322,068	$ 906,451	$ 23,630	$ 882,821

The following schedules represent the annual requirements to amortize the notes outstanding at June 30, 2019.

Water and Sewer Promissory Note entered August 4, 2004 in the amount of $2,500,000. Issued at an interest rebate of 4.10% for the purpose of paying off GEFA Loans and providing funding for the additional construction of the sewer treatment facilities. The bonds will mature on June 1, 2020. The bonds will be interest only thru June 1, 2006 then 52 quarterly installments to be paid on March 1, June 1, September 1 and December 1.

Year Ended	Interest Rate	Principal	Interest	Total Requirement
6/30/2019	4.10%	-	-	-
6/30/2020	4.10%	-	-	-
6/30/2021	4.10%	-	-	-
6/30/2022	4.10%	-	-	-
6/30/2023	4.10%	-	-	-
6/30/2024-2028	4.10%	-	-	-
6/30/2029-2033	4.10%	-	-	-
Totals		$ -	$ -	$ -

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Water and Sewer Promissary Note: Issued February 8, 2011 in the amount of $498,000.00 at an interest rebate of 3.25% for the purpose of providing water and sewer to a school for the Board of Education. The note is with the United States Department of Agriculture. The City then entered into an Intergovernmental Contract with the Board of Education on March 17, 2011 whereby the Board of Education will pay the City $498,000 at a reate of 3.25% in equal monthly installmets of $2,829.00 monthly for a period of twenty years. The City is responsible to the United States Department of Agriculture to pay monthly installments of $2,829.00 monthly for a period of 20 years with the first payment to be due on March 8, 2011 and continue as provided below:

Year Ended	Interest Rate	Principal	Interest	Total Requirement
6/30/2020	3.25%	23,630	11,074	34,704
6/30/2021	3.25%	24,386	10,318	34,704
6/30/2022	3.25%	25,144	9,562	34,706
6/30/2023	3.25%	25,902	8,804	34,706
6/30/2024	3.25%	26,660	11,046	37,706
6/30/2025-2029	3.25%	130,368	39,372	169,740
6/30/2030-2034	3.25%	68,561	16,402	84,963
6/30/2035-2039	3.25%	-	-	-
Totals		$ 324,651	$ 106,578	$ 431,229

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Water and Sewer Promissory Note: Issued July 7, 2017 in the amount of $5,667,000 from the Georgia Environmental Finance Authority, and the Clean Water State Revolving Fund. The Purpose of the loan is to build a Sewage Treatment Facility. The interest rate is 0.50% per annum. Accrued interest shall be payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the Completion Date, (2) March 1, 2019, or (3) the date that the loan evidenced by the Note is fully disbursed. Principal of and interest on this note shall be payable in Fifty-Nine (59) consecutive monthly installments equal to the installment amount, commencing on the first day of the calendar month following the Amortization Commencement Date, and continuing to be due on the first day of each succeeding calendar month thereafter, together with a final installment equal to the entire remaining unpaid principal balance of and all accrued interest on this Note, which shall be due and payable on the date that is five years from the Amortization Commencement Date. The drawdowns on this note as of the year ended June 30, 2019 is $581,800,

Year Ended	Interest Rate	Principal	Interest	Total Requirement
6/30/2019	0.50%	-	-	-
6/30/2020	0.50%	-	-	-
6/30/2021	0.50%	-	-	-
6/30/2022	0.50%	-	-	-
6/30/2023	0.50%	-	-	-
6/30/2024-2028	0.50%	-	-	-
6/30/2029-2033	0.50%	-	-	-
6/30/2034-2038	0.50%	-	-	-
Totals		$ -	$ -	$ -

Operating Lease:

The City entered into an operating lease for equipment for the Water and Sewer Department. The lease contract was dated February 22, 2018 through February 27, 2023 The lease calls for monthly rentals of 60 equal payments of $1,079.18 the first payment to be due at signing and each 23rd day of the month thereafter. The lease payments are as follows:

6/30/2020	12,950
6/30/2021	12,950
6/30/2022	12,950
6/30/2023	7,166
6/30/2024	-
6/30/2024-2028	-
6/30/2029-2033	-
6/30/2034-2038	$ -

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Annual debt service requirements to amortize all obligations outstanding, as of June 30, 2019 are as follows:

Governmental Type Activities

	Capital Lease		Note Payable		Totals	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2020	-	-	82,795	16,821	82,795	16,821
2021	-	-	66,038	14,151	66,038	14,151
2022	-	-	65,728	12,154	65,728	12,154
2023	-	-	25,868	4,482	25,868	4,482
2024	-	-	26,581	3,769	26,581	3,769
2025-2029	-	-	112,991	7,663	112,991	7,663
2030-2033	-	-	-	-	-	-
2034-2038			-	-	-	-
	$ -	$ -	$ 380,001	$ 59,040	$ 380,001	$ 59,040

Business Type Activities

	Bonds		Note Payable		Totals	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ -	-	$ 23,630	11,074	$ 23,630	$ 11,074
2021	-	-	24,386	10,318	24,386	10,318
2022	-	-	25,144	9,562	25,144	9,562
2023	-	-	25,902	8,804	25,902	8,804
2024			26,660	11,046	26,660	11,046
2025-2029	-	-	130,368	39,372	130,368	39,372
2030-2033	-	-	68,561	16,402	68,561	16,402
2034-2038	-	-	-	-	-	-
	$ -	$ -	$ 324,651	$ 106,578	$ 324,651	$ 106,578

Note: The amount in the Note Payable Principal total does not include the Water and Sewer Promissory Note to the Georgia Environmental Finance Authority for the purpose of constructing a waste water treatment facility. The principal balance of the note at June 30, 2019 was $581,800. It is not included above as it was not in repayment at June 30, 2019. The City was paying interest only.

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Capitalization of Interest

It is the City's policy not to capatilize interest.

Note 9. PENSIONS

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

Plan Description--The City contributes to the City of Blackshear Retirement Plan, which participating member in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer defined contribution pension plan. O.C.G.A. Section 47-5-1 et Seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the GEMBS to the respective employer entities. For the City of Blackshear Retirement Plan, that authority rests with the City of Blackshear, Georgia. It is the responsibility of GMEBS to function as the investment and administrative agent for the City of Blackshear, Georgia with respect to the pension plan. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employee Benefit Systems, 201 Pryor Street, SW, Atlanta, Georgia 30303 or calling (404) 688-0472.

Benefits Provided. CBPP provides retirement, disability, and death benefits. Retirement benefits are determined as 1.25 percent of the employee's final 3-year average compensation times the employee's years of service. Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits. As a result of this change, all Employees are now included in the valuation. Elected officials are not covered. The employees are vested after five years. The normal retirement age is sixty five plus five years with the early retirement age being fifty five plus ten years.

Contributions - The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet the applicable state funding standards. Under the City of Blackshear's Pension Plan, the City makes 100% of the contributions to the plan. The contractually required contributions, which are actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions actuarially calculated for the year ended June 30, 2019 $95,149, contributions paid by City $95,149 the total expensed $95,149. Total contributions by employees for the year ended June 30, 2019 $0.00.

Note 9. PENSIONS

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

At June 30, 2019, the City reported the net pension liability. The amount recognized by the City as the net pension liability were as follows:

City's Net Pension Liability:	
Governmental Activities	$ 339,694
Business-Type Activities	70,889
total Net Pension Liability	$ 410,583

The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan. Actuarially determined at September 30, 2018.

	For Year Ended	
	June 30, 2019	June 30, 2018
The Discount Rate:	7.50%	7.50%

Net Pension Liability: Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2017 (*)	$ 1,959,357	$ 1,578,487	$ 380,870
Changes for the year:			
Service Cost	42,266	-	42,266
Interest	145,222	-	145,222
Differences between expected and actual experiences	67,547	-	67,547
contributions--employer	-	79,646	(79,646)
Contributions--employee	-	-	-
Net investment income	-	154,885	(154,885)
Benefit payments, including refunds of employee contributions	(130,670)	(130,670)	-
Administrative expense	-	(9,209)	9,209
Other	-	-	-
Net Changes	124,365	94,652	29,713
Balances at September 30, 2018 (**)	$ 2,083,722	$ 1,673,139	$ 410,583

Note 9. PENSIONS

Sensitivity of the Net Pension Liability to Changes in the Discount Rate	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	$ 660,792	$ 410,583	$ 202,613

(*) Entry age Normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018.. The balances as of September 30, 2018 constitute measurements of the NPL for the fiscal year ending June 30, 2019.

(**) Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018. The balances as of September 30, 2018 constitute measurements of the NPL for the fiscal year ending June 30, 2019.

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

Pension expenses for the year ended June 30, 2019:

Service Cost	$ 42,266
Interest on The Pension Liability (TPL)	145,222
Employee contributions	-
Administrative expense	9,209
Expected return on assets	(116,128)
Expensed portion of current year period differences expected and actual experience in TPL	13,511
Expensed portion of current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	(7,753)
Current year recognition of deferred inflows and outflows established in prior years	8,490
Total Expense	$ 94,817

$95,135 reported as deferred of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension as follows:

Note 9. PENSIONS

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension:

	Year Established	Outstanding Balance at July 1, 2018	Amount Recognized During FYE June 30, 2018	Outstanding Balance at June 30, 2019
Projected recognition of deferred outflows due to differences between expected and acturial experience in TPL.				
Fiscal year Outflows				
Demographic	2015	10,647	10,647	-
Demographic	2016	16,708	8,354	8,354
Demographic	2017	2,904	968	1,936
Demographic	2018	19,888	4,972	14,916
Demographic	2019	67,547	13,511	54,036
Total Outflows		117,694	38,452	79,242
Projected recognitionof deferred outflows due to assumption changes"				
Fiscal year Outflows				
Assumition	2018	23,892	5,973	17,919
Total Outflows		141,586	44,425	97,161

Deferred Outflows//(Inflows) due to the difference between projected and actual investment earnings.

	Year Established	Outstanding Balance at July 1, 2018	Amount Recognized During FYE June 30, 2018	Outstanding Balance at June 30, 2019
Projected recognition of deferred outflows//(inflows) due to difference between projected and actual investment earnings:				
Fiscal Year Outflows:				
Investments	2016	33,744	16,782	16,872
Fiscal year Inflows				
Investment	2015	(8,819)	(8,819)	-
Investment	2017	(26,370)	(8,790)	(17,580)
Investment	2018	(81,372)	(20,343)	(61,029)
Investment	2019	(38,757)	(7,753)	(31,004)
Total Inflows		(155,318)	(45,705)	(109,613)
total		(121,574)	(28,923)	(92,741)

Note 9. PENSIONS

FYE June 30	Deferred Outflows	Deferred Inflows
2015	-	-
2016	8,354	16,872
2017	1,936	(17,580)
2018	32,835	(61,029)
2019	54,036	(31,004)
	$ 97,161	$ (92,741)

	Deferred Outflows	Deferred Inflows
Contributions subsequent to measurement date	$ 95,135	-
Demographic	79,242	-
Investment	-	92,741
Assumption Change	17,920	-
Total	192,297	92,741

Deferred outflows of resources and deferred inflow of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as the net deferred outflow of resources related to pension or a net deferred inflow of resources related to pensions. Therefore the deferred outflow/inflow of resources related to pension is shown on the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows	159,088	33,209	192,297
Deferred Inflows	76,725	16,016	92,741

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2019, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2019

Actuarial Cost Method: Projected Unit Credit. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service.

Amortization Method: Closed level dollar for remaining unfunded liability

Note 9. PENSIONS

Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years		
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, necessary, to be within 20% of market value.		
Actuarial assumptions:			
Net investment rate of return		7.50%	On-going basis, based on long-term expected rate of return on pension plan investments.
Projected salary increases		2.75% plus service based merit increases	
Retirement Rates:		Age	Annual Rate %
	Employees	65-69	60%
		70 and Over	100%
	Retirement Age for Inactive Vested Participants:	65	
	Form of Payment	Life Annuity	
Social security wage base increase:		2.75%	
Cost of living adjustments		0.00%	

Experience Studies:

The investment return and inflation assumptions used to value the Plan were approved in December, 2017 by the Board based on an experience study conducted in September 2017.

The remaining assumptions and methods used to value the Plan were approved in December, 2014 by the Board of Trustees based on an experience study for the period January 1, 2010 through June 30, 2014

Future actuarial measurements may differ significantly from the current measurements in the due to such factors as the following: plan experience differing from that anticipated by the economic or or demographic assumptions; changes in economic or demographic economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

Note 9. PENSIONS

Membership of the Plan:
The valuation was made with respect to the following data:

Pensioners as of the valuation date (including 2 beneficiaries) currently receiving benefits		24
Participants inactive during year ended December 31, 2018 with vested rights		17
Participants active during the year ended December 31, 2018 officials) (including 0 elected officials):		35
Active Employees Fully vested	22	
Active Employees Not vested	13	

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$ 57,732
Present value of future benefits		2,403,567
Actuarial accrued liability:		1,891,542
Pensioners and beneficiaries	$ 1,078,624	
Inactive participants with vested rights	218,301	
Active participants	594,617	
Actuarial value of assets ($1,673,139 at market value)		1,600,775
Unfunded/(Surplus) actuarial accrued liability		$ 290,767

Actuarial Methods and Assumptions:

Changes of assumptions:
Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%

Benefit changes:

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

Note 9. PENSIONS

The Social Security wage base increase assumption was reduced from 3.25% to 2.75% This salary increase rates were reduced by 0.50% for all years of service, consistent with the reduction in the inflation assumption.
There were no other changes in methods or assumptions.

The determination of the recommended contribution is as follows:	Year Beginning July 1, 2019	Year Beginning July 1, 2018
Total benefit normal cost	$ 48,792	$ 47,986
Administrative expenses	8,940	8,751
Expected employee contributions	-	-
Employer normal cost	57,732	56,737
Actuarial accrued liability at valuation date	1,891,542	1,790,631
Actuarial value of assets at valuation date	1,600,775	1,539,745
Unfunded/(surplus) actuarial accrued liability	290,767	250,886
Payment on unfunded/(surplus) actuarial accrued liability*	40,856	35,033
Fully funding credit	-	-
Recommended mid-year contribution at valuation date	98,588	91,770
Adjustment to fiscal year **	3,630	3,379
Total recommended mid-year contribution, for fiscal year	$ 102,218	$ 95,149
Total recommended contribution as a percentage of expected payroll	7.97%	7.36%

The City made all scheduled contributions during the year ended June 30, 2019.

* Details of the amortization payment are show in Section 5, Exhibit II of the Actuarial Valuation and Review Report dated January 1, 2019.

** Fiscal Year Begins July 1,

Mortality Rates: Healthy: RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward tow years for males and one year for females.
Disabled: RP-2000 Disabled Retiree Mortality Table with sex-distinct rates,

Plan termination basis (all lives) 2.80% (3-year Treasury Securities Rate as of August 2017, published in September 217 2.26% last year)

The RP-2000 mortality tables were determined to contain sufficient provisions appropriate to reasonably reflect future mortality improvements based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

Note 9. PENSIONS

Net Investment Return:

Net investment rate of return 7.50% on-going basis, based on long-term expected rate of return on pension plan investments.

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 target allocation and best estimates of arithmetic real rates of return

The largest allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as as of March 1, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.40%
International Equity	20%	7.40%
Real Estate	10%	5.10%
Global Fixed Income	5%	3.03%
Domestic Fixed Income	20%	1.75%
Cash	0%	
Total	100%	

Plan termination basis: 3.04% (30 year Treasury Securities Rate as of August, 2018, published September, 2018; 2.80% last year

Discount Rate: The discount rate used to measure the total pension liability was 7.50% percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). This membership 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 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.

The City must participate at all times in at least one fund, which is established by GRIMA. 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 attorneys appointed by GIRMA to represent the City in investigation, settlement discussions 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 make 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 adjuster, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.

To furnish to GIRMA such budget, operating and underwriting information as may be requested.

Note 10 - RISK MANAGEMENT (Continued)

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 when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

The City retains the first $2,500 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to $2,500 deductible.

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 Worker's Compensation Law of Georgia, or on the basis or employer's liability, including suits or other proceedings alleging such injuries and demanding or 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 of defense.

Georgia Municipal Association Worker's Compensation Self-Insurance: The Liability of the fund to the employees of any employer City of Patterson is specifically limited to such obligations as are imposed by applicable state laws against the employer for worker's compensation and/or employer's liability.

As part of these risk pools, the City is obligated to pay all contributions and assessments as described by the pools. To cooperate with the pools agents and attorneys. To follow loss reduction procedures established by 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 claim of loss. The City is also to allow the pools agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigations arising out to any claim made against the City within the scope of loss protection furnished by the funds.

The funds are 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 Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The funds are to pay all costs taxes 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.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

Note 11 - CONTINGENT LIABILITIES

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

Note 12 - LANDFILL

The Georgia Environmental Protection Division has completed its evaluation of the technical and administrative data for the closure of the City's landfill.

The closure was in accordance with the provisions of the Gorgia Comprehensive Solid Waste Management Act O.C.G.A., 12-8-20 and the rules for Solid Waste Management Chapter 391-3-4.

The closure is conditioned upon the City complying with the conditions of monitoring as set by the Environmental Protection Division Department of Natural Resources for a period of five (5) years.

The City has completed its five (5) year monitoring period with no adverse finding.

After closing the City landfill, the City used the Pierce County landfill until Pierce County closed its landfill. The City then contracted with Southland Waste for the transport and disposal of its solid waste.

13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other municipalities and counties in the South Georgia is a member of the Southern Georgia Regional Commission Council (RCC). The RCC is comprised of 18 counties in the Southern Georgia area. Membership in the RCC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of the RCC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RCC. During its year ended June 30, 2019, the City paid $4,476 in RCC dues. Separate financial statements for the RCC are available from:

Southern Georgia Regional Commission Council
3395 Harris Road
Waycross, Georgia 31503

14. RELATED ORGANIZATION:

The Houding Authority of the City is considered a related organization based upon the criteria of GASB Statement 10. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authortiy of the City of Blackshear, Georgia is a related organization.

15. Subsequent Events:

the City has started a project to it's Waste Water Treatment Plant as follows:

The project will consist of wastewater treatment plant improvements, land application system upgrades, infiltration/inflow reduction involving gravity sewer pipeline rehabilitation, and demolition of two existing wastewater treatment facilities.

The expected project cost is $7,737,000. The project is to be funded by the United States Department of Agriculture loan and grant.
The project funding will be as follows:

USDA Loan	$ 5,667,000
USDA Grant	2,070,000
Total	$ 7,737,000

The interest rate will be the lower of the rate in effect at the time of loan approval or the time of the loan closing, unless the City requests otherwise.

For planning purposes the loan repayment is scheduled over a period of 40 years. Payments will be equal 480 amortized installments beginning one month after closing.

The loan will require a Debt Service Reserve, and a Short-Lived Asset Reserve be established.

The complete description of the project as well as the Grant, Loan and Reserve requirements is detailed in the Letter and other documents from the United States Department of Agriculture.

At June 30, 2019 the City was involved in two legal actions. The City will contest the cases vigorously. For these actions, the City has retained the services of defense counsel employed by the City's liability insurer.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

GENERAL FUND

A MAJOR FUND

The General Fund is the principal fund of the City and is used to account for all activities except those required to be accounted for in another fund.

City of Blackshear, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For The Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	$ 2,139,100	$ 2,139,100	$ 2,348,559	$ 209,459
License and Permits	92,660	92,660	87,732	(4,928)
Intergovernmental	5,500	5,500	-	(5,500)
Fines and forfeitures	116,580	116,580	124,631	8,051
Charges for services	84,250	84,250	155,967	71,717
Other	30,000	30,000	61,838	31,838
Interest	3,500	3,500	17,139	13,639
Total Revenues	2,471,590	2,471,590	2,795,866	324,276
Expenditures				
Current:				
General government:	387,285	335,285	333,645	1,640
Public safety:	1,339,094	1,434,094	1,480,235	(46,141)
Public works:	411,185	454,813	502,596	(47,783)
Culture and recreartion	38,896	38,896	14,257	24,639
Community development	-	65,000	60,421	4,579
TOTAL EXPENDITURES	2,176,460	2,328,088	2,391,154	(63,066)
Excess of revenues over (under) expenditures	295,130	143,502	404,712	261,210
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	5,869	5,869
Contingency	(151,628)	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(143,502)	(143,502)	(143,258)	244
TOTAL OTHER FINANCING SOURCES (USES)	(295,130)	(143,502)	(137,389)	6,113
Net change in fund balance	-	-	267,323	267,323
FUND BALANCE BEGINNING			2,007,442	2,007,442
FUND BALANCE ENDING	$ -	$ -	$ 2,274,765	$ 2,274,765

City of Blackshear, Georgia
Notes to the Budgetary Schedule
For The Year Ended June 30, 2019

The City's budget is prepared on the modified accrual basis for all governmental funds. The budget for the enterprise funds is prepared on the accrual basis. The budgets for all funds is prepared in accordance with Generally Accepted Accounting Principles as applied to a government.

The City prepares budgets for the funds as follows:

Governmental Funds:

Major Governmental Funds:
- General Fund

Capital Project Funds:
- 2014 SPLOST

Special Revenue Funds:
- Police Fines and Forfeitures

Non-Major Governmental Funds:

Special Revenue Funds:
- Hotel Motel Tax

Capital Project Funds:
- 2008 SPLOST Fund
- Transporation SPLOST
- Multi Purpose Building
- Capital Improvement Fund
- CDBG 14p-x-113-2-2231

Enterprise Funds:

Major Enterprise Funds:
- Water and Sewer Fund
- Solid Waste Fund

Non-Major Enterprise Funds:
- Revolving Loan Fund

Expenditures in excess of appropriations:	Appropriations:	Expenditures	Variance
Public safety:	$ 1,434,094	$ 1,480,235	$ (46,141)
Public works:	$ 454,813	$ 502,596	$ (47,783)

Required Supplementary Information

Pension Plan

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Pension Liability:										
Service Cost	$ 42,266	$ 40,361	$ 39,557	$ 35,999	$ 30,984					
Interest	145,222	138,148	132,677	124,541	116,188					
Difference between expected and actual experience	67,547	24,862	4,842	41,770	53,235					
Benefits payments, including refunds of employee contributions	(130,670)	(112,873)	(100,071)	(94,611)	(77,186)					
Other	-	29,863	-	-	(6,720)					
Net change in total pension liability	124,365	120,361	77,005	116,501	116,501					
Total pension liability:										
Beginning	1,959,357	1,838,996	1,761,991	1,654,292	1,537,791					
Ending (a)	$ 2,083,722	$ 1,959,357	$ 1,838,996	$ 1,770,793	$ 1,654,292					

(Historical Information prior to implementation of GASB 67/68 is not required)

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Plan fiduciary net position:										
Contributions--employer	$ 79,646	$ 83,769	$ 74,330	$ 66,805	$ 61,286					
Contributions--employee	-	-	-	-	-					
Net investment income	154,885	209,333	143,194	16,150	136,157					
Benefits payments, including refunds of employee contributions	(130,670)	(112,873)	(100,071)	(94,611)	(77,186)					
Administrative expense	(9,209)	(9,872)	(5,515)	(5,950)	(4,662)					
Other	-	-	-	-	-					
Net change in Fiduciary net position	94,652	170,357	111,938	(17,606)	115,595					
Plan fiduciary net position:										
Beginning	1,578,487	1,408,130	1,296,192	1,313,798	1,198,203					
Ending (b)	$ 1,673,139	$ 1,578,487	$ 1,408,130	$ 1,296,192	$ 1,313,798					

(Historical Information prior to implementation of GASB 67/68 is not required)

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's net pension liability ending: (a) - (b)	$ 410,583	$ 380,870	$ 430,866	$ 474,601	$ 340,494					
Plan fiduciary net position as a percentage of total pension liability	80.30%	80.56%	73.56%	73.56%	79.42%					
Covered employee payroll	$ 1,264,635	$ 1,276,200	$ 1,166,515	$ 1,180,197	$ 1,183,453					
Net pension liability as a percentage of covered employee payroll	32.47%	29.84%	39.47%	39.47%	28.77%					

(Historical Information prior to implementation of GASB 67/68 is not required)

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Schedule of Contributions:										
Actuarially determined contribution	*	$ 85,051	$ 83,342	$ 71,326	$ 65,298					
Contributions in relation to the actuarially determined contribution	*	$ 85,051	$ 83,342	$ 71,326	$ 65,298					
Contribution deficiency (excess)	*	*	$ -	$ -	$ -					
Covered-employee payroll	*	$ 1,276,200	$ 1,166,515	$ 1,180,197	$ 1,183,453					
Contribution as a percentage of covered employee payroll	*	6.66%	7.14%	6.04%	5.52%					

2019 information will be determined after fiscal year end and will be included in the 2020 valuation report.

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

2018 covered payroll is based on data collected as of September 30, 2017 for the 2018 actuarial valuation.

City of Blackshear, Georgia
Notes to Required Supplementary Information
Employees Pension Plan
Last 10 Fiscal Years *

Notes to Schedule of Contributions:

Valuation Date	The actuarially determined contribution rate was determined as of January 1, 2019, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2020.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

City of Blackshear, Georgia
Notes to Required Supplementary Information
Employees Pension Plan
Last 10 Fiscal Years *

Notes to Schedule of Contributions:

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%

Retirement Rates:

	Age	Annual Rate %
Employees	65-69	60
	70 and over	100

Retirement Age for Inactive:	
Vested Participants:	65
Form of Payment	Life Annuity
Mortality Rates:	
Healthily	RP-2000 Combined Healthily Mortality Table for sex-distinct rates, set forward two years for males and one year for females.
Disabled:	RP-200 Disabled Retiree Mortality Table with sex-distinct rates.
Plan termination basis (all lives):	1994 Group Annuity Reserving Unisex Table.

The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

City of Blackshear, Georgia
Notes to Required Supplementary Information
Employees Pension Plan
Last 10 Fiscal Years *

Actuarial Valuation History for Notes to Schedules:

Changes in Assumptions:

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

This inflation assumption was decreased from 3.25% to 2.75%.

Benefit Changes:

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

City of Blackshear, Georgia
Notes to Required Supplementary Information
Employees Pension Plan
Last 10 Fiscal Years *

Actuarial Valuation History for Notes to Schedules:

The valuation was made with respect to the following data:

Pensioners as of the valuation date (including 2 beneficiaries)		24
Participants inactive during the year ended December 31, 2018 with vested rights		17
Participants active during the year ended December 31, 2018 (including 0 elected officials)		35
Fully Vested	22	
Not Vested	13	

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$ 57,732
Present value of future benefits		2,403,567
Actuarial accrued liability:		1,891,542
Pensioners and beneficiaries	$ 1,078,624	
Inactive participants with vested rights	218,301	
Active participants	594,617	
Actuarial value of assets ($1,673,139 at market value)		1,600,775
Unfunded/(Surplus) actuarial accrued liability		290,767

NON-MAJOR GOVERNMENTAL FUNDS

Funds generally used to account for tax supported activities which include the non-major governmental funds and the capital project funds of the City.

City of Blackshear, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash	$ -	$ 376,249	$ 376,249
Intergovernmental Receivable	-	16,385	16,385
Tax receivable (net of	-	-	-
allowance for uncollectibles)	-	-	-
Interest receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Total Assets	$ -	$ 392,634	$ 392,634
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities			
Due to Other funds	$ -	$ 100	$ 100
Total Liabilities	-	100	100
Deferred Inflows of Resources	-	5,500	5,500
Total Liabilities and Deferred Inflow of Resources	-	5,600	5,600
Fund Balances			
Restricted:			
Public safety	-		-
Capital Projects	-	103,904	103,904
Committed:			
Public safety	-	-	-
Capital Projects	-	283,130	283,130
TOTAL FUND BALANCE	-	387,034	387,034
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 392,634	$ 392,634

City of Blackshear, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	$ 33,381	$ -	$ 33,381
Intergovernmental	-	117,189	117,189
Fines and Forfeitures	-	-	-
Interest	-	430	430
Other	-	10,850	10,850
Total Revenues	33,381	128,469	161,850
Expenditures:			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Tourism and Economic Development	33,381	-	33,381
Capital Outlay:			
General Government	-	4,965	4,965
Public Safety	-	132,663	132,663
Public Works	-	128,838	128,838
Utilities		22,981	22,981
Debt Service:			
Principal	-	83,759	83,759
Interest	-	14,601	14,601
Total Expenditures	33,381	387,807	421,188
Excess of Revenues Over (Under) Expenditures	-	(259,338)	(259,338)
Other Financing Sources			
Proceeds of Capital Lease	-	-	-
Transfers In	-	190,361	190,361
Transfers (Out)	-	(38,813)	(38,813)
Total Other Financing Sources	-	151,548	151,548
Net Change in Fund Balances	-	(107,790)	(107,790)
Fund Balance Beginning	-	494,824	494,824
Fund Balance Ending	$ -	$ 387,034	$ 387,034

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditures for particular purposes.

The City's Non-Major Special Revenue Funds are as follows:

Hotel/Motel Tax Fund

NON-MAJOR SPECIAL REVENUE FUNDS

Hotel/Motel Tax Fund: To account for the cash received from the hotel/motel tax.

City of Blackshear, Georgia
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2019

ASSETS:	
Cash	$ -
TOTAL ASSETS	$ -
LIABILITIES AND FUND BALANCE:	
LIABILITIES	
Accounts Payable	$ -
TOTAL LIABILITIES	-
FUND BALANCES	
Restricted:	
Public safety	-
TOTAL FUND BALANCES	-
TOTAL LIABILITIES AND FUND BALANCES	$ -

City of Blackshear, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For The Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES:	$	$	$	$
Taxes	34,000	34,000	33,381	(619)
Interest	-	-	-	-
TOTAL REVENUES	34,000	34,000	33,381	(619)
EXPENDITURES:				
Current:				
Tourism and Economic Development	34,000	34,000	33,381	619
Capital Outlay:				
Community Development	-	-	-	-
TOTAL EXPENDITURES	34,000	34,000	33,381	619
Excess (deficiency) of Revenues over (under) Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE BEGINNING	-	-	-	-
FUND BALANCE ENDING	$ -	$ -	$ -	$ -

NON-MAJOR CAPITAL PROJECTS FUNDS

The Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary of trust funds.

The City's Non-Major Capital Project Funds are as follows:

Multiple Purpose Building Fund
Capital Improvement Fund
2008 SPLOST
CDBG 14p-x-113-2-2231
Transportation SPLOST

NON-MAJOR CAPITAL PROJECTS FUNDS

Multi Purpose Building Fund:	To account for funds for the City's Multi Purpose Building.
Capital Improvement Fund:	To account for funds accumulated for the purpose of purchasing and maintaining major capital assets.
2008 SPLOST	To account for funds provided by the 2008 SPLOST, to be used as provided by the 2008 SPLOST documents.
CDBG 14p-x-113-2-2231	To account for funds provided by the CDBG 14p-x-113-2-2231 and for the use of these funds in accordance with the Grant agreement.
Transportation SPLOST	To account for funds provided by the Transportation SPLOST, to be used as provided by the Transportation SPLOST documents.

City of Blackshear, Georgia
All Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2019

	Capital Project Funds					
	Multiple Purpose Building	Capital Improvements Fund	2008 SPLOST	CDBG 14p x-113-2 2231	Transporation SPLOST	Total Nonmajor Capital ProJect Funds
Assets						
Cash	$ 3,992	$ 279,138	$ 49,428	$ -	$ 43,691	$ 376,249
Intergovernmental Receivables	-	-	-	-	16,385	16,385
Receivable - Other	-	-	-	-	-	-
Receivable - Grant	-	-	-	-	-	-
Taxes Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Total Assets	$ 3,992	$ 279,138	$ 49,428	$ -	$ 60,076	$ 392,634
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Due to Other Funds	$ -	$ -	$ -	$ -	$ 100	$ 100
Total Liabilities	-	-	-	-	100	100
Deferred Inflows of Resources	-	-	-	-	5,500	5,500
Total Liabilities and Deferred Inflow of Resources	-	-	-	-	5,600	5,600
Fund Balances						
Restricted:						
Capital Projects	-	-	49,428	-	54,476	103,904
Committed:						
Captial projects	3,992	279,138	$ -	$ -	$ -	283,130
Total Fund Balances	3,992	279,138	$ 49,428	$ -	$ 54,476	387,034
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 3,992	$ 279,138	$ 49,428	$ -	$ 60,076	$ 392,634

City of Blackshear, Georgia
All Nonmajor Capital Project Funds
Combing Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

	Capital Project Funds					
	Multiple Purpose Building	Captial Improvements Fund	2008 SPLOST	CDBG 14p x-113-2 22331	Transporation SPLOST	Total Nonmajor Capital Project Funds
Revenues						
Intergovernmental	$ -	$ 62,713	$ -	$ -	$ 54,476	$ 117,189
Other revenue	-	8,600	2,250	-	-	10,850
Interest	-	280	150	-	-	430
Total Revenues	-	71,593	2,400	-	54,476	128,469
Expenditures						
Current:						
Administritive	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay:						
General Government	-	-	4,965	-	-	4,965
Public Safety	-	121,429	11,234	-	-	132,663
Public Works	-	8,900	119,938	-	-	128,838
Utilities	-	-	22,981	-	-	22,981
Debt Service						
Principal	41,628	42,131	-	-	-	83,759
Interest	6,888	7,713	-	-	-	14,601
Total Expenditures	48,516	180,173	159,118	-	-	387,807

City of Blackshear, Georgia
All Nonmajor Capital Project Funds
Combing Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

	Capital Project Funds					
	Multiple Purpose Building	Captial Improvements Fund	2008 SPLOST	CDBG 14p x-113-2 22331	Transporation SPLOST	Total Nonmajor Capital Project Funds
Excess (Deficiency) of Revenues over (under) Expenditu	(48,516)	(108,580)	(156,718)	-	54,476	(259,338)
Other Financial Resources (Uses)						
Proceeds from Capital Lease	-	-	-	-	-	-
Transfer In	48,516	141,845	-	-	-	190,361
Transfers (Out)	-	(38,813)	-	-	-	(38,813)
Total Other Financial Resources (Uses)	48,516	103,032	-	-	-	151,548
Excess Revenues Over (under) Expenditures and Other Financial Sources (uses)	-	(5,548)	(156,718)	-	54,476	(107,790)
Net Changes in Fund Balances	-	(5,548)	(156,718)	-	54,476	(107,790)
Fund Balances Beginning	3,992	284,686	206,146	-	-	494,824
Fund Balances Ending	$ 3,992	$ 279,138	$ 49,428	$ -	$ 54,476	$ 387,034

City of Blackshear, Georgia
Multiple Purpose Building
Balance Sheet
June 30, 2019

Assets:		
Cash	$	3,992
Total Assets	$	3,992
Liabilities And Fund Balance		
Liabilities:		
Accounts Payable	$	-
Total Liabilities		-
Fund Balances		
Committed:		
Capital Projects		3,992
Total Fund Balances		3,992
Total Liabilities and Fund Balances	$	3,992

City of Blackshear, Georgia
Multiple Purpose Building
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Other revenue	$ -	$ -	$ -	$ -
	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Public Works	-	-	-	-
Debt Service:				
Principal	39,700	39,700	41,628	(1,928)
Interest	8,816	8,816	6,888	1,928
Total Expenditures	48,516	48,516	48,516	-
Excess (deficiency) of Revenues over Expenditures	(48,516)	(48,516)	(48,516)	-
Other Financing Sources (Uses)				
Transfers In	48,516	48,516	48,516	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources (Uses)	48,516	48,516	48,516	-
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning	3,992	3,992	3,992	-
Fund Balance Ending	$ 3,992	$ 3,992	$ 3,992	$ -

City of Blackshear, Georgia
Capital Improvements Fund
Balance Sheet
June 30, 2019

Assets:		
Cash	$	279,138
Due from other funds		-
Total Assets	$	279,138
Liabilities And Fund Balance		
Liabilities:		
Accounts Payable	$	-
Total Liabilities		-
Fund Balances		
Committed:		
Capital Projects		279,138
Total Fund Balances		279,138
Total Liabilities and Fund Balances	$	279,138

City of Blackshear, Georgia
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ 60,000	$ 60,000	$ 62,713	$ 2,713
Other revenue	9,000	9,000	8,600	(400)
Interest	100	100	280	180
Total Revenues	69,100	69,100	71,593	2,493
Expenditures:				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Public Safety	121,500	121,500	121,429	71
Public Works	9,000	9,000	8,900	100
Debt Service:				
Principal	42,131	42,131	42,131	-
Interest	7,713	7,713	7,713	-
Total Expenditures	180,344	180,344	180,173	171
Excess (deficiency) of Revenues over Expenditures	(111,244)	(111,244)	(108,580)	2,664
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	-
Transfers In	150,057	150,057	141,845	(8,212)
Transfers (Out)	(38,813)	(38,813)	(38,813)	-
Total Other Financial Sources (Uses)	111,244	111,244	103,032	(8,212)
Net Change in Fund Balance	-	-	(5,548)	(5,548)
Fund Balance Beginning	284,686	284,686	284,686	-
Fund Balance Ending	$ 284,686	$ 284,686	$ 279,138	$ (5,548)

City of Blackshear, Georgia
2008 SPLOST
Balance Sheet
June 30, 2019

Assets:		
Cash	$	49,428
Intergovernmental		-
Total Assets	$	49,428
Liabilities, Deferred Inflows of Resources And Fund Balance		
Liabilities:		
Accounts Payable	$	-
Total Liabilities		-
Deferred Inflows of Resources		-
Total Liabilities and Deferred Inflows of Resources		-
Fund Balances		
Restricted:		
Capital Project		49,428
Total Fund Balances		49,428
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$	49,428

City of Blackshear, Georgia
2008 SPLOST
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Other revenue	-	-	2,250	2,250
Interest	300	300	150	(150)
Total Revenues	300	300	2,400	2,100
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Public Works	-	-	-	-
Capital Outlay:				
General Government	5,000	5,000	4,965	35
Public Safety	12,000	12,000	11,234	766
Public Works	120,000	120,000	119,938	62
Utilities	23,000	23,000	22,981	19
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	160,000	160,000	159,118	882
Excess (deficiency) of Revenues over Expenditures	(159,700)	(159,700)	(156,718)	2,982
Other Financing Sources (Uses)				
Inception of lease			-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(159,700)	(159,700)	(156,718)	2,982
Fund Balance Beginning	206,146	206,146	206,146	-
Fund Balance Ending	$ 46,446	$ 46,446	$ 49,428	$ 2,982

City of Blackshear, Georgia
CDBG 14p-x-113-2-2231
Balance Sheet
June 30, 2019

Assets:		
Cash	$	-
Intergovernmental		-
Total Assets	$	-
Liabilities, Deferred Inflows of Resources And Fund Balance		
Liabilities:		
Due to other funds	$	-
Total Liabilities		-
Deferred Inflows of Resources		-
Total Liabilities and Deferred Inflows of Resources		-
Fund Balances		
Restricted:		
Capital Project		-
Total Fund Balances		-
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$	-

City of Blackshear, Georgia
CDBG 14p-x-113-2-2231
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Other revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Public Works	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Inception of lease			-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning	-	-	-	-
Fund Balance Ending	$ -	$ -	$ -	$ -

City of Blackshear, Georgia
Transportation SPLOST
Balance Sheet
June 30, 2019

Assets:		
Cash	$	43,691
Intergovernmental		16,385
Total Assets	$	60,076
Liabilities, Deferred Inflows of Resources And Fund Balance		
Liabilities:		
Due to other funds	$	100
Total Liabilities		100
Deferred Inflows of Resources		5,500
Total Liabilities and Deferred Inflows of Resources		5,600
Fund Balances		
Restricted:		
Capital Project		54,476
Total Fund Balances		54,476
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$	60,076

City of Blackshear, Georgia
Transportation SPLOST
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ 55,000	$ 55,000	$ 54,476	$ (524)
Other revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	55,000	55,000	54,476	(524)
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Public Works	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of Revenues over Expenditures	55,000	55,000	54,476	(524)
Other Financing Sources (Uses)				
Inception of lease			-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources (Uses)	-	-	-	-
Net Change in Fund Balance	55,000	55,000	54,476	(524)
Fund Balance Beginning	-	-	-	-
Fund Balance Ending	$ 55,000	$ 55,000	$ 54,476	$ (524)

NON-MAJOR PROPRIETARY FUND

The Non-Major Proprietary Fund is used to account for the income and expenses' from the business type activities of the fund.

The City's Non-Major Proprietary Fund is as follows:

Revolving Loan Fund

City of Blackshear, Georgia
Statement of Net Position
Non- Major Proprietary Fund
June 30, 2019

	Revolving Loan
Assets and Deferred Outflows of Resources	
Resources	
Current assets:	
Cash	$ 9,635
Receivables, net	-
Due from other governments	-
Due from other funds	-
Prepaid	-
Total Current Assets	9,635
Noncurrent assets:	
Restricted cash	-
Notes Receivable	84,524
Total Noncurrent Assets	84,524
Deferred Outflows of Resources	-
Total Assets and Deferred Outflows of Resources	$ 94,159
Liabilities and Deferred Inflows of Resources and Net Position:	
Current liabilities:	
Accounts payable and accrued expenses	$ -
Accrued interest bonds and notes	-
Due to other funds	-
Bonds, notes, and loans payable	-
Total Current Liabilities	-
Total Liabilities	-
Deferred Inflows of Resources	-
Total Liabilities and Deferred Inflows of Resources	-
Net Position	
Net Investment in capital assets	-
Restricted for debt service	-
Unrestricted	94,159
Total Net Position	94,159
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 94,159

City of Blackshear, Georgia
Statement of Revenues, Expenses, and Changes in Net Position
Non- Major Proprietary Fund
For The Year Ended June 30, 2019

	Revolving Loan
OPERATING REVENUES	
Charges for services	$ -
Other service charges	-
Interest on Loans	2,794
TOTAL OPERATING REVENUES	2,794
OPERATING EXPENSES	
Personnel services	-
Contracted services	-
Repairs and maintenance	-
Other supplies and expense	-
Depreciation	-
TOTAL OPERATING EXPENSES	-
OPERATING INCOME (LOSS)	2,794
NONOPERATING INCOME (EXPENSES)	
Intergovernmental	(26,953)
Interest revenue	11
Interest expense	-
TOTAL NONOPERATING INCOME (EXPENSES)	(26,942)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(24,148)
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital Contributions: Utilities	-
Transfers In	-
Transfers Out	-
NET CAPITAL CONTRIBUTIONS AND TRANSFERS	-
CHANGE IN NET POSITION	(24,148)
TOTAL NET POSITION BEGINNING	118,307
TOTAL NET POSITION ENDING	$ 94,159

City of Blackshear, Georgia
Statement of Cash Flows
Non-Major Proprietary Fund
For The Year Ended June 30, 2019

		Revolving Loan
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	2,794
Payments to suppliers		-
Payments to employees		-
Other receipts (payments)		-
Net cash provided by operating activities		2,794
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental Grant		-
Funds returned to DCA		(26,953)
Loans receivable		16,266
Transfers In (Out)		-
Net cash (used) by Noncapital Financing Activities		(10,687)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt		-
Proceeds from sale of equipment		-
Acquisition and Construstion of Capital Assets		-
Principal paid on Revenue bonds & equipment debt		-
Interest paid on Revenue bonds & equipment debt		-
Other receipts (payments)		-
Net cash (used) by capital and related financing activities		-
CASH FLOWS FROM INVESTING ACTIVITIES		
		-
Interest		11
Net cash provided by investing activities		11
Net (decrease) in cash and cash equivalents		(7,882)
BALANCES BEGINNING OF THE YEAR		17,517
BALANCES END OF THE YEAR	$	9,635
Displayed As:		
Cash	$	9,635
Restricted cash		-
CASH BALANCE END OF YEAR	$	9,635

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

City of Blackshear, Georgia
Statement of Cash Flows
Non-Major Proprietary Fund
For The Year Ended June 30, 2019

	Revolving Loan
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED BY OPERATING ACTIVITIES	
Operating income (loss)	$ 2,794
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	-
Change in assets and liabilities:	
Receivables	-
Due from other funds	-
Due from other Governments	-
Prepaid	-
Deferred Outflows of Resources	-
Accounts and other payables	-
Due to Other Funds	-
Defered Inflows of Resources	-
Accrued expenses	-
Net Pension Liability	-
Deposits	-
Net cash provided by operating activities	$ 2,794

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

MAJOR SPECIAL REVENUE FUNDS

The Special Revenue Fund are used to account for the receipts and expenditures as a result of cash confiscation or cash received from a sale of capital assets

The City's Major Special Revenue Fund are as follows:

Police Confiscation Fund

City of Blackshear, Georgia
Budgetary Comparison Schedule--Special Revenue Fund
Police Confiscation
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	$ 525,500	$ 525,500	$ 562,702	$ 37,202
Interest	2,000	2,000	253	(1,747)
TOTAL REVENUES	527,500	527,500	562,955	35,455
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Public Safety	489,500	489,500	440,966	48,534
Capital Outlay:				
Administration	-	-	-	-
Public Safety	38,000	38,000	37,404	596
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Utilities	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	527,500	527,500	478,370	49,130
Excess of Revenues over (under) Expenditures	-	-	84,585	84,585
OTHER FINANCING SOURCES (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	84,585	$ 84,585
FUND BALANCE BEGINNING			83,592	
FUND BALANCE ENDING			$ 168,177	

MAJOR CAPITAL PROJECTS FUNDS

The Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary of trust funds.

The City's Major Capital Project Funds are as follows:

2014 SPLOST Fund

City of Blackshear, Georgia
Budgetary Comparison Schedule--Capital Projects
2014 SPLOST Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	$ 525,500	$ 525,500	$ 527,541	$ 2,041
Interest	2,000	2,000	1,582	(418)
TOTAL REVENUES	527,500	527,500	529,123	1,623
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Capital Outlay:				
Administration	60,000	60,000	58,168	1,832
Public Safety	35,000	35,000	33,797	1,203
Public Works	190,000	190,000	186,363	3,637
Parks & Recreation	2,500	2,500	2,236	264
Utilities	240,000	240,000	237,768	2,232
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	527,500	527,500	518,332	9,168
Excess of Revenues over (under) Expenditures	-	-	10,791	10,791
OTHER FINANCING SOURCES (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	10,791	$ 10,791
FUND BALANCE BEGINNING			1,544,099	
FUND BALANCE ENDING			$ 1,554,890	

Water and Sewer Fund

A Proprietary Fund

Statementof Revenues, Expenses, and Changes in Net Position

Budget to Actual

City of Blackshear, Georgia
Water and Sewer Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget to Actual
For The Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES				
Charges for services	1,420,905	1,420,905	1,359,413	$ (61,492)
Other charges for service	135,569	135,569	121,946	(13,623)
TOTAL OPERATING REVENUES	1,556,474	1,556,474	1,481,359	(75,115)
OPERATING EXPENSES				
Personnel services	369,044	369,044	354,514	14,530
Contracted services	427,742	517,742	511,733	6,009
Repairs and maintenance	94,600	94,600	18,438	76,162
Other supplies and expense	138,482	138,482	117,333	21,149
Depreciation	-	-	382,444	(382,444)
TOTAL OPERATING EXPENSES	1,029,868	1,119,868	1,384,462	(264,594)
OPERATING INCOME (LOSS)	526,606	436,606	96,897	(339,709)
NONOPERATING INCOME (EXPENSES)				
Interest revenue	35	35	1,794	1,759
Interest expense	(14,859)	(14,859)	(14,859)	-
TOTAL NONOPERATING INCOME (EXPENSES)	(14,824)	(14,824)	(13,065)	1,759
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	511,782	421,782	83,832	(337,950)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contribution: Utilities	-	-	260,749	260,749
Contingencies	(175,882)	(85,882)	-	(85,882)
Transfers In	-	-	-	-
Transfers Out	(86,850)	(86,850)	(9,703)	77,147
NET CAPITAL CONTRIBUTIONS AND TRANSFERS	(262,732)	(172,732)	251,046	252,014
CHANGE IN NET POSITION	249,050	249,050	334,878	(85,936)
				-
TOTAL NET POSITION BEGINNING	6,578,540	6,578,540	6,578,540	-
TOTAL NET POSITION ENDING	$ 6,827,590	$ 6,827,590	$ 6,913,418	$ (85,936)

STATE COMPLIANCE SECTION

SPECIAL REPORTS

The Special Report is applicable to the Special 1 Percent Sales and Use Tax required by the State of Georgia.

Earl A. Lawson, CPA
Certified Public Accountant

INDEPENDENT AUDITORS' REPORT ON SPECIAL 1 PERCENT SALES AND USE TAX

The City Council
Blackshear, Georgia

I have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Blackshear, Georgia for the year ended June 30, 2019. This schedule is the responsibility of the City of Blackshear management. My responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 pm the modified accrual basis of accounting used form the Special Purpose Local Option Sales Tax schedule as described in Note 1-D and is not intended to be a complete presentation of the City of Blackshear's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Blackshear's resolution or ordinance calling for the tax for the year ended June 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia 31516
August 20, 2019

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Blackshear, GA 31516
912-449-5485
earlcpa@bellsouth.net

City of Blackshear, Georgia
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2019

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2008					
Water and Sewer Capital outlay projects	$ 800,000	$ 256,551	$ 22,981	$ 279,532	34.94%
Road Maintenance	1,209,000	2,057,243	119,938	2,177,181	180.08%
Public Safety:					
Police	13,860	97,274	11,234	108,508	782.89%
Recreation/Historical/Curtural	880	17,422	4,965	22,387	2543.98%
TOTAL	$ 2,023,740	$ 2,428,490	$ 159,118	$ 2,587,608	

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

City of Blackshear, Georgia
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2019

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2014					
Water and Sewer Infrastructure	$ 1,773,200	$ 447,234	$ 237,768	$ 685,002	38.63%
Public Safety (Enforcement and Fire)	220,000	58,082	33,797	91,879	41.76%
Road Maintenance	561,000	138,547	175,670	314,217	56.01%
Recreational (Historical/Curtural Facilities	138,600	373,989	60,404	434,393	313.41%
Downtown Development Facilities	24,200	-	-	-	0.00%
Road and Street Construction and Maintenance	495,000	-	10,693	10,693	2.16%
TOTAL	$ 3,212,000	$ 1,017,852	$ 518,332	$ 1,536,184	

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

Earl A. Lawson, CPA
Certified Public Accountant

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 City Council
City of Blackshear, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blackshear, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the City of Blackshear's basic financial statements, and have issued my report thereon dated August 20, 2019

Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

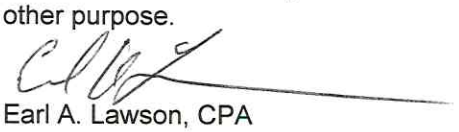
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Blackshear's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Earl A. Lawson, CPA
Blackshear, Georgia
August 20, 2019