CITY OF BLACKSHEAR
BLACKSHEAR, GEORGIA

Annual Financial Report

For the Year Ended June 30, 2023

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Member:
Association of Certified
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the
City Council
City of BLACKSHEAR
BLACKSHEAR, Georgia

Report on the Audit of the Financial Statements Opinions

I have audited 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 (CITY) as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the CITY OF BLACKSHEAR's basic financial statements as listed in the table of contents. In my opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the CITY OF BLACKSHEAR as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CITY's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CITY's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CITY's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, 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 us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information Omitted

The City of BLACKSHEAR has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of BLACKSHEAR taken as a whole. The individual nonmajor fund financial statements and schedules accompanying the financial information listed in the Table of Contents as Supplementary Information are presented for purposes of additional analysis and are not a required part of the financial statements. Also, the accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds as required by the Official Code of Georgia 48-8-121 and the Schedule of Federal Awards are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 17, 2024 on my consideration of the CITY's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CITY's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CITY's internal control over financial reporting and compliance.

Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
June 17, 2024

CITY OF BLACKSHEAR

Basic Financial Statements

The basic financial statements include the government-wide Statement of Net Position and government-wide Statement of Activities, which include all the primary government's governmental activities, business-type activities and component units. 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
As of June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 3,164,839	$ 515,795	$ 3,680,634
Investments	1,554,042	544,553	2,098,595
Receivables:			-
Accounts (net)	3,086	191,549	194,635
Property tax (net)	63,663	-	63,663
Sales tax	60,162	-	60,162
Other taxes	22,488	-	22,488
Internal balances	(8,138)	8,138	-
Due from other governments	88,257	-	88,257
Prepaid expenses	50,074	12,518	62,592
Total current assets	4,998,473	1,272,553	6,271,026
Noncurrent Assets:			
Note receivable	-	12,678	12,678
Restricted assets:			
Cash	-	174,019	174,019
Capital assets:			
Nondepreciable	917,213	644,147	1,561,360
Depreciable, net	5,845,489	17,104,824	22,950,313
Total noncurrent assets	6,762,702	17,935,668	24,698,370
Total assets	11,761,175	19,208,221	30,969,396
Deferred outflows of resources	275,753	68,938	344,691
Total assets and deferred outflows of resources	12,036,928	19,277,159	31,314,087
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 22,341	$ 21,330	$ 43,671
Accrued expenses	26,340	-	26,340
Deferred revenues	63,663	-	63,663
Customer deposits payable	-	123,600	123,600
Current portion of bonds payable	-	123,383	123,383
Current portion of notes payable	30,545	657,201	687,746
Total current liabilities	142,889	925,514	1,068,403
Noncurrent Liabilities:			
Bonds payable (net of current portion)	-	6,004,786	6,004,786
Notes payable (net of current portion)	109,134	202,163	311,297
Net pension liability	567,889	141,972	709,861
Total noncurrent liabilities	677,023	6,348,921	7,025,944
Total liabilities	819,912	7,274,435	8,094,347
Deferred inflows of resources:			
Pension related deferrals	83,894	20,974	104,868
Total deferred inflows or resources			
Total liabilities and deferred inflows of resources	903,806	7,295,409	8,199,215
NET POSITION			
Net investment in capital assets	6,623,023	10,761,438	17,384,461
Restricted - Debt service	-	174,019	174,019
Restricted - Capital projects	2,569,645	-	2,569,645
Unrestricted net position	1,940,454	1,046,293	2,986,747
Total net position	11,133,122	11,981,750	23,114,872
Total liabilities, deferred inflows of resources, and net position	$12,036,928	$19,277,159	$31,314,087

See auditor's report.

See accompanying notes to financial statements.

CITY OF BLACKSHEAR, GEORGIA

Statement of Activities

For the year ended June 30, 2023

Functions/Programs	Expenses	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	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 518,474	$ 34,620	$ -	$ 771,113	$ 287,259	$ -	$ 287,259
Judicial	113,099	-	-	-	(113,099)	-	(113,099)
Public safety	1,979,454	150,378	658,555	-	(1,170,521)	-	(1,170,521)
Public works	750,569	211,600	-	-	(538,969)	-	(538,969)
Culture and recreation	56,407	14,350	-	-	(42,057)	-	(42,057)
Housing and development	198,251	-	-	-	(198,251)	-	(198,251)
Total governmental activities	3,616,254	410,948	658,555	771,113	(1,775,638)	-	(1,775,638)
Business-type activities -							
Revolving loan fund	-	624	-	-	-	624	624
Water and sewer	2,034,874	1,929,931	-	538,779	-	433,836	433,836
Sanitation system	321,652	383,707	-	-	-	62,055	62,055
Total business-type activities	2,356,526	2,314,262	-	538,779	-	496,515	496,515
Total primary government	5,972,780	2,725,210	658,555	1,309,892	(1,775,638)	496,515	(1,279,123)
General revenues:							
Property taxes, levied for general purpose					1,138,620	-	1,138,620
Sales and use taxes					660,681	-	660,681
Insurance premium tax					290,371	-	290,371
Franchise taxes					260,005	-	260,005
Other taxes					269,562	-	269,562
Investment earnings					8,775	8,318	17,093
Gain on Disposition of capital assets					88,300	-	88,300
Other revenue and reimbursements					45,025	-	45,025
Total general revenues					2,761,339	8,318	2,769,657
Transfers					(2,140)	2,140	-
Change in net position					983,561	506,973	1,490,534
Net position - beginning, as restated					10,149,561	11,474,777	21,624,338
Net position - ending					$ 11,133,122	$ 11,981,750	$ 23,114,872

See auditor's report.

See accompanying notes to financial statements.

CITY OF BLACKSHEAR, GEORGIA
Balance Sheet - Governmental Funds
As of June 30, 2023

	Major Governmental Funds				Other	Total
	General Fund	Capital Improvement Fund	ARPA Fund	SPLOST 2020 Fund	Governmental Funds	Governmental Funds
ASSETS						
Cash	$ 336,824	$ 169,959	$ 413,003	$ 1,548,260	$ 696,793	$ 3,164,839
Certificates of deposit	1,554,042	-	-	-	-	1,554,042
Accounts and notes receivable	3,086	-	-	-	-	3,086
Taxes receivable:						-
Property	63,663	-	-	-	-	63,663
Sales	60,162	-	-	-	-	60,162
Other taxes	22,488	-	-	-	-	22,488
Due from other governments	25,000	-	-	55,631	7,626	88,257
Interfund receivables	251,401	6,800	-	-	-	258,201
Prepaid expenses	50,074	-	-	-	-	50,074
Total assets	$ 2,366,740	$ 176,759	$ 413,003	$ 1,603,891	$ 704,419	$ 5,264,812
LIABILITIES						
Current liabilities:						
Accounts payable	22,341	-	-	-	-	22,341
Accrued expenditures	26,340	-	-	-	-	26,340
Notes payable	30,440	-	-	-	105	30,545
Interfund payables	1,495	-	-	200	264,644	266,339
Deferred revenues	63,663	-	-	-	-	63,663
Deferred inflows or resources	-	-	-	-	-	-
Total liabilities and deferred inflows or resources	144,279	-	-	200	264,749	409,228
FUND BALANCES						
Nonspendable	50,074	-	-	-	-	50,074
Committed	-	-	-	-	-	-
Restricted for capital projects	-	176,759	413,003	1,603,691	376,192	2,569,645
Assigned to special revenue funds	-	-	-	-	63,478	63,478
Unassigned	2,172,387	-	-	-	-	2,172,387
Total fund balances	2,222,461	176,759	413,003	1,603,691	439,670	4,855,584
Total liabilities, deferred inflows of resources and fund balances	$ 2,366,740	$ 176,759	$ 413,003	$ 1,603,891	$ 704,419	$ 5,264,812

The notes to the financial statements are an integral part of this report

CITY OF BLACKSHEAR, GEORGIA

Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
For the year ended June 30, 2023

Total fund balances for governmental funds			$ 4,855,584
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 of capital assets	12,619,553	
	Less: accumulated depreciation	(5,856,851)	
			6,762,702
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
	Deferred outflows related to pension plan		275,753
Other long-term liabilities are not payable in the current period and, therefore, are deferred in the funds.			
	Difference between projected and actual earnings on pension plan investments		(83,894)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
	Note payable	(109,134)	
	Net pension liability	(567,889)	
			(677,023)
Total net position of governmental activities			$ 11,133,122

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2023

	Major Governmental Funds				Other	Total
	General Fund	Capital Improvement Fund	ARPA Fund	SPLOST 2020 Fund	Governmental Funds	Governmental Funds
REVENUES						
Taxes	$ 1,926,059	$ -	$ -	$ -	$ -	$ 1,926,059
Intergovernmental revenues	660,781	10,249	658,555	671,801	89,063	2,090,449
Licenses and permits	80,237	-	-	-	-	80,237
Charges for services	211,600	-	-	-	-	211,600
Fines and forfeitures	125,373				24,838	150,211
Investment earnings	6,041	110	443	1,298	883	8,775
Other revenues	137,800	74,783	-	-	9,980	222,563
Total revenues	3,147,891	85,142	658,998	673,099	124,764	4,689,894
EXPENDITURES						
Current:						
General government	466,948	-	-	-	17,206	484,154
Judicial	113,099					113,099
Public safety	1,793,500	-	-	-	15,163	1,808,663
Public works	527,119	6,253	-	-	-	533,372
Culture and recreation	24,692	-	12,299	-	-	36,991
Housing and development	198,251	-	-	-	-	198,251
Capital outlay	-	149,631	42,612	30,780	124,290	347,313
Debt service - principal	-	25,761	-	-	-	25,761
Debt service - interest	-	4,589	-	-	-	4,589
Total expenditures	3,123,609	186,234	54,911	30,780	156,659	3,552,193
Excess(deficiency) of revenues over expenditures	24,282	(101,092)	604,087	642,319	(31,895)	1,137,701
OTHER FINANCING SOURCES						
Sales of capital assets	88,300	-	-	-		88,300
Transfers from other funds	292,776	296,238	(191,150)	-	5,000	402,864
Transfers to other funds	(216,597)	(55,540)	-	(151,726)	(157,380)	(581,243)
Total other financing sources	164,479	240,698	(191,150)	(151,726)	(152,380)	(90,079)
Change in fund balance	188,761	139,606	412,937	490,593	(184,275)	1,047,622
Fund balances - beginning of year, as restated	2,033,700	37,153	66	1,113,098	623,945	3,807,962
Fund balances - end of year	$ 2,222,461	$ 176,759	$ 413,003	$ 1,603,691	$ 439,670	$ 4,855,584

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the year ended June 30, 2023

Net change in fund balances - total governmental funds reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds*		$ 1,047,622
Amounts reported for governmental activities in the *Statement of Activities* are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amountby which capital outlay exceeded depreciation in the current period.		
Depreciation expense	(437,135)	
Capital outlay	347,313	
		(89,822)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on notes		25,761
Change in net position of governmental activities reported in the *Statement of Activities.*		$ 983,561

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR, GEORGIA
Statement of Net Position
Proprietary Funds
As of June 30, 2023

	Business-Type Activities - Proprietary Funds			
	Water and Sewer	Solid Waste Fund	Revolving Loan Fund	Totals
ASSETS				
Current assets:				
Cash	$ 385,213	$ 218,525	$ 86,076	$ 689,814
Certificates of deposit	544,553	-	-	544,553
Accounts receivable (net)	168,936	22,613	-	191,549
Due from other funds	261,625	1,495	-	263,120
Prepaid insurance	12,518	-	-	12,518
Total current assets	1,372,845	242,633	86,076	1,701,554
Noncurrent assets:				
Note receivable	-	-	12,678	12,678
Nondepreciable capital assets - land	644,147	-	-	644,147
Capital assets, net of accumulated depreciation:				
Distribution system, buildings & equipment	17,104,824	-	-	17,104,824
Total noncurrent assets	17,748,971	-	12,678	17,761,649
Total assets	19,121,816	242,633	98,754	19,463,203
Deferred outflows of resources	68,938	-	-	68,938
Total assets and deferred outflows of resources	$ 19,190,754	$ 242,633	$ 98,754	$ 19,532,141
LIABILITIES				
Current liabilities:				
Accounts payable	$ 10,999	$ -	$ -	$ 10,999
Due to other funds	218,967	36,015	-	254,982
Other current payables	10,331	-	-	10,331
Bonds payable - current	123,383	-	-	123,383
Notes payable - current	657,201	-	-	657,201
Customer deposits payable	123,600	-	-	123,600
Total current liabilities	1,144,481	36,015	-	1,180,496
Noncurrent liabilities:				
Bonds payable, net of current	6,004,786	-	-	6,004,786
Notes payable - net of current	202,163	-	-	202,163
Net pension liability	141,972	-	-	141,972
Total noncurrent liabilities	6,348,921	-	-	6,348,921
Total liabilities	7,493,402	36,015	-	7,529,417
Deferred inflows of resources	20,974	-	-	20,974
Total liabilities and deferred inflows or resources	7,514,376	36,015	-	7,550,391
NET POSITION				
Investment in capital assets (net)	10,761,438	-	-	10,761,438
Restricted net position	174,019	-	-	174,019
Unrestricted net position	740,921	206,618	98,754	1,046,293
Total net position	11,676,378	206,618	98,754	11,981,750
Total liabilities, deferred inflows of resources, and net position	$ 19,190,754	$ 242,633	$ 98,754	$ 19,532,141

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR, GEORGIA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2023

	Business-Type Activities - Proprietary Funds			
	Water and Sewer	Solid Waste Fund	Revolving Loan Fund	Totals
OPERATING REVENUES				
Charges for services	$ 1,778,625	$ 383,707	$ -	$ 2,162,332
Interests on loans	-	-	624	624
Other revenues	151,306	-	-	151,306
Total operating revenues	1,929,931	383,707	624	2,314,262
OPERATING EXPENSES				
Personnel services	539,202	77,577	-	616,779
Contracted services	608,494	224,268	-	832,762
Repairs and maintenance	141,202	18,145	-	159,347
Other supplies and expenses	46,416	1,662	-	48,078
Depreciation	588,935	-	-	588,935
Total operating expenses	1,924,249	321,652	-	2,245,901
Income (loss) from operations	5,682	62,055	624	68,361
NON-OPERATING REVENUES (EXPENSES)				
Investment income	8,318	-	-	8,318
Interest expense	(110,625)	-	-	(110,625)
Total non-operating revenues (expenses)	(102,307)	-	-	(102,307)
Income (loss) before contributions and transfers	(96,625)	62,055	624	(33,946)
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	538,779	-	-	538,779
Capital contributions to other funds	-	-	-	-
Transfers from/to other funds	2,140	-	-	2,140
Net contributions and transfers	540,919	-	-	540,919
Change in net position	444,294	62,055	624	506,973
Net position - beginning of year, as restated	11,232,084	144,563	98,130	11,474,777
Net position - end of year	$ 11,676,378	$ 206,618	$ 98,754	$ 11,981,750

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR, GEORGIA

Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	Business-Type Activities - Proprietary Funds			
	Water and Sewer	Solid Waste Fund	Revolving Loan Fund	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers/others	$ 1,921,797	$ 373,946	$ 19,777	$ 2,315,520
Payments to suppliers	(958,123)	(260,604)	(1,264)	(1,219,991)
Payments to employees	(539,202)	(77,577)	-	(616,779)
Net cash provided (used) by operating activities	424,472	35,765	18,513	478,750
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in and other income	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from loans	630,299	-	-	630,299
Acquisition of capital assets	(1,377,457)	-	-	(1,377,457)
Principal paid on bonds	(125,941)	-	-	(125,941)
Principal paid on notes	(26,043)	-	-	(26,043)
Interest paid on long-term debt	(110,625)	-	-	(110,625)
Capital contributions	538,779	-	-	538,779
Net cash provided (used) by capital and related financing activities	(470,988)	-	-	(470,988)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(294,553)	-	-	(294,553)
Interest income	8,318	-	624	8,942
Net cash provided (used) by investing activities	(286,235)	-	624	(285,611)
NET INCREASE (DECREASE) IN CASH	(332,751)	35,765	19,137	(277,849)
CASH AND CASH EQUIVALENTS - beginning of year	717,964	182,760	66,939	967,663
CASH AND CASH EQUIVALENTS - end of year	$ 385,213	$ 218,525	$ 86,076	$ 689,814

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR, GEORGIA

Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	Business-Type Activities - Proprietary Funds			
	Water and Sewer	Solid Waste Fund	Revolving Loan Fund	Totals Current Year
CASH AND CASH EQUIVALENT - END OF YEAR				
Unrestricted	$ 211,194	$ 218,525	$ 86,076	$ 515,795
Restricted	174,019	-	-	174,019
Total	$ 385,213	$ 218,525	$ 86,076	$ 689,814
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net operating income (loss)	5,682	62,055	624	68,361
Adjustments to reconcile operating income (loss) to net cash provided from operating activities:				
Depreciation expense	588,935	-	-	588,935
(Increase) decrease in accounts receivable	(8,134)	(9,761)	-	(17,895)
(Increase) decrease in notes receivable	-	-	17,889	17,889
(Increase) decrease in prepaid expenses	(3,432)	3,407	-	(25)
(Increase) decrease in deferred outflows	(13,453)	-	-	(13,453)
Increase (decrease) in accounts payable	(98,285)	(16,457)	-	(114,742)
Increase (decrease) in other payables	(36,015)	(3,479)	-	(39,494)
Increase (decrease) in customer deposits	(46,175)	-	-	(46,175)
Increase (decrease) in deferred inflows	(30,798)	-	-	(30,798)
Increase (decrease) in net pension liability	66,147	-	-	66,147
Net cash provided (used) by operating activiities	$ 424,472	$ 35,765	$ 18,513	$ 478,750

The notes to the financial statements are an integral part of this report.

CITY OF BLACKSHEAR

Notes to Basic Financial Statements

Note 1: Summary of Significant Account Policies

The City of Blackshear, Georgia (the City), was incorporated under the laws of the State of Georgia and operates under the leadership of the Mayor and City Council consisting of five members, elected for four-year terms. The Mayor and Council all serve on a part-time basis and appoint a City Manager who is responsible for the daily operations of the City.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position, Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department; and therefore are clearly identifiable to the particular function. Program revenues include charges paid by the recipient of the foods and services offered by the program, grants and contributions that are restricted to meeting the operation or capital requirement of the particular program, and the interest earned on the that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City with certain limited exceptions. The comparison of direct expenses with the program revenues identifies the extent to which each governmental program or business activity is self-financing or drams 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. The focus of governmental and propriety fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those presenting balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Note 1: Summary of Significant Account Policies (continued)

B. Reporting Entity

Standards published by the Government Accounting Standards Board (GASB) define the financial reporting entity as (a) the primary government; (b) organizations for which the primary government is financially responsible; and (c) other organizations for which the primary government is not accountable but for which the nature and the significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no organizations identified as component units if the City, as defined by GASB Statement No. 14, 39, 61, 80, 90, and 97, *The Financial Reporting Entity.*

Related Organizations

The City is required by State law to be a member of the Regional Commission. The City pays its prorate share of operating costs and would be liable for a prorata share of any unpaid liabilities if the SGRC were to go out of existence. However, the City has no material equity interest in the Regional Commission and it is not included in these financial statements. Financial statements are available at the organization's office. At year-end there were no receivables or payables between the City and this organization.

C. Fund Accounting

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

Governmental Funds

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

- **General Fund:** This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Capital Improvement Fund:** This fund is used to account for various on-going capital improvement projects.
- **ARPA Fund:** This fund is used to account for monies received as part of the American Rescue Plan Act.
- **Splost 2020 Fund:** This fund is used to account for revenues and capital expenses related to the City's 2020 SPLOST collections.

The other governmental funds of the City account for other resources whose use is restricted for particular purpose; the accumulation of resources for and the payment of debt; and the acquisition or construction of major capital projects.

Note 1: Summary of Significant Account Policies (continued)

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, net position and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

- **Water and Sewer System Fund:** This fund accounts for financing and costs of operating and maintenance to provide water and sewer services to residents of the City.
- **Solid Waste System:** The sanitation fund accounts for the collection of funds for the removal and disposal of yard and other waste materials.
- **Revolving Loan Fund:** This fund is used to account for the DCA loan program whereby the City lends the proceeds within this fund to various private entities within the City.

Propriety funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with propriety fund principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sale and service. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the government reports the following fund types:

- **Special Revenue Funds:** Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Capital Projects Funds:** Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

D. Measurement Focus

Government-wide Financial Statements

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

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 fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statements of Net Position. The Statements of Revenues, Expenditures, and Changes in Fund Balances present increases (i.e., revenues), and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Note 1: Summary of Significant Account Policies (continued)

E. 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. Governmental funds use the modified accrual basis of accounting; enterprise funds use the accrual basis of accrual. 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.

F. 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 recognized in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenues from sales taxes are recognized in the period in which the sales are made. Revenues from grants, entitlements, and donations are recognized in the 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 of the when the use is permitted; matching requirements in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transaction must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end. sales taxes, charges for services, fines and forfeitures, state levied locally shared taxes, grants, interest and rent.

G. Deferred Outflows/Inflows of Resources

The City has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position.* This standard modified terminology and presentation of certain accounts.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category on the governmental funds balance sheet.

H. Expenses and Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Note 1: Summary of Significant Account Policies (continued)

I. FASB Statements and Interpretations

For proprietary activities, all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, have been applied except for those that conflict with or contradict GASB pronouncements.

J. Budgets and Budgetary Accounting

An annual operating budget is adopted by the City for the general and enterprise funds. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are adopted as budgetary expenses.

All unexpended, unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically (i.e., no action is required by the City Council).

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

1. The City Council may transfer funds from one object or purpose to another within the same department.
2. The City Council may amend the budget by motion during the fiscal year.
3. The proposed budget for the subsequent year is submitted to the City Council by June 30th.
4. Public hearings are held.
5. The budget is legally enacted by Council resolution before July 1st.

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

K. Cash and Cash Equivalents

For the propriety fund types a statement of cash flows is presented, as is required by GASB Statement 9, instead of a statement of changes in financial position. For this statement, cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to known amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

L. Investments

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks within the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank and Federal Bank for Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

All investments are stated at market value.

Note 1: Summary of Significant Account Policies (continued)

M. Prepaid Items

Payments made to various vendors for items or services for a future period are recorded as prepaid expenditures at both reporting levels using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level an equal amount of fund balance is reserved as this amount is not available for general appropriation.

N. 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 uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The majority receivable for City is property taxes. 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.

O. Capital Assets

Capital assets are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

The cost of infrastructure assets, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems acquired during the current fiscal year is recorded in the government-wide financial statements. The City is not required to and will not record acquisitions prior to June 30, 2003.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date donated. The City maintains a capitalization threshold of $5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

Note 1: Summary of Significant Account Policies (continued)

O. Capital Assets (continued)

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives	
Asset Class	Governmental Activities	Business-type Activities
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

P. Inventories

On the government-wide financial statements, inventories, as applicable, are presented at the lower of cost or market on a first-in, first-out basis are expensed when used (i.e., the consumption method). On the fund financial statements, inventories of governmental funds, as applicable, are stated at cost. For all funds, cost is determined on the first-in, first out basis. The cost of inventory items is recorded as expenditures in the governmental fund types when consumed.

Q. Allowance for Doubtful Accounts

The City provides an allowance for the Water and Sewer Fund accounts receivable that may be uncollectable as necessary. All other accounts receivable are considered collectible as reported as of June 30, 2023.

R. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

S. Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fun type statement of net position, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

Note 1: Summary of Significant Account Policies (continued)

Note 1: Summary of Significant Account Policies (continued)

T. Fund Equity

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

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

Nonspendable: Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted: Fund balances are reported as restricted when there are limitations imposed on their use whether 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 by the same formal action.

Assigned: Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager to assign fund balance.

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

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 amounts 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 investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when as described in the fund balance section above. All other net position is reported as unrestricted.

U. Interfund Activity

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

U. Interfund Activity (continued)

Transfers between governmental and business-type activities on the government-wide statement of activities are reported below general revenues as the last item before the change in net position. Transfers between funds reported in the governmental activities' column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

The general fund charges each of the proprietary funds for specific payroll and other administrative costs that relate to these funds. The proprietary funds report these expenses as inter-fund allocations and the general fun records these payments as offsets to the corresponding expense account.

V. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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: Expenditures in Excess of Appropriations

The City had no departments with excess expenditures in excess of appropriations and no deficit fund balances.

Note 3: Cash Deposits and Investments

The City's deposits are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits over the federal depository insurance coverage are collateralized with securities held by the City's agent in the City's name. As of June 30, 2023, the carrying amounts of the City's bank deposits were $5,953,248 and the respective bank balances were $ 6,010,894. Of the total bank balances of $ 6,010,894, $250,000 was insured through the Federal Depository Insurance Corporation (FDIC) each for the checking accounts and the certificate of deposits. The remaining was collateralized with securities held in the City of Blackshear's name.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2023, $ 5,510,894 in securities were held in the name of the financial institutions in the City's name.

The bank balances are categorized as follows:

Deposits: The City's deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 - Uncollateralized, including those collateralized with securities held by the pledging financial institution, not in the City's name.

All the City's deposits are classified as category 1 credit risk.

Note 4: Receivables and Payables

Receivables at June 30, 2023 were as follows:

	Accounts	Taxes	Total
Governmental activities:			
General, net	$ 3,086	$ 146,313	$ 149,399
Total governmental activities	$ 3,086	$ 146,313	$ 149,399
Business-type activities:			
Water and Sewer, net	$ 191,549	$ -	$ 191,549
Total business-type activities	$ 191,549	$ -	$ 191,549

Payables at June 30, 2023 were as follows:

	Total
Governmental activities:	
General - vendors	$ 22,341
Total governmental activities	$ 22,341
Business-type activities:	
Water and sewer	$ 21,330
Total business-type activities	$ 21,330

Note 5: Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Restated Balance at June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities				
Nondepreciable capital assets:				
Land	$ 814,453	$ 102,760	$ -	$ 917,213
Total nondepreciable capital assets	814,453	102,760	-	917,213
Depreciable capital assets:				
Buildings	2,112,444	-	-	2,112,444
Equipment	3,636,511	155,201	-	3,791,712
Infrastructure	5,708,832	89,352	-	5,798,184
Total capital assets	11,457,787	244,553	-	11,702,340
Less: accumulated depreciation for:				
Buildings	1,087,306	38,259	-	1,125,565
Equipment	2,233,456	228,188	-	2,461,644
Infrastructure	2,098,953	170,689	-	2,269,642
Total accumulated depreciation	5,419,715	437,136	-	5,856,851
Total depreciable, net	6,038,072	(192,583)	-	5,845,489
Governmental a capital assets, net of related debt	$ 6,852,525	$ (89,823)	$ -	$ 6,762,702

	Restated Balance at June 30, 2022	Increases	Decreases	Balance June 30, 2023
Business-Type Activities				
Nondepreciable capital assets:				
Land	$ 644,147	$ -	$ -	$ 644,147
Total nondepreciable capital assets	644,147	-	-	644,147
Depreciable capital assets:				
Buildings and improvements	78,177	-	-	78,177
System improvements	23,684,481	1,377,457	-	25,061,938
Total depreciable capital assets	23,762,658	1,377,457	-	25,140,115
Less: accumulated depreciation for:				
Buildings and improvements	78,177	-	-	78,177
System improvements	7,368,179	588,935	-	7,957,114
Total accumulated depreciation	7,446,356	588,935	-	8,035,291
Total depreciable, net	16,316,302	788,522	-	17,104,824
Business activities capital assets, net	$ 16,960,449	$ 788,522	$ -	$ 17,748,971

Note 5: Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General and Administrative	$ 34,320
Public Safety	166,202
Public Works	217,198
Culture and Recreation	19,416
Total Depreciation Expense - Governmental Activities	$ 437,136

Construction commitments:

As of June 30, 2023, the City had no commitments with respect to uncompleted capital projects.

Note 6: Interfund Receivable and Payable Balances

A. *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 became due, and (3) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	General Fund	Capital Improvement Fund	ARPA Fund	Water & Sewer Fund	Solid Waste Fund	Total
Transfers from/(to):						
General fund	$ -	$ 190,497	$(191,150)	$ -	$ (28,000)	$ (28,653)
Capital improvement	(190,497)	-	-	-	-	(190,497)
ARPA fund	85,409	105,741	-	-	-	191,150
Water & sewer	-	-	-	-	-	-
Solid waste	28,000					28,000
Total	$ (77,088)	$ 296,238	$(191,150)	$ -	$ (28,000)	$ -

Note 6: Interfund Receivable and Payable Balances (continued)

B. *Interfund Balances:*
Interfund balances at June 30, 2023, consisted of the following amounts and represented 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.

	Interfund Receivables	Interfund Payables
Balances due to/from other funds		
GOVERNMENTAL FUNDS:		
Major funds:		
General fund	$ 251,401	$ 1,695
Capital improvement fund	6,800	-
Nonmajor governmental funds	-	264,644
ENTERPRISE FUNDS:		
Water & sewer	261,625	218,967
Solid waste fund	1,495	36,015
Total	$ 521,321	$ 521,321

General Fund:	
Due from water & sewer	$ 218,967
Due from SPLOST 2020	200
Due from train depot	5,000
Water & Sewer Fund:	
Due from SPLOST 2014	259,644
Due from solid waste	36,015
Solid Waste Fund	
Due from general fund	1,495
	$ 521,321

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, 2023.

Note 7: Long-Term Obligations

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable	$ 165,440	$ -	$ 25,761	$ 139,679	$ 26,460
Business type activities:					
Notes payable	$ 255,108	$ -	$ 26,042	$ 229,066	$ 26,902
Bonds payable	6,254,110	-	125,941	6,128,169	123,383
Construction note	-	630,299	-	630,299	630,299
	$ 6,509,218	$ 630,299	$ 151,983	$ 6,987,534	$ 780,584

Notes Payable:
The City entered into a note with the United States Department of Agriculture June, 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 repayments began on September 15, 2018.

	Note Payable		
Year Ending June 30,	Principal	Interest	Total
2024	$ 26,460	$ 3,890	$ 30,350
2025	27,197	3,153	30,350
2026	27,954	2,396	30,350
2027	28,733	1,617	30,350
2028	29,335	1,015	30,350
Total	$ 139,679	$ 12,071	$ 151,750

Note 7: Long-Term Obligations (continued)

Water and Sewer Promissory Note:
This note was issued February 8, 2011 in the amount of $498,000 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 rebate of 3.25% in equal monthly installments of $2,829 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 monthly for a period of 20 years. The first payment began March 8, 2011 and should continue as provided below:

	Note Payable		
Year Ending June 30,	Principal	Interest	Total
2024	$ 26,902	$ 7,046	$ 33,948
2025	27,789	6,159	33,948
2026	28,706	5,242	33,948
2027	29,653	4,295	33,948
2028	30,400	3,548	33,948
2029-2033	85,616	3,578	89,194
2034-2038	-	-	-
2039-2042	-	-	-
Total	$ 229,066	$ 29,868	$ 258,934

Water and Sewer Promissory Note:
This note was issued August 16, 2019 in the amount of $962,000 from the United States of American acting through the United States Department of Agriculture. The purpose of the loan was to build a Sewage Treatment Facility. The interest rate is 2.125% per annum. A total of 480 payments of principal and interest shall be made in equal monthly payments in the amount of $2,983. The first payment began on September 16, 2019, This note is 2019B and is secured by the first pledge of and charge or lien of the Series 2019A which is payable out of the net revenue of the system. The principal can be repaid at any time, without penalty, at the option of the City.

	Bond Payable		
Year Ending June 30,	Principal	Interest	Total
2024	$ 17,137	$ 18,659	$ 35,796
2025	17,505	18,291	35,796
2026	17,881	17,915	35,796
2027	18,264	17,532	35,796
2028	18,647	17,149	35,796
2029-2033	97,371	81,609	178,980
2034-2038	108,276	70,704	178,980
2039-2043	120,402	58,578	178,980
2044-2048	133,887	45,093	178,980
2049-2053	148,882	30,098	178,980
2054-2058	165,556	13,424	178,980
2059-2063	21,267	533	21,800
Total	$ 885,075	$ 389,585	$ 1,274,660

Note 7: Long-Term Obligations (continued)

Water and Sewer Promissory Note:
This note was issued August 16, 2019 in the amount of $5,667,000 from the United States of American acting through the United States Department of Agriculture. The purpose of the loan was to build a Sewage Treatment Facility. The interest rate is 1.75% per annum. A total of 480 payments of principal and interest shall be made in equal monthly payments in the amount of $16,435. The first payment began on September 16, 2019, The final installment shall be due and payable on August 16, 2059. This is 2019A and is secured by the first pledge of and charge or lien of the Series 2019B which is payable out of the net revenue of the system. The principal can be repaid at any time, without penalty, at the option of the City.

	Bond Payable		
Year Ending June 30,	Principal	Interest	Total
2024	$ 106,246	$ 90,974	$ 197,220
2025	108,121	89,099	197,220
2026	110,028	87,192	197,220
2027	111,969	85,251	197,220
2028	113,910	83,310	197,220
2029-2033	590,180	395,920	986,100
2034-2038	644,106	341,994	986,100
2039-2043	702,959	283,141	986,100
2044-2048	767,191	218,909	986,100
2049-2053	837,291	148,809	986,100
2054-2058	913,797	72,303	986,100
2059-2063	237,296	5,657	242,953
Total	$ 5,243,094	$ 1,902,559	$ 7,145,653

Water and Sewer Promissory Note:
This note was issued June 1, 2023 in the amount of $1,264,000 from the Drinking Water State Revolving Fund, administered by the Georgia Environmental Finance Authority. The amount advanced was $630,299 as of June 30, 2023. The loan was in construction status as of June 30, 2023. The loan is payable out of the net revenue of the water and sewer system.

Note 8: Restatement of Prior Year Net Position

The following were adjustments to net position for the year ended June 30, 2022:

Governmental Funds:

Balance as of June 30, 2022	$ 11,435,922
Restatement of net position:	
To establish note for fire truck not on financial statements	147,470
To adjust for old balance for healthcare contingency	(69,510)
To establish pension liability in general fund not recorded	(376,030)
To adjust for correction of prior capital assets & depreciation not accurately reported for prior years	(988,291)
Balance as of June 30, 2022, restated	$ 10,149,561

The effect of these adjustments is to decrease net position as of June 30, 2022.

Proprietary Funds:

Balance as of June 30, 2022	$ 9,772,911
Restatement of net position:	
To adjust for old accounts not previously reconciled	(206,177)
To write-off voided checks	41,665
To adjust for correction of prior capital assets & depreciation not accurately reported for prior years	1,866,378
Balance as of June 30, 2022, restated	$ 11,474,777

The effect of these adjustments is to increase net position as of June 30, 2022.

General Fund:

Balance as of June 30, 2022	$ 2,311,980
Restatement of net position:	
To adjust for balance in healthcare contingency general ledger account	(69,510)
To adjust for note for fire truck not on general ledger	(139,679)
To adjust for SPLOST purchases	(62,374)
To adjust for old account balances	(6,717)
Balance as of June 30, 2022, restated	$ 2,033,700

The effect of these adjustments is to decrease fund balance as of June 30, 2022.

Note 9: Employee Retirement Plan

Plan Description

The City's defined benefit pension plan, the City of Blackshear Retirement Plan (the "Plan"), provides retirement and disability and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for municipalities in Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. The plan is a non-Contributory pension plan covering all employees. All full-time City employee are eligible to participate in GMEBS. The Plan contains provisions for fixed retirement benefits based on length of service and compensation. The Plan may be amended or terminated at any time but in no event will contributions paid revert to the City.

The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to:

Georgia Municipal Association
201 Pryor Street, SW
Atlanta, Georgia 30303

Employees Covered Under the Plan

At June 30, 2023, the following number of employees were covered by the benefit terms:

Pensioners as of the valuation date (including 3 beneficiaries)			19
Participants inactive during the year with vested rights			23
Participants active during the year:	Full vested	29	
	Not vested	9	38

Funding Policy

Employees are not required to contribute to the Plan. The Plan is subject to the 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 City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding requirements.

Note 9: Employee Retirement Plan (continued)

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

At June 30, 2023, the City reported a liability (asset) of $709,861 as its net pension liability (asset). The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The City's net pension liability was based on the projection of the City's long-term contribution to the pension plan, actuarially determined at January 1, 2023.

The following is a schedule reconciles the differences between the beginning and ending net pension liability (asset) for the year ended June 30, 2023:

Changes in the Net Pension Liability (Asset)

	Total	Deferred Outflows of Resources	Deferred Inflows of Resources
Balances at September 30, 2021*	$ 2,575,549	$ 2,217,601	$ 357,948
Changes for the year:			
Service Cost	48,111	-	48,111
Interest	188,882	-	188,882
Differences between expected and actual experience	(131,084)	-	(131,084)
Contributions - employer	-	126,449	(126,449)
Contributions - employee	-	-	-
Net investment income	-	(363,349)	363,349
Benefit payments, including refunds of employee contributions	(125,103)	(125,103)	-
Administrative expense	-	(9,104)	9,104
Net Changes	(19,194)	(371,107)	351,913
Balance at September 30, 2022**	$ 2,556,355	$ 1,846,494	$ 709,861

**Entry Age Normal liabilities calculated using and service amounts as of January 1, 2022, are used to measure TPL as of September 30, 2021. The balances as of September 30, 2021, constitute measurements of the NPL for the fiscal year ending June 30, 2022.*

*** Entry Age Normal liabilities calculated using age and service amounts as of January 1,2023, are used to measure TPL as of September 30, 2022. The balances as of September 30, 2022, constitute of the NPL for the fiscal year ending June 30, 2023.*

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

Note 9: Employee Retirement Plan (continued)

For the year ended June 30, 2023, the City recognized pension expense of $110,876. Pension expense represents the change in the net pension liability during the measurement period, adjusted contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 238,128	$ -
Changes in assumptions	15,782	-
Net difference between projected and actual earnings on pension plan investments	-	(104,868)
City contributions subsequent to the measurement date	90,781	-
Total	$ 344,691	$ (104,868)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changed to the net pension liability (asset) to be recognized in future periods in a systematic and rational manner, as detailed below.

The amount of $90,781 was reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future years as follows:

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ 11,059
2025	2,212
2026	(1,141)
2027	(26,217)

Note 9: Employee Retirement Plan (Continued)

Actuarial Assumptions

The total pension liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial Cost Method	Entry Age Method
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the basis, with 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 market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Inflation	2.25%
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service-based merit increases
Cost of Living adjustments	0.00%
Retirement Age:	
Normal	65 with 5 years of service
Early	55 with 10 years of service

Mortality:

Healthy	RP-2000 Combined Healthy Table with sex-distinct rates, set forward two years for males and one year for females
Disabled	RP-2000 Disabled Retiree Mortality Table with sex- distinct rates
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the January 1, 2023, valuations were based on the results of an actuarial experience study for the period January 1, 2011, to June 30, 2015.

Note 9: Employee Retirement Plan (Continued)

The 7.37% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of March 31, 2022, 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%	6.80%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Cash	-	-
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.375%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made as recommended rates each year, actuarially determined. Based on that assumption, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on the pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's net pension liability calculated using the current discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease 6.375%	Current Discount 7.375%	1% Increase 8.375%
Net pension liability (asset)	$ 1,055,596	$ 709,861	$ 423,712

Note 10: Fund Equity

The City records five categories of fund balance as defined in Note 1, Section S. The five types are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance is classified by amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

	General Fund	Capital Projects Fund	Special Revenue Fund
Nonspendable			
The following fund balance is nonspendable for:	$ 50,074	$ -	$ -
Committed			
The following fund balances are committed for:			
Committed for capital improvement fund	$ -	$ 176,759	$ -
Committed for ARPA	-	413,003	-
Committed for SPLOST 2020	-	1,603,691	-
Committed for CDBG	-	100	-
Committed for T-SPLOST	-	366,642	-
Committed for SPLOST 2014	-	9,450	-
	$ 50,074	$ 2,569,645	$ -
Restricted			
The following fund balances are restricted for:			
Restricted for police department	$ -	$ -	$ 63,914
Restricted for train depot	-	-	(436)
	$ -	$ -	$ 63,478

Note 10: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of 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. The Georgia Interlocal Risk Management Agency (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 of Blackshear must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

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

The City of Blackshear retains the first $5,000 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 $5,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

Note 10: Risk Management (Continued)

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

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

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on the basis of the employer's liability, including suits or other proceeding alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false and 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 judgement, all expenses incurred for investigation, negotiation, or defense.

Settled claims in the past three years have not exceeded the coverages.

Note 11: Commitments and Contingencies

A. Litigation

The City's management and attorney has advised that there are no pending litigation cases against the City as of June 17, 2024, that will materially affect the financial statements.

B. Contingent Liabilities

The City receives various grants and other funding from federal and state assisted grant programs. Some of these funds have spending restrictions and are subject to compliance audits. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. The City is not aware of contingent liabilities associated with these funds.

Note 12: Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the eight-county Southeast Georgia area, is a member of the Southern Georgia Regional Commission (SGRC). Membership in a SGRC is automatic for each municipality and county in the state. The Official Code of Georgia Annotated (OCGA) Section 50-8-34 (Georgia Planning Act of 1989) which provides for the organizational structure of the SGRC. Each county and municipality in the state is required by law to pay minimum annual dues to the SGRC. The Board of the SGRC is comprised of not less than two or more than five representatives of each member county served by the SGRC. The manner of selecting such representatives from each member county is as follows:

a. The chief elected official or the board of commissioners of each county served by the SGRC shall be a member (or a designated government official).

b. One elected or appointed municipal government official from each city served by the SGRC. The mayors of the municipalities in such city shall select the municipal representative of that city.

c. Not less than ten or more than twenty public members.

d. A minority representative, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest Untied States Census.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines SGRC as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a SGRC beyond its resources. (OCGA 50-8-39.1)

Complete financial statements of the Southern Georgia Regional Commission can be obtained directly from the SGRC's administrative office at: Southern Georgia Reginal Commission
1725 South Ga Parkway, W
Waycross, Georgia 31503

Note 14: Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through June 17, 2024, which is the date the financial statements were available to be issued for potential recognition or disclosure in the financial statements. Management has not identified any events that require adjustment or disclosure in the financial statements.

CITY OF BLACKSHEAR

Required Supplemental Information

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered part of the basic financial statements. Such information includes:

Statement of Changes in Net Pension Liability (Asset) and Related Ratios
Schedule of Contributions
Budgetary Comparison – General Fund
Budgetary Comparison – Capital Improvement Fund
Budgetary Comparison – ARPA Fund
Budgetary Comparison – 2020 SPLOST Fund

City of Blackshear

Statement of Changes in Net Pension Liability

For the Year Ended June 30, 2023

CITY OF BLACKSHEAR, GEORGIA

STATEMENT OF CHANGES IN THE NET PENSION LIABILITY - LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	$ 48,111	$ 40,872	*	*	*	*	*	*	*
Interest	$ 188,882	$ 172,715	*	*	*	*	*	*	*
Differences between expected and acutal experiences	$ (131,084)	$ 125,378	*	*	*	*	*	*	*
Changes of assumptions	$ -	$ -	*	*	*	*	*	*	*
Changes of benefit terms	$ -	$ -	*	*	*	*	*	*	*
Benefit payments, including refunds of employee contributions	$ (125,103)	$ (128,873)	*	*	*	*	*	*	*
Net change in total pension liability	$ (19,194)	$ 210,092	*	*	*	*	*	*	*
Total pension liability - beginning	$ 2,575,549	$ 2,365,457	*	*	*	*	*	*	*
Total pension liability - ending (a)	$ 2,556,355	$ 2,575,549	*	*	*	*	*	*	*
Plan Fiduciary Net Position									
Contributions - employer	$ 126,449	$ 105,510	*	*	*	*	*	*	*
Contributions - employee	$ -	$ -	*	*	*	*	*	*	*
Net investment income	$ (363,349)	$ 438,055	*	*	*	*	*	*	*
Benefit payments, including refunds by employee contributions	$ (125,103)	$ (128,873)	*	*	*	*	*	*	*
Administrative expense	$ (9,104)	$ (9,151)	*	*	*	*	*	*	*
Other	$ -	$ -	*	*	*	*	*	*	*
Net change in fiduciary net position	$ (371,107)	$ 405,541	*	*	*	*	*	*	*
Plan fiduciary net position - beginning	$ 2,217,601	$ 1,812,060	*	*	*	*	*	*	*
Plan fiduciary net position - ending (b)	$ 1,846,494	$ 2,217,601	*	*	*	*	*	*	*
Net pension liability - ending (a) - (b)	$ 709,861	$ 357,948	*	*	*	*	*	*	*
Plan's fiduciary net position as a percentage of the total pension liability	90.03%	83.59%	84.19%	81.99%	84.63%	85.99%	87.03%	80.51%	88.2
Covered employee payroll	$ 1,765,894	$ 1,697,950	$ 1,467,550	$ 1,392,828	$ 1,264,635	$ 1,276,200	$ 1,166,515	$ 1,180,197	$ 1,183,45
Net pension liaibility as a percentage of covered employee payroll	12.67%	22.06%	22.73%	26.39%	22.99%	19.66%	18.68%	18.41%	15.0
Actuarially determined contribution	$ 126,499	$ 105,510	*	*	*	*	*	*	*
Contributions in relation to the actuarially determined contribution	$ 126,499	$ 105,510	*	*	*	*	*	*	*
Contribution deficiency (excess)	$ -	$ -	*	*	*	*	*	*	*
Covered employee payroll	$ 1,765,894	$ 1,697,950	$ 1,467,550	$ 1,392,828	$ 1,264,635	$ 1,276,200	$ 1,166,515	$ 1,180,197	$ 1,183,45
Contributions as a percentage of covered employee payroll	12.67%	22.06%	22.73%	26.39%	22.99%	19.66%	18.68%	18.41%	15.0

* - This information was not available in the prior audit.

City of Blackshear
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Over (Under)
Beginning budgetary fund balance	$ 2,197,828	$ 2,197,828	$ 2,312,080	$ -
Revenues				
Taxes	1,751,000	1,751,000	1,926,059	175,059
Intergovernmental	525,000	525,000	660,781	135,781
Licenses and permits	145,000	145,000	80,237	(64,763)
Charges for services	367,120	367,120	211,600	(155,520)
Fines and forfeirtures	170,000	170,000	125,373	(44,627)
Investment earnings	5,000	5,000	6,041	1,041
Other revenues/reimbursements	187,120	187,120	137,800	(49,320)
Total Revenues	3,150,240	3,150,240	3,147,891	(2,349)
Expenditures				
General government	538,705	538,705	466,948	(71,757)
Judicial	127,000	127,000	113,099	(13,901)
Public safety	1,803,000	1,803,000	1,793,500	(9,500)
Public works	527,700	527,700	527,119	(581)
Culture and recreation	58,500	58,500	24,692	(33,808)
Housing and development	203,077	203,077	198,251	(4,826)
Total Expenditures	3,257,982 -	3,257,982 -	3,123,609 -	(134,373)
Other Financing Sources (Uses)				
Sale of assets	-	-	88,300	88,300
Transfer in/out	107,742	107,742	76,179	(31,563)
Total Other Financing Sources (Uses)	107,742	107,742	164,479	56,737
Excess (deficiency) of revenues over expenditures	-	-	188,761	
Fund balances - beginning of year, as restated	2,197,828	2,197,828	2,033,700	
Fund balances - Ending of year	$ 2,197,828	$ 2,197,828	$ 2,222,461	

City of Blackshear
Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	$ 10,249	$ 10,249	$ 10,249	$ -
Investment earnings	110	110	110	-
Other revenues	74,783	74,783	74,783	-
Total Revenues	85,142	85,142	85,142	-
Expenditures				
Public works	6,253	6,253	6,253	-
Debt Service:				
Principal	25,761	25,761	25,761	-
Interest and other charges	4,589	4,589	4,589	-
Capital outlay	149,631	149,631	149,631	-
Total Expenditures	186,234	186,234	186,234	-
Other Financing Sources (Uses)				
Transfers in(out)	240,698	240,698	240,698	-
Excess (Deficiency) of Revenues over Expenditures	-	-	139,606	139,606
Fund Balances - beginning of year	-	-	37,153	37,153
Fund Balances - ending of year	$ -	$ -	$ 176,759	$ 176,759

City of Blackshear
Budgetary Comparison Schedule
ARPA Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	$ 658,555	$ 658,555	$ 658,555	$ -
Investment earnings	-	-	443	443
Total Revenues	658,555	658,555	658,998	443
Expenditures	658,555	658,555	54,911	(603,644)
Other Financing Sources (Uses)				
Transfers in(out)	-	-	(191,150)	(191,150)
Excess (Deficiency) of Revenues over Expenditures	-	-	412,937	412,937
Fund Balances - beginning of year	-	-	66	66
Fund Balances - ending of year	$ -	$ -	$ 413,003	$ 413,003

City of Blackshear
Budgetary Comparison Schedule
2020 SPLOST Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	$ 675,000	$ 675,000	$ 671,801	$ (3,199)
Investment earnings	-	-	1,298	1,298
Total Revenues	675,000	675,000	673,099	(1,901)
Expenditures				
Debt Service:				
Capital outlay	675,000	675,000	30,780	(644,220)
Total Expenditures	675,000	675,000	30,780	(644,220)
Other Financing Sources (Uses)				
Transfers in(out)	-	-	(151,726)	(151,726)
Excess (Deficiency) of Revenues over Expenditures	-	-	490,593	490,593
Fund Balances - beginning of year	-	-	1,113,098	1,113,098
Fund Balances - ending of year	$ -	$ -	$ 1,603,691	$ 1,603,691

CITY OF BLACKSHEAR

Supplementary Information

City of Blackshear
COMBINING BALANCE SHEET
Non-major Governmental Funds
For the Year Ended June 30, 2023

	Capital Project Funds			Special Revenue Funds		
	Community Development Block Grant	T-SPLOST Fund	SPLOST 2014 Fund	Police Fines and Forfeiture Fund	Train Depot Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 100	$ 359,216	$ 269,094	$ 63,914	$ 4,469	$ 696,793
Investments	-		-	-	-	-
Due from others	-	7,426		-	200	7,626
Interfund receivables	-	-	-	-	-	-
Total assets	$ 100	$ 366,642	$ 269,094	$ 63,914	$ 4,669	$ 704,419
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	-	-
Other payables	-	-	-	-	105	105
Interfund payables	-	-	259,644	-	5,000	264,644
Total Liabilities	-	-	259,644	-	5,105	264,749
Fund balances:						
Assigned	-	-	-	63,914	(436)	63,478
Restricted for capital projects	100	366,642	9,450	-	-	376,192
Total Fund Balances	100	366,642	9,450	63,914	(436)	439,670
Total Liabilities and Fund Balances	$ 100	$ 366,642	$ 269,094	$ 63,914	$ 4,669	$ 704,419

City of Blackshear

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Non-major Governmental Fund

For the Year Ended June 30, 2023

	Capital Project Funds			Special Revenue Funds		
	Community Development Block Grant	T-SPLOST Fund	SPLOST 2014 Fund	Police Fines and Forfeiture Fund	Train Depot Fund	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	$ -	$ 89,063	$ -	$ -	$ -	$ 89,063
Other taxes	-	-	-	-	-	-
Investment earnings	-	311	405	167	-	883
Fines and forfeitures	-	-	-	24,838	-	24,838
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	9,980	9,980
Total Revenues	-	89,374	405	25,005	9,980	124,764
EXPENDITURES						
Current Operating:						
Culture and recreation	-	-	-	-	17,206	17,206
Public safety	-	-	-	15,163	-	15,163
Public works	-	-	-	-	-	-
Housing and developmemt	-	-	-	-	-	-
Capital outlay	-	-	124,290	-	-	124,290
Debt Service						
Principal	-	-	-	-		-
Interest	-	-	-	-		-
Total Expenditures	-	-	124,290	15,163	17,206	156,659
Excess (Deficiency) of Revenues Over Expenditures	-	89,374	(123,885)	9,842	- (7,226)	- (31,895)
Other Financing Sources (Uses)						
Transfers from (to) other funds	-	-	(157,380)	-	5,000	(152,380)
Net Change in Fund Balances	-	89,374	(281,265)	9,842	- (2,226)	- (184,275)
Fund Balances (Deficit) - Beginning of Year	100	277,268	290,715	54,072	1,790	623,945
Fund Balances (Deficit) - Ending of Year	$ 100	$ 366,642	$ 9,450	$ 63,914	$ (436)	$ 439,670

CITY OF BLACKSHEAR

Special Reports Section

Member:
Association of Certified Fraud Examiners

Kendall L. Davis, P.C.

Georgia Society of CPA'S

CERTIFIED PUBLIC ACCOUNTANT
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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and Members of City Council
City of Blackshear
Blackshear, Georgia

I have audited the accompanying Schedule Purpose Local Option Sales Tax for the City of Blackshear for the year ended June 30, 2023. This schedule is the responsibility of the City of Blackshear's management. My responsibility is to express an opinion on the Schedule 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 Purpose 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 on the modified accrual basis as described in Note 1 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, 2023, in conformity with accounting principles generally accepted in the United States of America.

Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
June 17, 2024

City of Blackshear

Special Purpose Local Option Sales Tax 2014

Schedule of Projects Constructed with Special Sales Tax Proceeds

For the Year Ended June 30, 2023

		Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
1	Water & sewer infrastructure	$ 1,773,200	$ 1,773,200	$ 1,245,867	$ 29,812	$ 1,275,679	71.94%
2	Public safety	220,000	220,000	270,670	4,566	275,236	125.10%
3	Road maintenance	561,000	561,000	759,399	87,962	847,361	151.04%
4	Recreational	138,600	138,600	548,508	1,950	550,458	397.16%
5	Downtown development facilities	24,200	24,200	8,995	-	8,995	37.17%
6	Road & street construction and maintenance	495,000	495,000	481,403	-	481,403	97.25%
	Totals	$ 3,212,000	$ 3,212,000	$ 3,314,842	$ 124,290	$ 3,439,132	

City of Blackshear

Special Purpose Local Option Sales Tax 2020

Schedule of Projects Constructed with Special Sales Tax Proceeds

For the Year Ended June 30, 2023

		Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
1	Road maintenance and construction	$ 889,200	$ 889,200	$ 64,092	$ -	$ 64,092	7.21%
2	Water & sewer construction and maintenance	1,991,808	1,991,808	24,000	10,321	34,321	1.72%
3	Public safety	355,680	355,680	75,042	11,047	86,089	24.20%
4	Recreational - History - Downtown	320,112	320,112	187	9,412	9,599	2.99%
	Totals	$ 3,556,800	$ 3,556,800	$ 163,321	$ 30,780	$ 194,101	

CITY OF BLACKSHEAR

Single Audit Section

Kendall L. Davis, P.C.
CERTIFIED PUBLIC ACCOUNTANT
*34 S Williams St * Hazlehurst, Georgia 31539 * (912)375-6077 *email: kendall_davis_pc@yahoo.com

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

Honorable Mayor and
Members of the City Council
CITY OF BLACKSHEAR
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 CITY OF BLACKSHEAR (the "CITY"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the CITY's basic financial statements, and have issued my report thereon dated June 17, 2024.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CITY'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 weakness 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CITY's financial statements are free from 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 financial statements. 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 CITY's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CITY's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kendall L. Davis, P.C.
Certified Public Accountant

Hazlehurst, Georgia
June 17, 2024

CITY OF BLACKSHEAR, GEORGIA

June 30, 2023

SCHEDULE OF FINDINGS AND RESPONSES

Section I - Summary of Auditor's Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

Section II - Financial Statement Findings:

There were no audit findings disclosed for the period ended June 30, 2023.

CITY OF BLACKSHEAR, GEORGIA

June 30, 2023

SUMMARY OF PRIOR YEAR FINDINGS

The prior audit report for the year ended June 30, 2022 contained the following audit findings:

Finding Number	
2022-001	Expenditures in excess of appropriations The audit fieldwork determined that this condition no longer existed at June 30, 2023.
2022-002	Capital assets subledgers not maintained The audit fieldwork determined that this condition no longer existed at June 30, 2023.
2022-003	Accounting close not performed The audit fieldwork determined that this condition no longer existed at June 30, 2023.
2022-004	Interfund activity not reconciled between funds The audit fieldwork determined that this condition no longer existed at June 30, 2023.