CITY OF BLACKSHEAR
BLACKSHEAR, GEORGIA

Annual Financial Report

For the Year Ended June 30, 2024

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Kendall L. Davis, P.C.
CERTIFIED PUBLIC ACCOUNTANT
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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, 2024, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF BLACKSHEAR as of June 30, 2024, 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

A budgetary comparison was presented. 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

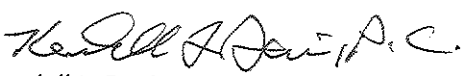
Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions 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 is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, it is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 28, 2025 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
March 28, 2025

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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 2,138,646	$ 591,107	$ 2,729,753
Restricted cash	-	44,799	44,799
Investments	2,111,816	553,855	2,665,671
Receivables:			-
Accounts (net)	3,120	204,781	207,901
Property tax (net)	50,932	-	50,932
Sales tax	114,465	-	114,465
Other taxes	10,995	-	10,995
Internal balances	530,083	(530,083)	-
Due from other governments	8,160	-	8,160
Prepaid expenses	49,458	3,434	52,892
Total current assets	5,017,675	867,893	5,885,568
Noncurrent Assets:			
Capital assets:			
Nondepreciable	917,213	644,147	1,561,360
Depreciable, net	6,379,372	17,790,653	24,170,025
Total noncurrent assets	7,296,585	18,434,800	25,731,385
Total assets	12,314,260	19,302,693	31,616,953
Deferred outflows of resources	170,450	42,612	213,062
Total assets and deferred outflows of resources	12,484,710	19,345,305	31,830,015
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 45,264	$ 22,413	$ 67,677
Accrued expenses	10,223	9,498	19,721
Deferred revenues	42,442	-	42,442
Customer deposits payable	-	135,500	135,500
Current portion of bonds payable	-	48,670	48,670
Current portion of notes payable	114,310	125,626	239,936
Total current liabilities	212,239	341,707	553,946
Noncurrent Liabilities:			
Bonds payable (net of current portion)	-	6,449,763	6,449,763
Notes payable (net of current portion)	359,513	184,659	544,172
Net pension liability	434,609	108,652	543,261
Total noncurrent liabilities	794,122	6,743,074	7,537,196
Total liabilities	1,006,361	7,084,781	8,091,142
Deferred inflows of resources:			
Pension related deferrals	91,359	22,840	114,199
Total deferred inflows or resources			
Total liabilities and deferred inflows of resources	1,097,720	7,107,621	8,205,341
NET POSITION			
Net investment in capital assets	6,822,762	11,626,082	18,448,844
Restricted net position	-	44,799	44,799
Restricted - capital projects	2,474,747	-	2,474,747
Unrestricted net position	2,089,481	566,803	2,656,284
Total net position	11,386,990	12,237,684	23,624,674
Total liabilities, deferred inflows of resources, and net position	$ 12,484,710	$ 19,345,305	$ 31,830,015

See auditor's report.

See accompanying notes to financial statements

CITY OF BLACKSHEAR, GEORGIA

Statement of Activities

For the year ended June 30, 2024

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	$ 662,058	$ 59,482	$ -	$ 681,847	$ 79,271	$ -	$ 79,271
Judicial	70,647	-	-	-	(70,647)	-	(70,647)
Public safety	2,127,223	255,305	-	-	(1,871,918)	-	(1,871,918)
Public works	1,346,776	178,000	334,075	265,275	(569,426)	-	(569,426)
Culture and recreation	123,060	22,575	-	106,571	6,086	-	6,086
Housing and development	311,372	-	-	-	(311,372)	-	(311,372)
Total governmental activities	4,641,136	515,362	334,075	1,053,693	(2,738,006)	-	(2,738,006)
Business-type activities -							
Revolving loan fund	-	-	-	-	-	-	-
Water and sewer	2,350,754	1,897,032	217,158	488,707	-	252,143	252,143
Sanitation system	336,540	341,131	-	-	-	4,591	4,591
Total business-type activities	2,687,294	2,238,163	217,158	488,707	-	256,734	256,734
Total primary government	7,328,430	2,753,525	551,233	1,542,400	(2,738,006)	256,734	(2,481,272)
General revenues:							
Property taxes, levied for general purpose					1,193,632	-	1,193,632
Sales and use taxes					672,839	-	672,839
Insurance premium tax					310,901	-	310,901
Franchise taxes					297,112	-	297,112
Other taxes					272,415	-	272,415
Investment earnings					54,878	14,687	69,565
Gain on Disposition of capital assets					44,889	-	44,889
Other revenue and reimbursements					129,721	-	129,721
Total general revenues					2,976,387	14,687	2,991,074
Transfers					15,487	(15,487)	-
Change in net position					253,868	255,934	509,802
Net position - beginning, as restated					11,133,122	11,981,750	23,114,872
Net position - ending					$ 11,386,990	$ 12,237,684	$ 23,624,674

See auditor's report.

See accompanying notes to financial statements.

CITY OF BLACKSHEAR, GEORGIA
Balance Sheet - Governmental Funds
As of June 30, 2024

	Major Governmental Funds				Other	Total
	General Fund	Capital Improvement Fund	ARPA Fund	SPLOST 2020 Fund	Governmental Funds	Governmental Funds
ASSETS						
Cash	$ 1,524,894	$ 236,372	$ 52,063	$ 129,948	$ 195,369	$ 2,138,646
Certificates of deposit	511,816	-	200,000	1,000,000	400,000	2,111,816
Accounts and notes receivable	3,120	-	-	-	-	3,120
Taxes receivable:						-
Property	50,932	-	-	-	-	50,932
Sales	56,863	-	-	57,602	-	114,465
Other taxes	10,995	-	-	-	-	10,995
Due from other governments	-	-	-	-	8,160	8,160
Interfund receivables	272,203	6,800	-	523,705	-	802,708
Prepaid expenses	49,458	-	-	-	-	49,458
Total assets	$ 2,480,281	$ 243,172	$ 252,063	$ 1,711,255	$ 603,529	$ 5,290,300
LIABILITIES						
Current liabilities:						
Accounts payable	31,961	13,020	-	200	83	45,264
Accrued expenditures	10,223	-	-		-	10,223
Notes payable	111,635	-	-	-	2,675	114,310
Interfund payables	7,356	-	-	-	265,269	272,625
Deferred revenues	42,442	-	-	-	-	42,442
Deferred inflows or resources	-	-	-	-	-	-
Total liabilities and deferred inflows or resources	203,617	13,020	-	200	268,027	484,864
FUND BALANCES						
Nonspendable	49,458	-	-	-	-	49,458
Committed	-	-	-	-	-	-
Restricted for capital projects	-	230,152	252,063	1,711,055	281,477	2,474,747
Assigned to special revenue funds	-	-	-	-	54,025	54,025
Unassigned	2,227,206	-	-	-	-	2,227,206
Total fund balances	2,276,664	230,152	252,063	1,711,055	335,502	4,805,436
Total liabilities, deferred inflows of resources and fund balances	$ 2,480,281	$ 243,172	$ 252,063	$ 1,711,255	$ 603,529	$ 5,290,300

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, 2024

Total fund balances for governmental funds			$ 4,805,436
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	13,564,969	
	Less: accumulated depreciation	(6,268,384)	
			7,296,585
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		170,450
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		(91,359)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
	Note payable	(359,513)	
	Net pension liability	(434,609)	
			(794,122)
Total net position of governmental activities			$ 11,386,990

CITY OF BLACKSHEAR, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2024

	Major Governmental Funds				Other	Total
	General Fund	Capital Improvement Fund	ARPA Fund	SPLOST 2020 Fund	Governmental Funds	Governmental Funds
REVENUES						
Taxes	$ 1,957,268	$ -	$ -	$ -	$ -	$ 1,957,268
Intergovernmental revenues	1,006,914	171,735	-	680,579	200,411	2,059,639
Licenses and permits	93,040	-	-	-	-	93,040
Charges for services	219,262	-	-	-	-	219,262
Fines and forfeitures	130,569				2,991	133,560
Investment earnings	52,094	427	297	1,268	792	54,878
Other revenues	256,853	-	-	-	8,785	265,638
Total revenues	3,716,000	172,162	297	681,847	212,979	4,783,285
EXPENDITURES						
Current:						
General government	614,272	-	-	-	13,466	627,738
Judicial	70,647				-	70,647
Public safety	1,929,974	-	-	-	7,986	1,937,960
Public works	455,897	384,698	-	184,920	18,466	1,043,981
Culture and recreation	26,464	-	76,995	-	-	103,459
Housing and development	204,801	-	-	-	106,571	311,372
Capital outlay	1,128,906	-	-	-	-	1,128,906
Debt service - principal	26,460	-	-	-	-	26,460
Debt service - interest	3,890	-	-	-	-	3,890
Total expenditures	4,461,311	384,698	76,995	184,920	146,489	5,254,413
Excess(deficiency) of revenues over expenditures	(745,311)	(212,536)	(76,698)	496,927	66,490	(471,128)
OTHER FINANCING SOURCES						
Sales of capital assets	44,889	-	-	-		44,889
Transfers from other funds	1,376,057	930,169	-	-	-	2,306,226
Transfers to other funds	(982,036)	(664,240)	(84,242)	(389,563)	(170,658)	(2,290,739)
Loan proceeds	360,604	-	-	-	-	360,604
Total other financing sources	799,514	265,929	(84,242)	(389,563)	(170,658)	420,980
Change in fund balance	54,203	53,393	(160,940)	107,364	(104,168)	(50,148)
Fund balances - beginning of year, as restated	2,222,461	176,759	413,003	1,603,691	439,670	4,855,584
Fund balances - end of year	$ 2,276,664	$ 230,152	$ 252,063	$ 1,711,055	$ 335,502	$ 4,805,436

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, 2024

Net change in fund balances - total governmental funds reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds*		$ (50,148)
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	(490,746)	
Capital outlay	1,128,906	
		638,160
Proceeds from loans		(360,604)
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		26,460
Change in net position of governmental activities reported in the *Statement of Activities.*		$ 253,868

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, 2024

	Business-Type Activities - Proprietary Funds			
	Water and Sewer	Solid Waste Fund	Revolving Loan Fund	Totals
ASSETS				
Current assets:				
Cash	$ 379,070	$ 212,037	$ -	$ 591,107
Certificates of deposit	598,654	-	-	598,654
Accounts receivable (net)	171,844	32,872	-	204,716
Due from other funds	273,958	7,356	-	281,314
Prepaid insurance	3,434	-	-	3,434
Total current assets	1,426,960	252,265	-	1,679,225
Noncurrent assets:				
Nondepreciable capital assets - land	644,147	-	-	644,147
Capital assets, net of accumulated depreciation:				
Distribution system, buildings & equipment	17,790,653	-	-	17,790,653
Total noncurrent assets	18,434,800	-	-	18,434,800
Total assets	19,861,760	252,265	-	20,114,025
Deferred outflows of resources	42,612	-	-	42,612
Total assets and deferred outflows of resources	$ 19,904,372	$ 252,265	$ -	$ 20,156,637
LIABILITIES				
Current liabilities:				
Accounts payable	$ 19,458	$ 2,955	$ -	$ 22,413
Due to other funds	773,231	38,101	-	811,332
Other current payables	9,498	-	-	9,498
Bonds payable - current	48,670	-	-	48,670
Notes payable - current	125,626	-	-	125,626
Customer deposits payable	135,500	-	-	135,500
Total current liabilities	1,111,983	41,056	-	1,153,039
Noncurrent liabilities:				
Bonds payable, net of current	6,634,422	-	-	6,634,422
Notes payable - net of current	-	-	-	-
Net pension liability	108,652	-	-	108,652
Total noncurrent liabilities	6,743,074	-	-	6,743,074
Total liabilities	7,855,057	41,056	-	7,896,113
Deferred inflows of resources	22,840	-	-	22,840
Total liabilities and deferred inflows or resources	7,877,897	41,056	-	7,918,953
NET POSITION				
Investment in capital assets (net)	11,626,082	-	-	11,626,082
Restricted net position	44,799	-	-	44,799
Unrestricted net position	355,594	211,209	-	566,803
Total net position	12,026,475	211,209	-	12,237,684
Total liabilities, deferred inflows of resources, and net position	$ 19,904,372	$ 252,265	$ -	$ 20,156,637

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, 2024

	Business-Type Activities - Proprietary Funds			
	Water and Sewer	Solid Waste Fund	Revolving Loan Fund	Totals
OPERATING REVENUES				
Charges for services	$ 1,720,710	$ 341,131	$ -	$ 2,061,841
Other revenues	176,322	-	-	176,322
Total operating revenues	1,897,032	341,131	-	2,238,163
OPERATING EXPENSES				
Personnel services	745,387	54,270	-	799,657
Contracted services	481,406	247,597	-	729,003
Repairs and maintenance	305,571	13,566	-	319,137
Other supplies and expenses	73,429	21,107	-	94,536
Depreciation	633,137	-	-	633,137
Total operating expenses	2,238,930	336,540	-	2,575,470
Income (loss) from operations	(341,898)	4,591	-	(337,307)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	12,983	-	1,704	14,687
Interest expense	(111,824)	-	-	(111,824)
Total non-operating revenues (expenses)	(98,841)	-	1,704	(97,137)
Income (loss) before contributions and transfers	(440,739)	4,591	1,704	(434,444)
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	488,707	-	-	488,707
Capital contributions from other funds	217,158	-	-	217,158
Transfers from/to other funds	84,971	-	(100,458)	(15,487)
Net contributions and transfers	790,836	-	(100,458)	690,378
Change in net position	350,097	4,591	(98,754)	255,934
Net position - beginning of year, as restated	11,676,378	206,618	98,754	11,981,750
Net position - end of year	$ 12,026,475	$ 211,209	$ -	$ 12,237,684

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, 2024

	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	$ 1,880,472	$ 330,872	$ 12,678	$ 2,224,022
Payments to suppliers	(282,060)	(283,090)	-	(565,150)
Payments to employees	(745,387)	(54,270)	-	(799,657)
Net cash provided (used) by operating activities	853,025	(6,488)	12,678	859,215
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out) and other income	302,129	-	(100,458)	201,671
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,315,342)	-	-	(1,315,342)
Principal paid on bonds	(178,815)	-	-	(178,815)
Interest paid on long-term debt	(111,824)	-	-	(111,824)
Capital contributions	488,707	-	-	488,707
Net cash provided (used) by capital and related financing activities	(1,117,274)	-	-	(1,117,274)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(54,101)	-	-	(54,101)
Interest income	10,078	-	1,704	11,782
Net cash provided (used) by investing activities	(44,023)	-	1,704	(42,319)
NET INCREASE (DECREASE) IN CASH	(6,143)	(6,488)	(86,076)	(98,707)
CASH AND CASH EQUIVALENTS - beginning of year	385,213	218,525	86,076	689,814
CASH AND CASH EQUIVALENTS - end of year	$ 379,070	$ 212,037	$ -	$ 591,107

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, 2024

	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	$ 334,271	$ 212,037	$ -	$ 546,308
Restricted	44,799	-	-	44,799
Total	$ 379,070	$ 212,037	$ -	$ 591,107
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net operating income (loss)	(341,898)	4,591	-	(337,307)
Adjustments to reconcile operating income (loss) to net cash provided from operating activities:				
Depreciation expense	633,137	-	-	633,137
(Increase) decrease in accounts receivable	(2,908)	(10,259)	-	(13,167)
(Increase) decrease due from other funds	(12,333)	(5,861)	-	(18,194)
(Increase) decrease in notes receivable	-	-	12,678	12,678
(Increase) decrease in prepaid expenses	9,084	-	-	9,084
(Increase) decrease in deferred outflows	26,326	-	-	26,326
Increase (decrease) in accounts payable	8,459	2,955	-	11,414
Increase (decrease) in other payables	553,545	2,086	-	555,631
Increase (decrease) in customer deposits	11,067	-	-	11,067
Increase (decrease) in deferred inflows	1,866	-	-	1,866
Increase (decrease) in net pension liability	(33,320)	-	-	(33,320)
Net cash provided (used) by operating activiities	$ 853,025	$ (6,488)	$ 12,678	$ 859,215

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, 2004.

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, 2024.

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)

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.

Note 1: Summary of Significant Account Policies (continued)

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, 2024, the carrying amounts of the City's bank deposits were $5,440,223 and the respective bank balances were $5,580,213. Of the total bank balances, $250,000 was insured through the Federal Depository Insurance Corporation (FDIC) for checking and $250,000 for investing. 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, 2024, $5,080,213 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, 2024 were as follows:

	Accounts	Taxes	Total
Governmental activities:			
General, net	$ 3,120	$ 176,392	$ 179,512
Total governmental activities	$ 3,120	$ 176,392	$ 179,512
Business-type activities:			
Water and Sewer, net	$ 204,781	$ -	$ 204,781
Total business-type activities	$ 204,781	$ -	$ 204,781

Payables at June 30, 2024 were as follows:

	Total
Governmental activities:	
General - vendors	$ 45,264
Total governmental activities	$ 45,264
Business-type activities:	
Water and sewer	$ 22,413
Total business-type activities	$ 22,413

Note 5: Capital Assets

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Balance at June 30, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities				
Nondepreciable capital assets:				
Land	$ 917,213	$ -	$ -	$ 917,213
Total nondepreciable capital assets	917,213	-	-	917,213
Depreciable capital assets:				
Buildings	2,112,444	-	-	2,112,444
Equipment	3,791,712	885,000	(132,147)	4,544,565
Infrastructure	5,798,184	243,906	(51,343)	5,990,747
Total capital assets	11,702,340	1,128,906	(183,490)	12,647,756
Less: accumulated depreciation for:				
Buildings	1,125,565	48,947	-	1,174,512
Equipment	2,461,644	278,240	(79,213)	2,660,671
Infrastructure	2,269,642	163,559	-	2,433,201
Total accumulated depreciation	5,856,851	490,746	(79,213)	6,268,384
Total depreciable, net	5,845,489	638,160	(104,277)	6,379,372
Governmental a capital assets, net of related debt	$ 6,762,702	$ 638,160	$ (104,277)	$ 7,296,585

	Balance at June 30, 2023	Increases	Decreases	Balance June 30, 2024
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	25,061,938	1,315,342	-	26,377,280
Total depreciable capital assets	25,140,115	1,315,342	-	26,455,457
Less: accumulated depreciation for:				
Buildings and improvements	78,177	-	-	78,177
System improvements	7,957,114	633,137	(3,624)	8,586,627
Total accumulated depreciation	8,035,291	633,137	(3,624)	8,664,804
Total depreciable, net	17,104,824	682,205	3,624	17,790,653
Business activities capital assets, net	$ 17,748,971	$ 682,205	$ 3,624	$ 18,434,800

Note 5: Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General and Administrative	$ 34,320
Public Safety	185,374
Public Works	251,452
Culture and Recreation	19,600
Total Depreciation Expense - Governmental Activities	$ 490,746

Construction commitments:

As of June 30, 2024, 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.

Transfers from/(to):	General Fund	Capital Improvement Fund	ARPA Fund	EIP	Water & Sewer Fund	SPLOST Fund	Total
General fund	$ -	$ (72,541)	$ (84,242)	$ -	$ -	$ (389,563)	$ (546,346)
Capital improvement	(13,635)	100,458	-	(100,458)	-	-	(13,635)
ARPA fund	84,242	-	-	-	-	-	84,242
Water & sewer	(46,098)	-	-	-	-	(170,658)	(216,756)
SPLOST	389,563	-	-	-	302,932	-	692,495
Total	$ 414,072	$ 27,917	$ (84,242)	$ (100,458)	$ 302,932	$ (560,221)	$ -

Note 6: Interfund Receivable and Payable Balances (continued)

B. *Interfund Balances:*
Interfund balances at June 30, 2024, 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	$ 272,203	$ -
Capital improvement fund	-	-
SPLOST	523,705	259,844
Nonmajor governmental funds	-	5,625
ENTERPRISE FUNDS:		
Water & sewer	274,093	773,231
Solid waste fund	14,155	45,456
Total	$ 1,084,156	$ 1,084,156

General Fund:	
Due from water & sewer	$ 272,203
Due from SPLOST 2020	523,705
Due from train depot	-
Water & Sewer Fund:	
Due from SPLOST 2014	235,992
Due from solid waste	38,101
Solid Waste Fund	
Due from general fund	7,355
General construction in progress	6,800
	$ 1,084,156

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, 2024.

Note 7: Long-Term Obligations

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable	$ 139,679	$ 360,604	$ 26,460	$ 473,823	$ 114,310
Business type activities:					
Notes payable	$ 229,066	$ -	$ 26,902	$ 202,164	$ 17,505
Bonds payable	6,128,169	-	123,383	6,004,786	125,626
GEFA loan	630,299	-	28,531	601,768	31,165
	$ 6,987,534	$ -	$ 178,816	$ 6,808,718	$ 174,296

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. The following is the payment schedule:

Year	Principal	Interest	Total
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	$ 113,219	$ 8,181	$ 121,400

The City entered into a note with Prime South Bank on February 6, 2024 for the purchase of a 2024 Mack truck for its public works department. The original amount of the note is $196,812. The repayment is to be in five annual installments of $45,873 at an interest rate of 5.25% beginning on February 6, 2025. The maturity date is February 6, 2029. The following is the payment schedule:

Note 7: Long-Term Obligations (continued)

The City entered into a note with Prime South Bank on February 6, 2024 for the purchase of three (3) vehicles for the Police Department. The original amount of the note is $163,792. The repayment is to be in three annual installments of $60,518 at an interest rate of 5.25% beginning on February 6, 2025. The maturity date is February 6, 2027. The following is the payment schedule:

Year	Principal	Interest	Total
2025	$ 51,763	$ 8,755	$ 60,518
2026	54,547	5,971	60,518
2027	57,482	3,036	60,518
Total	$ 163,792	$ 17,762	$ 181,554

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
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	31,147	2,801	33,948
2030-2034	54,469	3,578	58,047
Total	$ 202,164	$ 25,623	$ 227,787

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
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	19,030	16,766	35,796
2030-2034	97,371	81,609	178,980
2035-2039	108,276	70,704	178,980
2040-2044	120,402	58,578	178,980
2045-2049	133,887	45,093	178,980
2050-2054	148,882	30,098	178,980
2055-2059	167,793	13,424	181,217
Total	$ 867,938	$ 387,159	$ 1,255,097

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
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	115,851	81,369	197,220
2030-2034	590,180	395,920	986,100
2035-2039	644,106	341,994	986,100
2040-2044	702,959	283,141	986,100
2045-2049	767,191	218,909	986,100
2050-2054	837,291	148,809	986,100
2055-2059	913,797	72,303	986,100
2060-2063	121,445	5,657	127,102
Total	$ 5,136,848	$1,892,954	$ 7,029,802

Note 7: Long-Term Obligations (continued)

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. The principal balance at June 30, 2024 was $601,768. The loan went to repayment status on July 1, 2023.The maturity date is July 1, 2043. Payments are $2,660.68 per month. The interest rate is 0.13%. The loan is payable out of the net revenue of the water and sewer system. Repayment of the loan will be made as follows:

Year Ending June 30,	Principal	Interest	Total
2025	31,165	$ 763	$ 31,928
2026	31,205	723	31,928
2027	31,245	683	31,928
2028	31,287	641	31,928
2029	31,326	602	31,928
2030-2034	157,247	2,393	159,640
2035-2039	155,643	3,997	159,640
2040-2043	132,650	1,598	134,248
Total	$ 601,768	$ 11,400	$ 613,168

Note 8: 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, 2024, the following number of employees were covered by the benefit terms:

Pensioners as of the valuation date (including 3 beneficiaries)			18
Participants inactive during the year with vested rights			25
Participants active during the year:	Full vested	29	
	Not vested	11	40

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 8: Employee Retirement Plan (continued)

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

At June 30, 2024, the City reported a liability (asset) of $543,261 as its net pension liability (asset). The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. 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, 2024.

The following is a schedule reconciles the differences between the beginning and ending net pension liability (asset) for the year ended June 30, 2024:

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2022*	$ 2,556,355	$ 1,846,494	$ 709,861
Changes for the year:			
Service Cost	54,063	-	54,063
Interest	188,013	-	188,013
Differences between expected and actual experience	(44,436)	-	(44,436)
Contributions - employer	-	125,025	(125,025)
Contributions - employee	-	-	-
Net investment income	-	248,189	(248,189)
Benefit payments, including refunds of employee contributions	(122,185)	(122,185)	-
Administrative expense	-	(8,974)	8,974
Net Changes	75,455	242,055	(166,600)
Balance at September 30, 2023**	$ 2,631,810	$ 2,088,549	$ 543,261

**Entry Age Normal liabilities calculated using 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 measurements of the NPL for the fiscal year ending June 30, 2023.*

*** Entry Age Normal liabilities calculated using age and service amounts as of January 1,2024, are used to measure TPL as of September 30, 2023. The balances as of September 30, 2023, constitute of the NPL for the fiscal year ending June 30, 2024.*

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

Note 8: Employee Retirement Plan (continued)

For the year ended June 30, 2024, the City recognized pension expense of $162,437. 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, 2024, 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	$ 53,505	$ (114,199)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	96,505	-
City contributions subsequent to the measurement date	63,052	-
Total	$ 213,062	$ (114,199)

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 $63,052 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, 2024. 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
2025	$ 7,650
2026	11,724
2027	47,771
2028	(31,334)

Note 8: Employee Retirement Plan (Continued)

Actuarial Assumptions

The total pension liability in the January 1, 2024, 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, 2024, valuations were based on the results of an actuarial experience study for the period January 1, 2011, to June 30, 2015.

Note 8: 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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.91%
International equity	20%	7.21%
Global fixed income	5%	1.67%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
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)	$ 910,693	$ 543,261	$ 239,903

Note 9: 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:	$ 49,458	$ -	$ -
Committed			
The following fund balances are committed for:			
Committed for capital improvement fund	$ -	$ 230,152	$ -
Committed for ARPA	-	252,063	-
Committed for SPLOST 2020	-	1,711,055	-
Committed for CDBG	-	100	-
Committed for T-SPLOST	-	451,777	-
Committed for SPLOST 2014	-	(170,400)	-
	$ 49,458	$ 2,474,747	$ -
Restricted			
The following fund balances are restricted for:			
Restricted for police department	$ -	$ -	$ 59,142
Restricted for train depot	-	-	(5,117)
	$ -	$ -	$ 54,025

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 March 28, 2025, 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 13: Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through March 28, 2025, 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, 2024

CITY OF BLACKSHEAR, GEORGIA

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 54,063	$ 48,111	$ 40,872	*	*	*	*	*	*	*
Interest	$ 188,013	$ 188,882	$ 172,715	*	*	*	*	*	*	*
Differences between expected and acutal experiences	$ (44,436)	$ (131,084)	$ 125,378	*	*	*	*	*	*	*
Changes of assumptions	$ -	$ -	$ -	*	*	*	*	*	*	*
Changes of benefit terms	$ -	$ -	$ -	*	*	*	*	*	*	*
Benefit payments, including refunds of employee contributions	$ (122,185)	$ (125,103)	$ (128,873)	*	*	*	*	*	*	*
Net change in total pension liability	$ 75,455	$ (19,194)	$ 210,092	*	*	*	*	*	*	*
Total pension liability - beginning	$ 2,556,355	$ 2,575,549	$ 2,365,457	*	*	*	*	*	*	*
Total pension liability - ending (a)	$ 2,631,810	$ 2,556,355	$ 2,575,549	*	*	*	*	*	*	*
Plan Fiduciary Net Position										
Contributions - employer	$ 125,025	$ 126,449	$ 105,510	*	*	*	*	*	*	*
Contributions - employee	$ -	$ -	$ -	*	*	*	*	*	*	*
Net investment income	$ 248,189	$ (363,349)	$ 438,055	*	*	*	*	*	*	*
Benefit payments, including refunds by employee contributions	$ (122,185)	$ (125,103)	$ (128,873)	*	*	*	*	*	*	*
Administrative expense	$ (8,974)	$ (9,104)	$ (9,151)	*	*	*	*	*	*	*
Other	$ -	$ -	$ -	*	*	*	*	*	*	*
Net change in fiduciary net position	$ 242,055	$ (371,107)	$ 405,541	*	*	*	*	*	*	*
Plan fiduciary net position - beginning	$ 1,846,494	$ 2,217,601	$ 1,812,060	*	*	*	*	*	*	*
Plan fiduciary net position - ending (b)	$ 2,088,549	$ 1,846,494	$ 2,217,601	*	*	*	*	*	*	*
Net pension liability - ending (a) - (b)	$ 543,261	$ 709,861	$ 357,948	*	*	*	*	*	*	*
Plan's fiduciary net position as a percentage of the total pension liability	94.36%	90.03%	83.59%	84.19%	81.99%	84.63%	85.99%	87.03%	80.51%	88.27%
Covered employee payroll	$ 1,938,000	$ 1,765,894	$ 1,697,950	$ 1,467,550	$ 1,392,828	$ 1,264,635	$ 1,276,200	$ 1,166,515	$ 11,800,197	$ 1,183,453
Net pension liaiblity as a percentage of covered employee payroll	6.65%	12.67%	22.06%	22.73%	26.39%	22.99%	19.66%	18.68%	18.41%	15.00%
Actuarially determined contribution	$ 125,025	$ 126,499	$ 105,510	*	*	*	*	*	*	*
Contributions in relation to the actuarially determined contribution	$ 125,025	$ 126,499	$ 105,510	*	*	*	*	*	*	*
Contribution deficiency (excess)	$ -	$ -	$ -	*	*	*	*	*	*	*
Covered employee payroll	$ 1,938,000	$ 1,765,894	$ 1,697,950	$ 1,467,550	$ 1,392,828	$ 1,264,635	$ 1,276,200	$ 1,166,515	$ 1,180,197	$ 1,183,453
Contributions as a percentage of covered employee payroll	6.65%	12.67%	22.06%	22.73%	26.39%	22.99%	19.66%	18.68%	18.41%	15.00%

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

City of Blackshear
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Over (Under)
Beginning budgetary fund balance	$ 2,197,828	$ 2,197,828	$ 2,222,461	$ -
Revenues				
Taxes	2,518,500	2,518,500	1,957,268	(561,232)
Intergovernmental	15,000	15,000	1,006,914	991,914
Licenses and permits	20,000	20,000	93,040	73,040
Charges for services	169,820	169,820	219,262	49,442
Fines and forfeirtures	170,000	170,000	130,569	(39,431)
Investment earnings	30,000	30,000	52,094	22,094
Other revenues/reimbursements	126,000	126,000	256,853	130,853
Total Revenues	3,049,320	3,049,320	3,716,000	666,680
Expenditures				
General government	746,365	746,365	614,272	(132,093)
Judicial	65,500	65,500	70,647	5,147
Public safety	1,801,624	1,801,624	1,960,324	158,700
Public works	520,117	520,117	507,240	(12,877)
Culture and recreation	9,500	9,500	26,464	16,964
Housing and development	186,714	186,714	204,801	18,087
Capital outlay	-	-	1,077,563	1,077,563
Total Expenditures	3,329,820	3,329,820	4,461,311	1,131,491
Other Financing Sources (Uses)				
Proceeds from loans	280,500	280,500	360,604	80,104
Sale of assets	-	-	44,889	44,889
Transfer in/out	-	-	394,021	394,021
Total Other Financing Sources (Uses)	280,500	280,500	799,514	519,014
Excess (deficiency) of revenues over expenditures	280,500	280,500	54,203	
Fund balances - beginning of year	2,197,828	2,197,828	2,222,461	
Fund balances - Ending of year	$ 2,478,328	$ 2,478,328	$ 2,276,664	

City of Blackshear
Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2024

	Original	Final		
Revenues				
Intergovernmental	$ 171,735	$ 171,735	$ 171,735	$ -
Investment earnings	427	427	427	-
Other revenues	-	-	-	-
Total Revenues	172,162	172,162	172,162	-
Expenditures				
Public works	384,698	384,698	384,698	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	384,698	384,698	384,698	-
Other Financing Sources (Uses)				
Transfers in(out)	265,929	265,929	265,929	-
Excess (Deficiency) of Revenues over Expenditures	-	-	53,393	53,393
Fund Balances - beginning of year	-	-	176,759	176,759
Fund Balances - ending of year	$ -	$ -	$ 230,152	$ 230,152

City of Blackshear
Budgetary Comparison Schedule
ARPA Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	$ -	$ -	$ -	$ -
Investment earnings	297	297	297	-
Total Revenues	297	297	297	-
Expenditures	76,995	76,995	76,995	-
Other Financing Sources (Uses)				
Transfers in(out)	(84,242)	(84,242)	(84,242)	-
Excess (Deficiency) of Revenues over Expenditures	(160,940)	(160,940)	(160,940)	-
Fund Balances - beginning of year	-	-	413,003	413,003
Fund Balances - ending of year	$ -	$ -	$ 252,063	$ 252,063

City of Blackshear
Budgetary Comparison Schedule
2020 SPLOST Fund
For the Year Ended June 30, 2024

	Original	Final		
Revenues				
Intergovernmental	$ 680,579	$ 680,579	$ 680,579	$ -
Investment earnings	1,268	1,265	1,268	-
Total Revenues	681,847	681,844	681,847	-
Expenditures				
Debt Service:				
Capital outlay	184,920	184,920	184,920	-
Total Expenditures	184,920	184,920	184,920	-
Other Financing Sources (Uses)				
Transfers in(out)	(389,563)	(389,563)	(389,563)	-
Excess (Deficiency) of Revenues over Expenditures	107,364	107,364	107,364	-
Fund Balances - beginning of year	1,603,691	1,603,691	1,603,691	-
Fund Balances - ending of year	$ 1,711,055	$ 1,711,055	$ 1,711,055	$ -

CITY OF BLACKSHEAR

Supplementary Information

City of Blackshear
COMBINING BALANCE SHEET
Non-major Governmental Funds
For the Year Ended June 30, 2024

	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	$ 43,617	$ 89,244	$ 59,142	$ 3,266	$ 195,369
Investments	-	400,000	-	-	-	400,000
Due from others	-	8,160		-	-	8,160
Interfund receivables	-	-	-	-	-	-
Total assets	$ 100	$ 451,777	$ 89,244	$ 59,142	$ 3,266	$ 603,529
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	83	83
Other payables	-	-	-	-	2,675	2,675
Interfund payables	-	-	259,644	-	5,625	265,269
Total Liabilities	-	-	259,644	-	8,383	268,027
Fund balances:						
Assigned	-	-	-	59,142	(5,117)	54,025
Restricted for capital projects	100	451,777	(170,400)	-	-	281,477
Total Fund Balances	100	451,777	(170,400)	59,142	(5,117)	335,502
Total Liabilities and Fund Balances	$ 100	$ 451,777	$ 89,244	$ 59,142	$ 3,266	$ 603,529

City of Blackshear

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Non-major Governmental Fund

For the Year Ended June 30, 2024

	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	$ 106,571	$ 93,840	$ -	$ -	$ -	$ 200,411
Other taxes	-	-	-	-	-	-
Investment earnings	-	396	173	223	-	792
Fines and forfeitures	-	-	-	2,991	-	2,991
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	8,785	8,785
Total Revenues	106,571	94,236	173	3,214	8,785	212,979
EXPENDITURES						
Current Operating:						
Culture and recreation	-	-	-	-	13,466	13,466
Public safety	-	-	-	7,986	-	7,986
Public works	-	9,101	-	-	-	9,101
Housing and developmemt	106,571	-	-	-	-	106,571
Capital outlay	-	-	9,365	-	-	9,365
Debt Service						
Principal	-	-	-	-		-
Interest	-	-	-	-		-
Total Expenditures	106,571	9,101	9,365	7,986	13,466	146,489
Excess (Deficiency) of Revenues Over Expenditures	-	85,135	(9,192)	(4,772)	- (4,681)	- 66,490
Other Financing Sources (Uses)						
Transfers from (to) other funds	-	-	(170,658)	-	-	(170,658)
Net Change in Fund Balances	-	85,135	(179,850)	(4,772)	- (4,681)	- (104,168)
Fund Balances (Deficit) - Beginning of Year	100	366,642	9,450	63,914	(436)	439,670
Fund Balances (Deficit) - Ending of Year	$ 100	$ 451,777	$ (170,400)	$ 59,142	$ (5,117)	$ 335,502

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, 2024. 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, 2024, in conformity with accounting principles generally accepted in the United States of America.

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

Hazlehurst, Georgia
March 28, 2025

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, 2024

		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	$ 1,275,679	$ 170,658	$ 1,446,337	81.56%
2	Public safety	220,000	220,000	275,236	-	275,236	125.10%
3	Road maintenance	561,000	561,000	847,361	-	847,361	151.04%
4	Recreational	138,600	138,600	550,458	9,365	559,823	403.91%
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	$ 3,439,132	$ 180,023	$ 3,619,155	

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, 2024

		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	$ 274,813	$ 338,905	38.11%
2	Water & sewer construction and maintenance	1,991,808	1,991,808	34,321	246,965	281,286	14.12%
3	Public safety	355,680	355,680	86,089	37,692	123,781	34.80%
4	Recreational - History - Downtown	320,112	320,112	9,599	15,313	24,912	4.07%
	Totals	$ 3,556,800	$ 3,556,800	$ 194,101	$ 574,783	$ 768,884	

CITY OF BLACKSHEAR

Other Information

Kendall L. Davis, P.C.
CERTIFIED PUBLIC ACCOUNTANT
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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, 2024, and the related notes to the financial statements, which collectively comprise the CITY's basic financial statements, and have issued my report thereon dated March 28, 2025.

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
March 28, 2025

CITY OF BLACKSHEAR, GEORGIA

June 30, 2024

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, 2024.

CITY OF BLACKSHEAR, GEORGIA

June 30, 2024

SUMMARY OF PRIOR YEAR FINDINGS

The prior audit report for the year ended June 30, 2023 contained no audit findings.