City of Blakely, Georgia

Financial Statements

For the Year Ended
December 31, 2023

CITY OF BLAKELY, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2023
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Perry L. Henry, LLC
Certified Public Accountant and Consultant

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Blakely, Georgia as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability

to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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*, we:

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

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund (on page 37-38) and the pension schedules (on pages 39-41) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
July 18, 2024

BASIC FINANCIAL STATEMENTS

CITY OF BLAKELY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash, including time deposits	$ 413,684	$ 1,630,693	$ 2,044,377
Investments	-	4,754,853	4,754,853
Accounts receivable	860,723	1,683,572	2,544,295
Inventory	21,639	321,080	342,719
Prepaids	11,840	51,817	63,657
Total Current Assets	1,307,886	8,442,015	9,749,901
Noncurrent Assets			
Restricted assets:			
Cash	3,711,206	695,257	4,406,463
Non-depreciable assets	1,937,588	2,075,636	4,013,224
Capital assets (net)	9,162,725	11,437,952	20,600,677
Right-to-use leased assets (net)	6,685	-	6,685
Total Noncurrent Assets	14,818,204	14,208,845	29,027,049
Total Assets	16,126,090	22,650,860	38,776,950
Deferred Outflows of Resources	191,833	92,206	284,039
LIABILITIES			
Current Liabilities			
Accounts payable	398,088	998,573	1,396,661
Customer deposits	-	366,946	366,946
Notes payable, current portion	167,644	201,575	369,219
Bonds payable, current portion	-	595,000	595,000
Lease payable, current portion	1,863	-	1,863
Total Current Liabilities	567,595	2,162,094	2,729,689
Noncurrent Liabilities			
Compensated absences	146,903	89,941	236,844
Landfill postclosure	-	2,789	2,789
Net pension obligation	1,347,617	647,744	1,995,361
Notes payable, less current portion	3,432,021	857,640	4,289,661
Bonds payable, less current portion	-	2,555,000	2,555,000
Lease payable, less current portion	5,141	-	5,141
Total Noncurrent Liabilities	4,931,682	4,153,114	9,084,796
Total Liabilities	5,499,277	6,315,208	11,814,485
Deferred inflows of resources	264,308	127,043	391,351
NET POSITION			
Net investment in capital assets	7,500,329	9,304,373	16,804,702
Restricted for:			
Capital and special projects	1,598,115	-	1,598,115
Bond debt payments	-	695,257	695,257
Unrestricted	1,455,894	6,301,185	7,757,079
Total Net Position	$ 10,554,338	$ 16,300,815	$ 26,855,153

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities Net (Expense)/ Revenue	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-Type Activities Net (Expense)/ Revenue	Total
Governmental Activities:						
General government	$ 815,418	$ 205,197	$ 513,985	$ (96,236)		$ (96,236)
Public works	900,974	12,205	554,734	(334,035)		(334,035)
Public safety	3,471,477	1,215,387	-	(2,256,090)		(2,256,090)
Interest	86,507	-	-	(86,507)		(86,507)
Total governmental activities	5,274,376	1,432,789	1,068,719	(2,772,868)		(2,772,868)
Business-type:						
Water & Sewer	1,990,932	2,715,524	-		$ 724,592	724,592
Electric	7,125,391	8,949,541	-		1,824,150	1,824,150
Gas	1,006,089	1,265,303	-		259,214	259,214
Sanitation	1,537,280	1,499,702	-		(37,578)	(37,578)
Telecommunication	4,467	-	-		(4,467)	(4,467)
Total business-type activities	11,664,159	14,430,070	-		2,765,911	2,765,911
Totals	$ 16,938,535	$ 15,862,859	$ 1,068,719	(2,772,868)	2,765,911	(6,957)
General revenues:						
Property taxes				782,289	-	782,289
Insurance premium tax				476,773	-	476,773
Franchise tax				27,617	-	27,617
Sales tax				757,095	-	757,095
Other taxes				307,623	-	307,623
Interest and investment revenue				9,145	144,430	153,575
Gain on sale of capital assets				127,375	109,024	236,399
Miscellaneous income				224,221	-	224,221
Transfers				1,459,306	(1,459,306)	-
Total general revenues and transfers				4,171,444	(1,205,852)	2,965,592
Change in net position				1,398,576	1,560,059	2,958,635
Net position - beginning				9,155,762	14,740,756	23,896,518
Net position - ending				$ 10,554,338	$ 16,300,815	$ 26,855,153

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

CITY OF BLAKELY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash, including time deposits	$ 358,843	$ 461,580	$ 820,423
Accounts receivable	101,219	103,559	204,778
Taxes receivable	489,246	166,699	655,945
Inventory	21,639	-	21,639
Due from other funds	-	50,000	50,000
Restricted assets- cash	1,865,742	1,438,745	3,304,487
Total assets	$ 2,836,689	$ 2,220,583	$ 5,057,272
LIABILITIES			
Accounts payable	$ 250,905	$ 28,182	$ 279,087
Salaries & wages payable	78,949	13,169	92,118
Accrued liabilities	26,876	-	26,876
Due to other funds	50,000	-	50,000
Total liabilities	406,730	41,351	448,081
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	307,217	-	307,217
Total deferred inflows of resources	307,217	-	307,217
FUND BALANCES			
Unassigned	2,101,103	(3,144)	2,097,959
Inventory	21,639	-	21,639
Restricted for:			
Capital projects	-	1,598,115	1,598,115
Public safety	-	584,261	584,261
Total fund balances	2,122,742	2,179,232	4,301,974
Total liabilities, deferred inflows, and fund balances	$ 2,836,689	$ 2,220,583	$ 5,057,272

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

CITY OF BLAKELY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total *fund* balances for governmental funds		$ 4,301,974
Total *net position* reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and construction in progress	1,937,588	
Other capital assets	16,428,285	
Right-to-use assets	9,328	
Total capital assets	18,375,201	
Accumulated depreciation & amortization	(7,268,203)	
Total Assets - net	11,106,998	11,106,998
Some of the City's revenues have been received and deferred under the modified accrual basis of accounting. These revenues are recognized under the accrual basis of accounting.		307,189
Governmental funds recognize expenditures for insurance using the purchases method. However, the Statement of Activities uses the accrual method and, thus, only the amount of insurance benefits are recognized as expense when it is consumed. The uncomsumed is recorded as a prepaid.		11,840
Long-term liabilities, including notes payable, lease payable, and compensated absences are not due and payable in the current period and therefore are reported in the funds.		(3,753,572)
Deferred Inflows - Pension		(264,308)
Deferred Outflows - Pension		191,833
Net Pension Obligation		(1,347,617)
Total net position of governmental activities		$ 10,554,337

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	$ 2,086,252	$ 39,341	$ 2,125,593
Licenses & Permits	108,945	-	108,945
Intergovernmental	529,916	1,255,688	1,785,604
Charges for Services	230,594	-	230,594
Grants	-	22,550	22,550
Fines & Forfeitures	67,728	-	67,728
Interest	2,763	7,320	10,083
Miscellaneous	157,621	314,472	472,093
Total Revenues	3,183,819	1,639,371	4,823,190
EXPENDITURES			
Current:			
General Government	349,316	325,209	674,525
Judicial	109,942	-	109,942
Public Safety	2,429,420	705,763	3,135,183
Public Works	690,771	-	690,771
Health & Welfare	80,865	-	80,865
Cultural & Recreation	165,000	33,609	198,609
Housing & Development	165,953	-	165,953
Capital Outlay	1,974,233	1,037,558	3,011,791
Debt Service:			
Principal	190,998	25,382	216,380
Interest	86,507	33,862	120,369
Total Expenditures	6,243,005	2,161,383	8,404,388
Excess (Deficiency) of Revenue/Expenditures	(3,059,186)	(522,012)	(3,581,198)
Other Financing Sources (Uses)			
Transfers In	2,160,115	146,801	2,306,916
Transfers Out	(564,246)	(283,364)	(847,610)
Proceeds from Loans	233,045	-	233,045
Total Other Financing Sources (Uses)	1,828,914	(136,563)	1,692,351
Special Item			
Proceeds from Sale of Capital Assets	160,276	-	160,276
Net Change in Fund Balance	(1,069,996)	(658,575)	(1,728,571)
Fund balance - beginning - as previously reported	3,129,265	2,901,280	6,030,545
Prior period adjustment	63,473	(63,473)	-
Fund Balance - beginning - as restated	3,192,738	2,837,807	6,030,545
Fund Balance - ending	$ 2,122,742	$ 2,179,232	$ 4,301,974

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

CITY OF BLAKELY, GEORGIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds	$ (1,728,571)
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. while governmental activities report depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	2,750,902
Note and lease payments are reported as expenditures in the government funds, but reduces the liability in the statement of net assets.	216,380
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets.	(32,901)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in government funds:	
Deferred compensation	14,170
Governmental funds defer all tax revenues not collected within 60 days of year-end. However, the Statement of Activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date.	225,804
Governmental funds recognize expenditures for insurance using the purchases method. However, the Statement of Activities uses the consumption method and thus only the amount of insurance benefits consumed are recognized.	1,362
Governmental funds report notes and lease proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of capital lease principal as an expenditure. In contrast, the Statement of Activities reports this as a reduction of liabilities on the Statement of Net Position.	(195,745)
Change in NPO, Deferred Inflows, and Deferred Outflows	147,175
Change in net position of governmental activities	$ 1,398,576

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanititation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Assets						
Current assets:						
Cash	$ 318,539	$ 1,073,869	$ 130,536	$ 107,119	$ 630	$ 1,630,693
Investments	-	4,754,853	-	-	-	4,754,853
Accounts receivable (net)	154,277	1,135,379	160,648	204,158	29,110	1,683,572
Prepaid insurance	7,037	33,265	7,037	4,478	-	51,817
Inventory	85,050	196,150	11,681	28,199	-	321,080
Noncurrent assets:						
Restricted asset - cash	695,257	-	-	-	-	695,257
Nondepreciable assets	1,551,342	128,920	126,904	268,470	-	2,075,636
Capital assets, net of accumulated depreciation	9,773,042	396,978	388,936	871,206	7,790	11,437,952
Total Assets	12,584,544	7,719,414	825,742	1,483,630	37,530	22,650,860
Deferred Outflows	26,087	19,079	9,539	37,501	-	92,206
Total Assets & Deferred Outflows	$ 12,610,631	$ 7,738,493	$ 835,281	$ 1,521,131	$ 37,530	$ 22,743,066
Liabilities						
Current liabilities:						
Accounts payable	$ 229,412	$ 578,931	$ 80,598	$ 60,525	$ 12,820	$ 962,286
Salaries & wages payable	10,268	8,828	3,747	13,444	-	36,287
Customer deposits	115,027	205,530	46,389	-	-	366,946
Notes payable, current portion	99,582	31,462	20,223	50,308	-	201,575
Bonds payable, current portion	595,000	-	-	-	-	595,000
Noncurrent liabilities:						
Landfill liability, less current portion	-	-	-	2,789	-	2,789
Compensated absences	35,469	28,577	12,677	13,218	-	89,941
Net pension liability	183,261	134,028	67,014	263,441	-	647,744
Notes payable, less current portion	309,677	172,279	147,016	228,668	-	857,640
Bonds payable, less current portion	2,555,000	-	-	-	-	2,555,000
Total Liabilities	4,132,696	1,159,635	377,664	632,393	12,820	6,315,208
Deferred Inflows	35,943	26,287	13,144	51,669	-	127,043
Net Position						
Net investment in capital assets	7,765,125	322,157	348,601	860,700	7,790	9,304,373
Restricted for:						
Bond debt payments	695,257	-	-	-	-	695,257
Unrestricted (deficit)	(18,390)	6,230,414	95,872	(23,631)	16,920	6,301,185
Total Net Position	8,441,992	6,552,571	444,473	837,069	24,710	16,300,815
Total Liabilities, Deferred Inflows, & Net Position	$ 12,610,631	$ 7,738,493	$ 835,281	$ 1,521,131	$ 37,530	$ 22,743,066

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanititation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Operating Revenues						
Charges for services	$ 1,716,756	$ 8,767,285	$ 1,108,871	$ 1,371,040	$ -	$ 12,963,952
Other income	998,768	182,256	156,432	128,662	-	1,466,118
Total operating revenues	2,715,524	8,949,541	1,265,303	1,499,702	-	14,430,070
Operating Expenses						
Personnel services	675,617	774,040	253,381	740,432	-	2,443,470
Contract services and purchases for resale	105,223	6,092,637	104,111	100,014	328	6,402,313
Supplies, materials, and repairs	181,631	163,048	608,929	515,107	-	1,468,715
Depreciation & amortization	915,309	88,826	36,600	175,996	4,139	1,220,870
Total operating expenses	1,877,780	7,118,551	1,003,021	1,531,549	4,467	11,535,368
Operating income (loss)	837,744	1,830,990	262,282	(31,847)	(4,467)	2,894,702
Non-Operating Revenues (Expenses)						
Interest and investment revenue	4,025	139,581	824	-	-	144,430
Interest expense	(113,152)	(6,840)	(3,068)	(5,731)	-	(128,791)
Gain (Loss) on sale of capital assets	101,364	(2,875)	(6,511)	25,522	(8,476)	109,024
Total nonoperating revenues (expenses)	(7,763)	129,866	(8,755)	19,791	(8,476)	124,663
Income (loss) before contributions and transfers	829,981	1,960,856	253,527	(12,056)	(12,943)	3,019,365
Transfers in/(out)	(274,268)	(1,607,124)	(36,602)	471,066	(12,378)	(1,459,306)
Change in net position	555,713	353,732	216,925	459,010	(25,321)	1,560,059
Net position - beginning	7,886,279	6,198,839	227,548	378,059	50,031	14,740,756
Net position - ending	$ 8,441,992	$ 6,552,571	$ 444,473	$ 837,069	$ 24,710	$ 16,300,815

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanititation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Cash flows from operating activities:						
Receipts from customers	$ 2,730,898	$ 8,792,092	$ 1,264,810	$ 1,445,406	$ 849	$ 14,234,055
Payments to suppliers	(79,829)	(6,625,716)	(780,193)	(633,116)	6,309	(8,112,545)
Payments to employees	(675,617)	(774,040)	(253,381)	(740,432)	-	(2,443,470)
Net cash provided by (used by) operating activities	1,975,452	1,392,336	231,236	71,858	7,158	3,678,040
Cash flows from noncapital financing activities:						
Transfers in (out)	(371,507)	(1,616,291)	(45,769)	417,445	(12,378)	(1,628,500)
Net cash provided (used) by noncapital financing activities	(371,507)	(1,616,291)	(45,769)	417,445	(12,378)	(1,628,500)
Cash flows from capital & related financing activities:						
Additions to capital assets	(1,202,179)	(183,851)	(128,287)	(519,049)	-	(2,033,366)
Principal (paid) received on bond indebtedness	(580,000)	-	-	-	-	(580,000)
Principal (paid) received on note indebtedness	(78,176)	37,075	573	(52,985)	-	(93,513)
Interest paid on bonds payable	(104,813)	-	-	-	-	(104,813)
Interest paid on notes payable	(8,339)	(6,840)	(3,068)	(5,731)	-	(23,978)
Transfers in from SPLOST fund	97,239	9,167	9,167	53,621	-	169,194
Proceeds from sale of capital assets	104,470	26,585	22,099	25,522	-	178,676
Net cash used by capital & related financing activities	(1,771,798)	(117,864)	(99,516)	(498,622)	-	(2,487,800)
Cash flows from investing activities:						
Investment revenue	4,025	139,581	824	-	-	144,430
Net cash provided (used by) investing activities	4,025	139,581	824	-	-	144,430
Net increase (decrease) in cash	(163,828)	(202,238)	86,775	(9,319)	(5,220)	(293,830)
Cash & Cash Equivalents at Beginning of Year	1,177,624	6,030,960	43,761	116,438	5,850	7,374,633
Cash & Cash Equivalents at End of Year	$ 1,013,796	$ 5,828,722	$ 130,536	$ 107,119	$ 630	$ 7,080,803

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanititation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ 837,744	$ 1,830,990	$ 262,282	$ (31,847)	$ (4,467)	$ 2,894,702
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation & amortization	915,309	88,826	36,600	175,996	4,139	1,220,870
Change in assets & liabilities						
(Increase) decrease in current assets						
Accounts receivable	15,374	(157,449)	(493)	(54,296)	849	(196,015)
Prepaid	(971)	(4,589)	(971)	(618)	-	(7,149)
(Decrease) increase in current liabilities						
Accounts payable	200,319	(356,082)	(67,809)	(17,627)	6,637	(234,562)
Accrued liabilities	4,628	1,415	979	(933)	-	6,089
Compensated absences	83	901	1,548	1,183	-	3,715
Customer deposits	2,966	(11,676)	(900)	-	-	(9,610)
Net Cash Provided by Operating Activities	$ 1,975,452	$ 1,392,336	$ 231,236	$ 71,858	$ 7,158	$ 3,678,040

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the year ended December 31, 2003, the City implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented. The City implemented GASB 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

- Nonspendable Fund Balance: 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 Balance: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Committed Fund Balance: 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's Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.
- Assigned Fund Balance: 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's finance committee or the City's clerk to assign fund balances.
- Unassigned Fund Balance: 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 balances are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Financial Reporting Entity
In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or a burden relationship exists. The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units with the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The City holds the corporate powers of the organization.
- The City appoints a voting majority of the organization's board.
- The City is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the City.
- There is fiscal dependency by the organization on the City.

Management of the City has determined that no organization meets the above requirement for inclusion, and as such, no component units are included in the City's reporting entity.

Government-wide Financial Statements
The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities, if they exist. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. The types of transactions reported as program revenues of the City are reported in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services, if they exist.

Fund Financial Statements
Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds Types

General Fund
The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds
Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Projects Funds
Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital outlay.

Proprietary Fund Types

Enterprise Funds
Enterprise funds are used to account for business-like activities provided to the general public, if they exist. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The economic measurement focus concerns determining cost as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Governmental Funds
All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resource measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition
In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e. collectible within the current year or within one month of year-end and available to pay obligations of the current period). This includes investment earnings, income taxes withheld by employers, estate taxes, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advanced, deferred until expenditures are made.

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition
The measurement focus of governmental fund accounting is on the decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred and prepaid expenditures are recognized in governmental funds during the benefiting period rather than when purchased. However, principal and interest on long-term debt, which has not been matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Major Funds

Funds	Brief Description
General	Accounts for all activities except those legally or administratively required to be accounted for in other funds.
Enterprise Funds:	
Water and Sewer	Accounts for all revenues and expenditures of the water and sewer system.
Natural Gas	Accounts for all revenues and expenditures of the natural gas system.
Electric	Accounts for all revenues and expenditures of the electric system.
Solid-waste Transfer Facility	Accounts for all revenues and expenditures of the solid-waste transfer facility.
Telecommunications	Accounts for all revenue and expenditures of the Tele Communications and related assets.

Measurement Focus and Basis of Accounting
Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus
On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spend-able financial resources during a given period. These funds use fund balance as their measure of available spend-able financial resources at the end of the period.
b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.
c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. All proprietary funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments
For the purpose of the Statement of Net Position, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 3.

Inter-fund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term inter-fund loans are reported as "inter-fund receivables and payables." Long-term inter-fund loans (non-current portion) are reported as "advances from and to other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 5 for details of inter-fund transactions, including receivables and payables at year-end.

Inventories
Inventories consist of materials and supplies and are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The cost of inventories is expensed when consumed.

Receivables
In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for un-collectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not 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. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for un-collectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Lease Receivable
The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets
General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities column of the government-wide statement of net position. Capital assets used by proprietary funds are reported in both the business-type activities column of the government-wide statement of net position and in the individual proprietary funds.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for) in the Governmental –Wide financial statements. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The City has chosen not to capitalize infrastructure acquired prior to implementation of Statement 34.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follow: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years. The capitalization threshold for capital assets is $5,000.

Government-wide Statements
In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

General Fund:	
Equipment	2-15 years
Buildings & Infrastructure	35-50 years
Right to use lease asset – equipment	2-15 years
Enterprise Funds:	
Water and Sewer:	
Plant, tanks, wells, and extensions	35-50 years
Right to use lease asset – equipment	2-15 years
Natural Gas System:	
Distribution system	40 years
Machinery and equipment	2-15 years
Right to use lease asset – equipment	2-15 years
Electrical System:	
Distribution system	40 years
Transformers and equipment	2-20 years
Right to use lease asset – equipment	2-15 years

Solid-Waste Transfer Facility:	
Equipment	7 years
Right to use lease asset – equipment	2-15 years
Telecommunications:	
Equipment	7 years
Right to use lease asset – equipment	2-15 years

Leases
The determination of whether an arrangement is a lease is made at the lease's inception. Under GASB Statement No. 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The City recognizes right to use lessee asset and related lease liability at the commencement of the lease term unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The City reduces the lease liability as payments are made and recognize interest on the lease liability. The City amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

Fund Financial Statements
In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets
Restricted assets include cash and investments of the proprietary or governmental funds that are legally restricted as to their use. Primarily, restricted assets are related to bond reserve, sinking fund requirements & bond ordinance. The City's policy is to first apply restricted resources when an expense is incurred for the purpose for which both restricted and unrestricted net assets are available. Restricted assets at December 31, 2023, consist of cash on deposit for payment of indebtedness related to the 2009 Water Treatment Revenue Bonds in the Water and Sewer Fund and funds for Special Purpose Local Option Sales Tax, Transportation Special Purpose Local Option Sales Tax, Community Development Building Grants, and Local Maintenance and Improvement Grants.

Long-term Debt
The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of capital leases, notes payable, accrued compensated absences, and a court-assessed judgment if applicable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences
On the modified accrual basis of accounting, accumulated vacation leave benefits, liabilities of the governmental and proprietary fund types are recognized when payable.

Accumulated sick leave benefits are not recorded. These benefits are paid only upon employee illness and the amount payable at December 31, 2023 cannot be reasonably estimated.

Equity Classifications

Government-wide Statements
Equity is classified as net position and displayed in three components:

a. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position—All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements
Governmental fund equity is classified as fund balance. Fund balance is further classified as unassigned, assigned, committed, restricted and non-spendable. Proprietary fund equity is classified the same as in the government-wide statements.

REVENUES, EXPENDITURES, AND EXPENSES

Special Local Option Sales Tax
The City receives sales tax revenue from Early County, Georgia, for the purpose of making capital improvements, improvements on sidewalks, streets, and repair of equipment for the maintenance of these expenses.

Property Tax
Under State law, municipalities may levy a property tax. Property taxes are levied in the fall of each year based on the assessed value of property on the previous January 1. The due date for these taxes was January 10, 2024, and the lien date was the following April 1. Taxes are collected throughout the year. Receivables are not recorded when levied. Taxes not expected to be collected within sixty days after the end of the year are not recorded as deferred revenue.

The City levied property during the year ended December 31, 2023. The total amount of property tax receivable was $429,606.

Operating and Non-Operating Revenues and Expenses
Operating revenues and expenses for proprietary funds and general fund are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities. All other revenues and expenses not defined above are considered non-operating revenues and expenses.

Expenditures/Expenses
In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds—By Character:	**Current (further classified by function)**
	Debt Service
	Capital Outlay

Proprietary Fund—By Operating and Non-operating
In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Inter-fund Transfers
Permanent re-allocation of resources between funds of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows. Annual budgets are adopted for all City funds. Under state law, the City Clerk submits an annual budget to the Council for consideration and approval no later than December 15. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

Fund	Required By
Community Development Block Grant	Agreement and O.C.G.A.
SPLOST Capital Improvement Fund	Agreement and O.C.G.A.
TSPLOST Capital Improvement Fund	Agreement and O.C.G.A.
E-911 Special Revenue Fund	Agreement and O.C.G.A.
ARPA Special Revenue Fund	Agreement and O.C.G.A.
General Fund	O.C.G.A.
Water and Sewer Enterprise Fund	Agreement and O.C.G.A.
Natural Gas System Enterprise Fund	Agreement and O.C.G.A.
Electric Enterprise Fund	Agreement and O.C.G.A
Solid-Waste Transfer Facility Enterprise Fund	Agreement and O.C.G.A.
Telecommunication Enterprise Fund	Agreement and O.C.G.A.
Hotel/Motel Tax Fund	Agreement and O.C.G.A.

DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Georgia or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3, all deposits were fully insured or collateralized.
Investments of the City whose population exceeds 3,000, according to the latest census information, are limited by state law to the following:

a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Georgia is pledged.
b. Certificates of deposit or savings accounts that is either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper, and repurchase agreements with certain limitations.
d. City, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money judgments; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligation of national mortgage associations.
f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous items a., b., c., and d.

REVENUE RESTRICTIONS

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Community Development Block Grant	Agreement and O.C.G.A.
SPLOST Capital Improvement Fund	Agreement and O.C.G.A.
TSPLOST Capital Improvement Fund	Agreement and O.C.G.A.
E-911 Special Revenue Fund	Agreement and O.C.G.A.
ARPA Special Revenue Fund	Agreement and O.C.G.A.
Hotel/Motel Tax Fund	Agreement and O.C.G.A.
General Fund	O.C.G.A.
Water and Sewer Enterprise Fund	Agreement and O.C.G.A.
Natural Gas System Enterprise Fund	Agreement and O.C.G.A.
Electric Enterprise Fund	Agreement and O.C.G.A
Solid-Waste Transfer Facility Enterprise Fund	Agreement and O.C.G.A.
Telecommunication Enterprise Fund	Agreement and O.C.G.A.

For the year ended December 31, 2023, the City complied, in all material respects.

DEBT RESTRICTIONS AND COVENANTS

Revenue Bonds Payable
The ordinance providing for the issuance of bonds provides for the establishment of various funds which must be maintained for debt service, construction, cash reserves, etc. As of December 31, 2023, the City was in compliance with the provisions of the 2009 and now 2020 Water Treatment Revenue Bonds Ordinance that requires assets to be accumulated in a restricted account for the payment of future debt service. The Ordinance requires monthly sinking fund deposits to the Combined Utility Sinking Fund. Such deposits are being made on a monthly basis to the Sinking Fund. As a result, the City had appropriated sufficient amounts in the Sinking Fund as of December 31, 2023.

NOTE 3 - CASH AND INVESTMENTS

The City does not have a formal investment policy for interest rates, credit, concentration or credit or custodial credit risks.

Deposits
As of December 31, 2023, the carrying amount of the City's bank deposits was $6,450,840 and the respective bank balances totaled $7,041,046. Of the total bank balance, $525,000 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $6,516,046 was collateralized with pooled securities held by the financial institution's trust departments. These securities are held in the name of the financial institution and not that of the City.

INVESTMENTS

Municipal Electric Authority of Georgia (MEAG) Trust
On April 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (The Trust).

The Trust was created by MEAG in anticipation of future deregulation of the electric industry which will provide customers with a choice among electric suppliers for their retail electric power supply. This is expected to include customers assigned to electric systems of political subdivisions which are wholesale power customers of MEAG, such as City of Blakely. MEAG expects that after such legislation is effective, market rates for power will result which will likely be lower for some period of time than the costs of power generated by MEAG facilities. The purpose of the Trust is to provide a means for MEAG and its wholesale customers who elect to become beneficiaries of the Trust to deposit funds to be invested at the best prudent rates of return and be applied, in accordance with the provisions of the Trust to mitigate the change to full competition as a result of anticipated deregulation.

The Trust creates an account for the City of Blakely, and within the account the account creates the following sub-accounts in which the City of Blakely participates:

1. Flexible Operating Trust Account - This type of sub-account may be funded from contributions by the City, from the City's Discretionary Reserve Fund with MEAG, or from any other available funds.

   According to Trust provisions, the City has the following withdrawal rights with respect to this fund:

   > The City also has the right to borrow, if certain conditions are met, part or all of the funds in the Flexible Operating Trust Account for the purpose of paying the cost of any capital expenditure, provided that the City executes and delivers to the Trustee a promissory note and such other documents reasonably satisfactory to MEAG in which the City agrees to repay the withdrawn amount to the Trustee.

   The balance of this account on December 31, 2023, is $4,127,487.

2. Credit Support Operating Trust Account - This type of sub account may be funded from the funds allocated to the City's account in MEAG's Rate Stabilization Reserve Fund or the City's Discretionary Reserve with MEAG, or from any other available funds.

   According to Trust provisions, the City has the following withdrawal rights with respect to this fund:

   > Prior to the anticipated actual deregulation date, the City shall have the right to cause the Trustee to use funds from the credit Support Operating Trust Account to reduce, or as credit against, its monthly billings (i) to mitigate wholesale rate increases which have an impact of greater than 20% on the City's wholesale cost in any year, (ii) to mitigate the adverse impact of any wholesale cost increase which results from the phase-out of special rates in any year, and (iii) to mitigate the impact of wholesale costs which exceed the system average wholesale cost by more than 20% in any year, all as set forth in a certificate of the City and MEAG.

   The balance of the account was transferred on October 14, 2015 and did not have a balance as of December 31, 2023. Since the City's right to control these funds is contingent upon future events, these funds are not recorded as an asset in the City's financial statements.

3. Reserve Funded Debt Trust – This type of sub account may be funded from contributions by MEAG from any funds it has available for such purposes.

   According to the Trust provisions, the City has no right to withdraw amounts from the Reserve Funded Debt Trust Account unless MEAG consents in writing thereto, and in the event MEAG should consent to a withdrawal, the withdrawn funds must be applied to the outstanding balance of the City's current monthly billing on account of its entitlement or obligation share(s) under its Power Sales Contract(s) of MEAG's Annual Project Generation Fixed Charges.

   The balance of the account was transferred on January 9, 2020 and did not have a balance as of December 31, 2023. Since the City's right to control these funds is contingent upon future events, these funds are not recorded as an asset in the City's financial statements.

4. New Generation and Capacity Funding Account – This type of sub account may be funded from contributions by MEAG from any of its own funds that is has available for such purposes, including funds contained within the MEAG Flexible Operating Trust Account. According to Trust provisions, the City shall at any time have the right to cause the Trustee to use funds from the New Generation and Capacity Funding Account for any or all of the following purposes:

   i. To be applied as a credit against the City's obligation share of either Costs of Acquisition and Construction or that portion of Project Annual Costs consisting of Other Annual Costs of the Plant Vogtle Additional Units Non-PPA Project, the Plant Vogtle Additional Units PPA Project and the Plant Vogtle Additional Units PPA-2 Project, without the consent of MEAG, or that portion of Project Annual Costs consisting of Annual Fixed Costs of the Plant Vogtle Additional Units Non-PPA Project, the Plant Vogtle Additional Units PPA Project,

and the Plant Vogtle Additional Units PPA-2 Project, with the consent of MEAG, which will not be withheld unless there are adverse federal tax consequences that impact the City.

ii. To be applied as a credit against the City's obligation share of either Costs of Acquisition and Construction or that portion of Project Annual Costs consisting of Other Annual Costs of any future generation project created by MEAG after the effective date of the Amendment, without the consent of MEAG, or that portion of Project Annual Costs consisting of Annual Fixed Costs of any future generation project created by MEAG after the effective date of the Amendment, with the consent of MEAG.

iii. In the event MEAG provides the City with the option of paying interest expense incurred in connection with the construction of any generation project prior to commercial operation date and to the extent that such payments do not result in adverse federal tax consequences that impact the City, to be applied as a credit against any capital contributions committed to by such Beneficiary in connection with exercising such option.

iv. To be applied as a credit against capacity charges incurred by the City in connection with power purchase agreements entered into by MEAG for the purpose of meeting the supplemental power needs of the City.

v. As payment to MEAG to mitigate that portion of any budgeted Bulk Power Supply cost increases incurred by the City in a Power Supply Year which exceeds the City's prior year's budgeted Bulk Power Supply costs by greater than twelve percent (12%).

The balance of the account on December 31, 2023, is $627,366.

NOTE 4 - ACCOUNTS RECEIVABLE

Operating Funds Receivable
Accounts receivable at December 31, 2023 are as follows:

SPLOST	$	85,884
TSPLOST		78,126
Property Taxes		489,246
Hotel/Motel Taxes		2,689
LOST		59,640
E-911		103,559
General Fund Receivables		41,579
Total General Government		860,723
Gas Fund		160,648
Water & Sewer Fund		154,277
Electrical Fund		1,135,379
Telecommunications Fund		29,110
Sanitation Fund		204,158
Total Enterprise Funds		1,683,572
Totals	$	2,544,295

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NOTE 5 - INTERFUND TRANSFERS

During the course of normal operations, numerous transactions take place between funds such as expenditures or transfers of resources to provide services, service debt or construct assets. These inter-fund transactions are eliminated and no interest is charged on such transfers.

TRANSFERS OUTS	General Fund	E-911	Water & Sewer	Electric	Gas	Sanitation	Totals
General Fund	$ -	$ 146,801	$ -	$ -	$ -	$ 417,445	$ 564,246
Hotel/Motel	10,834	-	-	-	-	-	10,834
SPLOST	-	-	97,239	9,167	9,167	53,621	169,194
CDBG	-	-	22,550	-	-	-	22,550
ARPA	80,786	-	-	-	-	-	80,786
Water & Sewer	394,057	-	-	-	-	-	394,057
Electric	1,616,291	-	-	-	-	-	1,616,291
Gas	45,769	-	-	-	-	-	45,769
Telecom	12,378	-	-	-	-	-	12,378
Total	$ 2,160,115	$ 146,801	$ 119,789	$ 9,167	$ 9,167	$ 471,066	$ 2,916,105

$53,621 was transferred to the Sanitation fund from the SPLOST fund for qualified capital purchases per the referendum.

$9,167 was transferred to the Gas fund from the SPLOST fund for qualified capital purchases per the referendum.

$9,167 was transferred to the Electric fund from the SPLOST fund for qualified capital purchases per the referendum.

$97,239 was transferred to the Water & Sewer fund from the SPLOST fund for qualified capital purchases per the referendum.

$22,550 was transferred to the Water & Sewer fund from the CDBG fund for qualified capital expenditures.

$80,786 was transferred to the General fund from the ARPA fund for qualified capital expenditures.

All other transfers were made for general operating purposes.

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NOTE 6 - CAPITAL ASSETS

Capital assets by fund type are summarized as follows:

Governmental Activities:

	Balance as of 12/31/22	Additions	Deductions	Balance as of 12/31/23
General Fund:				
Nondepreciable assets:				
Land	$ 132,719	$ -	$ -	$ 132,719
Construction in progress	475,723	1,329,146	-	1,804,869
Total nondepreciable assets	608,442	1,329,146	-	1,937,588
Depreciable assets:				
Infrastructure	4,080,580	1,311,504	-	5,392,084
Buildings	6,176,135	15,166	-	6,191,301
Machinery & equipment	4,529,296	540,775	(225,172)	4,844,899
Right-to-use equipment	9,328	-	-	9,328
Total depreciable assets	14,795,339	1,867,445	(225,172)	16,437,612
Accumulated depreciation:				
Infrastructure	(2,187,752)	(67,486)	-	(2,255,238)
Buildings	(1,250,003)	(163,200)	-	(1,413,203)
Machinery & equipment	(3,576,252)	(213,137)	192,271	(3,597,118)
Total accumulated depreciation	(7,014,007)	(443,823)	192,271	(7,265,559)
Accumulated amortization:				
Right-to-use equipment	(777)	(1,866)	-	(2,643)
Total depreciable assets, net	7,780,555	1,421,756	(32,901)	9,169,410
Total general government assets	$ 8,388,997	$ 2,750,902	$ (32,901)	$ 11,106,998

Business-type Activities:

	Balance as of 12/31/22	Additions	Deductions	Balance as of 12/31/23
Water and Sewer Enterprise Fund:				
Nondepreciable assets				
Land	$ 2,500	$ -	$ -	$ 2,500
Construction in progress	452,279	1,096,563	-	1,548,842
Total nondepreciable assets	454,779	1,096,563	-	1,551,342
Depreciable assets				
Plant, systems, & equipment	23,725,055	105,617	(15,540)	23,815,132
Total depreciable assets	23,725,055	105,617	(15,540)	23,815,132
Accumulated depreciation:				
Plant, systems, & equipment	(13,139,213)	(915,309)	12,432	(14,042,090)
Total accumulated depreciation	(13,139,213)	(915,309)	12,432	(14,042,090)
Total depreciable assets, net	10,585,842	(809,692)	(3,108)	9,773,042
Total water & sewer fund assets	$ 11,040,621	$ 286,871	$ (3,108)	$ 11,324,384

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	Balance as of 12/31/22	Additions	Deductions	Balance as of 12/31/23
Natural Gas Enterprise Fund:				
Nondepreciable assets				
Construction in progress	$ 62,034	$ 64,870	$ -	$ 126,904
Total nondepreciable assets	62,034	64,870	-	126,904
Depreciable assets				
Plant, systems, & equipment	793,885	63,416	(31,790)	825,511
Total depreciable assets	793,885	63,416	(31,790)	825,511
Accumulated depreciation:				
Plant, systems, & equipment	(403,154)	(36,600)	3,179	(436,575)
Total accumulated depreciation	(403,154)	(36,600)	3,179	(436,575)
Total depreciable assets, net	390,731	26,816	(28,611)	388,936
Total natural gas fund assets	$ 452,765	$ 91,686	$ (28,611)	$ 515,840
Electric Enterprise Fund:				
Nondepreciable assets				
Land	$ 2,000	$ -	$ -	$ 2,000
Construction in Progress	62,034	64,886	-	126,920
Total nondepreciable assets	64,034	64,886	-	128,920
Depreciable assets				
Plant, systems, & equipment	2,651,797	118,965	(75,191)	2,695,571
Total depreciable assets	2,651,797	118,965	(75,191)	2,695,571
Accumulated depreciation:				
Plant, systems, & equipment	(2,255,497)	(88,826)	45,730	(2,298,593)
Total accumulated depreciation	(2,255,497)	(88,826)	45,730	(2,298,593)
Total depreciable assets, net	396,300	30,139	(29,461)	396,978
Total electric fund assets	$ 460,334	$ 95,025	$ (29,461)	$ 525,898
Solid Waste Transfer Facility Enterprise Fund:				
Nondepreciable assets				
Land	$ 141,198	$ -	$ -	$ 141,198
Construction in progress	62,034	65,238	-	127,272
Total nondepreciable assets	203,232	65,238	-	268,470
Depreciable assets				
Plant, systems, & equipment	3,322,634	453,811	-	3,776,445
Total depreciable assets	3,322,634	453,811	-	3,776,445
Accumulated depreciation:				
Plant, systems, & equipment	(2,729,243)	(175,996)	-	(2,905,239)
Total accumulated depreciation	(2,729,243)	(175,996)	-	(2,905,239)
Total depreciable assets, net	593,391	277,815	-	871,206
Total solid waste transfer facility fund asse	$ 796,623	$ 343,053	$ -	$ 1,139,676
Tele-Communication Enterprise Fund:				
Depreciable assets				
Plant, systems, & equipment	$ 59,723	$ -	$ (27,489)	$ 32,234
Total depreciable assets	59,723	-	(27,489)	32,234
Accumulated depreciation:				
Plant, systems, & equipment	(39,318)	(4,139)	19,013	(24,444)
Total accumulated depreciation	(39,318)	(4,139)	19,013	(24,444)
Total depreciable assets, net	20,405	(4,139)	(8,476)	7,790
Total tele-communication fund assets	$ 20,405	$ (4,139)	$ (8,476)	$ 7,790

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation and amortization was charged to functions as follows:

Governmental activities:	
General Government	$ 91,820
Public Safety	221,390
Public Works	115,173
Housing and Development	17,306
Business-type activities:	
Water & Sewer Fund	915,309
Electric Fund	88,826
Gas Fund	36,600
Sanitation Fund	175,996
Telecommunication Fund	4,139
	$ 1,666,559

NOTE 7 - LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

	Balance, December 31, 2022	Additions	Reductions	Balance, December 31, 2023	Amounts Due Within One Year
Governmental Funds:					
Compensated absences	$ 161,073	$ 137,878	$ 152,048	$ 146,903	$ -
Notes payable	3,618,441	195,745	214,521	3,599,665	167,644
Lease payable	8,864	-	1,860	7,004	1,863
Totals	$ 3,788,378	$ 333,623	$ 368,429	$ 3,753,572	$ 169,507
Proprietary Funds:					
Landfill postclosure liability	$ 18,689	$ -	$ 15,900	$ 2,789	$ -
Compensated absences	86,226	69,052	65,337	89,941	-
Notes payable	1,152,729	154,460	247,974	1,059,215	201,575
Bonds payable	3,730,000	-	580,000	3,150,000	595,000
Totals	$ 4,987,644	$ 223,512	$ 909,211	$ 4,301,945	$ 796,575

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Governmental Funds

On August 16, 2020, the City obtained a loan from the USDA for the payoff of the short-term loan that was for the construction of a new Fire Department Complex that houses the Fire Department, E-911 and the Police Department. The total loan was for $3,397,000 at 3.25% payable in 360 monthly payments of $14,811 beginning September 16, 2020 and a final balloon payment of $16,496. The balance of this note on December 31, 2023 was $3,084,263.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 78,658	$ 99,074	$ 177,732
2025	81,253	96,479	177,732
2026	83,933	93,799	177,732
2027	86,702	91,030	177,732
2028	89,563	88,169	177,732
2029-2033	494,129	394,531	888,660
2034-2038	581,189	307,471	888,660
2036-2043	683,589	205,071	888,660
2044-2048	804,030	84,630	888,660
2049-2049	101,217	1,348	102,565
Total	$ 3,084,263	$ 1,461,602	$ 4,545,865

On October 14, 2022, the City obtained a loan from their Georgia Municipal Association, Master Note, for the purchase of a Nitehawk Sweeper Truck. The total loan was for $124,698 at 3.49% payable in 5 annual payments of $27,626 beginning October 2023. The balance of this note on December 31, 2023 was $101,498.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 24,084	$ 3,542	$ 27,626
2025	24,925	2,701	27,626
2026	25,795	1,831	27,626
2027	26,694	932	27,626
Total	$ 101,498	$ 9,006	$ 110,504

On November 1, 2022, the City obtained a loan from their Georgia Municipal Association, Master Note, for the construction of a Utility Complex. The total loan was for $1,000,000 at 3.25% with the General Fund's portion being $333,333 payable in 10 annual payments of $38,666 beginning January 2023. The balance of this note on December 31, 2023 was $296,924.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 28,882	$ 9,784	$ 38,666
2025	29,810	8,856	38,666
2026	30,816	7,850	38,666
2027	31,831	6,835	38,666
2028	32,880	5,786	38,666
2029-2032	142,705	11,960	154,665
Total	$ 296,924	$ 51,071	$ 347,995

On April 19, 2023, the City obtained a loan from Ford Motor Credit Company for the purchase of eleven Ford vehicles. The total loan was for $350,205 at 8.04% with the General Fund's portion being $195,745 payable in 5 annual payments of $45,425 beginning April 2023. The balance of this note on December 31, 2023 was $116,980.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 36,020	$ 9,405	$ 45,425
2025	38,916	6,509	45,425
2026	42,044	3,381	45,425
Total	$ 116,980	$ 19,295	$ 136,275

Proprietary Funds

On July 19, 2021, the City obtained a loan from their Georgia Municipal Association, Master Note, for the purchase of Vactor Sewer Cleaner. The total loan was for $397,713 at 1.66% payable in 5 annual payments of $83,547 beginning August 20, 2022. The balance of this note on December 31, 2023 was $242,545.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 79,521	$ 4,026	$ 83,547
2025	80,841	2,706	83,547
2026	82,183	1,364	83,547
Total	$ 242,545	$ 8,096	$ 250,641

On June 27, 2022, the City obtained a loan from their Georgia Municipal Association, Master Note, for the purchase of a 2023 Peterbuilt Semi-truck. The total loan was for $182,475 at 3.08% payable in 60 monthly payments of $3,282 beginning July 15, 2022. The balance of this note on December 31, 2023 was $130,514.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 35,867	$ 3,517	$ 39,384
2025	36,988	2,396	39,384
2026	38,143	1,241	39,384
2027	19,516	176	19,692
Total	$ 130,514	$ 7,330	$ 137,844

On November 1, 2022, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the construction of a Utility Complex. The total loan was for $1,000,000 at 3.25% with the Enterprise Funds' portion being $666,667 payable in 10 annual payments of $77,332 beginning January 2023. The balance of this note on December 31, 2023 was $593,848.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 57,764	$ 19,568	$ 77,332
2025	59,619	17,713	77,332
2026	61,632	15,700	77,332
2027	63,663	13,669	77,332
2028	65,761	11,571	77,332
2029-2032	285,409	23,919	309,328
Total	$ 593,848	$ 102,140	$ 695,988

On April 19, 2023, the City obtained a loan from Ford Motor Credit Company for the purchase of eleven Ford vehicles. The total loan was for $350,205 at 8.04% with the Enterprise Funds' portion being $35,844 payable in 5 annual payments of $45,425 beginning April 2023. The balance of this note on December 31, 2023 was $92,308.

Annual installment requirements are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 28,423	$ 7,421	$ 35,844
2025	30,708	5,136	35,844
2026	33,177	2,667	35,844
Total	$ 92,308	$ 15,224	$ 107,532

On January 29, 2023, the City entered into a loan agreement with the Georgia Environmental Finance Authority (GEFA) in an amount up to $1,680,000. This project will replace manual read meters with an advanced metering infrastructure (AMI) system and related appurtenances. This loan is currently not in repayment.

Bonds Payable

On January 1, 2009, the City of Blakely, Georgia issued $7,965,000 of its General Obligation Bonds (Sewer Project), Series 2009A with annual interest rates ranging from 2.0% to 4.35%. The proceeds will be used to expand the Plant Street Facility capacity from 1.312 Million Gallons per Day (MGD) to 2.0 MGD, replacing the current operations building and upgrading other operating systems and equipment. The Bonds are direct general obligations to the City and are payable from the levy of an ad valorem tax, without limitation as to rate or amount, levied on all taxable property including all real property, within the City subject to taxation for general obligation bond purposes. During 2020, the Bond was refinanced.

On June 4, 2020, the City of Blakely, Georgia issued $5,380,000 of its General Obligation Bonds (Sewer Project), Series 2020 with annual interest rates ranging from 2.0% to 4.35%. The proceeds were used to pay off (refund) the existing bond series 2009A. The Bonds are direct general obligations to the City with a provision for levying a bond millage to pay from ad valorem tax, without limitation as to rate or amount, levied on all taxable property including all real property, within the City subject to taxation for general obligation bond purposes. The City has not levied a special mill rate because debt service requirements are being paid from water and sewer fund revenues. The balance as of December 31, 2023 was $3,150,000.

Annual future debt service requirements for the maturity of the Series 2020 Bonds are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 595,000	$ 88,515	$ 683,515
2025	615,000	71,796	686,796
2026	630,000	54,514	684,514
2027	645,000	36,811	681,811
2028	665,000	18,686	683,686
Total	$ 3,150,000	$ 270,322	$ 3,420,322

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Lease Payable

In 2022, the City entered into a lease agreement with Pitney Bowes for five years. As of December 31, 2023 in accordance with GASB Statement No. 87 - Leases, the Right-To-Use Lease asset estimated future liabilities are as follows:

Year Ending	Principal	Interest	Totals
2024	$ 1,863	$ 11	$ 1,874
2025	1,866	8	1,874
2026	1,870	4	1,874
2027	1,405	1	1,406
	$ 7,004	$ 24	$ 7,028

Compensated Absences

Compensated absences will be liquidated by the prospective funds they are recorded in. The funds used to liquidate compensated absences are the General Fund, the Water and Sewer Enterprise Fund, the Electric Enterprise Fund, the Solid-Waste Enterprise Fund, the Natural Gas Enterprise Fund, and Tele-Communication Fund.

NOTE 8 - PROGRAM REVENUES

General Government	
Business licenses, fees, and other charges for services	$ 205,197
Public Works	
Shop fees	$ 12,205
Public Safety	
E911 revenue	$ 852,510
Fines & forfeitures and other charges for services	$ 362,877
Water & Sewer Fund	
Water & sewer services	$ 2,715,524
Natural Gas Fund	
Natural gas fees	$ 1,265,303
Electric Fund	
Electric fees	$ 8,949,541
Solid-Waste Transfer Fund	
Landfill fees	$ 1,499,702

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NOTE 9 - PENSION PLAN

The Plan is a defined benefit plan and is administered by the Georgia Municipal Association. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Participation in the Plan was approved by resolution of the City Council. All full-time employees are eligible to participate in the City's noncontributory defined benefit pension plan after completion of one year of service. Benefits vest after five years of service, and participants become eligible to retire at age 65 with 5 years of participation in the plan.

The City of Blakely, Georgia is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee pension plan administered by the Board of Trustees of the System. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to: Georgia Municipal Association, The Burgess Building, 201 Pryor Street, SW, Atlanta, GA 30303-3606.

As of July 1, 2023, the date of the most recent actuarial valuation, there were 204 participants consisting of the following:

Benefits for retired participants and beneficiaries	65
Terminated vested participants	42
Active vested employees	97
Total	204

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
Total	100%	

Rate of Return: 7.375% On-going basis, based on long-term expected rate of return on pension plan investments.

Funding Policy

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $271,971. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Actuarial Valuation Information

Valuation Date	July 1, 2023
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted 10% of the amount of the value exceeds or is less than the market value at end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of living adjustment	N/A

The methods and assumptions used in the July 1, 2022 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019. The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

Funded Plan Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Acturial Accrued Liability (AAL) (b)	(Surplus) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	Percentage of Covered Payroll* [(b) - (a)] / (c)
7/1/2013	5,001,653	6,125,955	1,124,302	81.65%	2,382,583	47.19%
7/1/2014	5,215,550	6,490,633	1,275,083	80.36%	2,046,450	62.31%
7/1/2015	5,387,571	6,550,042	1,162,471	82.25%	2,154,375	53.96%
7/1/2016	5,542,708	6,634,929	1,092,221	83.54%	2,306,454	47.35%
7/1/2017	5,698,962	6,776,177	1,077,215	84.10%	2,761,606	39.01%
7/1/2018	5,855,687	7,396,711	1,541,024	79.17%	2,762,964	55.77%
7/1/2019	5,995,761	7,630,280	1,634,519	78.58%	3,622,865	45.12%
7/1/2020	6,081,081	8,411,908	2,330,827	72.29%	3,935,869	59.22%
7/1/2021	6,360,548	8,496,949	2,136,401	74.86%	3,593,358	59.45%
7/1/2022	6,821,922	8,412,754	1,590,832	81.09%	3,886,473	40.93%

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Change in the Net Pension Liability

		Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at March 31, 2022	*	$ 8,947,371	$ 7,460,234	$ 1,487,137
Changes for the year:				
Service cost		141,198	-	141,198
Interest		649,838	-	649,838
Difference between expected and actual expenses		(313,653)	-	(313,653)
Employer contributions		-	484,645	(484,645)
Employee contributions		-	-	-
Net investment income		-	(492,732)	492,732
Benefit payments		(554,414)	(554,414)	-
Administrative expense		-	(22,754)	22,754
Other changes		-	-	-
Net Changes		(77,031)	(585,255)	508,224
Balance at March 31, 2023	**	$ 8,870,340	$ 6,874,979	$ 1,995,361

** Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2022 are used to measure TPL as of March 31, 2022. The balances as of March 31, 2022 constitute measurements of the NPL for the year ending December 31, 2022.*
*** Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2023 are used to measure TPL as of March 31, 2023. The balances as of March 31, 2023 constitute measurements of the NPL for the year ending December 31, 2023.*

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate	1% Decrease (6.375%)	Current Rate (7.375%)	1% Increase (8.375%)
	$ 2,986,595	$ 1,995,361	$ 1,158,320

Pension expense for the year ended December 31, 2023	
Service cost	$ 141,198
Interest on TPL	649,838
Employee contributions	-
Administrative expenses	22,754
Expected return on assets	(546,781)
Expensed portion of current year period differences between expected and actual experience in TPL	(78,414)
Expensed portion or current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	207,901
Current year recognition of deferred inflows and outflows established in prior years.	(55,278)
Total expense	$ 341,218

Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inlfows of Resources
Difference between expected and actual experience	$ -	$ (391,351)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments *	284,039	-
Total	$ 284,039	$ (391,351)

** Individual period investment outflows and inflows are being shown netted in accordance with GASB 68 paragraph 33b.*

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	2024	$ (155,376)
	2025	(306,899)
	2026	147,060
	2027	207,903
	2028	-

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Compensated Absences
The City permits employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from service with the City. The estimated current portion of the liability for vested vacation benefits attribute to the City's governmental fund is recorded as an expenditure and liability. The long-term portion is recorded as a long term debt. The amounts attribute to proprietary funds are charged to expense and a corresponding liability in the applicable fund.

Risk Management and Litigation
The City is exposed to various risks of losses related to torts: theft of, damage to, and destruction of asset; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The City attorney has advised that legal actions in process or pending should not materially affect the financial position of the City. The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained insurance coverage from commercial insurance companies.

Pursuant to provisions of the Official Code of Georgia Annotated, the City of Blakely became a member of the GMA Inter-local Risk Management Agency. The agency established 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 government. The agency is to defend and protect in accordance with the member government contracts and related coverage descriptions any member of the agency against liability or loss.

Blakely, Georgia must participate at all times in at least one fund that is established by the agency. Other responsibilities of the City are as follows:

1. To pay all contributions, assessments or other sums due the agency at such times and in such amounts as shall be established by the agency;
2. To select a person to serve as a member representative;
3. To allow the agency 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 purpose of the agency to represent the City;
4. To allow attorneys appointed by the agency 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 established by the agency;
5. To assist and cooperate in the defense and settlement of claims against the City;

6. To furnish full cooperation to the agency's attorneys, claims adjusters, service company, and any agent, employee, officer or independent contractor of the agency relating to the purposes of the agency;
7. To follow all loss reduction and prevention procedures established by the agency;
8. To furnish to the agency such budget, operating and underwriting information as may be requested; and
9. To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the agency or any fund established by the agency being required to pay claim for loss or injuries to City 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.

Blakely, Georgia retains up to the first $5,000 of each risk of loss in the form of a deductible. The City files all claims with the agency and the agency bills the City for any loss up to the deductible.

Pursuant to provisions of the Official Code of Georgia Annotated, Blakely, Georgia became a member of the GMA-GSIWCF (a Workers' Compensation Self-Insurance Fund). The liability of the fund to the employees of any employer (Blakely, Georgia is specifically limited to such obligations as are imposed by the applicable state laws against the employer for workers' compensation and/or employers' liability.)

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 findings being required to pay any claims of loss. The City is also to allow the pools' agents and attorney to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false, or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Compliance with Legal Provisions
The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 11 - DEFERRED COMPENSATION PLAN

The City participates in the ACCG 457 Deferred Compensation Plan for the City of Blakely (the Plan), a defined contribution plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by Government Employee Benefits Corporation of Georgia (GEBCorp). The Plan is available to all full-time City employees, and permits them to defer a portion of their salary until future years. Distributions from the Plan are not available to employees until termination, retirement, death, disability or unforeseeable emergency. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted to any other purpose.

Participation in the Plan was approved by resolution of the City Council. Plan provisions are established and may be amended by GEBCorp.

For the year ended December 31, 2023, actual contributions by the City and Plan participants were $39,790 and $80,772 respectively.

NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

The City stopped accepting solid waste at its landfill site April 8, 1994. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The $18,689 reported in the long-term debt as a landfill post closure liability at December 31, 2023, represents the projected annual cost to perform annually recurring post closure care for the approximately six years

remaining. Due to changes in technology, monitoring period, laws or regulations these costs may change in the future. The City intends to and expects to be able to finance post closure costs from current financial resources.

Prior to 1998, the City had expected its required monitoring period to be five years from April 8, 1994. In 1998 the City determined that its monitoring period would probably extend past the original five-year period and determined that an extension of the estimate to thirty years would be appropriate.

NOTE 13 - POWER SALES CONTRACT

In July 1976 the City of Blakely entered into a contract with the Municipal Electric Authority of Georgia (MEAG). The purpose of the agreement was to secure electric power supply from MEAG. MEAG consented to provide this power supply to the City of Blakely in return for the City's promise to pay its share of MEAG's cost of generating and transmitting electrical power.

The term of the contract will continue in full force until such time, not exceeding fifty years, as all of MEAG's bonds and the interest thereon have been paid or provision for payment has been made or until such time as the MEAG Project is retired from service, whichever is later.

MEAG has issued bonds to generate funds for the purpose of building generation and transmission plants. Each participant, such as the City of Blakely, is responsible for their prorata share of those bonds until they are paid or deferred.

NOTE 14 - RELATED ORGANIZATION

The City's related organization, Housing Authority, is excluded from the financial reporting entity because the City's accountability does not extend beyond making board appointments. The Housing Authority of the City of Blakely, Georgia is a related organization of the City of Blakely. The five citizens who serve as the governing board of the Housing Authority are appointed by the mayor and approved by the City Council. The City has no significant influence over the management, budget or policies of the Housing Authority. Audited financial statements are available from the Housing Authority.

NOTE 15 - JOINT VENTURES

Southwest Georgia Regional Commission
City of Blakely, in conjunction with fifty- seven other cities and counties in the southwest Georgia area, participates in the Southwest Georgia Regional Commission. Membership in an RC is required by Code of Georgia Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The City of Blakely paid membership dues to the Southwest Georgia Regional Commission for the year ended December 31, 2023. The RC Board membership includes a representative of the membership governments who is selected by the respective governing body. Georgia law also provides that the member governments are liable for any debts or obligations of an RC beyond its resources. Financial statements are available from the RC at 30 West Broad Street, Camilla, Georgia 31730.

NOTE 16 - HOTEL/MOTEL TAX

The City of Blakely has imposed a 5% hotel/motel tax on lodging facilities with the City. Revenues collected during the year ended December 31, 2023, were $39,341. $33,609 was paid to the Court Square Development Authority to promote tourism within the City of Blakely, Georgia.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

The City of Blakely offers continued health care insurance to eligible retirees under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the Plan to the Plan coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event.

The City of Blakely serves as the Plan Administrator for a Consolidated Omnibus Budget Reconciliation, COBRA, plan. The plan allows eligible employees to retain health insurance coverage not retiring from the City of Blakely. Qualified Beneficiaries include any individual who, on the day before a Qualifying Event, is covered under Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. The Plan is financed as on a pay-as-you-go- basis by each Plan participant.

NOTE 18 - TRANSPORTATION SPECIAL PURPOSE LOCAL OPTIONS SALES TAX REFERENDUM

On February 6, 2018, a referendum was held to determine whether to impose a 1% Transportation Special Purpose Local Option Sales Tax in Early County, Georgia. This referendum was passed with part of the revenue collected being designated for the City of Blakely as detailed on the "Schedule of Transportation Special Purpose Local Option Sales Taxes" as listed in the Table of Contents. The tax period for this referendum is not to exceed five (5) years.

NOTE 19 - SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the year ended December 31, 2023, the City sold certain capital assets, which were transactions the City considers infrequent in occurrence. The City has reported these transactions as special items in the government-wide financial statements as required by GASB 34, paragraph 56.

The transactions consisted of dispositions of multiple vehicles.

NOTE 20– PRIOR PERIOD ADJUSTMENT

	Governmental Funds	
Description	General Fund	SPLOST
To account for SPLOST funds that reimbursed the General Fund for expenses paid in 2022	$ 63,473	$ (63,473)

NOTE 21 - SUBSEQUENT EVENT

As of the date of this report, July 18, 2024, there are no subsequent events that would materially affect the financial statements and require disclosures.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLAKELY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Taxes				
Property	$ 1,077,800	$ 1,162,023	$ 1,033,258	$ (128,765)
Sales	1,007,000	1,049,279	1,025,377	(23,902)
Franchise	32,000	32,000	27,617	(4,383)
Licenses and permits	105,000	105,000	108,945	3,945
Intergovernmental	1,938,200	1,982,572	529,916	(1,452,656)
Charges for services	216,800	216,800	230,594	13,794
Fines and forfeitures	55,000	74,464	67,728	(6,736)
Interest revenue	3,000	3,000	2,763	(237)
Miscellaneous	181,500	181,500	157,621	(23,879)
Total revenues	4,616,300	4,806,638	3,183,819	(1,622,819)
EXPENDITURES				
Current:				
General government:				
Finance and administration	2,895,345	3,057,814	1,692,265	1,365,549
Total general government	2,895,345	3,057,814	1,692,265	1,365,549
Judicial				
Recorder's court	117,270	117,276	109,942	7,334
Total judicial	117,270	117,276	109,942	7,334
Public safety:				
Police	1,753,645	1,845,871	1,481,896	363,975
Fire	1,090,300	1,096,000	1,045,400	50,600
Total public safety	2,843,945	2,941,871	2,527,296	414,575
Public works:				
Highways and streets	1,164,401	1,283,469	991,069	292,400
Maintenance and shop	230,435	280,552	201,009	79,543
Total public works	1,394,836	1,564,021	1,192,078	371,943
Health & Welfare:				
Welfare	22,300	13,136	13,134	2
Community services	59,685	60,130	38,597	21,533
Total health & welfare	81,985	73,266	51,731	21,535
Cultural & Recreation:				
Recreation	115,000	130,000	128,000	2,000
Libraries	37,000	37,000	37,000	-
Total cultural & recreation	152,000	167,000	165,000	2,000
Housing & Development:				
Building Inspection	169,420	264,532	227,188	37,344
Total housing & development	169,420	264,532	227,188	37,344
Total current expenditures	7,654,801	8,185,780	5,965,500	2,220,280
Debt service:				
Principal	51,000	149,657	190,998	(41,341)
Interest	67,000	91,472	86,507	4,965
Total debt service	118,000	241,129	277,505	(36,376)
Total expenditures	7,772,801	8,426,909	6,243,005	2,183,904
Excess (deficiency) of revenues over expenditures	(3,156,501)	(3,620,271)	(3,059,186)	(3,806,723)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	101,033	333,533	233,045	(100,488)
Transfers In	1,286,250	1,286,250	2,160,115	873,865
Transfers (Out)	-	(980)	(564,246)	(563,266)
Total other financing sources and uses	1,387,283	1,618,803	1,828,914	210,111
SPECIAL ITEMS				
Sale of capital assets	1,000	160,276	160,276	-
Net Change in Fund Balance	$ (1,768,218)	$ (1,841,192)	$ (1,069,996)	$ 771,196

CITY OF BLAKELY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Budget and Budgetary Accounting

The City prepares its annual operating budget under the provisions of the Georgia Code. In accordance with those provisions, the following process is used to adopt the annual budget:

a. Prior to December 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
b. Public hearings are conducted at regular Council meetings to obtain taxpayer comments. Public hearings are held no late than 15 days prior to the beginning of the budget year.
c. Subsequent to the public hearings but no later than seven days prior to January 1, the budget is legally enacted through the passage of a resolution by the City Council.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of State Law, except funds of public trust or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the object category level by department within a fund. State statutes recognize the following object categories as the minimum legal level of control by department.

- Personal Services
- Materials and Supplies
- Other Services and Charges
- Capital Outlay
- Debt Service
- Inter-fund Transfers

All supplemental appropriations require the approval of the City Council. All transfers of appropriation between department and object categories require the approval of the City Council.

The City prepared and adopted a legal annual budget for all governmental funds.

Budgetary Accounting

The annual operating budgets of governmental funds are prepared and presented on the cash basis of accounting.

Budget Requirements

There were no supplemental or decreases in budget appropriations made and approved by the City Council.

City of Blakely, Georgia
GASB 67/68 Reporting Information
December 31, 2023

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 141,198	$ 131,368	$ 130,658	$ 118,543	$ 88,011	$ 102,481	$ 83,207
Interest	649,838	653,923	642,988	589,494	567,147	526,086	517,206
Differerences between expected and actual experience	(313,653)	(297,144)	(30,161)	355,867	173,031	448,552	25,318
Changes of assumption	-	-	-	-	-	141,903	-
Changes in benefit terms	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(554,414)	(552,317)	(639,529)	(581,261)	(540,265)	(526,294)	(496,014)
Other	-	-	-	392,940	-	-	-
Net change in total pension liability	(77,031)	(64,170)	103,956	875,583	287,924	692,728	129,717
Total Pension Liability as of beginning	8,947,371	9,011,541	8,907,585	8,032,002	7,744,078	7,051,350	6,921,633
Total Pension Liability as of ending (a)	$ 8,870,340	$ 8,947,371	$ 9,011,541	$ 8,907,585	$ 8,032,002	$ 7,744,078	$ 7,051,350
Employer contributions	$ 484,645	$ 498,186	$ 417,937	$ 361,447	$ 304,261	$ 282,769	$ 290,555
Employee contributions	-	-	-	-	-	-	-
Net investment income	(492,732)	433,191	2,264,167	(376,804)	202,399	656,846	612,785
Benefit payments, including refunds of employer contributions	(554,414)	(552,317)	(639,529)	(581,261)	(540,265)	(526,294)	(496,014)
Administrative expense	(22,754)	(21,712)	(20,959)	(24,304)	(20,847)	(20,195)	(21,770)
Other	-	-	-	-	-	-	-
Net Change in fiduciary net position	(585,255)	357,348	2,021,616	(620,922)	(54,452)	393,126	385,556
Plan fiduciary net position - beginning	7,460,234	7,102,886	5,081,270	5,702,192	5,756,644	5,363,518	4,977,962
Plan fiduciary net position - ending (b)	$ 6,874,979	$ 7,460,234	$ 7,102,886	$ 5,081,270	$ 5,702,192	$ 5,756,644	$ 5,363,518
Net Pension Liability - ending: (a)-(b)	$ 1,995,361	$ 1,487,137	$ 1,908,655	$ 3,826,315	$ 2,329,810	$ 1,987,434	$ 1,687,832
Plan's fiduciary net position `as a percentage of the total pension liability	77.51%	83.38%	78.82%	57.04%	70.99%	74.34%	76.06%
Covered-employee payroll	$ 3,600,229	$ 3,886,473	$ 3,593,358	$ 3,935,869	$ 3,622,865	$ 2,762,964	$ 2,761,601
Net pension liability as a percentage of covered-employee payroll	55.42%	38.26%	53.12%	97.22%	64.31%	71.93%	61.12%

City of Blakely, Georgia
Required Supplementary Information - Pension Plan
December 31, 2023

SCHEDULE OF CONTRIBUTIONS

	2023	2022	2021	2020	2019	2018	
Actuarially determined contribution	*	$ 495,806	$ 498,662	$ 401,792	$ 350,978	$ 294,918	
Contributions in relation to the actuarially determined contribution	*	496,044	490,590	397,558	348,306	293,703	**
Contribution deficiency (excess)	*	(238)	8,072	4,234	2,672	1,215	
Covered-employee payroll	*	3,886,473	3,593,358	3,935,869	3,622,865	2,762,964	***
Contributions as a percentage of coveredemployee payroll	*	12.76%	13.65%	10.10%	9.61%	10.63%	

* 2023 information will be determined after fiscal year end and will be included in the 2024 valuation report.

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

***2022 covered payroll is based on data collected as of March 31, 2022 for the 2022 actuarial valuation.

City of Blakely, Georgia
Required Supplementary Information - Pension Plan
December 31, 2023

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date	The actuarially determined contribution was determined as of July 1, 2023, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending December 31, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Retirement Age	
age 65-71	75%
72 and over	100%
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25

CITY OF BLAKELY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Capital Improvement Projects Funds			Special Revenue Funds			
	SPLOST Fund	TSPLOST Fund	Community Development Block Grant Fund	Hotel/Motel Tax Fund	E-911 Fund	ARPA Fund	Total Funds
ASSETS							
Cash, including time deposits	$ -	$ -	$ -	$ -	$ 2,721	$ 458,859	$ 461,580
Accounts receivable	-	-	-	-	103,559	-	103,559
Taxes receivable	85,884	78,126	-	2,689	-	-	166,699
Due from other funds	-	-	-	-	-	50,000	50,000
Restricted assets- cash	782,771	655,422	-	552	-	-	1,438,745
Total assets	$ 868,655	$ 733,548	$ -	$ 3,241	$ 106,280	$ 508,859	$ 2,220,583
LIABILITIES							
Accounts payable	$ -	$ 4,088	$ -	$ 6,385	$ 17,709	$ -	$ 28,182
Salaries & wages payable	-	-	-	-	13,169	-	13,169
Total liabilities	-	4,088	-	6,385	30,878	-	41,351
FUND BALANCES							
Unassigned	-	-	-	(3,144)	-	-	(3,144)
Restricted for:							
Capital projects	868,655	729,460	-	-	-	-	1,598,115
Public safety	-	-	-	-	75,402	508,859	584,261
Total fund balances	868,655	729,460	-	(3,144)	75,402	508,859	2,179,232
Total liabilities and fund balances	$ 868,655	$ 733,548	$ -	$ 3,241	$ 106,280	$ 508,859	$ 2,220,583

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

CITY OF BLAKELY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital Improvement Projects Funds			Special Revenue Funds			
	SPLOST	TSPLOST	Community Development Block Grant	Hotel/Motel Tax	E-911 Fund	ARPA Fund	Total Funds
REVENUES							
Taxes	$ -	$ -	$ -	$ 39,341	$ -	$ -	$ 39,341
Intergovernmental	490,313	454,980	-	-	310,395	-	1,255,688
Grants	-	-	22,550	-	-	-	22,550
Interest	76	937	-	-	-	6,307	7,320
Miscellaneous	15,944	-	-	-	298,528	-	314,472
Total revenues	506,333	455,917	22,550	39,341	608,923	6,307	1,639,371
EXPENDITURES							
Current:							
General government	-	-	-	-	-	325,209	325,209
Public safety	-	-	-	-	705,763	-	705,763
Cultural & recreation	-	-	-	33,609	-	-	33,609
Capital outlay	243,886	793,672	-	-	-	-	1,037,558
Debt service:							
Principal	-	-	-	-	25,382	-	25,382
Interest	-	-	-	-	33,862	-	33,862
Total expenditures	243,886	793,672	-	33,609	765,007	325,209	2,161,383
Excess (deficiency) of revenue/expenditures	262,447	(337,755)	22,550	5,732	(156,084)	(318,902)	(522,012)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	146,801	-	146,801
Transfers (out)	(169,194)	-	(22,550)	(10,834)	-	(80,786)	(283,364)
Total other financing sources (uses)	(169,194)	-	(22,550)	(10,834)	146,801	(80,786)	(136,563)
Net Change in Fund Balance	93,253	(337,755)	-	(5,102)	(9,283)	(399,688)	(658,575)
Fund balance - beginning - as previously reported	838,875	1,067,215	-	1,958	84,685	908,547	2,901,280
Prior period adjustment	(63,473)	-	-	-	-	-	(63,473)
Fund balance - beginning - as restated	775,402	1,067,215	-	1,958	84,685	908,547	2,837,807
Fund balance - ending	$ 868,655	$ 729,460	$ -	$ (3,144)	$ 75,402	$ 508,859	$ 2,179,232

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

CITY OF BLAKELY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Hotel/Motel Tax	$ 50,000	$ 50,000	$ 36,116	$ (13,884)
Total revenues	50,000	50,000	36,116	(13,884)
EXPENDITURES				
Court Square Development	30,000	30,388	30,384	4
Total expenditures	30,000	30,388	30,384	4
Excess (deficiency) or revenues over expenditures	20,000	19,612	5,732	(13,888)
TRANSFERS				
Transfers	-	-	(10,834)	(10,834)
Total transfers	$ -	$ -	(10,834)	$ (10,834)
Net change in fund balance			(5,102)	
Fund balance - beginning			1,958	
Fund balance - ending			$ (3,144)	

CITY OF BLAKELY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
E-911 FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	$ 304,800	$ 304,800	$ 310,395	$ 5,595
Miscellaneous	268,500	297,518	298,528	1,010
Total revenues	573,300	602,318	608,923	6,605
EXPENDITURES				
Current:				
Public safety	741,005	739,142	705,763	33,379
Capital outlay	1,500	1,500	-	1,500
Debt service:				
Principal	25,000	27,508	25,382	2,126
Interest	34,000	36,673	33,862	2,811
Total expenditures	801,505	804,823	765,007	39,816
Excess (deficiency) or revenues over expenditures	(228,205)	(202,505)	(156,084)	(33,211)
TRANSFERS				
Transfers	-	-	146,801	146,801
Total transfers	$ -	$ -	146,801	$ 146,801
Net change in fund balance			(9,283)	
Fund balance - beginning			84,685	
Fund balance - ending			$ 75,402	

CITY OF BLAKELY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ARPA FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Interest	$ 1,800	$ 1,800	$ 6,306	$ 4,506
Total revenues	1,800	1,800	6,306	4,506
EXPENDITURES				
Current:				
General government	-	315,059	315,059	-
Total expenditures	-	315,059	315,059	-
Excess (deficiency) or revenues over expenditures	1,800	(313,259)	(308,753)	4,506
TRANSFERS				
Transfers	-	(52,650)	(83,436)	(30,786)
Total transfers	$ -	$ (52,650)	(83,436)	$ (30,786)
Net change in fund balance			(392,189)	
Fund balance - beginning			908,547	
Fund balance - ending			$ 516,358	

STATE REPORTING REQUIREMENTS

CITY OF BLAKELY, GEORGIA
Annual Report of 9-1-1 Expenditures
For the Year Ended December 31, 2023

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
	__X__ Special Revenue Fund _____ Enterprise Fund		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges	46-5-134(e)	
	(identify each supplier individually on lines below - attach list, if necessary)		
	_____		$ -
	_____		$ -
	_____		$ -
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	$ -
3b	Purchase costs	46-5-134(f)(1)(A)	$ -
3c	Maintenance costs	46-5-134(f)(1)(A)	$ 24
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$ -
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ 403,229
5b	Employee benefits	46-5-134(f)(1)(C)	$ 201,295
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ 338
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ -
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	$ -
8b	Purchase costs	46-5-134(f)(1)(F)	$ -

9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	$ -
9b	Purchase costs	46-5-134(f)(1)(G)	$ -
9c	Maintenance costs	46-5-134(f)(1)(G)	$ -
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$ -
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	$ -
11b	Purchase costs	46-5-134(f)(1)(I)	$ -
11c	Maintenance costs	46-5-134(f)(1)(I)	$ -
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$ 6,008
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2(B)(ii)	$ -
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$ -
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$ -
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$ -
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2(B)(iv)	$ -
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$ -
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$ -
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2(B)(v)	$ 59,244

16b	Purchase costs	46-5-134(f)(2(B)(v)	$	-
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$	-

17 Other expenditures not included in Lines 2 through 16 above.
Identify by object and purpose.

Utilities & Telephone	$	77,742
General Supplies and Materials	$	3,177
Travel	$	951
Dues	$	4,085
Advertising	$	10
Contractual Cost	$	8,904

18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	$	765,007

Reconciling Note:

Non-Allowable Items		
Professional Fees		-
Total Expenditures on Combining Statement of Revenues, Expenditures & Changes in Fund Balance	$	765,007

Non-allowable expenditures were paid with funds transferred into the E-911 Fund from the General Fund.

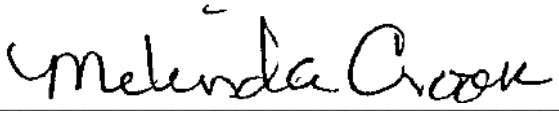
Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official  Date 7/18/2024

Print Name of Chief Elected Official Travis Wimbush

Title of Chief Elected Official Mayor

Signature of Clerk  Date 7/18/2024

Print Name of Clerk Melinda Crook

CITY OF BLAKELY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2023

February 6, 2018 Ref

Project	Original Estimated Cost	Amended Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Construction of, improvements to, equipment for, and alterations of, street and sidewalk projects, city buildings and facilities, public safety, infrastructure for telecomumications, waste water treatement facilities and sanitary water system.	$ 3,001,000	$ 3,001,000				
Equipment Purchases			$ 766,670	$ 151,325	$ 917,995	
Water Projects			184,879	5,325	190,204	
Street & Sidewalk Projects			93,221	142,082	235,303	
Property			281,654	36,125	317,779	
	$ 3,001,000	$ 3,001,000	$ 1,326,424	$ 334,857	$ 1,661,281	55.36%

Reconciliation of the SPLOST Schedule above to expenditures reported in the the Capital Projects Fund on Page 43

Expenditures from SPLOST schedule (above)	$ 334,857
Principal paid on debt	78,223
Total expenditures per Capital Projects Fund on Page 42	$ 413,080

CITY OF BLAKELY, GEORGIA
SCHEDULE OF TRANSPORTATION SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2023

July 5, 2016 Ref

Project	Original Estimated Cost	Amended Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Transportation	$ 1,650,550	$ 1,650,550	$ 627,594	$ 793,672	$ 1,421,266	86.11%
Total	$ 1,650,550	$ 1,650,550	$ 627,594	$ 793,672	$ 1,421,266	86.11%

CITY OF BLAKELY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
SOURCE AND APPLICATION OF FUNDS SCHEDULE

December 31, 2023	Grant # 22p-x-049-2-6265
Total Grant Funds allocated to recipient	$1,000,000
Less: Total Program Year 2023 funds drawn down by receipient	(22,550)
Funds still available from Grant Resources	$ 977,450
Total Grant funds held at Year-End	$ -
Total Program Year 2023 funds drawn down and received by recipient	22,550
Less: Funds applied and expended to Program Year 2023 costs	22,550
TOTAL PROGRAM YEAR 2023 FUNDS HELD BY RECIPIENT	$ -

CITY OF BLAKELY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
BUDGET TO ACTUAL FUNDS SCHEDULE

Grant # 22p-x-049-2-6265

December 31, 2023

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Current Period Expenditures	Prior Period Expenditures	Grand Total Expenditures to Date	Questioned Costs
Sewer Facilities	P-03J-02	$ 870,830	$ 22,550	$ -	$ 22,550	$ -
Engineering	T-03J-00	69,170		-	-	-
Administration	A-21A-00	60,000	-	-	-	-
TOTAL		$ 1,000,000	$ 22,550	$ -	$ 22,550	$ -

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS

Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

726 East Shotwell Street, P.O. Box 1422 Bainbridge, GA 39818 * Phone 229-246-0550 * Fax 229-246-7908

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 Blakely, Georgia

We have audited, in accordance with the auditing standard generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blakely, Georgia as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Blakely's financial statements, and have issued our report thereon dated July 18, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Blakely, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests and those of the other auditors disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Blakely's Response to Findings

The City of Blakely's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City of Blakely, Georgia's response was not subjected to the auditing procedure applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
July 18, 2024