THE CITY OF DONALSONVILLE, GEORGIA

Annual Financial Report
For the fiscal year ended
May 31, 2024

CITY OF DONALSONVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED May 31, 2024

TABLE OF CONTENTS

Page No.

INTRODUCTORY SECTION 1
List of Elected and Appointed Officials 2

FINANCIAL SECTION 3
Independent Auditor's Report 4
Management's Discussion and Analysis 7
Basic Financial Statements: 13
Government-wide Financial Statements:
Statement of Net Position 14
Statement of Activities 15
Fund Financial Statements:
Balance Sheet – Governmental Funds 16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund 19
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- Special Revenue ARPA Fund 20
Statement of Net Position – Proprietary Funds 21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 23
Statement of Cash Flows – Proprietary Funds 24
Notes to the Financial Statements 25
Required Supplemental Information:
Schedule of Funding Progress – Georgia Municipal Employees Benefit
Schedule of Changes in the City's Net Pension Liability and Related Ratios 47
Schedule of Contributions 48
Notes to Required Supplementary Information - Pension Plan 49
Combining and Individual Fund Statements and Schedules: 50
Nonmajor Governmental Funds 51
Combining Balance Sheet- Nonmajor Governmental Funds 52
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances- Nonmajor Governmental Funds 53
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- Nonmajor Special Revenue Fund-Hotel/Motel Tax 54
Schedule of Projects Constructed with Special Sales Tax Proceeds 55

COMPLIANCE SECTION 57
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 58

INTRODUCTORY SECTION

CITY OF DONALSONVILLE, GEORGIA

List of Elected and Appointed Officials
May 31, 2024

Elected Officials

Mayor	Ron Johnson, Jr.
Council Member – District I, Post 1	Mitzy Moye
Council Member – District I, Post 2	Travis Brooks
Council Member – District I, Post 3	Ed Bond
Council Member – District II, Post 4	Flossie Smith
Council Member – District II, Post 5	Mitchell Blanks
Council Member – District II, Post 6	Lindsay C. Register, Sr.

Appointed Officials

City Manager	Jeffrey Hatcher
Attorney	Billy Grantham
Municipal Court Judge	Joshua Bell
Clerk	Christina Covers
Police Chief	Kem Pugh
Fire Chief	Dean King
City Superintendent	Bert Adams

FINANCIAL SECTION

Rebecca B. Worsham, CPA
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Donalsonville, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Donalsonville, Georgia as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Donalsonville, Georgia, as of May 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and ARPA Fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of Donalsonville, Georgia, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Donalsonville, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS / GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and retirement system information on pages 7–11 and 47–49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 fund nonmajor financial statements (pages 50-54) and schedules (pages 55-56) 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 fund nonmajor financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section (pages 1-2) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 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.

Burke, Worsham & Harrell, LLC

Burke, Worsham & Harrell, LLC

October 22, 2024

MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS / GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis

As management of the City of Donalsonville, Georgia, we offer readers of the City of Donalsonville's financial statements this narrative overview and analysis of the financial activities of the City of Donalsonville for the fiscal year ended May 31, 2024.

Financial Highlights

- The assets of the City of Donalsonville exceeded its liabilities at the close of the most recent fiscal year by $14,356,203. Of this amount, $136,844 may be used to meet the government's ongoing obligations to citizens and creditors. This is a decrease of $716,779 from the prior year.
- The City's governmental activities net position decreased by $11,960 and the business-type activities decreased by $168,824, for a total decrease in net position of $180,784.
- As of the close of the current fiscal year, the City's governmental fund reported ending fund balance of $1,476,153, a decrease of $430,984 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $414,771, or 10% percent of total general fund expenditures. In the prior year, unassigned fund balance was 19% percent of total general fund expenditures.
- The City's total debt decreased by 3% during the current fiscal year.
- In the City's business-type activities, operating revenues decreased by $356,021 from the prior year while operating expenses decreased by $299,706, for a total operating income decrease of $56,315.
- In the general fund, revenues and other financing sources were $68,647 more than budget, and the actual expenditures were $649,024 more than budgeted.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Donalsonville's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. *The government-wide financial statements* are designed to provide readers with a broad overview of the City of Donalsonville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Donalsonville's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Donalsonville that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the City include the general fund which includes the general government, public safety, highways and streets, sanitation, economic development, and culture and recreation, as well as Special Revenue Funds, which accounts for the Hotel/Motel Taxes and ARPA Funds, and seven Capital Project Funds, which account for the SPLOST VI, TSPLOST, TSPLOST II, CDBG-DR, CDBG-MIT, Project Funds and Chip. The business-type activities of the City include the Water and Sewer Fund, the Gas Fund, the Solid Waste Fund, and the E-Donalsonville Fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Downtown Development Authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City has ten governmental funds. The general fund is a major fund, SPLOST VI is a major Capital Project Fund, the Hotel/Motel Tax Fund is a nonmajor Special Revenue Fund, the ARPA Fund is a major Special Revenue Fund, the Project Fund is a nonmajor Capital Project Fund, TSPLOST Fund is a major Capital Project Fund, TSPLOST II Fund is a nonmajor Capital Project Fund, CDBG-DR Fund is a nonmajor Capital Project Fund, CDBG-MIT Fund is a nonmajor Capital Project Fund and CHIP Grant Fund is a nonmajor Capital Project Fund.

The City adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund and the special revenue funds to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 16 through 20 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Gas Fund, Solid Waste Fund and E-Donalsonville Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Water and Sewer Fund and the Gas Fund are major funds and the City has elected to treat the Solid Waste Fund and E-Donalsonville Fund as a major funds also.

The basic proprietary fund financial statements can be found on pages 21 through 24 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 45 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on page 46-49 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $14,393,535 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (92%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Donalsonville's Net Position

	Governmental activities		Business- type activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	$ 2,840,404	$ 1,848,634	$ 792,824	$ 777,860	$ 3,633,228	$ 2,626,494
Capital assets	5,244,264	5,758,309	14,651,547	14,235,199	19,895,811	19,993,508
Total assets	8,084,668	7,606,943	15,444,371	15,013,059	23,529,039	22,620,002
Total deferred outflows of resources	668,126	416,065	42,646	26,557	710,772	442,622
Long-term liabilities outstanding	580,158	605,868	5,825,899	5,524,809	6,406,057	6,130,677
Other liabilities	1,566,457	1,474,812	603,541	617,986	2,169,998	2,092,798
Total liabilities	2,146,615	2,080,680	6,429,440	6,142,795	8,576,055	8,223,475
Total deferred inflows of resources	327,575	453,969	20,909	28,977	348,484	482,946
Net position:						
Net investment in capital assets	4,477,816	4,903,214	8,536,875	8,409,342	13,014,691	13,312,556
Restricted:	1,036,996	906,803	-	-	1,036,996	906,803
Unrestricted	353,830	(321,658)	499,793	458,502	853,623	136,844
Total net position	$ 5,868,642	$ 5,488,359	$ 9,036,668	$ 8,867,844	$ 14,905,310	$ 14,356,203

$906,803 of the City's net position is restricted. The *unrestricted net position of* $136,844 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City has positive balances in all three categories of net position, both for the governmental and business-type activities.

Governmental activities. Governmental activities decreased the City's net position by $25,372. Key elements of this increase are as follows:

City of Donalsonville's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2023	2024	2023	2024	2023	2024
Revenues:						
Program revenues:						
Charges for services	$ 781,600	$ 749,978	$ 2,013,598	$ 1,657,577	$ 2,795,198	$ 2,407,555
Capital grants and contributions	831,132	843,411	13,166	-	844,298	843,411
Operating grants and contributions	460,447	152,349	-	215,000	460,447	367,349
General revenues:						
Property taxes	1,242,647	1,304,823	-	-	1,242,647	1,304,823
Other taxes	1,157,204	1,197,451	-	-	1,157,204	1,197,451
Other	73,954	68,398	505	385	74,459	68,783
Total revenues	4,546,984	4,316,410	2,027,269	1,872,962	6,574,253	6,189,372
Expenses:						
General government	1,340,855	999,019	-	-	1,340,855	999,019
Public safety	2,441,206	2,672,180	-	-	2,441,206	2,672,180
Highways/streets	538,073	584,966	-	-	538,073	584,966
Sanitation	486,537	512,257	-	-	486,537	512,257
Culture and development	-	-	-	-	-	-
Economic development	59,382	53,937	-	-	59,382	53,937
Interest on long-term debt	19,948	54,831	-	-	19,948	54,831
Water/Sewer fund	-	-	964,627	968,330	964,627	968,330
Gas fund	-	-	701,203	461,310	701,203	461,310
E-Donalsonville fund	-	-	124,361	63,326	124,361	63,326
Total expenses	4,886,001	4,877,190	1,790,191	1,492,966	6,676,192	6,370,156
Increase in net position before transfers	(339,017)	(560,780)	237,078	379,996	(101,939)	(180,784)
Transfers	(1,347,489)	548,820	1,347,489	(548,820)	-	-
Increase in net position	(1,686,506)	(11,960)	1,584,567	(168,824)	(101,939)	(180,784)
Net position - beginning	7,555,148	5,868,642	7,452,101	9,036,668	15,007,249	14,905,310
Prior period adjustment	-	(368,323)	-	-	-	(368,323)
Net position - ending	$ 5,868,642	$ 5,488,359	$ 9,036,668	$ 8,867,844	$ 14,905,310	$ 14,356,203

Business-type activities. Business-type activities decreased the City's net position by $168,824, a decrease from the prior year in the amount of $1,753,391.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is one of the governmental funds of the City. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $1,476,153, a decrease of $430,984 in comparison with the prior year. $406,718 of this fund balance is available for spending at the City's discretion.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $422,111, the Gas Fund $136,943, the Solid Waste Fund $7,039, and the E-Donalsonville Fund ($107,591), for a total unrestricted net position of $458,502. Other factors covering the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were no changes between the original budget and the final amended budget in revenues and appropriations.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of May 31, 2024, amounts to $19,993,508 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvement, machinery and equipment, park facilities, roads, and highways. The total increase in the City's investment in capital assets, net of depreciation, for the current fiscal year was $119,697.

City of Donalsonville's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2023	2024	2023	2024	2023	2024
Land	$ 434,401	$ 434,401	$ 33,646	$ 33,646	$ 468,047	$ 468,047
Buildings	2,244,133	2,244,133	24,924	24,924	2,269,057	2,269,057
Improvements other than buildings	327,971	317,429	8,883	8,883	336,854	326,312
Machinery and equipment	4,841,657	4,223,397	530,336	537,549	5,371,993	4,760,946
Infrastructure	3,447,637	4,038,136	20,599,106	20,599,106	24,046,743	24,637,242
Right to use leased assets	427,718	503,679	-	-	427,718	503,679
Accumulated depreciation/amortization	(6,501,253)	(6,002,866)	(6,545,348)	(6,968,909)	(13,046,601)	(12,971,775)
Total	$ 5,222,264	$ 5,758,309	$ 14,651,547	$ 14,235,199	$ 19,873,811	$ 19,993,508

Additional information on the City's capital assets can be found in Note III. C. on pages 33-34 of this report.

Long-term debt. At the end of the current fiscal year, the City had total leases outstanding in the amount of $765,095 for its governmental funds and $0 in the proprietary funds. Notes payable in the governmental funds were $90,000 and proprietary funds were $180,857. Bonds payable in the proprietary funds were $5,645,000. Additional information on the City's long-term debt can be found in Note III. E. & F. on pages 35 through 39 of this report. Post closure costs in the general fund total $12,800 and in the proprietary funds total $0.

Economic Factors and Next Year's Budgets and Rates

Cost of living in this area has risen over the past few years and the future increases are projected to be significant. Adjustments will likely need to be made in future budgets to compensate for these increases.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information should be addressed to the City Manager, P.O. Box 308, Donalsonville, GA 39845.

BASIC FINANCIAL STATEMENTS

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF NET POSITION
MAY 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 1,306,848	$ 400,743	$ 1,707,591	$ 51,394
Receivables (net of allowance for uncollectibles)	347,372	117,712	465,084	-
Intergovernmental receivables	31,670	40,917	72,587	-
Prepaids	162,632	49,745	212,377	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	112	168,743	168,855	-
Capital assets:				
Land	434,401	33,646	468,047	-
Buildings	1,505,883	61	1,505,944	535,467
Improvements other than buildings	112,487	93	112,580	-
Machinery and equipment	1,157,066	37,643	1,194,709	-
Infrastructure	2,155,689	14,163,756	16,319,445	-
Right to use leased assets, amortized, net	392,783	-	392,783	-
Total assets	**7,606,943**	**15,013,059**	**22,620,002**	**586,861**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Pension	416,065	26,557	442,622	-
Total of outflows of resources	**416,065**	**26,557**	**442,622**	**-**
LIABILITIES				
Accounts payable and other current liabilities	87,108	71,183	158,291	-
Bank Overdraft	11,248	3,878	15,126	-
Internal balances	(1,813)	1,813	-	-
Accrued interest payable	15,291	12,121	27,412	-
Liabilities payable from restricted assets	1,886	168,743	170,629	-
Unearned revenues	254,318	-	254,318	-
Noncurrent liabilities:				
Compensated absences	69,380	9,708	79,088	-
Post closure costs	12,800	-	12,800	-
Net pension liability	775,367	49,492	824,859	-
Due within one year	249,227	301,048	550,275	7,217
Due in more than one year	605,868	5,524,809	6,130,677	171,407
Total liabilities	**2,080,680**	**6,142,795**	**8,223,475**	**178,624**
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension	453,969	28,977	482,946	-
Total deferred inflows of resources	**453,969**	**28,977**	**482,946**	**-**
NET POSITION				
Net investment in capital assets	4,903,214	8,409,342	13,312,556	356,843
Restricted for:				
ARPA	7,609	-	7,609	-
Capital outlay	899,194	-	899,194	-
Unrestricted	(321,658)	458,502	136,844	51,394
Total net position	**$ 5,488,359**	**$ 8,867,844**	**$ 14,356,203**	**$ 408,237**

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

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2024

Functions/Programs	Expenditures	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenditures) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business type Activities	Primary Government: Total	Component Unit: Downtown Development Authority
Primary government:								
Governmental activities:								
General government	$ 999,019	$ 128,675	$ 152,349	$ 393,666	$ (324,329)	$ -	$ (324,329)	$ -
Public safety	2,672,180	53,459	-	2,150	(2,616,571)	-	(2,616,571)	-
Highways and streets	584,966	-	-	447,595	(137,371)	-	(137,371)	-
Sanitation	512,257	567,844	-	-	55,587	-	55,587	-
Economic development	53,937	-	-	-	(53,937)	-	(53,937)	-
Interest on long-term debt	54,831	-	-	-	(54,831)	-	(54,831)	-
Total governmental activities	**4,877,190**	**749,978**	**152,349**	**843,411**	**(3,131,452)**	**-**	**(3,131,452)**	**-**
Business-type activities:								
Water & Sewer	968,330	991,933	215,000	-	-	238,603	238,603	-
Gas	461,310	614,350	-	-	-	153,040	153,040	-
E-Donalsonville	63,326	51,294	-	-	-	(12,032)	(12,032)	-
Total business-type activities	**1,492,966**	**1,657,577**	**215,000**	**-**	**-**	**379,611**	**379,611**	**-**
Total primary government	**$ 6,370,156**	**$ 2,407,555**	**$ 367,349**	**$ 843,411**	**$ (3,131,452)**	**$ 379,611**	**$ (2,751,841)**	**$ -**
Components units:								
Downtown Development Authority	296,594	146,233	-	-	-	-	-	(150,361)
Total component units	**$ 296,594**	**$ 146,233**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (150,361)**
General revenues:								
Property taxes					1,304,823	-	1,304,823	-
Sales and use taxes					553,904	-	553,904	-
Franchise taxes					230,603	-	230,603	-
Business taxes					374,105	-	374,105	-
Interest and penalties on taxes					38,839	-	38,839	-
Unrestricted investment earnings					1,916	385	2,301	-
Gain/loss on sale of capital assets					46,645	-	46,645	-
Miscellaneous					19,837	-	19,837	-
Transfers					548,820	(548,820)	-	-
Total general revenues and transfers					3,119,492	(548,435)	2,571,057	-
Change in net position					**(11,960)**	**(168,824)**	**(180,784)**	**(150,361)**
Net position - beginning					**5,868,642**	**9,036,668**	**14,905,310**	**558,598**
Prior period adjustment - Note IV. H.					**(368,323)**	**-**	**(368,323)**	**-**
Net position - ending					**$ 5,488,359**	**$ 8,867,844**	**$ 14,356,203**	**$ 408,237**

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

CITY OF DONALSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2024

	Major Funds				Non-Major Funds	
	General	ARPA Fund	Capital Project TSPLOST	Capital Project SPLOST VI	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 88,468	$ 261,927	$ 453,610	$ 255,108	$ 247,735	$ 1,306,848
Receivables (net of allowance for uncollectibles)	343,350	-	-	-	4,022	347,372
Prepaid expenditures	162,632			-	-	162,632
Intergovernmental	-	-	-	-	31,670	31,670
Due from other funds	90,742	-	-	-	-	90,742
Restricted assets:						
Cash and cash equivalents	112	-	-	-	-	112
Total assets	**$ 685,304**	**$ 261,927**	**$ 453,610**	**$ 255,108**	**$ 283,427**	**$ 1,939,376**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	48,175	-	-	-	827	49,002
Bank Overdraft	-	-	-	-	11,248	11,248
Accrued expenses	39,992	-	-	-	-	39,992
Due to other funds	-	-	-	88,629	300	88,929
Unearned revenues	-	254,318	-	-	-	254,318
Total liabilities	**88,167**	**254,318**	**-**	**88,629**	**12,375**	**443,489**
Deferred inflows of resources						
Unavailable revenue - property taxes	19,734	-	-	-	-	19,734
Total liabilities and deferred inflows of resources	**107,901**	**254,318**	**-**	**88,629**	**12,375**	**463,223**
Fund balances						
Nonspendable:						
Prepaid expenditures	162,632					162,632
Restricted for:						
Special programs	-	7,609		-	-	7,609
Construction and capital outlay	-	-	453,610	166,479	279,105	899,194
Unassigned	414,771	-	-	-	(8,053)	406,718
Total fund balances	**577,403**	**7,609**	**453,610**	**166,479**	**271,052**	**1,476,153**
Total liabilities, deferred inflows of resources and fund balances	**$ 685,304**	**$ 261,927**	**$ 453,610**	**$ 255,108**	**$ 283,427**	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						5,758,309
Deferred Inflows - Pensions						(453,969)
Deferred Outflows - Pensions						416,065
Net Pension Liability						(775,367)
Accrued interest						(15,291)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.						(855,096)
Compensated absences and post closure cost						(82,180)
Other assets are not available to pay for current-period expenditures, and therefore are deferred in the funds.						19,735
Net position of governmental activities						**$ 5,488,359**

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

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2024

	Major Funds				Nonmajor Funds	
	General	ARPA Fund	Capital Project Tsplost	Capital Project Splost VI	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 1,319,148	$ -	$ -	$ -	$ -	$ 1,319,148
Sales	553,905	-	-	-	-	553,905
Franchise	230,603	-	-	-	-	230,603
Business	335,043	-	-	-	39,063	374,106
Penalties and interest on taxes	38,839	-	-	-	-	38,839
Licenses and permits	14,544	-	-	-	-	14,544
Intergovernmental	93,188	114,006	114,919	387,146	278,831	988,090
Charges for services	572,532	-	-	-	-	572,532
Fines	53,459	-	-	-	-	53,459
Investment earnings	5,732	1,916	5,283	964	274	14,169
Miscellaneous revenues	114,888	-	-	-	-	114,888
Total revenues	**3,331,881**	**115,922**	**120,202**	**388,110**	**327,975**	**4,284,090**
EXPENDITURES						
Current:						
General government	931,857	30	-	-	-	931,887
Judicial	37,282	-	-	-	-	37,282
Public safety	2,316,504	-	-	-	-	2,316,504
Highways and streets	324,162	-	-	-	-	324,162
Sanitation	498,546	-	-	-	-	498,546
Economic development	-	-	-	-	53,937	53,937
Capital outlay:		-				
General government	-	-	-	2,415	-	2,415
Public safety	146,591	113,976	-	31,561	-	292,128
Highways and streets	-	-	594,339	276,800	-	871,139
Sanitation	23,616	-	-	-	-	23,616
Debt service:						
Principal	21,568	-	-	235,627	-	257,195
Interest	320	-	-	55,564	-	55,884
Total expenditures	**4,300,446**	**114,006**	**594,339**	**601,967**	**53,937**	**5,664,695**
Excess (deficiency) of revenues over (under) expenditures	**(968,565)**	**1,916**	**(474,137)**	**(213,857)**	**274,038**	**(1,380,605)**
OTHER FINANCING SOURCES (USES)						
Transfers in	548,840	-	-	-	-	548,840
Transfers out	-	-	-	-	(20)	(20)
Financed purchase	75,961	-	-	276,800	-	352,761
Sale of capital assets	48,040	-	-	-	-	48,040
Total other financing sources and uses	**672,841**	**-**	**-**	**276,800**	**(20)**	**949,621**
Net change in fund balances	**(295,724)**	**1,916**	**(474,137)**	**62,943**	**274,018**	**(430,984)**
Fund balances - beginning	**873,127**	**5,693**	**927,747**	**103,536**	**(2,966)**	**1,907,137**
Fund balances - ending	**$ 577,403**	**$ 7,609**	**$ 453,610**	**$ 166,479**	**$ 271,052**	**$ 1,476,153**

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

CITY OF DONALSONVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2024

Amounts reported for governmental activities in the statement of activities (page 10) are different because:		
Net change in fund balances-total governmental funds (page 12)		$ (430,984)
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. This is the amount by which capital outlay exceeded depreciation in the current period.		
Depreciation expense	$ (577,839)	
Right to use amortization expense	(93,140)	
Right to use capital outlay	75,961	
Capital outlay	1,110,458	
Sale of equipment	(1,393)	514,047
The issuance of long-term debt (e.g., financed purchased, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued or incurred	$ (352,761)	
Principal repayments	257,196	(95,565)
Expenses reported in the statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(9,241)
Governmental funds defer all tax revenues not collected within 60 days of year-end. However, the Statement of Activities uses the accural method and, thus, the entire amount is recognized as revenue, regardless of the collection date.		(14,326)
Change in NPO and Deferred Inflows/Outflows		24,109
Change in net position of governmental activities (page 10)		$ (11,960)

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

CITY OF DONALSONVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED MAY 31, 2024

	Budgeted Amounts			Variance with Final Budget-Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes:				
Property	$ 1,235,965	$ 1,235,965	$ 1,319,148	$ 83,183
Sales	554,555	554,555	553,905	(650)
Franchise	220,705	220,705	230,603	9,898
Business	300,686	300,686	335,043	34,357
Penalties and interest on taxes	1,000	1,000	38,839	37,839
Licenses and permits	28,816	28,816	14,544	(14,272)
Intergovernmental	93,248	93,248	93,188	(60)
Charges for services	550,858	550,858	572,532	21,674
Fines	155,945	155,945	53,459	(102,486)
Investment earnings	25,000	25,000	5,732	(19,268)
Miscellaneous revenues	96,456	96,456	114,888	18,432
Total revenues	**3,263,234**	**3,263,234**	**3,331,881**	**68,647**
EXPENDITURES				
Current:				
General government:				
Council	29,300	29,300	25,800	3,500
Manager	105,039	105,039	108,848	(3,809)
Election	1,800	1,800	1,200	600
Finance and administration	616,883	616,883	796,009	(179,126)
Total general government	**753,022**	**753,022**	**931,857**	**(178,835)**
Judicial:				
Judicial	74,166	74,166	37,282	36,884
Total judicial	**74,166**	**74,166**	**37,282**	**36,884**
Public Safety:				
Police	1,062,243	1,062,243	1,321,399	(259,156)
Probation	73,860	73,860	60,940	12,920
Fire	936,291	936,291	934,165	2,126
Total public safety	**2,072,394**	**2,072,394**	**2,316,504**	**(244,110)**
Highways and streets:				
Maintenance	302,357	302,357	324,162	(21,805)
Total highway and streets	**302,357**	**302,357**	**324,162**	**(21,805)**
Sanitation	**414,483**	**414,483**	**498,546**	**(84,063)**
Capital outlay:				
Judicial	250	250	-	-
Public safety	10,000	10,000	146,591	(136,591)
Sanitation	25,000	25,000	23,616	1,384
Total capital outlay	**35,250**	**35,250**	**170,207**	**(135,207)**
Debt service:				
Principal	-	-	21,568	(21,568)
Interest	-	-	320	(320)
Total debt service	**-**	**-**	**21,888**	**(21,888)**
Total expenditures	**3,651,672**	**3,651,672**	**4,300,446**	**(649,024)**
Excess of expenditures over revenues	**(388,438)**	**(388,438)**	**(968,565)**	**(580,377)**
OTHER FINANCING SOURCES (USES)				
Capital leasing	-	-	75,961	75,961
Transfers in	384,773	384,773	548,840	164,067
Reserves	(6,335)	(6,335)	-	6,335
Sale of capital assets	10,000	10,000	48,040	38,040
Total other financing sources and uses	**388,438**	**388,438**	**672,841**	**284,403**
Net change in fund balance	**-**	**-**	**(295,724)**	**(295,974)**
Fund balances - beginning	**873,127**	**873,127**	**873,127**	**-**
Fund balances - ending	**$ 873,127**	**$ 873,127**	**$ 577,403**	**$ (295,974)**

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

CITY OF DONALSONVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
ARPA FUND
FOR THE YEAR ENDED MAY 31, 2024

	Budgeted Amounts			Variance with Final Budget-Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental revenues	$ 550,911	$ 550,911	$ 114,006	$ (436,905)
Investment earnings	-	-	1,916	1,916
Total revenues	**550,911**	**550,911**	**115,922**	**(434,989)**
EXPENDITURES				
Current:				
General Government	550,911	550,911	114,006	436,905
Total expenditures	**550,911**	**550,911**	**114,006**	**436,905**
Excess of expenditures over revenues	**-**	**-**	**1,916**	**1,916**
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources and uses	**-**	**-**	**-**	**-**
Net change in fund balance	**-**	**-**	**1,916**	**1,916**
Fund balances - beginning	**5,693**	**5,693**	**5,693**	**5,693**
Fund balances - ending	**$ 5,693**	**$ 5,693**	**$ 7,609**	**$ 7,609**

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

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MAY 31, 2024

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
ASSETS					
Current assets:					
Cash and cash equivalent	$ 388,197	$ 11,750	$ -	$ 796	$ 400,743
Accounts receivable (net of allowance for uncollectibles)	88,948	24,214	-	4,550	117,712
Due from other funds	-	114,325	-	-	114,325
Intergovernmental receivable	-	-	40,917	-	40,917
Prepaid Expenses	42,355	5,790	-	1,600	49,745
Total current assets	**519,500**	**156,079**	**40,917**	**6,946**	**723,442**
Noncurrent assets:					
Restricted cash, cash equivalents, and investments:					
Customer deposits	145,128	23,615	-	-	168,743
Total restricted assets	**145,128**	**23,615**	**-**	**-**	**168,743**
Capital assets:					
Land	33,646	-	-	-	33,646
Buildings	24,924	-	-	-	24,924
Improvements other than buildings	8,083	800	-	-	8,883
Machinery and equipment	381,413	156,136	-	-	537,549
Infrastructure	18,509,154	1,715,022	-	374,930	20,599,106
Less accumulated depreciation and amoritization	(6,250,001)	(646,467)	-	(72,441)	(6,968,909)
Total capital assets (net of accumulated depreciation)	**12,707,219**	**1,225,491**	**-**	**302,489**	**14,235,199**
Total noncurrent assets	**12,852,347**	**1,249,106**	**-**	**302,489**	**14,403,942**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - Pension	26,557	-	-	-	26,557
Total of outflows of resources	**26,557**	**-**	**-**	**-**	**26,557**
Total assets and deferred outflows of resources	**13,398,404**	**1,405,185**	**40,917**	**309,435**	**15,153,941**

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

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MAY 31, 2024

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
LIABILITIES					
Current liabilities:					
Accounts payable	$ 9,357	$ 13,546	$ -	$ 212	$ 23,115
Due to other funds	1,813	-	-	114,325	116,138
Bank Overdraft	-	-	3,878	-	3,878
Accrued expenses	17,332	736	30,000	-	48,068
Accrued interest payable	12,121	-	-	-	12,121
Bonds payable- current	225,000	-	-	-	225,000
Notes payable - current	23,114	52,934	-	-	76,048
Total current liabilities	**288,737**	**67,216**	**33,878**	**114,537**	**504,368**
Noncurrent liabilities payable from restricted assets:					
Customer deposits payable	145,128	23,615	-	-	168,743
Total noncurrent liabilities payable from from restricted assets	**145,128**	**23,615**	**-**	**-**	**168,743**
Noncurrent liabilities:					
Bonds payable	5,420,000	-	-	-	5,420,000
Compensated Absences	4,854	4,854	-	-	9,708
Net Pension Liability	49,492	-	-	-	49,492
Notes payable	86,749	18,060	-	-	104,809
Total noncurrent liabilities	**5,561,095**	**22,914**	**-**	**-**	**5,584,009**
Total liabilities	**5,994,960**	**113,745**	**33,878**	**114,537**	**6,257,120**
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Pension	28,977	-	-	-	28,977
Total deferred inflows of resources	**28,977**	**-**	**-**	**-**	**28,977**
Total liabiliites and deferred inflows of resources	**6,023,937**	**113,745**	**33,878**	**114,537**	**6,286,097**
NET POSITION					
Net investment in capital assets	6,952,356	1,154,497	-	302,489	8,409,342
Unrestricted	422,111	136,943	7,039	(107,591)	458,502
Total net position	**$ 7,374,467**	**$ 1,291,440**	**$ 7,039**	**$ 194,898**	**$ 8,867,844**

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

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED MAY 31, 2024

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
Operating revenues:					
Charges for sales and services:					
Water sales	$ 452,249	$ -	$ -	$ -	$ 452,249
Sewer sales	474,073	-	-	-	474,073
Tap fees	6,550	900	-	-	7,450
Gas sales	-	595,078	-	-	595,078
E-Donalsonville	-	-	-	51,294	51,294
Other services	59,061	18,372	-	-	77,433
Total operating revenues	**991,933**	**614,350**	**-**	**51,294**	**1,657,577**
Operating expenses:					
Costs of sales and services	307,556	329,222	-	45,951	682,729
Administration	95,614	97,121	-	4,463	197,198
Depreciation	379,141	31,508	-	12,912	423,561
Total operating expenses	**782,311**	**457,851**	**-**	**63,326**	**1,303,488**
Operating income	**209,622**	**156,499**	**-**	**(12,032)**	**354,089**
Nonoperating revenues (expenses):					
Intergovernmental revenue	215,000	-	-	-	215,000
Investment earnings	385	-	-	-	385
Interest expense	(186,019)	(3,459)	-	-	(189,478)
Total nonoperating revenue (expense)	**29,366**	**(3,459)**	**-**	**-**	**25,907**
Income before contributions and transfers	**238,988**	**153,040**	**-**	**(12,032)**	**379,996**
Transfers out	(353,195)	(195,625)	-	-	(548,820)
Change in net position	**(114,207)**	**(42,585)**	**-**	**(12,032)**	**(168,824)**
Total net position - beginning	**7,488,674**	**1,334,025**	**7,039**	**206,930**	**9,036,668**
Total net position - ending	**$ 7,374,467**	**$ 1,291,440**	**$ 7,039**	**$ 194,898**	**$ 8,867,844**

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

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MAY 31, 2024

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,015,497	$ 613,965	$ -	$ 51,927	1,681,389
Receipts from reimbursement of costs		-	26,663	-	26,663
Payments to suppliers	(284,558)	(301,632)	(26,663)	(45,707)	(658,560)
Payments to employees	(145,845)	(124,015)	-	(5,424)	(275,284)
Net cash provided (used) by operating activities	**585,094**	**188,318**	**-**	**796**	**774,208**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to other funds	(353,195)	(195,625)	-	-	(548,820)
Payments from intergovernmental revenue	215,000	-	-	-	215,000
Net cash provided by noncapital and related financing activities	**(138,195)**	**(195,625)**	**-**	**-**	**(333,820)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	(7,213)	-	-	(7,213)
Principal paid on capital debt	(237,699)	(51,116)	-	-	(288,815)
Interest paid on capital debt	(186,019)	(3,459)	-	-	(189,478)
Net cash used by capital and related financing activities	**(423,718)**	**(61,788)**	**-**	**-**	**(485,506)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends received	385	-	-	-	385
Net cash provided by investing activities	**385**	**-**	**-**	**-**	**385**
Net increase (decrease) in cash and cash equivalents	**23,566**	**(69,095)**	**-**	**796**	**(44,733)**
Cash and cash equivalents - beginning of year	509,759	104,460	-	-	614,219
Cash and cash equivalents - ending of year (Including $145,128 and $23,615 for restricted cash in the water/sewer and gas funds respectively.)	**$ 533,325**	**$ 35,365**	**$ -**	**$ 796**	**$ 569,486**
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	$ 209,622	$ 156,499	$ -	$ (12,032)	$ 354,089
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	379,141	31,508	-	12,912	423,561
(Increase) decrease in accounts receivable	2,178	(1,145)	-	633	1,666
(Increase) decrease in prepaid insurance	(8,893)	2,152	-	405	(6,336)
(Increase) decrease in other receivable	8	-	-	-	8
Increase (decrease) in customer deposits	21,378	760	-	-	22,138
Increase (decrease) in accounts payable	(4,884)	(923)	-	(40)	(5,847)
Increase (decrease) in accrued expenses	(13,456)	(533)	-	(1,082)	(15,071)
Total adjustments	**375,472**	**31,819**	**-**	**12,828**	**420,119**
Net cash provided (used) by operating activities	**$ 585,094**	**$ 188,318**	**$ -**	**$ 796**	**$ 774,208**
Reconciliation of Cash and Cash Equivalents					
Cash and cash equivalents	$ 388,197	$ 11,750	$ -	$ 796	$ 400,743
Customer deposits	145,128	23,615	-	-	168,743
Total cash and cash equivalents	**$ 533,325**	**$ 35,365**	**$ -**	**$ 796**	**$ 569,486**

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Donalsonville is a municipal corporation governed by an elected mayor and six-member council and provides the following services: public safety, highways and streets, culture and recreation, public improvements and general and administrative services. In addition, the City operates public utilities (water, sewer, natural gas and solid waste).

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely Presented Component Units. The Downtown Development Authority of Donalsonville assists local merchants with low interest loans for renovations of downtown properties. The authority consists of a board of seven directors appointed by the City Council. The authority is dependent upon the City at this time for revenue, and the City contributes one-half of the motel and hotel tax collected. The authority is presented as a governmental fund type.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

The City does not allocate indirect costs.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financing statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales tax, property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *ARPA fund* is the government's special revenue fund. This fund accounts for all American Rescue Plan Act (ARPA) Local Fiscal Recovery Funds revenue received and the accompanying expenditures.

The *SPLOST VI fund* is a major capital project fund. This fund accounts for all SPLOST revenue and the accompanying capital outlay.

The *TSPLOST* fund is a major capital project fund. This fund accounts for all TSPLOST revenue and the accompanying capital outlay.

The government reports the following major proprietary funds:

The *water and sewer fund* operates the water distribution system, the sewer treatment plant, sewage pumping stations and collection systems, and the sanitation collection within the City.

The *gas fund* operates the distribution of natural gas to the City residents.

The *solid waste fund* does not meet the qualifications for a major fund, but management elected to treat it as a major fund. This Fund accounts for the expenses associated with the closure of a landfill and the revenues received from the city and county for these expenses per their agreement.

The *E-Donalsonville* fund does not meet the qualifications for a major fund, but management elected to treat it as a major fund. This Fund accounts for the expenses associated with the city's wireless internet service.

The government reports the following nonmajor governmental funds:

The *hotel/motel tax fund* is the government's special revenue fund. This fund accounts for all hotel/motel tax revenue received and the accompanying expenditures.

The *CHIP fund* is a nonmajor capital project fund. This fund accounts for all CHIP revenue and the accompanying expenditures.

The *TSPLOST II* fund is a nonmajor capital project fund. This fund accounts for all TSPLOST revenue and the accompanying capital outlay.

The *CDBG-DR fund* is a nonmajor capital project fund. This fund accounts for all CDBG-DR revenue and the accompanying expenditures.

The *CDBG-MIT fund* is a nonmajor capital project fund. This fund accounts for all CDBG-MIT revenue and the accompanying expenditures.

The *Project fund* is a nonmajor capital project fund. This fund accounts for water/sewer capital outlay related to the revenue bond.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function, gas function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included as program revenues are reported as general revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and net position or equity

1. Deposits and investments

The City of Donalsonville's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. All the City's deposits are covered by a combination of federal depository insurance and securities pledged by the financial institution as collateral to protect the deposits of the City as required under state law. Therefore, the City has no custodial credit risk for its deposits.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectibles. Receivables in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of the first day of October each year and are payable by December 20. Property taxes are recognized in income in October upon completion of the tax digest. At May 31, 2024, uncollected property taxes amounted to $182,395. The City estimates that substantially all of the remaining balances will be received in the subsequent period. After December 20, applicable property will be subject to liens, penalty and interest.

3. Inventories and prepaid items

Expendable supplies are recorded as expenditures at the time items are purchased. The City does not record inventories of supplies on the books.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and proprietary fund financial statements. In the governmental fund statements those prepaid are recognized when purchased.

Prepaid expenses of the City consist of insurance expenses. The City had prepaid insurance expenses totaling $212,377.

4. Restricted assets

The City of Donalsonville's general fund restricted assets are cash. They consist of customer deposits and confiscated funds held for the use of the Police Department.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City had historical cost records of its infrastructure, thereby allowing us to record infrastructure acquired prior to implementing Statement 34. Capital assets are defined by the government as assets with an individual cost of $1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lines:

Assets	Years
Buildings	40 years
Building improvements	20 years
Improvements other than buildings	20-50 years
Public domain infrastructure	50 years
System infrastructure	30 years
Machinery and equipment	3 to 20 years
Trucks and tractors	4 to 10 years
Office equipment	5 to 15 years

6. Right to use assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized over the life of the related lease.

7. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary funds financial statements.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Categories and classifications of Fund Balance

The City follows GASB 54 which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor resource constraints. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned and Unassigned.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds. The City does not have a formal minimum fund balance policy.

10. Net Position

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of assets.

Restricted – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted – This amount is all net position that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net position".

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City has one item that qualifies for reporting in this category, the deferred outflow of resources at the government wide level related to its pension plan.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. One item, unavailable revenue – property taxes, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as inflow of resources in the period that the amounts become available.The City also has deferred inflows of resources at the government wide level related to its pension.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds and proprietary funds. The City's annual budget is prepared based on anticipated revenues and appropriated expenditures. Revenue anticipations, generally conservative, are designed to help ensure fiscal responsibility and maintain a balanced budget. Sums sufficient to provide for debt service may not be diverted to any other purpose by the Mayor and the Council. The budget is prepared by fund and department. The legal level of budgetary control is the department level. Transfers between departments require approval of governing council.

According to the Charter and Code of the City, the City Manager has the responsibility for developing both the annual budget and capital budget for the city, which is done in conjunction with input and assistance from the City Clerk. These two budgets are developed separately, and then combined into one budget document, with the budgets for capital expenditures being incorporated as line items in the budget for each general government department.

The budget process begins shortly after the results for the third quarter of the fiscal year are determined, usually in early March. Budget proposals or development forms are issued to department heads for those departments where the budget is developed outside City Hall, along with budget results for the department for the first three quarters of the year. The department heads then compare the performance numbers for their respective departments for the current fiscal year, along with the results of the last quarter of the previous fiscal year to their annual budget expenditures, and from that comparison they structure their budgets and make projections of budget and capital needs for the next fiscal year. When they have completed their projections, they return the budget development forms to the City Manager's office at City Hall.

The City Manager is, during this same period of time, completing the budget development forms for those sections of the budget that are developed within City Hall, such as revenues and general government expenditures, using comparative numbers and information from a budget development file maintained in City Hall where pertinent data is filed as it is gathered throughout the year. The City Manager must also compute the requirements for all sections of the budget dealing with lease/purchase and capital outlays or expenditures.

When the budget development forms for all departments have been turned in to, or completed by City Hall, they are combined into a draft budget document. At this point in the process, usually in early April, budget meetings are held with each department head to discuss their projected budget needs. This step is often completed when the budget development forms are returned. If it is determined during these meetings that adjustments need to be made to any line item in the budget, those adjustments are made and total projected budget expenditures are recalculated and compared with projected revenues to determine the projected ad valorem tax requirements. The projected ad valorem tax requirement is entered as a line item in the revenue section of the general fund budget. The completed document becomes the first draft of a proposed City budget for the next fiscal year.

When the proposed budget for the next fiscal year is completed, it is reproduced in quantity and distributed to the Mayor and Council for their review and study. Next, the first public hearing for the proposed budget is scheduled to review the budget and receive public input into the budgeting process. This is usually done in mid-to-late April. After this hearing is held, and input is received from both the public and the Mayor and Council, further refinements and helpful suggestions are incorporated and the second draft budget document is produced and distributed to the Mayor and Council. Of course, copies of the budget at each stage of the budget process are available for public review at City Hall at all times. Next, a final budget hearing is scheduled and advertised. When possible, this hearing is held in conjunction with the regularly scheduled meeting of the Mayor and Council in May. At this hearing, any final public input is received, and final refinements or changes to the budget are made by the Mayor and Council, after which the budget is adopted as the official budget for the City for the upcoming fiscal year which begins on June 1st of each year. Any changes to the budget thereafter must be adopted as amendments to the official city budget.

B. Excess of expenditures over appropriations

For the year ended May 31, 2024, expenditures exceeded appropriations in the following areas: The over-expenditures were funded by available fund balance.

General government - Manager	$ 3,809
General government - Finance and administration	179,126
Public safety - Police	259,156
Highways and streets - Maintenance	21,805
Sanitation	84,063
Capital outlay- Public safety	136,591
Debt service	21,888

III. DETAILED NOTES ON ALL FUNDS

A. Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities combined in the aggregate totaling not less than 110% of the public funds held. As of June 30, 2024, the City's bank balances of deposits are entirely covered under insurance or collateralized with securities held by the City's agent in the City's name.

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds and major business-type funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental			Business-type				
	General Fund	TSPLOST II Fund	Hotel/Motel Tax Fund	Water/Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	Total
Receivables:								
Taxes	$ 182,395	$ -	$ 4,022	$ -	$ -	$ -	$ -	$ 186,417
Accounts	160,955	-	-	88,948	24,214	-	4,550	278,667
Intergovernmental	-	31,670	-	-	-	40,917	-	72,587
Gross receivables	343,350	31,670	4,022	88,948	24,214	40,917	4,550	537,671
Net total receivables	$ 343,350	$ 31,670	$ 4,022	$ 88,948	$ 24,214	$ 40,917	$ 4,550	$ 537,671

Receivables of the General Fund, Water and Sewer Fund, the Gas Fund, the E-Donalsonville Fund and the Solid Waste Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are as follows:

Uncollectibles related to water and sewer sales	$ 55,800
Uncollectibles related to gas sales	1,032
Uncollectibles related to E-Donalsonville sales	14,440
Uncollectibles related to sanitation fees, general fund	21,506
Total uncollectibles for the current fiscal year	$ 92,778

C. Capital assets

Capital assets for the year ended May 31, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets,not being depreciated:				
Land	$ 434,401	$ -	$ -	$ 434,401
Total capital assets, not being depreciated	434,401	-	-	434,401
Capital assets, being depreciated:				
Buildings	2,266,133	-	(22,000)	2,244,133
Improvements other than buildings	327,971	-	(10,542)	317,429
Machinery and equipment	4,841,657	516,119	(1,134,379)	4,223,397
Infrastructure	3,447,637	594,339	(3,840)	4,038,136
Right to use leased assets	427,718	75,961	-	503,679
Total capital assets being depreciated	11,311,116	1,186,419	(1,170,761)	11,326,774
Less accumulated depreciation for:				
Buildings	(706,490)	(53,760)	22,000	(738,250)
Improvements other than buildings	(205,025)	(9,769)	9,852	(204,942)
Machinery and equipment	(3,811,510)	(388,802)	1,133,981	(3,066,331)
Infrastructure	(1,760,472)	(125,508)	3,533	(1,882,447)
Right to use leased assets	(17,756)	(93,140)	-	(110,896)
Total accumulated depreciation	(6,501,253)	(670,979)	1,169,366	(6,002,866)
Total capital assets, being depreciated, net	4,809,863	515,440	(1,395)	5,323,908
Governmental activities capital assets, net	$ 5,244,264	$ 515,440	$ (1,395)	$ 5,758,309

	Beginning Balance	Increases	Decreases / Transfers	Ending Balance
Business-type activities:				
Capital assets,not being depreciated:				
Land	$ 33,646	$ -	$ -	$ 33,646
Total capital assets, not being depreciated	33,646	-	-	33,646
Capital assets, being depreciated:				
Buildings	24,924	-	-	24,924
Improvements other than buildings	8,883	-	-	8,883
Machinery and equipment	530,336	7,213	-	537,549
Infrastructure	20,599,106	-	-	20,599,106
Total capital assets being depreciated	21,163,249	7,213	-	21,170,462
Less accumulated depreciation for:				
Buildings	(24,838)	(25)	-	(24,863)
Improvements other than buildings	(8,609)	(181)	-	(8,790)
Machinery and equipment	(494,791)	(5,115)	-	(499,906)
Infrastructure	(6,017,110)	(418,240)	-	(6,435,350)
Total accumulated depreciation	(6,545,348)	(423,561)	-	(6,968,909)
Total capital assets, being depreciated, net	14,617,901	(416,348)	-	14,201,553
Business-type activities capital assets, net	$ 14,651,547	$ (416,348)	$ -	$ 14,235,199

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

Governmental activities:	
General government	$ 54,408
Public safety	341,463
Highways and streets, including depreciaiton of general infrastructure assets	260,966
Sanitation	14,142
Total depreciation expense-governmental activities	$ 670,979
Business-type activities:	
Water/Sewer Fund	379,141
Gas Fund	31,508
E-Donalsonville Fund	12,912
Total depreciation expense-business-type activities	$ 423,561

Discretely presented component units

The Downtown Development Authority capital asset activity is as follows:

Discretely Presented Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings	$ 528,973	$ 38,096	$ -	$ 567,069
Less accumulated depreciation for:				
Buildings	(20,832)	(10,770)	-	(31,602)
Total capital assets, being depreciated, net	$ 508,141	$ 27,326	$ -	$ 535,467

D. Interfund receivables, payables and transfers

The City uses interfund transfers for general operating purposes.

This activity was as follows:

	Transfer In	Transfer Out
General Fund:		
General	$ 548,840	$ -
Project Fund	-	20
Proprietary Fund:		
Water and Sewer	-	353,195
Gas	-	195,625
	$ 548,840	$ 548,840

The City uses interfund receivables/payables for general operating purposes. These interfund receivables/payables were repaid after fiscal year end.

The composition of interfund balances as of May 31, 2024 is as follows:

	Interfund Receivable (Due From)	Interfund Payable (Due To)
General Fund:		
General	$ 90,742	
CHIP Grant Fund		100
SPLOST VI		88,629
CDGB-DR		100
CDGB-MIT		100
Proprietary Fund:		
Water/Sewer		1,813
Gas	114,325	
E-Donalsonville		114,325
	$ 205,067	$ 205,067

E. Leases

Leases

The City of Donalsonville has a lease agreement for ten vehicles with Enterprise Fleet Management dated November 7, 2022 with the principal amount of $390,477. The lease is payable in monthly installments of $8,413. The final installment, if not sooner paid, shall be due and payable on March 1, 2028. As of May 31, 2024, the principal balance was $317,000. This lease has been recorded at the present value of the future minimum lease payments as of the inception date on the Statement of Net Position.

Fiscal Year	Total	Principal	Interest
2025	100,954	70,695	30,259
2026	100,954	78,564	22,390
2027	100,954	87,309	13,645
2028	84,130	80,432	3,698
Total	$ 386,992	$ 317,000	$ 69,992

The City of Donalsonville has a lease agreement for body cameras with Axon Enterprise, Inc. dated September 12, 2023 with the principal amount of $75,961. The lease is payable in yearly installments of $17,314. The final installment, if not sooner paid, shall be due and payable on November 30, 2027. As of May 31, 2024, the principal balance was $58,661. This lease has been recorded at the present value of the future minimum lease payments as of the inception date on the Statement of Net Position.

Fiscal Year	Total	Principal	Interest
2025	17,314	13,207	4,107
2026	17,314	14,132	3,182
2027	17,314	15,122	2,192
2028	17,314	16,199	1,115
Total	$ 69,256	$ 58,660	$ 10,596

The right to use lease assets are amortized over the terms of the leases. The assets acquired through leases are as follows:

Asset:	Governmental Activities
Machinery and equipment	$ 503,679
Less: accumulated amortization	(110,896)
Total	$ 392,783
Current FY Amortization	$ 93,140

Financed purchase agreements

Financed purchase agreements are those that transfer ownership of the asset by the end of the contract.

The City of Donalsonville has a financed purchase agreement as lessee for financing the acquisition of computers with Dell Financial Services dated September 18, 2020 with the principal amount of $16,543. The lease bears an interest rate at 6.94%. The lease is payable at equal annual installments of $4,575. The final installment, if not sooner paid, shall be due and payable on October 29, 2023. The agreement was paid in full during the fiscal year.

The City of Donalsonville has a financed purchase agreement as lessee for financing the acquisition of radio equipment with Motorola Solutions dated May 27, 2022 with the principal amount of $254,736. The lease bears an interest rate at 3.96%. The lease is payable at equal annual installments of $91,850. The final installment, if not sooner paid, shall be due and payable on July 1, 2025. As of May 31, 2024, the principal balance was $173,158.

Fiscal Year	Total	Principal	Interest
2025	91,850	84,868	6,982
2026	91,850	88,290	3,560
Total	$ 183,700	$ 173,158	$ 10,542

The City of Donalsonville has a financed purchase agreement as lessee for financing the acquisition of a street sweeper with Republic First National dated April 20, 2023 with the principal amount of $276,800. The lease bears an interest rate at 6.09%. The lease is payable at equal annual installments of $63,664. The final installment, if not sooner paid, shall be due and payable on September 30, 2027. As of May 31, 2024, the principal balance was $216,277.

Fiscal Year	Total	Principal	Interest
2025	63,664	50,457	13,207
2026	63,664	53,565	10,099
2027	63,664	56,827	6,837
2028	63,664	55,428	8,236
Total	$ 254,656	$ 216,277	$ 38,379

The assets acquired through financed purchase agreements for various funds are as follows:

Asset:	Governmental Activities	Water/Sewer Fund Activities	Gas Fund Activities
Machinery and equipment	$ 1,494,074	$ 108,046	$ 25,517
Less: accumulated depreciation	(1,004,072)	(108,046)	(25,517)
Total	$ 490,002	$ -	$ -
Current FY Depreciation	$ 162,896	$ -	$ -

F. Long-term debt

Revenue Bonds

On May 13, 2022, the Downtown Development Authority of Donalsonville issued Series 2022 Revenue Bonds for the purpose of prepaying the outstanding Series 2017 revenue bond and water/sewer and gas improvements. The City entered into an Intergovernmental Installment Sale Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under the Installment Sale Agreement arrangement until the full debt is satisfied. The bonds are recorded as debt of the Water and Sewer Fund since it is responsible for all related debt service.

Annual debt service requirements to maturity for the revenue bonds are as follows:

Fiscal Year	Total	Principal	Interest
2025	$ 397,110	$ 225,000	$ 172,110
2026	395,256	230,000	165,256
2027	393,096	235,000	158,096
2028	465,652	315,000	150,652
2029	465,468	325,000	140,468
2030-2034	2,324,948	1,780,000	544,948
2035-2039	2,330,468	2,080,000	250,468
2040	465,520	455,000	10,520
Total	$ 7,237,518	$ 5,645,000	$ 1,592,518

Notes payable

The City of Donalsonville has three (3) notes payable.

Governmental Activities

Note one is dated September 13, 2017 with Three Notch Electric Membership in the principal amount of $300,000 and was used to help with payment of the new Fire Department. The note is interest free and payable in 10 annual payments of $30,000. As of May 31, 2024, the principal balance was $90,000.

Annual debt requirements to maturity on Note one are as follows:

Fiscal Year	Total	Principal	Interest
2025	30,000	30,000	-
2026	30,000	30,000	-
2027	30,000	30,000	-
Total	$ 90,000	$ 90,000	$ -

Business-type Activities

Note two was originally dated March 20, 2012 and then converted on January 1, 2014 to an amortizing loan in the principal amount of $325,583, and was used for the conversion of the existing water meters to a radio read system is rehabilitation to the City's sewer main system. The note bears an interest rate of 2.00% and is payable in 179 monthly payments of $2,095. As of May 31, 2024, the principal balance was $109,863.

Annual debt requirements to maturity on Note two are as follows:

Fiscal Year	Total	Principal	Interest
2025	25,142	23,114	2,028
2026	25,142	23,581	1,561
2027	25,142	24,057	1,085
2028	25,142	24,543	599
2029	14,694	14,568	126
Total	$ 115,262	$ 109,863	$ 5,399

Note three is dated August 26, 2020 with the Municipal Gas Authority of Georgia in the principal amount of $250,000 and was used to help with payment of the new natural gas supply lines. The note is payable in 60 monthly payments of $4,548 with interest of 3.5%. As of May 31, 2022, the principal balance was $70,994.

Annual debt requirements to maturity on Note three are as follows:

Fiscal Year	Total	Principal	Interest
2025	54,575	52,934	1,641
2026	18,192	18,060	132
Total	$ 72,767	$ 70,994	$ 1,773

Changes in long-term liabilities

During the year ended May 31, 2024, the following changes occurred in liabilities reported in the general long-term debt account group:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 59,085	$ 10,295	$ -	$ 69,380	$ -
Leases and finance purchases	639,530	352,761	(227,196)	765,095	219,227
Notes payable	120,000	-	(30,000)	90,000	30,000
Net pension liability	1,177,931	-	(402,564)	775,367	-
Post closure costs Note V.H.	12,800	-	-	12,800	-
Governmental activities Long-term liabilities	$ 2,009,346	$ 363,056	$ (659,760)	$ 1,712,642	$ 249,227
Business-type activities:					
Compensated absences	$ 8,766	$ 942	$ -	$ 9,708	$ -
Bonds payable	5,860,000	-	(215,000)	5,645,000	225,000
Notes payable	254,672	-	(73,815)	180,857	76,048
Net pension liability	75,187	-	(25,695)	49,492	-
Business-type activities Long-term liabilities	$ 6,198,625	$ 942	$ (314,510)	$ 5,885,057	$ 301,048

Compensated absences and post closure costs of the City's governmental funds will generally be liquidated by the general fund. Long-term liabilities of the business-type activities will generally be paid from the fund that incurred the liability.

Discretely presented component units

The Downtown Development Authority has three (3) notes payable.

Note one is dated July 1, 2019 with Three Notch Electric Membership in the principal amount of $10,000. The note is interest free and payable in 100 monthly payments of $100. As of May 31, 2023, the principal balance was $4,200.

Annual debt requirements to maturity on Note one are as follows:

Fiscal Year	Total	Principal	Interest
2025	1,200	1,200	-
2026	1,200	1,200	-
2027	1,200	1,200	-
2028	600	600	-
Total	$ 4,200	$ 4,200	$ -

Note two is dated March 21, 2022 with Georgia Community Bank in the principal amount of $176,450. The note has an interest rate of 3% and is payable in 60 monthly payments of $750 with a final payment of any remaining principal and interest due May 21, 2027. As of May 31, 2024, the principal balance was $168,181.

Annual debt requirements to maturity on Note two are as follows:

Fiscal Year	Total	Principal	Interest
2025	9,000	4,009	4,991
2026	9,000	4,131	4,869
2027	165,890	160,041	5,849
Total	$ 183,890	$ 168,181	$ 15,709

Note three is dated May 10, 2022 with Georgia Community Bank in the principal amount of $10,040. The note has an interest rate of 3.75% and is payable in 60 monthly payments of $184. As of May 31, 2024, the principal balance was $6,243.

Annual debt requirements to maturity on Note three are as follows:

Fiscal Year	Total	Principal	Interest
2025	2,208	2,008	200
2026	2,208	2,086	122
2027	2,208	2,149	59
Total	$ 6,624	$ 6,243	$ 381

Changes in long-term liabilities

During the year ended May 31, 2024, the following changes occurred in liabilities reported in the general long-term debt account group:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 185,635	$ -	$ (7,011)	$ 178,624	$ 7,217
Governmental activities Long-term liabilities	$ 185,635	$ -	$ (7,011)	$ 178,624	$ 7,217

G. Restricted asset

The balances of the City's restricted asset accounts are as follows:

Customer deposits	$ 168,743
Police department	112
Total restricted assets	$ 168,855

IV. OTHER INFORMATION

A. Risk Management

The City of Donalsonville is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund.

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

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract. The fund is to pay all cost 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.

B. Related Party Transaction

The City has no outstanding contracts with any related parties.

C. Subsequent Events

There are no significant subsequent events that the City is aware of as of the date of the audit report.

D. Joint Ventures

The City is currently involved in a joint venture with Seminole County, Georgia for the operation of the Donalsonville-Seminole County Airport. The airport is financially independent of the City and County, and the governments do not retain an equity interest in the airport. All real estate is owned equally by the City and County governments, with the City's respective portion included in its capital assets. A copy of the joint venture's separate financial statements can be obtained from:

Jerry Isler
P.O. Box 671
Donalsonville, Georgia

Under Georgia law, the County, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Southwest Georgia Regional Commission (SWGARC) and is required to pay annual dues thereto. During its year ended May 31, 2024, the city paid $3,104 in such dues. Membership in SWGARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the SWGARC in Georgia. The SWGARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of SWGARC. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
P.O. Box 346
Camilla, Georgia 31730-0346

E. Employee retirement systems and pension plans

Plan description. The City maintains an agent multiple employee defined benefit pension plan with the Georgia Municipal Employees Benefit System (GMEBS). 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. The benefits provided by the plan, as well as the obligation to contribute to the plan, can only be amended by the approval of the City Council. Employees are not required to contribute to the plan. The Plan is not included in the City's financial statement. A financial report is available by contacting the Burgess Building, Atlanta, Georgia.

The City also participates in the State of Georgia Police Officer's Annuity Program. The City makes no contribution to this plan. Contributions are collected by the City as an agent for this fund through its municipal court system. This plan is administered through the State and is not included in the City's financial statements.

Employees covered by benefit terms. At May 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Inactive employees entitled to but not yet receiving benefits	44
Active employees and elected officials	40
	112

Funding Policy. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. The current rate of contribution for the City is 12.09% of annual covered payroll. Annual covered payroll for May 31, 2024 was $1,547,240.

Net Investment Return

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	45.00%	6.91%
International equity	20.00%	7.21%
Real estate	10.00%	3.61%
Global Fixed income	5.00%	1.37%
Domestic Fixed income	20.00%	1.61%
Cash	0.00%	
Total	100.00%	

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

Significant actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

The significant actuarial assumptions used in the current valuation, as of July 1, 2024 are:

Net Investment Rate of Return	7.375 % per year
Projected Salary Increases	2.25 % plus service based merit
Cost of Living Adjustments	0.00%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonable reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2015 to June 30, 2019. Mortality experience will be reviewed periodically and updated if necessary.

Net Pension Liability. The components of the net pension liability of participating entities were as follows:

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liabilty (NPL) (a)-(b)
Balance at May 31, 2023 *	$ 5,144,182	$ 3,891,064	$ 866,536
Changes for the year:			
Service Cost	73,634	-	73,634
Interest	371,818	-	371,818
Difference between expected and actual experience	(11,771)	-	(11,771)
Contributions - employer	-	186,993	(186,993)
Contributions - employee	-	35,334	(35,334)
Net Investment Income	-	657,577	(657,577)
Benefit Payments, including refunds of employee contributions	(352,443)	(352,443)	-
Administrative Expense	-	(17,964)	17,964
Other	-	-	-
Net Changes	81,238	509,497	(428,259)
Balance at May 31, 2024 **	$ 5,225,420	$ 4,400,561	$ 824,859

**Entry Age Normal liabilities calculated using ages and service months as of July 1, 2023 are used to measure TPL as of May 31, 2023. The balances as of May 31, 2023 constitute measurements of the NPL for the fiscal year ending May 31, 2024.*

***Entry Age Normal liabilities calculated using ages and service months as of July 1, 2024 are used to measure TPL as of May 31, 2024. The balances as of May 31, 2024 constitute measurements of the NPL for the fiscal year ending May 31, 2025.*

Discount Rate. The discount rate used to measure the total pension liability was 7.3750%. 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. The following presents the net pension liability of the City, calculated using the discount rate of 7.3750%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.3750%) or 1-percentage-point higher (8.3750%) than the current rate:

	1% Decreases 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
Sensitivity of the Net Pension Liaility to Changes in the Discount Rate	$ 1,381,687	$ 824,859	$ 355,207

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

For the fiscal year ended May 31, 2023, the City recognized pension expense of $324,364. At May 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 38,823	$ (7,848)
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments.	(71,299)	(475,098)
Contributions paid subsequent to the measurement date	475,098	-
Total	$ 442,622	$ (482,946)

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 May 31,	Deferred Outflows / (Inflows)
2025	$ (45,512)
2026	89,907
2027	(9,505)
2028	(75,214)

F. Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its solid waste landfill and to perform certain maintenance and monitoring functions at the site for a period of five years. This 5-year period is an exception to the 30-year period for monitoring landfills granted to those sites which are not contaminating groundwater and which cease to accept solid waste as of April 8, 1994. The City qualified for this exception. Although closure and postclosure care costs will be paid after the date that the landfill stopped accepting waste, the City reports a portion of these costs as an operating expense in this fiscal year, and the balance of the current estimated closure and postclosure costs are recorded as a liability in the Solid Waste Fund, an Enterprise Fund of the City. Estimates must be used and these estimates may change on account of a variety of factors including inflation or deflation, technology, or applicable laws or regulations.

The City and Seminole County, Georgia have an agreement in which the County contributes 60% of the closure and post-closure cost. An intergovernmental receivable is recorded for 60% of the current estimated cost.

The current estimated closure and post-closure cost at May 31, 2024 for the governmental fund is $12,800. The City does not have the ability to calculate the annual accrual due to the closure of the landfill.

G. Motel/Hotel Tax

The City of Donalsonville collected 5% motel taxes and is in compliance with OCGA 48-13-51. The City collected $39,063 in taxes and expended $52,737 for economic development, which is 135% of taxes collected. The balance is restricted for economic development.

H. Prior period adjustment

A prior period adjustment was made in the amount of $368,323 for the understatement of unearned revenue in the governmental activities. The adjustment decreased the governmental activities net position by $368,323.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF DONALSONVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE FISCAL YEAR ENDED MAY 31, 2024

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service cost	$ 73,634	$ 69,217	$ 65,411	$ 68,794	$ 75,435	$ 64,654	$ 67,055	$ 68,145	$ 60,905	$ 49,358
Interest	371,818	356,162	319,298	306,237	281,571	267,012	256,165	254,974	248,392	241,276
Differerences between expected and actual experience	(11,771)	116,468	124,293	75,012	263,248	75,252	5,540	(121,264)	(32,025)	26,355
Changes of assumption				-	-	-	53,916	-	-	-
Changes in benefit terms				-	-	-	-	-	914	(30,497)
Benefit payments, including refunds of employee contributions	(352,443)	(315,526)	(281,153)	(257,959)	(249,617)	(197,519)	(187,529)	(185,471)	(201,022)	(188,321)
Other	-	-	285,376	-	38,256	-	-	-	-	-
Net change in total pension liability	81,238	226,321	513,225	192,084	408,893	209,399	195,147	16,384	77,164	98,171
Total Pension Liability as of beginning	5,144,182	4,917,861	4,404,636	4,212,552	3,803,659	3,594,260	3,399,113	3,382,729	3,305,565	3,207,394
Total Pension Liability as of ending (a)	$ 5,225,420	$ 5,144,182	$ 4,917,861	$ 4,404,636	$ 4,212,552	$ 3,803,659	$ 3,594,260	$ 3,399,113	$ 3,382,729	$ 3,305,565
Employer contributions	$ 186,993	$ 168,326	$ 165,548	$ 138,025	$ 120,116	$ 115,599	$ 151,408	$ 138,429	$ 153,584	$ 178,075
Employee contributions	35,334	34,953	18,345	-	-	-	-	-	-	-
Net investment income	657,577	(34,402)	(199,075)	1,115,711	240,543	22,370	338,040	381,392	(12,774)	259,710
Benefit payments, including refunds of employer contributions	(352,443)	(315,526)	(281,153)	(257,959)	(249,617)	(197,519)	(187,529)	(185,471)	(201,022)	(188,321)
Administrative expense	(17,964)	(13,612)	(15,012)	(16,612)	(12,131)	(14,898)	(13,476)	(14,319)	(8,525)	(9,515)
Net Change in fiduciary net position	509,497	(160,261)	(311,347)	979,165	98,911	(74,448)	288,443	320,031	(68,737)	239,949
Plan fiduciary net position - beginning	3,891,064	4,051,325	4,362,672	3,383,507	3,284,596	3,359,044	3,070,601	2,750,570	2,819,307	2,579,358
Plan fiduciary net position - ending (b)	$ 4,400,561	$ 3,891,064	$ 4,051,325	$ 4,362,672	$ 3,383,507	$ 3,284,596	$ 3,359,044	$ 3,070,601	$ 2,750,570	$ 2,819,307
Net Pension Liability - ending: (a)-(b)	$ 824,859	$ 1,253,118	$ 866,536	$ 41,964	$ 829,045	$ 519,063	$ 235,216	$ 328,512	$ 632,159	$ 486,258
Plan's fiduciary net position as a percentage of the total pension liability	84.21%	75.64%	82.38%	99.05%	80.32%	86.35%	93.46%	90.34%	81.31%	85.29%
Covered-employee payroll	$ 1,647,813	$ 1,547,240	$ 1,526,580	$ 1,661,450	$ 1,611,305	$ 1,586,681	$ 1,308,205	$ 1,339,942	$ 1,330,209	$ 1,138,480
Net pension liability as a percentage of covered-employee payroll	50.06%	80.99%	56.76%	2.53%	51.45%	32.71%	17.98%	24.52%	47.52%	42.71%

CITY OF DONALSONVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE FISCAL YEAR ENDED MAY 31, 2024

SCHEDULE OF CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019
Actuarially determined contribution	*	$ 186,917	$ 169,055	$ 166,165	$ 135,975	$ 120,116	$ 115,599
Contributions in relation to the actuarially determined contribution	*	186,993 **	168,326	165,548	138,025	120,116	115,599
Contribution deficiency (excess)	*	(76)	729	617	(2,050)	-	-
Covered-employee payroll	*	1,547,240 ***	1,526,580	1,661,450	1,611,305	1,586,681	1,308,205
Contributions as a percentage of covered employee payroll	*	12.09%	11.03%	9.96%	8.57%	7.57%	8.84%

* 2025 information will be determined after fiscal year end and will be included in the 2025 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.

*** 2024 covered payroll is based on data collected as of March 31, 2023 for the 2023 actuarial valuation.

The schedule will present 10 years of information once it is accumulated.

CITY OF DONALSONVILLE, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE FISCAL YEAR ENDED MAY 31, 2024

Valuation Date	The actuarially determined contribution was determined as of July 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending May 31, 2026.
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 12 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 65-69	60%
70 and over	100%
Mortality	RP-2000-Combined

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hotel/Motel Taxes- This fund is used to account for the monies received in taxes from the local hotels and motels. These taxes are used for economic development.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

CHIP- This fund is used for the collection of Grant Revenues.

TSPLOST II - This fund is used for the collection of transportation special purpose local option sales tax to be used on capital purchases for the city.

CDBG-DR - This fund accounts for all CDBG-DR revenue and the accompanying expenditures.

CDBG-MIT - This fund accounts for all CDBG-MIT revenue and the accompanying expenditures.

Project Fund - This fund accounts for all water/sewer capital outlay related to the revenue bond.

CITY OF DONALSONVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MAY 31, 2024

	Special Revenue Funds		Capital Project Funds						
ASSETS	**Hotel/Motel Tax Fund**	**Total**	**CHIP Fund**	**Tsplost II**	**CDBG - DR**	**CDBG - MIT**	**Project Fund**	**Total**	**Total Nonmajor Governmental Funds**
Current assets:									
Cash and cash equivalent	$ -	$ -	$ 101	$ 247,434	$ 100	$ 100	$ -	$ 247,735	$ 247,735
Accounts receivable (net of allowance for uncollectibles)	4,022	4,022	-	-	-	-	-	-	4,022
Intergovernmental	-	-	-	31,670	-	-	-	31,670	31,670
Total current assets	**4,022**	**4,022**	**101**	**279,104**	**100**	**100**	**-**	**279,405**	**283,427**
Total assets	**4,022**	**4,022**	**101**	**279,104**	**100**	**100**	**-**	**279,405**	**283,427**
LIABILITIES									
Current liabilities:									
Accounts payable	827	827	-	-	-	-	-	-	827
Due to other funds	-	-	100	-	100	100	-	300	300
Bank Overdraft	11,248	11,248	-	-	-	-	-	-	11,248
Total current liabilities	**12,075**	**12,075**	**100**	**-**	**100**	**100**	**-**	**300**	**12,375**
FUND BALANCE									
Restricted for:									
Construction and capital outlay	-	-	1	279,104	-	-	-	279,105	279,105
Unrestricted	(8,053)	(8,053)	-	-	-	-	-	-	(8,053)
Total fund balance	**(8,053)**	**(8,053)**	**1**	**279,104**	**-**	**-**	**-**	**279,105**	**271,052**
Total liabilities and fund balance	**$ 4,022**	**$ 4,022**	**$ 101**	**$ 279,104**	**$ 100**	**$ 100**	**$ -**	**$ 279,405**	**$ 283,427**

CITY OF DONALSONVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2024

	Special Revenue Fund		Capital Project Fund						
	Hotel/Motel Tax Fund	Total	CHIP Fund	Tsplost II	CDBG - DR	CDBG - MIT	Project Fund	Total	Total Nonmajor Governmental Funds
Revenues:									
Hotel/Motel tax	$ 39,063	$ 39,063	$ -	$ -	$ -	$ -	$ -	$ -	$ 39,063
Intergovernmental revenues	-	-	-	278,831	-	-	-	278,831	278,831
Rent income	9,807	9,807	-	-	-	-	-	-	9,807
Investment Earnings	-	-	1	273	-	-	-	274	274
Total revenues	**48,870**	**48,870**	**1**	**279,104**	**-**	**-**	**-**	**279,105**	**327,975**
Expenditures:									
Economic development	53,937	53,937	-	-	-	-	-	-	53,937
Total expenditures	**53,937**	**53,937**	**-**	**-**	**-**	**-**	**-**	**-**	**53,937**
Excess of revenues over (under) expenditures	**(5,067)**	**(5,067)**	**1**	**279,104**	**-**	**-**	**-**	**279,105**	**274,038**
Other financing sources (uses)									
Transfers out	-	-	-	-	-	-	(20)	(20)	(20)
Total other financing sources (uses)	**-**	**-**	**-**	**-**	**-**	**-**	**(20)**	**(20)**	**(20)**
Net change in fund balances	**(5,067)**	**(5,067)**	**1**	**279,104**	**-**	**-**	**(20)**	**279,085**	**274,018**
Fund balance- beginning	**(2,986)**	**(2,986)**	**-**	**-**	**-**	**-**	**20**	**20**	**(2,966)**
Fund balance- ending	**$ (8,053)**	**$ (8,053)**	**$ 1**	**$ 279,104**	**$ -**	**$ -**	**$ -**	**$ 279,105**	**$ 271,052**

CITY OF DONALSONVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR - SPECIAL REVENUE FUND
HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED MAY 31, 2024

	Budgeted Amounts			Variance with Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes:				
Hotel/Motel taxes	$ 53,632	$ 53,632	$ 39,063	$ (14,569)
Rent income	9,836	9,836	9,807	(29)
Total revenues	**63,468**	**63,468**	**48,870**	**(14,598)**
EXPENDITURES				
Current:				
Economic development	66,791	66,791	53,937	12,854
Total expenditures	**66,791**	**66,791**	**53,937**	**12,854**
Excess of expenditures over revenues	**(3,323)**	**(3,323)**	**(5,067)**	**(1,744)**
OTHER FINANCING SOURCES (USES)				
Reserves	-	-	-	-
Total other financing sources and uses	**-**	**-**	**-**	**-**
Net change in fund balance	**(3,323)**	**(3,323)**	**(5,067)**	**(1,744)**
Fund balances - beginning	**(2,986)**	**(2,986)**	**(2,986)**	**(2,986)**
Fund balances - ending	**$ (6,309)**	**$ (6,309)**	**$ (8,053)**	**$ (4,730)**

CITY OF DONALSONVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
MAY 31, 2024

Transportation Special Purpose Local Option Sales Tax

Project No.	Project Description	Original Estimated Costs	Current Estimated Cost	Prior Years	Current Year	Total
1	Transportation Projects	$ 1,669,800	$ 1,669,800	$ 600,140	$ 594,339	$ 1,194,479
	Totals	**$ 1,669,800**	**$ 1,669,800**	**$ 600,140**	**$ 594,339**	**$ 1,194,479**

Transportation Special Purpose Local Option Sales Tax II

Project No.	Project Description	Original Estimated Costs	Current Estimated Cost	Prior Years	Current Year	Total
1	Transportation Projects	$ 1,703,350	$ 1,703,350	$ -	$ -	$ -
	Totals	**$ 1,703,350**	**$ 1,703,350**	**$ -**	**$ -**	**$ -**

CITY OF DONALSONVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
MAY 31, 2024

Special Purpose Local Option Sales Tax #6

Project No.	Project Description	Original Estimated Costs	Current Estimated Cost	Prior Years	Current Year	Total
1	Economic Development/ Urban Renewal	$ 75,000	$ 75,000	$ -	$ -	$ -
2	Industrial Park Expansion & Improvements	198,000	198,000	-	-	-
3	General Government	352,000	352,000	182,005	2,415	184,420
4	Communication	50,000	50,000	-	-	-
5	Sanitation Street Department	606,000	606,000	210,018	276,800	486,818
6	Fire Department	500,000	500,000	403,919	29,838	433,757
7	Police Department	380,000	380,000	556,507	1,723	558,230
	Totals	**$ 2,161,000**	**$ 2,161,000**	**$ 1,352,449**	**$ 310,776**	**$ 1,663,225**

Reconciliation of current year SPLOST expenditures to the Statement of Revenue, Expenses, and Changes in Fund Balances

Current year expenditures as shown above	310,776
Retirement of debt	235,627
Interest expense	55,564
Total current year SPLOST expenditures	$ 601,967

COMPLIANCE SECTION

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

To the Mayor and City Council
City of Donalsonville, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Donalsonville, Georgia, as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Donalsonville, Georgia's basic financial statements and have issued our report thereon dated October 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Donalsonville, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Donalsonville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Donalsonville, 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. We consider the deficiencies described below to be material weaknesses. 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses and 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. We identified the following deficiencies in internal control that we consider to be significant deficiencies.

Item 2024-1

Finding: Inadequate separation of duties in the Governmental Funds and the Proprietary Funds.

Cause: The City does not have enough staff to segregate the various functions.

Effect: This could result in misappropriation of assets.

Planned Corrective Action: The mayor and council take an active role in reviewing the monthly financials and other monthly checks and balances.

Response by Responsible Officials: The mayor and council are aware of this issue, but it is not economically feasible to correct.

MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS / GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Item 2024-2

Finding: Expenditures exceeded the budget in seven departments of the General Fund.

Cause: The City did not amend the budget and failed to consider every department's appropriation needs.

Effect: Expenditures for the year exceeded the appropriations in seven departments of the General Fund.

Planned Corrective Action: The Mayor and Council will review and amend the budget closer to year-end and will consider each department's appropriation needs.

Response by Responsible Officials: The Mayor and Council are aware of this finding and will strive to maintain sufficient budgetary appropriations for all departments.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Donalsonville, Georgia's financial statements are free of 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are below.

City of Donalsonville, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Donalsonville, Georgia's response to the findings identified in our audit is described above with each finding. The City of Donalsonville, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Burke, Worsham & Harrell, LLC

Burke, Worsham & Harrell, LLC

October 22, 2024