CITY OF HAWKINSVILLE, GEORGIA
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021
AND
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Hawkinsville, 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 Hawkinsville, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Qualified Opinions on the Business-Type Activities and Proprietary Funds: Water and Sewerage Fund, Gas Fund, and the Training Facility Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the proprietary funds, the Water and Sewerage Fund, the Gas Fund, and the Training Facility Fund, of the City of Hawkinsville, Georgia, as of June 30, 2021, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Discretely Presented Component Unit, Each Major Governmental Fund, Proprietary Fund - Sanitation Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, each major governmental fund, the proprietary fund, the Sanitation Fund, and the aggregate remaining fund information of the City of Hawkinsville, Georgia, as of June 30, 2021, and the changes in financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 Hawkinsville, 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinions on the Business-Type Activities and Proprietary Funds: Water and Sewerage Fund, Gas Fund, and the Training Facility Fund

Prior to June 30, 1981, the City of Hawkinsville, Georgia did not capitalize capital asset acquisitions as required by accounting principles generally accepted in the United States of America, nor did the City of Hawkinsville, Georgia maintain a record of its capital assets. Assets acquired prior to June 30, 1981, were recorded at appraised values which is a departure from generally accepted accounting principles. The effect of this departure on the business-type activities and the proprietary funds, the Water and Sewerage Fund, the Gas Fund, and the Training Facility Fund, cannot be reasonably determined.

Responsibilities of Management for the Financial Statements

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

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

In performing an audit in accordance with generally accepted 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 of Hawkinsville, Georgia'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 of Hawkinsville, Georgia'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 budgetary comparison information and the pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hawkinsville, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedules to meet regulatory requirements, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedules to meet regulatory requirements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the City of Hawkinsville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 of Hawkinsville'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 of Hawkinsville, Georgia's internal control over financial reporting and compliance.



June 30, 2022

BASIC FINANCIAL STATEMENTS

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2021

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HAWKINSVILLE DOWNTOWN DEVELOPMENT AUTHORITY
ASSETS:				
Cash and cash equivalents	$1,441,488	$ 921,093	$ 2,362,581	$ 41,368
Receivables (net of allowance, where applicable):				
Accounts	- - -	516,962	516,962	- - -
Interest	2	- - -	2	3,011
Taxes	24,486	- - -	24,486	- - -
Accounts receivable - fines	- - -	- - -	- - -	- - -
Notes	- - -	- - -	- - -	98,289
Other	31,339	1,615,130	1,646,469	- - -
Intergovernmental	267,247	- - -	267,247	- - -
Prepaid items	6,777	12,205	18,982	- - -
Restricted cash	63,447	75,013	138,460	- - -
Deposits	- - -	50	50	- - -
Investments	1,487,298	790,565	2,277,863	- - -
Nondepreciable capital assets	1,699,947	3,907,289	5,607,236	5,000
Depreciable capital assets, net	3,952,513	8,089,248	12,041,761	63,494
Total assets	8,974,544	15,927,555	24,902,099	211,162
DEFERRED OUTFLOWS OF RESOURCES -				
Pensions	169,631	136,221	305,852	- - -
LIABILITIES:				
Accounts payable	105,714	856,347	962,061	210
Interest payable	709	6,189	6,898	- - -
Other payables	4	83,094	83,098	- - -
Unearned revenue	3,635	- - -	3,635	- - -
Accrued liabilities	34,612	27,714	62,326	- - -
Noncurrent liabilities:				
Due within one year:				
Compensated absences	40,253	35,448	75,701	- - -
Notes payable	127,296	147,395	274,691	- - -
Capital leases payable	69,792	- - -	69,792	- - -
Post-closure care costs	- - -	5,467	5,467	- - -
Due in more than one year:				
Notes payable	598,070	3,128,703	3,726,773	- - -
Post-closure care costs	- - -	54,668	54,668	- - -
Net pension liability	439,663	284,078	723,741	- - -
Total liabilities	1,419,748	4,629,103	6,048,851	210
DEFERRED INFLOWS OF RESOURCES -				
Pensions	55,789	74,249	130,038	- - -
NET POSITION:				
Net investment in capital assets	5,552,453	8,720,439	14,272,892	68,494
Restricted for:				
Debt service	30,082	- - -	30,082	- - -
Capital projects	1,122,525	- - -	1,122,525	- - -
Public works	63,447	- - -	63,447	- - -
Community and economic development	160	- - -	160	- - -
Cemetery:				
Expendable	2	- - -	2	- - -
Nonexpendable	5,000	- - -	5,000	- - -
Unrestricted	894,969	2,639,985	3,534,954	142,458
Total net position	$7,668,638	$11,360,424	$19,029,062	$210,952

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNIT HAWKINSVILLE DOWNTOWN DEVELOPMENT AUTHORITY
Primary Government								
Governmental activities:								
General government	$ 1,103,836	$ 126,001	$ - - -	$ 293,511	$ (684,324)	$ - - -	$ (684,324)	$ - - -
Judicial	4,808	2,670	- - -	- - -	(2,138)	- - -	(2,138)	- - -
Public safety:								
Fire protection	159,040	- - -	- - -	4,718	(154,322)	- - -	(154,322)	- - -
Law enforcement	594,298	- - -	- - -	7,076	(587,222)	- - -	(587,222)	- - -
E-911	136,425	- - -	- - -	- - -	(136,425)	- - -	(136,425)	- - -
Animal control	129,303	- - -	5,017	- - -	(124,286)	- - -	(124,286)	- - -
Public works	921,055	- - -	63,447	82,559	(775,049)	- - -	(775,049)	- - -
Culture and recreation	94,500	- - -	82,762	122,659	110,921	- - -	110,921	- - -
Community and economic development	194,317	36,000	285,138	407,035	533,856	- - -	533,856	- - -
Interest on long-term debt	24,039	- - -	- - -	- - -	(24,039)	- - -	(24,039)	- - -
Total governmental activities	3,361,621	164,671	436,364	917,558	(1,843,028)	- - -	(1,843,028)	- - -
Business-type activities:								
Water and Sewerage	1,738,844	1,509,471	- - -	1,886,677	- - -	1,657,304	1,657,304	- - -
Gas	4,485,361	5,200,118	- - -	- - -	- - -	714,757	714,757	- - -
Training Facility	297,704	110,111	- - -	- - -	- - -	(187,593)	(187,593)	- - -
Sanitation	610,198	623,774	- - -	- - -	- - -	13,576	13,576	- - -
Total business-type activities	7,132,107	7,443,474	- - -	1,886,677	- - -	2,198,044	2,198,044	- - -
Total primary government	$10,493,728	$7,608,145	$436,364	$2,804,235	(1,843,028)	2,198,044	355,016	- - -
Component unit -								
Hawkinsville Downtown Development Authority	$ 18,671	$ - - -	$ 2,936	$ - - -	- - -	- - -	- - -	(15,735)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					734,488	- - -	734,488	- - -
Sales taxes					562,682	- - -	562,682	- - -
Franchise taxes					301,907	- - -	301,907	- - -
Insurance premium taxes					454,964	- - -	454,964	- - -
Alcoholic beverage taxes					71,600	- - -	71,600	- - -
Hotel / motel taxes					52,706	- - -	52,706	- - -
Financial institutions taxes					18,403	- - -	18,403	- - -
Interest and investment earnings					3,813	47	3,860	5,156
Miscellaneous					222,743	143,087	365,830	299
Transfers					496,590	(496,590)	- - -	- - -
Total general revenues and transfers					2,919,896	(353,456)	2,566,440	5,455
Change in net position					1,076,868	1,844,588	2,921,456	(10,280)
Net position - beginning					6,591,770	9,515,836	16,107,606	221,232
Net position - ending					$ 7,668,638	$11,360,424	$19,029,062	$210,952

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	UDAG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
ASSETS:					
Cash on hand	$ 600	$ - - -	$ - - -	$ - - -	$ 600
Cash - financial institutions	343,169	41,610	940,557	115,552	1,440,888
Receivables (net of allowance, where applicable):					
Interest	- - -	- - -	- - -	2	2
Property taxes	24,486	- - -	- - -	- - -	24,486
Accounts receivable - fines	- - -	- - -	- - -	- - -	- - -
Notes	- - -	- - -	- - -	- - -	- - -
Other	28,269	- - -	- - -	- - -	28,269
Intergovernmental	158,670	- - -	104,052	- - -	262,722
Interfund balances	- - -	- - -	- - -	6,623	6,623
Prepaid items	6,777	- - -	- - -	- - -	6,777
Restricted cash	63,447	- - -	- - -	- - -	63,447
Investments	- - -	1,487,298	- - -	- - -	1,487,298
Total assets	$625,418	$1,528,908	$1,044,609	$122,177	$3,321,112

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	UDAG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ 94,898	$ 340	$ 728	$ 9,748	$ 105,714
Other payables	4	- - -	- - -	- - -	4
Interfund balances	6,623	- - -	- - -	- - -	6,623
Unearned revenue	3,635	- - -	- - -	- - -	3,635
Accrued liabilities	34,612	- - -	- - -	- - -	34,612
Total liabilities	139,772	340	728	9,748	150,588
DEFERRED INFLOWS OF RESOURCES -					
Unavailable revenue - property tax	21,542	- - -	- - -	- - -	21,542
Total deferred inflows of resources	21,542	- - -	- - -	- - -	21,542
FUND BALANCES:					
Nonspendable:					
Prepaid items	6,777	- - -	- - -	- - -	6,777
Cemetery fund principal	- - -	- - -	- - -	5,000	5,000
Restricted:					
Public works	63,447	- - -	- - -	- - -	63,447
Community and economic development	- - -	- - -	- - -	160	160
Capital projects	- - -	- - -	1,043,881	78,644	1,122,525
Debt service	- - -	- - -	- - -	30,748	30,748
Cemetery improvements	- - -	- - -	- - -	2	2
Assigned to -					
Community and economic development	- - -	1,528,568	- - -	- - -	1,528,568
Unassigned	393,880	- - -	- - -	(2,125)	391,755
Total fund balances	464,104	1,528,568	1,043,881	112,429	3,148,982
Total liabilities, deferred inflows of resources, and fund balances	$625,418	$1,528,908	$1,044,609	$122,177	$3,321,112

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 3,148,982
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 Governmental Funds Balance Sheet:		
Governmental capital assets	$ 9,802,854	
Less: accumulated depreciation	(4,150,394)	5,652,460
Other receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the Governmental Funds Balance Sheet -		
Property taxes		21,542
Other receivables are not available to pay for current period expenditures:		
Franchise tax revenues	$ 3,070	
Grant revenues	4,525	7,595
Interfund receivables and payables between governmental funds are reported on the Governmental Funds Balance Sheet but are eliminated on the Statement of Net Position:		
Interfund receivables	$ 6,623	
Interfund payables	(6,623)	- - -
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods, and, therefore, are not reported on the Governmental Funds Balance Sheet:		
Deferred outflows	$ 169,631	
Deferred inflows	(55,789)	113,842
Long-term liabilities, including notes payable, compensated absences, capital leases payable, and pensions, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet:		
Accrued compensated absences	$ (40,253)	
Capital leases payable	(69,792)	
Notes payable	(725,366)	
Net Pension Liability	(439,663)	
Accrued interest payable	(709)	(1,275,783)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 7,668,638

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	UDAG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	$2,140,187	$ - - -	$ - - -	$ 52,706	$2,192,893
Licenses and permits	132,479	- - -	- - -	- - -	132,479
Intergovernmental	515,939	- - -	566,115	347,292	1,429,346
Fines and forfeitures	2,670	- - -	- - -	- - -	2,670
Interest	3,770	26	922	120	4,838
Miscellaneous	84,480	36,000	31,293	26,400	178,173
Total revenues	2,879,525	36,026	598,330	426,518	3,940,399
EXPENDITURES:					
Current:					
General government	1,176,774	- - -	- - -	32,940	1,209,714
Judicial	4,808	- - -	- - -	- - -	4,808
Public safety:					
Fire protection	159,040	- - -	- - -	- - -	159,040
Law enforcement	594,298	- - -	- - -	- - -	594,298
E-911	113,181	- - -	- - -	- - -	113,181
Animal control	118,531	- - -	- - -	- - -	118,531
Emergency Management Agency	23,244	- - -	- - -	- - -	23,244
Public works	888,758	- - -	- - -	344,792	1,233,550
Culture and recreation	94,500	- - -	- - -	- - -	94,500
Community and economic development	172,371	18,822	- - -	- - -	191,193
Capital outlay:					
General government	- - -	- - -	41,350	6,316	47,666
Public safety - animal control	- - -	- - -	44,000	- - -	44,000
Public works	- - -	- - -	100,315	38,950	139,265
Culture and recreation	- - -	- - -	39,620	- - -	39,620
Community and economic development	- - -	- - -	71,692	- - -	71,692
Debt service:					
Principal	114,418	- - -	- - -	24,816	139,234
Interest	22,385	- - -	- - -	2,443	24,828
Total expenditures	3,482,308	18,822	296,977	450,257	4,248,364
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(602,783)	17,204	301,353	(23,739)	(307,965)

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	UDAG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (from previous page)	$ (602,783)	$ 17,204	$ 301,353	$(23,739)	$ (307,965)
OTHER FINANCING SOURCES (USES):					
Transfers in	1,276,693	5,324	- - -	28,224	1,310,241
Transfers out	(388,636)	- - -	- - -	(20,867)	(409,503)
Total other financing sources (uses)	888,057	5,324	- - -	7,357	900,738
NET CHANGE IN FUND BALANCES	285,274	22,528	301,353	(16,382)	592,773
FUND BALANCE - BEGINNING	178,830	1,506,040	742,528	128,811	2,556,209
FUND BALANCE - ENDING	$ 464,104	$1,528,568	$1,043,881	$112,429	$3,148,982

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 592,773
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Expenditures for capital assets	$1,088,061	
SPLOST and Grant assets transferred to Enterprise Funds	(404,148)	
Less: current year depreciation	(307,615)	376,298
In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas in the Governmental Funds, the proceeds increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets disposed:		
Cost of disposed capital assets	$ (10,870)	
Accumulated depreciation of disposed capital assets	- - -	(10,870)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds:		
Property taxes	$ (6,095)	
Grant revenues	4,525	
Other revenues	3,070	1,500
Long-term compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds.		(2,353)
City pension contributions are reported as expenditures in the Governmental Funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured nine months prior to the City's report date. Pension expense which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities:		
City pension contributions	$ 64,932	
Pension expense	(85,435)	(20,503)
Issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position:		
Notes principal payments	$ 124,424	
Capital lease principal payments	14,810	
Interest paid	789	140,023
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$1,076,868

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
ASSETS:					
Current assets:					
Cash - financial institutions	$ 759,572	$ 36,614	$ 63,698	$ 61,209	$ 921,093
Receivables:					
Accounts	186,360	262,139	- - -	68,463	516,962
Other	1,458,828	146,859	4,811	4,632	1,615,130
Prepaid items	9,417	- - -	2,177	611	12,205
Restricted cash	75,013	- - -	- - -	- - -	75,013
Total current assets	2,489,190	445,612	70,686	134,915	3,140,403
Long-term assets:					
Deposits	- - -	50	- - -	- - -	50
Investments	- - -	790,565	- - -	- - -	790,565
Capital assets:					
Land	49,407	- - -	327,875	11,484	388,766
Construction in progress	3,518,523	- - -	- - -	- - -	3,518,523
Buildings	2,175,900	8,000	2,285,313	- - -	4,469,213
Improvements other than buildings	- - -	1,413,303	277,049	- - -	1,690,352
Machinery and equipment	25,387,127	497,133	304,001	333,033	26,521,294
Accumulated depreciation	(22,356,667)	(735,220)	(1,222,399)	(277,325)	(24,591,611)
Total long-term assets	8,774,290	1,973,831	1,971,839	67,192	12,787,152
Total assets	11,263,480	2,419,443	2,042,525	202,107	15,927,555
DEFERRED OUTFLOWS OF RESOURCES -					
Pensions	91,817	4,103	9,035	31,266	136,221

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
LIABILITIES:					
Current liabilities:					
Accounts payable	$ 106,567	$ 683,575	$ 3,704	$ 62,501	$ 856,347
Interest payable	303	5,886	- - -	- - -	6,189
Other payables	84	177	- - -	- - -	261
Customer deposits	51,358	31,475	- - -	- - -	82,833
Accrued expenses	17,768	3,905	3,328	2,713	27,714
Compensated absences	30,297	- - -	1,529	3,622	35,448
Notes payable	120,817	26,578	- - -	- - -	147,395
Post-closure care costs	- - -	- - -	- - -	5,467	5,467
Total current liabilities	327,194	751,596	8,561	74,303	1,161,654
Long-term liabilities:					
Notes payable	2,946,945	181,758	- - -	- - -	3,128,703
Post-closure care cost	- - -	- - -	- - -	54,668	54,668
Net pension liability	189,966	16,078	31,871	46,163	284,078
Total long-term liabilities	3,136,911	197,836	31,871	100,831	3,467,449
Total liabilities	3,464,105	949,432	40,432	175,134	4,629,103
DEFERRED INFLOWS OF RESOURCES -					
Pensions	44,572	2,742	(1,751)	28,686	74,249
NET POSITION:					
Net investment in capital assets	5,706,528	974,880	1,971,839	67,192	8,720,439
Unrestricted	2,140,092	496,492	41,040	(37,639)	2,639,985
Total net position	$7,846,620	$1,471,372	$2,012,879	$ 29,553	$11,360,424

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
OPERATING REVENUES:					
Charges for services	$1,509,471	$5,200,118	$ - - -	$623,774	$7,333,363
Rents	- - -	- - -	110,111	- - -	110,111
Miscellaneous	7,395	110,787	24,905	- - -	143,087
Total operating revenues	1,516,866	5,310,905	135,016	623,774	7,586,561
OPERATING EXPENSES:					
Salaries	368,653	- - -	102,350	56,969	527,972
Insurance	144,577	1,881	25,236	24,108	195,802
Taxes	28,220	39,667	8,976	4,455	81,318
Retirement	45,393	- - -	9,530	9,530	64,453
Uniforms	1,174	- - -	413	57	1,644
Administrative services	160	12,101	- - -	25	12,286
Professional fees	17,635	319,065	1,609	340	338,649
Technical services	66,816	- - -	- - -	13,898	80,714
Repairs and maintenance	96,548	2,100	1,441	10	100,099
Equipment rentals	78,662	12,642	- - -	- - -	91,304
Utilities	233,532	4,744	42,496	2,135	282,907
Advertising	1,976	1,152	- - -	- - -	3,128
Travel	424	- - -	- - -	- - -	424
Dues and fees	9,315	1,450	404	200	11,369
Education and training	4,257	- - -	- - -	- - -	4,257
Contract labor	62,017	163,827	428	473,458	699,730
Office expense	196	131	- - -	- - -	327
Vehicle expense	26,926	- - -	8,071	9,422	44,419
Purchases	- - -	3,841,683	- - -	- - -	3,841,683
Parts and supplies	197,179	14,092	33,682	3,212	248,165
Miscellaneous	2,439	- - -	- - -	20	2,459
Depreciation	319,870	35,563	63,068	12,359	430,860
Total operating expenses	1,705,969	4,450,098	297,704	610,198	7,063,969
OPERATING INCOME (LOSS)	(189,103)	860,807	(162,688)	13,576	522,592

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
OPERATING INCOME (LOSS) (from previous page)	$ (189,103)	$ 860,807	$ (162,688)	$ 13,576	$ 522,592
NONOPERATING REVENUES (EXPENSES):					
Interest income	47	- - -	- - -	- - -	47
Interest charges	(32,875)	(7,714)	- - -	- - -	(40,589)
Gain (loss) on disposition of assets	- - -	(1,696)	- - -	- - -	(1,696)
GEFA loan forgiveness	476,677	- - -	- - -	- - -	476,677
Undistributed income (loss) from joint venture	- - -	(25,853)	- - -	- - -	(25,853)
Total nonoperating revenues (expenses)	443,849	(35,263)	- - -	- - -	408,586
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	254,746	825,544	(162,688)	13,576	931,178
CAPITAL GRANTS AND CONTRIBUTIONS	1,814,148	- - -	- - -	- - -	1,814,148
TRANSFERS IN	249,340	23,069	142,319	16,183	430,911
TRANSFERS OUT	(42,767)	(1,270,428)	- - -	(18,454)	(1,331,649)
CHANGE IN NET POSITION	2,275,467	(421,815)	(20,369)	11,305	1,844,588
TOTAL NET POSITION - BEGINNING	5,571,153	1,893,187	2,033,248	18,248	9,515,836
TOTAL NET POSITION - ENDING	$7,846,620	$ 1,471,372	$2,012,879	$ 29,553	$11,360,424

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	$ 1,496,669	$ 5,106,253	$ 110,111	$ 622,645	$ 7,335,678
Payments to suppliers	(1,288,009)	(3,933,484)	(139,761)	(553,288)	(5,914,542)
Payments to employees	(351,269)	- - -	(112,888)	(55,441)	(519,598)
Other receipts (payments)	(1,155,692)	60,737	21,569	187	(1,073,199)
Net cash provided (used) by operating activities	(1,298,301)	1,233,506	(120,969)	14,103	(171,661)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	249,340	23,069	142,319	16,183	430,911
Transfers out	(42,767)	(1,270,428)	- - -	(18,454)	(1,331,649)
Net cash provided (used) by noncapital financing activities	206,573	(1,247,359)	142,319	(2,271)	(900,738)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from notes payable	2,590,154	- - -	- - -	- - -	2,590,154
Purchases of capital assets	(1,293,135)	(131,106)	- - -	- - -	(1,424,241)
Principal paid on capital debt	(50,870)	(25,618)	- - -	- - -	(76,488)
Interest paid on capital debt	(33,954)	(8,774)	- - -	- - -	(42,728)
Net cash provided (used) by capital and related financing activities	1,212,195	(165,498)	- - -	- - -	1,046,697
CASH FLOWS FROM INVESTING ACTIVITIES -					
Interest and dividends	47	- - -	- - -	- - -	47
Net cash provided (used) by investing activities	47	- - -	- - -	- - -	47
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	120,514	(179,351)	21,350	11,832	(25,655)

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (from previous page)	$ 120,514	$ (179,351)	$ 21,350	$11,832	$ (25,655)
CASH AND CASH EQUIVALENTS - BEGINNING	714,071	215,965	42,348	49,377	1,021,761
CASH AND CASH EQUIVALENTS - ENDING	$ 834,585	$ 36,614	$ 63,698	$61,209	$ 996,106
CASH AND CASH EQUIVALENTS CLASSIFICATION:					
Cash - financial institutions	$ 759,572	$ 36,614	$ 63,698	$61,209	
Restricted cash	75,013	- - -	- - -	- - -	
Total cash and cash equivalents	$ 834,585	$ 36,614	$ 63,698	$61,209	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (189,103)	$ 860,807	$(162,688)	$13,576	$ 522,592
Adjustments to reconcile operating income to net cash provided (used) by operating activities -					
Depreciation expense	319,870	35,563	63,068	12,359	430,860
Change in assets and liabilities:					
Receivables, net	(22,872)	(99,440)	- - -	(1,129)	(123,441)
Other receivables	(1,155,692)	(46,450)	(3,336)	187	(1,205,291)
Prepaid items	4,938	- - -	246	1,383	6,567
Deferred outflows of resources - pensions	20,957	- - -	4,101	4,101	29,159
Accounts and other payables	(275,484)	481,233	(7,721)	(7,882)	190,146
Deposits	2,675	1,975	- - -	- - -	4,650
Accrued expenses	(17)	(182)	- - -	(5,920)	(6,119)
Accrued salaries	2,120	- - -	(369)	223	1,974
Accrued compensated absences	3,750	- - -	(12,171)	(696)	(9,117)
Net pension liability	(2,188)	- - -	(486)	(486)	(3,160)
Deferred inflows of resources - pensions	(7,255)	- - -	(1,613)	(1,613)	(10,481)
Net cash provided (used) by operating activities	$(1,298,301)	$1,233,506	$(120,969)	$14,103	$ (171,661)

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
NONCASH CAPITAL FINANCING ACTIVITIES:					
Contributions of capital assets	$1,814,148	$- - -	$- - -	$- - -	$1,814,148
Debt forgiveness from GEFA	$ 476,677	$- - -	$- - -	$- - -	$ 476,677

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUND
JUNE 30, 2021

	MUNICIPAL COURT
ASSETS:	
Cash and cash equivalents	$ 144
Fines receivable	2,950
Total assets	3,094
LIABILITIES -	
Due to other agencies	144
Total liabilities	144
NET POSITION -	
Restricted for individuals, organizations, and other governments	2,950
Total net position	$2,950

The notes are an integral part of these financial statements.

PULASKI COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
JUNE 30, 2021

	MUNICIPAL COURT
ADDITIONS -	
Court revenues	$4,550
Total additions	4,550
DEDUCTIONS:	
Payments to others	514
Fine revenue - General Fund	1,086
Total deductions	1,600
CHANGE IN NET POSITION	2,950
NET POSITION - beginning	- - -
NET POSITION - ending	$2,950

The notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Hawkinsville, Georgia (City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting. The more significant of the City's accounting policies are described below.

A. THE REPORTING ENTITY: The City is an incorporated municipality under the provisions of Georgia law. The City operates under a commissioner-manager form of government in lieu of a Mayor and Council. The Commissioners have all the rights and powers of a Mayor and Council and additional administrative powers as provided by the City Charter. The City provides various services, levies taxes, and issues licenses as provided by the Charter. These services include public safety, highways and streets, sanitation, wastewater treatment, water, gas, municipal court, and administrative services.

As required by GAAP, the financial reporting entity consists of (1) the primary government, (2) organizations for which the City is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the City are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. The financial statements presented herein do not include agencies that have been formed under applicable state laws or separate and distinct units of government apart from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Some component units, because of the closeness of their relationship with the City, should be blended as though they are part of the City. Otherwise, most component units should be discretely presented. At present, there are two organizations which would be considered component units:

Hawkinsville Downtown Development Authority - Management has determined that the Hawkinsville Downtown Development Authority is considered to be a discretely presented component unit of the City. The Hawkinsville Downtown Development Authority (the Authority) is governed by seven directors appointed by the City of Hawkinsville's Board of Commissioners. The Authority's purpose is to revitalize and redevelop the central business district of the City of Hawkinsville, Georgia. The Authority's financial statements are available from the City of Hawkinsville, 96 Broad Street, Hawkinsville, Georgia.

Hawkinsville Urban Redevelopment Agency - Management has determined that the Hawkinsville Urban Redevelopment Agency is considered to be a blended component unit of the City and is included as a Special Revenue Fund. The Hawkinsville Urban Redevelopment Agency (HURA), an entity legally separate from the City, is governed by an eleven member board appointed by the City Commission. HURA's purpose is to facilitate improvement of substandard buildings within the City. On December 2, 2013, the City suspended operations of HURA indefinitely.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. RELATED ORGANIZATIONS: The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making these appointments. The City commissioners appoint the board members of the Hawkinsville Historical Commission, Hawkinsville Housing Authority, Planning and Zoning Commission, and the Board of Registrars.

C. JOINT VENTURES:

Jointly Owned Natural Gas - The Jointly Owned Natural Gas (JONG) is a joint venture of the Cities of Warner Robins, Perry, Hawkinsville, Cochran, and Byron, Georgia. The JONG was established in 1953 with the purpose of providing maintenance and related services for the transmission line serving the member cities and customers. The JONG is governed by a board of directors composed of one member from each city. Each director has one vote. The investment is accounted for using the equity method.

Under the terms of the joint venture contract, each member owns its own separate section of the transmission line and maintains the cost of operating the particular section. Income earned by the JONG is allocated to each member based on various percentages as specified in the joint venture contract. Each member's equity share in the income and retained earnings of this joint venture is reported in the audited financial statements of the JONG. The income and retained earnings from the JONG as of and for the year ended December 31, 2020, are reported in the Gas Fund for the current year.

A loss of $25,853 was reported in the Gas Fund for the year ended June 30, 2021. Total investment in the JONG recorded as an investment by the Gas Fund totaled $790,565 at June 30, 2021.

The City owns approximately 18.91% of the total assets of the JONG.

The audited financial statements of the JONG are on file with the City and copies are available upon request.

Effective January 1, 2021, the joint venture was eliminated. The operations were reestablished under a charter as the Mid-State Energy Commission. Mid-State Energy Commission is owned by the same member cities in the same ownership percentages as the joint venture and each member city appoints a representative for governance purposes. Mid-State Energy Commission contracts directly with its suppliers and certain other operational changes are required under the newly formed commission.

Middle Georgia Regional Commission - Under Georgia law, the City, in conjunction with municipalities and counties in the eleven (11) county Middle Georgia area is a member of the Middle Georgia Regional Commission (MGRC) and is required to pay annual dues thereto. During the year ended June 30, 2021, the City paid $37,630 in such dues. Membership in MGRC is required by the Official Code of Georgia Annotated (OCGA) section 50-8-34 which provides for the organizational structure of the MGRC. The MGRC Board membership includes the chief elected official of each county and municipality of the area. The City board members and municipal board members from the same county elect one Member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as a nonpublic member and a minority member who must be an elected official to serve as board members from a County. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the MGRC. Separate financial statements for the MGRC are available from:

Middle Georgia Regional Commission
175 Emery Highway, Suite C
Macon, GA 31217

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. JOINTLY GOVERNED ORGANIZATIONS: The City, in connection with Pulaski County, has created the Library Board, Hawkinsville-Pulaski County Recreation Board, and the Pulaski County-Hawkinsville Development Authority. The board members for each organization are composed as follows:

Library Board - 6 appointed by City, 6 appointed by Pulaski County; Hawkinsville-Pulaski County Recreation Board - 4 appointed by City, 5 appointed by Pulaski County; Pulaski County-Hawkinsville Development Authority - 2 appointed by City, with Commission Chairman, 3 appointed by Pulaski County along with sole Commissioner of Pulaski County, and 1 member at large.

The City's expenditures for June 30, 2021, were $19,500 and $75,000 to the Library Board and Hawkinsville-Pulaski County Recreation Board, respectively.

E. BASIC FINANCIAL STATEMENTS: The basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. Both the government-wide financial statements and the fund financial statements categorize activities as either governmental activities or business-type activities. These statements provide valuable information that can be analyzed and compared.

Government-Wide Financial Statements - The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements display information about the reporting government as a whole and provide a consolidated financial picture of the government. All funds other than fiduciary activities are included at the government-wide reporting level. The primary government and the component unit are presented separately within the financial statements with the focus on the primary government. In the government-wide Statement of Net Position, both governmental and business-type activities and the component unit columns are presented on a consolidated basis by column and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

The government-wide Statement of Activities also reports functional categories of programs provided by the City and demonstrates how and to what degree those programs are supported by specific revenues. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services relate to charges to customers who purchase, use, or directly benefit from goods or services provided by a given function. Grants and contributions refer to revenues restricted for specific functions for operational or capital requirements. The general revenues section displays revenues collected that help support all functions of the government and contribute to the change in the net position for the fiscal year. The gross expenses (including depreciation) are reduced by related program revenues, operating grants, and capital grants. The net costs (by function and business-type activity) are normally covered by general revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Financial Statements - Fund financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and proprietary funds. The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. The proprietary funds and custodial fund statements are presented on a full accrual, economic resources basis. The fiduciary fund includes financial information for the custodial fund. This fund represents assets held by the City in a custodial capacity for individuals or other governments. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

F. BASIS OF PRESENTATION: The financial transactions of the City are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which the resources are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at a more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. The non-major funds are combined in a column in the fund financial statements and detailed in the supplementary information section of this report.

Governmental Funds - Governmental Funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities - except those accounted for in other funds - are accounted for through governmental funds. The flow of current financial resources measurement focus is used for governmental funds. It is based on the determination of financial position, rather than on net income determination. Major Governmental Funds used by the City include:

General Fund - The General Fund is the general operating fund of the City. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources and grants that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Restricted or committed specific revenue sources should comprise a substantial portion of fund's resources. The proceeds from these special revenue sources should be expected to continue to comprise a substantial portion of inflows.

UDAG Grant - This fund is used to account for and report economic development revenues and expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Capital Projects Funds - Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other aspects other than those financed by Proprietary Funds or for assets that will be held in trust for individuals, private organizations, or other governments.

2017 SPLOST - This fund is used to account for and report SPLOST revenues and expenditures to be used for improvements or purchase of City property and equipment, new City Hall, recreational facilities and improvements, economic development, City streets improvements, grant matching funds, public safety and public works equipment, and renovation of the Old Firehouse.

Additionally, the City reports the following nonmajor governmental fund types:

Special Revenue Funds:

Hotel / Motel Tax Fund - This fund is used to account for and report the hotel / motel taxes collected as required by law.

Cemetery Fund - This fund is used to account for and report revenues and expenditures for the maintenance of the City Cemetery.

Mill Project - This fund is used to account for and report revenues and expenditures related to the Cotton Mill Lofts Project. During the year ended June 30, 2021, this fund had no financial activity; therefore, a budget was not prepared or adopted for this fund. The only financial items to note of this fund are two note receivables and the related allowances as discussed in Note 4.

HOPE VI - This fund is used to account for and report revenues and expenditures of a Hope VI Main Street Grant for 11 housing units in the River Market Lofts Project. During the year ended June 30, 2021, this fund had no financial activity; therefore, a budget was not prepared or adopted for this fund. The only financial items to note of this fund are a note receivable and the related allowance as discussed in Note 5.

2014 CHIP Grant - This fund is used to account for and report revenue and expenditures of a Community Home Investment Program Grant for housing rehabilitation. During the year ended June 30, 2021, this fund had no financial activity; therefore, a budget was not prepared or adopted for this fund. The only financial items to note of this fund are cash and fund balance. This fund will be closed when the City receives formal close out letter.

2019 CDBG Grant - This fund is used to account for and report revenue and expenditures of the CDBG Grant for sanitary sewer infrastructure improvements. During the year ended June 30, 2020, the final grant draw was recorded as a receivable and the project was closed. During the year ended June 30, 2021, a budget was not prepared or adopted for this fund. The only financial items to note of this fund are intergovernmental revenue and transfers out.

2020 CDBG Grant - This fund is used to account for and report revenue and expenditures of the CDBG Grant for sanitary sewer infrastructure improvements.

Hawkinsville Urban Redevelopment Agency - This fund is a blended component unit of the City and is used to account for and report revenues and expenditures related to improvement of substandard buildings within the City. During the year ended June 30, 2021, this fund had no financial activity; therefore, a budget was not prepared or adopted for this fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Debt Service Funds - Debt Service Funds are used to account for and report the accumulation of financial resources that are restricted, committed, or assigned to expenditure for general long-term debt principal, interest, and related costs, other than those payable from Proprietary Funds and Special Assessment Funds.

Workforce Development Center - This fund is used to account for and report the collection and disbursement of the 2004 1% Special Purpose Local Option Sales Tax (SPLOST) needed to comply with the interest and principal requirements of the debt related to the construction of the Workforce Development Center.

Capital Projects Fund:

2010 SPLOST - This fund is used to account for and report SPLOST revenues and expenditures to be used for a new City Hall, upgrading City property and equipment, Opera House repairs, renovation of the Old Firehouse, public safety, and grant matching funds.

Proprietary Funds - Proprietary Funds are accounted for using a flow of economic resources measurement focus. This measurement focus utilizes the accrual basis of accounting which recognizes revenues when earned and expenses when incurred without regard to the timing of receipt or payment. Proprietary Fund types include -

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Major Enterprise Funds used by the City include:

Water and Sewerage Fund - This fund was established for the control of the operating revenue and expenses of the water distribution system and sewerage processing system.

Gas Fund - This fund was established for control of the operating revenue and expenses of the natural gas distribution system.

Sanitation Fund - This fund was established for control of the operating revenue and expenses relating to garbage pickup and disposal.

Training Facility Fund - This fund was established for control of the operating revenues and expenses of the City’s harness racing track facility.

Fiduciary Funds - Fiduciary Funds are used to account for resources held by a governmental unit in a trustee capacity or as an agent on behalf of others. Fiduciary funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds used by the City include -

Custodial Funds - Custodial Funds are used to account for resources held for others. The City acts a custodian, collecting and then disbursing these monies to the appropriate agencies.

Municipal Court - This fund is used to account for municipal ordinance violations resulting in fines for offenses occurring in the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase, "available for exchange transaction" means expected to be received within 60 days after year end.

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

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

Fines and a related allowance are recorded as assessed, and fine revenue is recognized when collected.

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

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as unearned revenue (i.e., they are measurable but not available) rather than as revenue. Sales taxes collected by the State of Georgia, Department of Revenue, for the December sales are reported as unearned revenue at year end. Property taxes receivable not collected within 60 days of year end have been recorded as unearned revenue. Grants received before the eligibility requirements are met also are recorded as unearned revenue.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Interfund Activity - The City has two types of interfund transactions. Services rendered transactions are accounted for as revenues and expenditures in the funds involved and operating appropriations are accounted as transfers in the funds involved. Intrafund transfers, except interfund services provided and used and reimbursements, are reported as transfers in or out in the funds involved as other financing sources. However, as a general rule, recorded intrafund revenues and expenditures have been eliminated in the GAAP-basis government-wide financial statements.

H. CASH AND CASH EQUIVALENTS: The City follows the practice of pooling cash of the General Fund and the Enterprise Funds. Each fund's portion of the pool is displayed on its respective balance sheet as cash and cash equivalents and includes non-pooled cash and investments separately held. Interest earned by the pooled cash is allocated to each of the funds based on its average monthly balance.

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

For purposes of the Statement of Cash Flows, the proprietary fund types consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

I. CONTRACTUAL PROVISIONS FOR DEPOSITS AND INVESTMENTS: Various restrictions on deposits and investments, including repurchase agreements, are imposed by State statutes. These restrictions are summarized below:

Deposits - All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. However, the City may waive the collateral requirement for operating funds placed in demand deposit accounts.

Investments - The City may invest and reinvest funds subject to its control and jurisdiction in obligations of the United States and of its agencies and instrumentalities; and in bonds or certificates of indebtedness of this State and of its agencies and instrumentalities; and certificates of deposit of banks that have deposits insured by the Federal Deposit Insurance Corporation. The City may also invest through the Georgia Fund 1 state investment pool and other specific Georgia and Georgia related financial instruments.

J. RECEIVABLES: The City does not normally record an allowance for doubtful accounts. The City has established an accounts receivable write off policy for its Enterprise Funds where all accounts over 180 days old are considered uncollectible for financial reporting purposes. The City recorded a receivable of uncollected fines in the amount of $51,219. Due to the delinquent nature of these fines, the City recorded an allowance for uncollectibles in the amount of $51,219.

K. INTERFUND RECEIVABLES/PAYABLES: Outstanding balances resulting in transactions between funds are reported as "due to/from other funds." To the extent that these balances are between governmental funds, they have been eliminated on the government-wide financial statements. Any residual balances between the governmental activities and the business-type activities are reported on the government-wide financial statements as "internal balances" and eliminated in the total primary government column.

L. PROPERTY TAXES: Property taxes attach as an enforceable lien on property as of December 2. Taxes are levied on October 1, and are due and payable by December 1. All unpaid taxes become delinquent after December 1, and fifa's are recorded on or after March 1.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. INVENTORIES: Effective June 30, 2018, the City wrote off all inventory due to obsolescence and adopted the policy of recording items as expenditures or expenses as purchased. Inventoriable items are no longer maintained on hand but are purchased as necessary and immediately placed in service.

N. PREPAID ITEMS: Payments made to vendors for services that benefit periods beyond June 30, 2021, are recorded as prepaid items. The consumption method is used by recording an asset for the prepaid amount and by recording the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is denoted as nonspendable, as this amount is not available for general appropriation.

O. RESTRICTED CASH: Restricted cash consists of certain resources restricted by funding source or required to be set aside for the repayment of debt on the Governmental Funds Balance Sheet and the Statement of Net Position.

P. DEPOSITS: Deposits at June 30, 2021, consisted of a $50 utility deposit paid by the Gas Fund.

Q. INVESTMENTS:

Governmental Activities - These investments are held in the Special Revenue Fund - UDAG Grant and consist of investment property purchased for economic development purposes. This investment property is carried at cost.

Business-type Activities - This investment is the City's investment in Jointly Owned Natural Gas which is discussed in Note 1-C.

R. CAPITAL ASSETS: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, water and sewerage distribution systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized in the government-wide financial statements to the extent the City's capitalization threshold of $5,000 is met.

All capital assets acquired after June 30, 1981, are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired before June 30, 1981, are recorded at appraised values which is a departure from GAAP. Donated capital assets are valued at the estimated fair value on the date donated. General infrastructure assets acquired or constructed prior to July 1, 2003 are not reported in the financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired or constructed subsequent to July 1, 2003. The City reports intangible assets in accordance with GASB Statement No. 51.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The City follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. During the current fiscal year, no interest was capitalized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Land and construction in progress are not depreciated. Depreciation for capital assets is computed using the straight-line method over the assets estimated useful lives. The estimated useful lives for governmental and business-type activities are as follows:

	Governmental Activities	Business-Type Activities
Buildings	20-40 years	20-40 years
Improvements other than buildings	20-50 years	20-50 years
Machinery and equipment	5-10 years	5-10 years
Infrastructure	20-50 years	N/A

S. OPERATING/NONOPERATING ITEMS: Proprietary funds distinguish between operating and nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

T. COMPENSATED ABSENCES: Vacation leave is earned by all permanent City employees at the rate of twelve days per year for the first ten years of service. After ten years of service, the employees earn at a rate of fifteen days per year. Vacation leave may be accumulated and carried over to a maximum of forty-five days per employee. Upon separation from the City, employees are entitled to accumulated vacation leave. At June 30, 2021, accrued vacation leave of $40,253 has been recorded in the government-wide Statement of Net Position in the Governmental Activities and $35,448 in the proprietary fund financial statements, which represents the City's commitment to fund such cost from future operations. In governmental fund financial statements, the cost of vacation leave is recognized when due to employees.

U. LONG-TERM OBLIGATIONS: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

V. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES: In addition to assets, the statement of net 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items related to the City's pension plan, which arise under the accrual basis of accounting, that qualify for reporting in this category and are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewerage Fund, Gas Fund, Training Facility Fund, and the Sanitation Fund. These pension plan items are discussed below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

In addition to liabilities, the statement of net position and the balance sheet for governmental funds will sometimes report 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. Under the modified accrual basis of accounting, unavailable revenue from property taxes is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Under the accrual basis of accounting, three items related to the City's pension plan are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewerage Fund, Gas Fund, Training Facility Fund, and the Sanitation Fund. These pension plan items are discussed below.

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement for plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Finally, any pension plan contributions made by the City before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

W. PENSIONS: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Hawkinsville Retirement Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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

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

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

Unassigned - Fund balances are reported as unassigned when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Fund balance flow assumption - When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed, then assigned, and finally unassigned funds, as needed.

The City does not have a formal minimum fund balance policy.

Net Position - Net position represent the difference between assets and liabilities. Net position is categorized as follows:

Net Investment in Capital Assets - This category consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets

Restricted Net Position - This category results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position is often designated to indicate that management does not consider it to be available for general operations. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

Net position flow assumption - When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Y. POST EMPLOYMENT HEALTH CARE BENEFITS: Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. This program is offered for a duration of 18 months after the termination date. There is no cost to the City under this program. There were no former employees participating in this plan as of June 30, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Z. CONTRIBUTED CAPITAL: Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets and grants or outside contributions of resources restricted to capital acquisition and construction.

AA. TAX ABATEMENT AGREEMENTS: During the year ended June 30, 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of June 30, 2021, the City did not have any such agreements, either entered into by the City or by other governments.

2. DEPOSITS - CUSTODIAL CREDIT RISK: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

Primary Government

The City does not have a deposit policy for custodial credit risk. As of June 30, 2021, $2,002,951 of the City's bank balance of $2,534,475 was exposed to custodial credit risk as follows:

Uninsured and collateralized with securities held in the pledging financial institution's trust department or agent but not in the City's name	$2,002,951
Total	$2,002,951

Discretely Presented Component Unit

The Hawkinsville Downtown Development Authority does not have a deposit policy for custodial credit risk. As of June 30, 2021, The Hawkinsville Downtown Development Authority's bank balance was 100% insured by the Federal Deposit Insurance Corporation.

Fiduciary Funds - Custodial Fund

The Municipal Court does not have a deposit policy for custodial credit risk. As of June 30, 2021, The Municipal Court's bank balance was 100% insured by the Federal Deposit Insurance Corporation.

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS:

Interfund balances at June 30, 2021, consisted of the following amounts and represent charges for services or reimbursable expenses or expenditures. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City's intention is to repay interfund balances within one year from the date of the financial statements.

	Payable from:	
Payable to:	**General Fund**	**Total**
Nonmajor Governmental Fund - Hotel / Motel Tax	$6,623	$6,623
Total	$6,623	$6,623

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS: (continued)

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfers from:					
Transfers to:	General Fund	Nonmajor Governmental Fund	Water and Sewerage Fund	Gas Fund	Sanitation Fund	Total
General Fund	$ - - -	$20,867	$ - - -	$1,255,826	$ - - -	$1,276,693
Special Revenue Fund - UDAG Grant	5,324	- - -	- - -	- - -	- - -	5,324
Nonmajor Governmental Funds	27,224	- - -	1,000	- - -	- - -	28,224
Water and Sewerage Fund	228,055	- - -	- - -	8,941	12,344	249,340
Gas Fund	- - -	- - -	18,362	- - -	4,707	23,069
Training Facility Fund	112,309	- - -	22,966	5,641	1,403	142,319
Sanitation Fund	15,724	- - -	439	20	- - -	16,183
Total	$388,636	$20,867	$42,767	$1,270,428	$18,454	$1,741,152

Transfers are used to move unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations and to return money to the fund from which it was originally provided, once a project is completed.

The transfers on the government-wide Statement of Activities differ from the transfers on the fund level Statement of Revenues, Expenditures, and Changes in Fund Balance by $404,148 which is the cost of SPLOST assets and CDBG grant assets transferred to Enterprise Funds.

4. NOTES RECEIVABLE - MILL PROJECT:

During the year ended June 30, 2010, the City obtained a $485,000 note receivable from Landmark Properties, LLC (Landmark). This note represents grant proceeds loaned to the developer, Landmark, to pay for environmental studies and testing and or environmental clean-up costs for the Mill Project. This note was subsequently modified to Cotton Mill Lofts, LLC. During the year ended June 30, 2013, the maturity date of the note was modified. The maturity date was extended to December 31, 2042. As of June 30, 2021, $485,000 has been advanced. Unadvanced funds on this note at June 30, 2021, were $-0-. Due to the terms of this note, the City has recorded an allowance in the amount of $485,000.

The City also received a note receivable from Cotton Mill Lofts, LLC for funds expended by the City and for in kind services provided by the City for demolition, up-fit, appraisal and low income housing tax credit application costs of $148,800. During the year ended June 30, 2013, the maturity date of the note was modified. The maturity date was extended to December 31, 2042. As of June 30, 2021, $148,800 has been advanced. Unadvanced funds on this note at June 30, 2021, were $-0-. Due to the terms of this note, the City has recorded an allowance in the amount of $148,800.

A description of the notes outstanding is as follows:

	Amount Due
Cotton Mill Lofts, LLC :	
The note is a single payment note deferred for twenty nine years including interest at 0% per annum. Payment in full will be due December 31, 2042.	$ 485,000
Allowance	(485,000)
The note is a single payment note deferred for twenty nine years including interest at 0% per annum. Payment in full will be due December 31, 2042.	148,800
Allowance	(148,800)
Total notes receivable, net of allowance	$ - - -

5. NOTE RECEIVABLE - RIVER MARKET LOFTS, LLC:

During the year ended June 30, 2012, the City obtained a $1,000,000 note receivable from River Market Lofts, LLC (River Market). This note represents grant proceeds loaned to the developer, River Market, to pay for renovation of a building located at the Farmers Market into 11 apartments. As of June 30, 2021, $1,000,000 has been advanced to River Market. There were no unadvanced funds on this note at June 30, 2021. Due to the terms of this note, the City has recorded an allowance in the amount of $1,000,000. During the year ended June 30, 2013, the due date of this note was extended to February 21, 2052.

A description of the note outstanding is as follows:

	Amount Due
River Market -	
The note is a single payment note deferred for forty years including interest at 0% per annum. Payment in full will be due February 21, 2052.	$ 1,000,000
Allowance	(1,000,000)
Total notes receivable, net of allowance	$ - - -

6. NOTE RECEIVABLE - COTTON MILL LOFTS, LLC:

During the year ended June 30, 2012, the Hawkinsville Downtown Development Authority, a discretely presented component unit, obtained a $160,000 note receivable from Cotton Mill Lofts, LLC, (Cotton Mill). This note represents monies loaned to the developer, Cotton Mill, to pay for environmental studies and testing at the Cotton Mill Lofts. As of June 30, 2021, $160,000 has been advanced to Cotton Mill. There were no unadvanced funds on this note at June 30, 2021.

A description of the note outstanding is as follows:

	Amount Due
Cotton Mill -	
The note is due in 19 annual installments of $12,938 including interest at 5.25% per annum.	$92,996

7. NOTES RECEIVABLE - FACADE:

During the year ended June 30, 2018, the Hawkinsville Downtown Development Authority, a discretely presented component unit, loaned monies to business owners in the City to pay for store facade improvements. As of June 30, 2021, $19,995 has been advanced to four individual business owners. There were no unadvanced funds on these notes at June 30, 2021. Each of these notes have a repayment term of 60 months with a required minimum monthly payment of $75 per month. These notes are zero interest bearing notes. As of June 30, 2021, the balance outstanding is $7,743. Due to the delinquency of one of the notes, the City has recorded an allowance in the amount of $2,450. The balance of the facade notes receivable, net of allowance, at June 30, 2021 is $5,293.

8. CAPITAL ASSETS:

Primary Government

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 959,346	$ - - -	$ - - -	$ - - -	$ 959,346
Construction in progress	307,463	444,008	10,870	- - -	740,601
Total capital assets, not being depreciated	1,266,809	444,008	10,870	- - -	1,699,947
Capital assets, being depreciated:					
Buildings	3,883,775	72,620	- - -	- - -	3,956,395
Improvements other than buildings	1,112,576	42,203	- - -	- - -	1,154,779
Infrastructure	2,174,125	- - -	- - -	- - -	2,174,125
Machinery and equipment	687,102	529,230	- - -	(404,148)	812,184
Intangible assets	5,424	- - -	- - -	- - -	5,424
Total capital assets, being depreciated	7,863,002	644,053	- - -	(404,148)	8,102,907
Less accumulated depreciation for:					
Buildings	1,609,799	94,748	- - -	- - -	1,704,547
Improvements other than buildings	650,926	43,090	- - -	- - -	694,016
Infrastructure	1,129,971	101,415	- - -	- - -	1,231,386
Machinery and equipment	448,229	66,792	- - -	- - -	515,021
Intangible assets	3,854	1,570	- - -	- - -	5,424
Total accumulated depreciation	3,842,779	307,615	- - -	- - -	4,150,394
Total capital assets, being depreciated, net	4,020,223	336,438	- - -	(404,148)	3,952,513
Governmental activities capital assets, net	$5,287,032	$780,446	$10,870	$(404,148)	$5,652,460

8. CAPITAL ASSETS: (continued)

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 388,766	$ - - -	$- - -	$ - - -	$ 388,766
Construction in progress	876,492	2,642,031	- - -	- - -	3,518,523
Total capital assets, not being depreciated	1,265,258	2,642,031	- - -	- - -	3,907,289
Capital assets, being depreciated:					
Buildings	4,469,213	- - -	- - -	- - -	4,469,213
Improvements other than buildings	1,585,445	104,907	- - -	- - -	1,690,352
Machinery and equipment	26,033,227	87,304	3,385	404,148	26,521,294
Total capital assets, being depreciated	32,087,885	192,211	3,385	404,148	32,680,859
Less accumulated depreciation for:					
Buildings	2,820,778	50,852	- - -	- - -	2,871,630
Improvements other than buildings	477,315	37,172	- - -	- - -	514,487
Machinery and equipment	20,864,346	342,837	1,689	- - -	21,205,494
Total accumulated depreciation	24,162,439	430,861	1,689	- - -	24,591,611
Total capital assets, being depreciated, net	7,925,446	(238,650)	1,696	404,148	8,089,248
Business-type activities capital assets, net	$ 9,190,704	$2,403,381	$1,696	$404,148	$11,996,537

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

Governmental activities:	
General government	$234,070
Public safety -	
Animal control	8,631
Public works	64,914
Total depreciation expense - governmental activities	$307,615
Business-type activities:	
Water and Sewerage	$319,870
Gas	35,564
Training Facility	63,068
Sanitation	12,359
Total depreciation expense - business-type activities	$430,861

8. CAPITAL ASSETS: (continued)

Discretely Presented Component Unit

Capital asset activity for the year ended June 30, 2021, was as follows:

	Hawkinsville Downtown Development Authority				
	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets, not being depreciated - Buildings	$ 5,000	$ - - -	$- - -	$- - -	$ 5,000
Total capital assets, not being depreciated	5,000	- - -	- - -	- - -	5,000
Capital assets, being depreciated - Buildings	65,122	- - -	- - -	- - -	65,122
Total capital assets, being depreciated	65,122	- - -	- - -	- - -	65,122
Less accumulated depreciation for - Buildings	- - -	1,628	- - -	- - -	1,628
Total accumulated depreciation	- - -	1,628	- - -	- - -	1,628
Total capital assets, being depreciated,	65,122	(1,628)	- - -	- - -	63,494
Hawkinsville Downtown Development Authority capital assets, net	$70,122	$(1,628)	$- - -	$- - -	$68,494

9. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The following table provides detail regarding the deferred outflows and inflows of resources on the government-wide Statement of Net Position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewerage Fund, Gas Fund, Training Facility Fund, and the Sanitation Fund:

	Government-Wide		Proprietary Funds			
	Governmental Activities	Business-Type Activities	Water and Sewerage Fund	Gas Fund	Training Facility Fund	Sanitation Fund
Deferred Outflows						
Pensions:						
City contributions subsequent to measurement date	$ 64,933	$ 36,701	$25,409	$- - -	$ 5,646	$ 5,646
Differences between expected and actual experience	45,793	38,167	25,311	2,436	2,331	8,089
Change in assumptions	12,293	16,963	12,539	(364)	(559)	5,347
Net differences between projected and actual earnings on pension plan investments	46,612	44,390	28,558	2,031	1,617	12,184
Total deferred outflows	$169,631	$136,221	$91,817	$4,103	$ 9,035	$31,266
Deferred Inflows						
Pensions:						
Differences between expected and actual experience	$ 805	$ (805)	$(1,165)	$ (100)	$ 284	$ 176
Net differences between projected and actual earnings on pension plan investments	54,984	75,054	45,737	2,842	(2,035)	28,510
Total deferred inflows	$ 55,789	$ 74,249	$44,572	$2,742	$(1,751)	$28,686

10. LONG-TERM OBLIGATIONS:

Primary Government

The following is a summary of changes in long-term obligations for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Governmental activities:					
Compensated absences	$ 37,900	$ 2,353	$ - - -	$ 40,253	$ 40,253
Note payable - Workforce Development Center	55,031	- - -	24,816	30,215	25,902
Notes payable - Hawkinsville-Pulaski County Development Authority	794,759	- - -	99,608	695,151	101,394
Capital leases payable	84,602	- - -	14,810	69,792	69,792
Net pension liability	445,253	423,095	428,685	439,663	- - -
Total governmental activities	$1,417,545	$ 425,448	$567,919	$1,275,074	$237,341
Business-type activities:					
Compensated absences	$ 44,565	$ - - -	$ 9,117	$ 35,448	$ 35,448
Note payable - BB&T	233,954	- - -	25,618	208,336	26,578
Note payable - GEFA	389,182	- - -	37,218	351,964	37,969
Note payable - GEFA CWSRF	615,973	1,731,977	361,602	1,986,348	82,848
Note payable - GEFA CWDRA	- - -	858,176	128,726	729,450	- - -
Post-closure care costs	66,055	- - -	5,920	60,135	5,467
Net pension liability	287,238	239,173	242,333	284,078	- - -
Total business-type activities	$1,636,967	$2,829,326	$810,534	$3,655,759	$188,310

The net pension liability for governmental activities will be paid by the General Fund and is shown as a liability in the Primary Government - Governmental Activities column on the Statement of Net Position. The net pension liability for business-type activities will be paid by the proprietary funds and is shown as a liability in the Primary Government - Business-Type Activities column on the Statement of Net Position and the Proprietary Funds Statement of Net Position.

A. LONG-TERM OBLIGATIONS FOR GOVERNMENTAL ACTIVITIES:

Compensated Absences - Compensated absences for governmental activities are generally liquidated by the General Fund.

Note payable - Workforce Development Center - The City of Hawkinsville entered into a loan agreement with the United States Department of Agriculture (USDA) to finance the construction of the Workforce Development Center on December 29, 2006. This note payable will be liquidated by the Workforce Development Center Debt Service Fund. The note requires the City to accumulate a reserve of one year's note payment of $27,224. As of June 30, 2021, the City has fully funded the reserve which is maintained in a separate bank account in the amount of $27,227. The note payable at June 30, 2021, consisted of the following:

USDA - $510,000 note due in forty annual installments of $27,224 including interest at 4.375%.	$30,215
Less current portion	25,902
Total long-term portion	$ 4,313

10. LONG-TERM OBLIGATIONS: (continued)

In prior years, the City made a large payment on this note which decreased the term of the debt service. The annual debt service requirements to maturity, including principal and interest, for the Workforce Development Center note payable as of June 30, 2021, are as follows:

Year ending June 30,	Principal	Interest	Total
2023	$25,902	$1,322	$27,224
2024	4,313	188	4,501
Total	$30,215	$1,510	$31,725

Notes payable - Hawkinsville-Pulaski County Development Authority - The City of Hawkinsville signed an intergovernmental contract with the Hawkinsville-Pulaski County Development Authority (Authority) to provide assistance with economic development opportunities. The Authority was authorized to borrow funds for the purpose of funding a portion of the proposed expansion of Hollingsworth & Vose Company. The Authority disbursed these funds to Hollingsworth & Vose Company immediately upon receipt of the loan proceeds. The City signed the notes as guarantor and will provide the funds as needed to repay the notes payable. These notes will be liquidated by the General Fund of the City. The notes at June 30, 2021, consisted of the following:

PlantersFirst - $500,000 note payable in twenty semiannual installments of $30,697,including interest at a variable rate of 2.75%.	$347,421
SunMark - $500,000 note payable in twenty semiannual installments of $30,697,including interest at a variable rate of 2.75%.	347,730
Total	695,151
Less current portion	101,394
Total long-term portion	$593,757

The annual debt service requirements to maturity, including principal and interest, for the Hawkinsville-Pulaski County Development Authority note payable as of June 30, 2021, are as follows:

Year ending June 30,	Principal	Interest	Total
2022	$101,394	$18,622	$120,016
2023	104,299	15,717	120,016
2024	107,204	12,812	120,016
2025	110,189	9,827	120,016
2026	113,258	6,758	120,016
2027-2028	158,807	4,564	163,371
Total	$695,151	$68,300	$763,451

10. LONG-TERM OBLIGATIONS: (continued)

Capital lease payable - During May 2017, the City entered into a capital lease with BancorpSouth Equipment Finance (BancorpSouth) for the purchase of a Caterpillar 308E2 mini excavator with a torrent mulching head. This capital lease will liquidated by the General Fund.

BancorpSouth - $127,972, due in sixty monthly installments of $1,399 and one balloon payment of $56,000, including interest at 2.54%.	$69,792
Less current portion	69,792
Total long-term portion	$ - - -

This asset is recorded as machinery and equipment and totaled $127,972 at June 30, 2021. Depreciation expense for the year ended June 30, 2021 is $12,797. Total accumulated depreciation for the year ended June 30, 2021 is $52,556. This asset under a capital lease is depreciated under the City's capital asset depreciation policy and the resulting expense is reported as a component of depreciation expense.

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of June 30, 2021:

Year ending June 30,	
2022	$ 71,389
Total minimum lease payments	71,389
Less amount representing interest	1,597
Present value of minimum lease payments	$ 69,792

B. LONG-TERM OBLIGATIONS FOR BUSINESS-TYPE ACTIVITIES:

Compensated Absences - Compensated absences for business-type activities are generally liquidated by the applicable Proprietary Fund.

Note payable - BB&T - During September 2017, the City entered into a multi year purchase agreement with the Georgia Municipal Association (GMA), a Georgia nonprofit corporation, to provide financing for the Natural Gas Line Extension Project for H&V as discussed in Note 21. The City through an installment sale with the GMA, on September 27, 2017, borrowed the funds necessary to allow the City to complete the Natural Gas Line Extension Project. GMA, pursuant to an Assignment and Transfer agreement dated September 27, 2017 between GMA and Branch Banking and Trust Company, sold its interest in and service of the Installment Sale Agreement. This note payable will liquidated by the Gas Fund.

Branch Banking & Trust (BB&T) - $316,228 note due in eleven annual installments of approximately $34,391, including interest at 3.75%.	$208,336
Less current portion	26,578
Total long-term portion	$181,758

10. LONG-TERM OBLIGATIONS: (continued)

The annual debt service requirements to maturity, including principal and interest, for the BB&T notes and leases payable as of June 30, 2021 are as follows:

Year ending June 30,	Principal	Interest	Total
2022	$ 26,578	$ 7,813	$ 34,391
2023	27,575	6,816	34,391
2024	28,609	5,782	34,391
2025	29,682	4,709	34,391
2026	30,795	3,596	34,391
2027-2028	65,097	3,684	68,781
Total	$208,336	$32,400	$240,736

Note payable - GEFA - During January 2010, the City entered into a note payable with Georgia Environmental Facilities Authority (GEFA) for water and wastewater system improvements and expansion. This note payable will liquidated by the Water and Sewerage Fund.

GEFA - $735,697 note due in 240 monthly installments of approximately $3,722, including interest at 2%.	$351,964
Less current portion	37,969
Total long-term portion	$313,995

The annual debt service requirements to maturity, including principal and interest, for the GEFA note payable as of June 30, 2021 is as follows:

Year ending June 30,	Principal	Interest	Total
2023	$ 37,969	$ 6,692	$ 44,661
2024	38,735	5,926	44,661
2025	39,517	5,144	44,661
2026	40,315	4,346	44,661
2027	41,128	3,533	44,661
2028-2030	154,300	5,723	160,023
Total	$351,964	$31,364	$383,328

Note payable - GEFA CWSRF - During October 2018, the City entered into a note payable in the amount of $2,500,000 with Georgia Environmental Finance Authority Clean Water State Revolving Fund (GEFA CWSRF) to rehabilitate the north wastewater treatment plant and related appurtenances. The note payable includes debt forgiveness of $500,000. GEFA is granting the forgiveness on a pro rata basis with each loan draw. This note requires monthly accrued interest payments of 1.95% of the unpaid principal balance until the Amortization Commencement Date which will be the earlier of the (1) the Completion Date, (2) May 1, 2021, or (3) the date that the loan evidenced by this note is fully disbursed. This note payable will liquidated by the Water and Sewerage Fund. This note was fully disbursed as of June 30, 2021.

GEFA CWSRF - $2,500,000 note less debt forgiveness of $500,000 due in 240 monthly installments of approximately $10,070, including interest at 1.95%.	$1,986,348
Less current portion	82,848
Total long-term portion	$1,903,500

10. LONG-TERM OBLIGATIONS: (continued)

The annual debt service requirements to maturity, including principal and interest, for the GEFA note payable as of June 30, 2021 is as follows:

Year ending June 30,	Principal	Interest	Total
2022	$ 82,848	$ 37,997	$ 120,845
2023	84,479	36,366	120,845
2024	86,141	34,704	120,845
2025	87,836	33,009	120,845
2026	89,564	31,281	120,845
2027-2031	474,956	129,269	604,225
2032-2036	523,555	80,670	604,225
2037-2041	556,969	47,256	604,225
Total	$1,986,348	$430,552	$2,416,900

Note payable - GEFA CWDRA - During March 2021, the City entered into a note payable in the amount of $1,377,500 with Georgia Environmental Finance Authority Clean Water State Revolving Fund (GEFA CWDRA) to rehabilitate a lift station, install a SCADA system and make electrical improvements at the North WPCP. The note payable includes debt forgiveness of $206,621. GEFA is granting the forgiveness on a pro rata basis with each loan draw. This note requires monthly accrued interest payments of 0% of the unpaid principal balance until the Amortization Commencement Date which will be the earlier of the (1) the Completion Date, (2) November 1, 2021, or (3) the date that the loan evidenced by this note is fully disbursed. Following the Amortization Commencement Date, this note will be payable in 240 monthly payments of principal plus interest. The balance outstanding was $729,450 as of June 30, 2021. As of June 30, 2021, GEFA has granted forgiveness of $128,726. Unadvanced loan funds totaled $519,324 as of June 30, 2021. This note payable will liquidated by the Water and Sewerage Fund.

Post-closure care costs - The City was under contract with Pulaski County to share in the cost of operating the local landfill. Therefore, the City is responsible to share in the cost of closure and post closure of the local landfill.

State and federal laws and regulations require that a final cover be placed on the landfill when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The local landfill was closed on April 8, 1994. All requirements for closure have been met, and the Certificate of Closure (Certificate) was received as of April 19, 2002. Conditions of the Certificate include monitoring and maintenance for a period of thirty years from the Certificate date.

The City has provided one-half of the cost to place a final cover on the landfill and monitoring costs to date. The remaining cost to monitor the landfill is estimated to be $60,135 and has been included in accrued expenses of the Sanitation Fund. During the year ended June 30, 2021, these expenses were estimated by the City's outside engineering firm and do not specifically include any estimates due to the effect of inflation or deflation, technology, or changes in applicable laws or regulations. During the current year, actual postclosure expenses of $5,920 were paid. Post-closure care costs are generally liquidated by the Sanitation Fund.

10. LONG-TERM OBLIGATIONS: (continued)

The post-closure care costs requirements as of June 30, 2021 are as follows:

Year ending June 30,	
2022	$ 5,467
2023	5,467
2024	5,467
2025	5,467
2026	5,467
2027-2031	27,335
2032	5,465
Total	$60,135

11. DEFICIT FUND EQUITY:

There were no deficit net positions in any individual fund for the fiscal year ended June 30, 2021.

The 2020 CDBG Grant Fund ended the year with a deficit fund balance due to the final draw on the CDBG being received after year end. Management expects to eliminate this deficit in subsequent year by recording the final draw on the CDBG grant.

12. VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS:

A. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS** - There were no expenditures in excess of appropriations for the year ended June 30, 2021.

13. RESTRICTED NET POSITION:

The following table provides detail regarding the restricted net position reported for the primary government on the government-wide Statement of Net Position:

	Restricted by Enabling Legislation	External or Constitutional Restrictions	Total
Governmental Activities:			
Restricted for:			
Debt Service	$ 30,082	$- - -	$ 30,082
Capital projects	1,122,525	- - -	1,122,525
Public works	63,447	- - -	63,447
Community and economic development	- - -	160	160
Cemetery:			
Expendable	- - -	2	2
Nonexpendable	- - -	5,000	5,000
Total restricted net position Governmental Activities	$1,216,054	$5,162	$1,221,216

14. SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK:

The City's Water and Sewerage Fund, Gas Fund, and Sanitation Fund provide utility and garbage service to the community. The City's receivable from four commercial customers amounted to $259,504. Also, these four commercial customers accounted for approximately 41.79% of the total charges for services in these funds.

15. 2010 SPECIAL PURPOSE LOCAL OPTION SALES TAX:

The residents of the City approved a One Percent Special Purpose Local Option Sales Tax (SPLOST) on July 20, 2010, for funds to construct a new city hall, renovate the Opera House, construct a recreation department multi-purpose facility, purchase police and fire department equipment, and for various other purposes. Collections ended during September 2016.

16. 2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX:

The residents of the City approved a One Percent Special Purpose Local Option Sales Tax (SPLOST) on March 21, 2017, for funds to improve or purchase City property and equipment, new City Hall, recreational facilities and improvements, economic development, City streets improvements, grant matching funds, public safety and public works equipment, and renovation of the Old Firehouse. Collections on the SPLOST began April 1, 2017, and will continue for six years or until $3 million is collected as the City's portion, whichever comes first.

17. RETIREMENT PLANS:

A. DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Pursuant to changes in Internal Revenue Code Section 457, the plan has been amended to convert the deferred compensation plan to a trust. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the trust, established for the exclusive benefit of the participants and their beneficiaries. The City has no liability for these assets and they are not subject to the claims of the City's general creditors.

B. DEFINED BENEFIT PLAN:

Plan Description - The City's defined benefit plan, City of Hawkinsville Retirement Plan (Plan), is administered through the Board of Trustees of the Georgia Municipal Employees Benefit System Retirement Fund (GMEBS) an agent multi-employer pension fund. The GMEBS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained at City Hall in Hawkinsville, Georgia, or by contacting the Georgia Municipal Association 1994 Group Annuity Reserving Unisex Table, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Benefits - The Plan provides benefits upon retirement, death, disablement, and termination of employment to Plan participants and beneficiaries, if certain eligibility conditions are met. All employees who work at least thirty (30) hours per week and have been employed after September 1, 1970, and City officials elected since October 1, 1973, are eligible to participate. Employees were eligible to participate after completion of one year of service. Elected officials are immediately eligible to participate. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. Employees are considered vested after 10 years and City officials are vested immediately. Effective June 6, 2016, the Plan was amended to provide for elected officials to receive in-service normal retirement benefits. Early retirement benefits are suspended after re-employment. The Plan was established by a City ordinance under authority of Georgia law. The authority to establish and amend the benefit provisions of the Plan rests with the City.

17. RETIREMENT PLANS: (continued)

Employees who retire at or after age 65 with a minimum of 5 years of service are entitled to an annual retirement benefit, payable monthly for life. Fire fighters and police officers have a normal retirement age of 62. An employee may elect early retirement at age 55 (age 52 for police and fire) with a minimum of 10 years of service to receive full benefits. Elected officials are entitled to $39 for each year of service after reaching normal retirement age. Effective October 1, 2020, the elected officials are entitled to $49 for each year of service after reaching normal retirement age. If hired prior to September 1, 1984, an employee is entitled to an amount equal to 1.0% of their final average earnings up to Covered Compensation break point plus 1.75% of their final average earnings in excess of the Covered Compensation break point multiplied by years and months of service to a maximum of 35 years. If hired on or after September 1, 1984, an employee is entitled to an amount equal to 1.25% of their final average earnings up to Covered Compensation break point plus 2.0% of their final average earnings in excess of the Dynamic break point multiplied by years and months of service to a maximum of 35 years. Final average earnings is the highest average of the participant's earnings over 5 consecutive Plan years in which the participant's earnings are the highest. The Covered Compensation break point is based on the year of the participant's birth per a table in the Plan's documents. The Dynamic break point is determined by the year of termination of employment by taking an average of the maximum amount of earnings for which Social Security taxes are payable over a period of approximately 35 years.

Plan Membership - As of January 1, 2021, the most recent actuarial valuation date, the Plan membership consisted of the following categories of participants:

Group		Number of Employees
Retirees and beneficiaries currently receiving benefits		50
Vested terminated employees not yet receiving benefits		11
Active employees:		
Vested	13	
Nonvested	22	35
Total membership in the plan		96

Contributions - The plan is noncontributory for plan members; however, the City's funding policy for the Plan is to contribute an amount equal to the recommended contribution in each year. These contributions are determined under the projected unit credit actuarial cost method. The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. These amortization periods, if applicable, are closed for this plan year. The contribution requirement for the year ended June 30, 2021, was $117,533 which was 10.02% of the covered payroll. The amount of the current year covered payroll is $1,173,460.

17. RETIREMENT PLANS: (continued)

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $117,533. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Net pension liability - The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation at January 1, 2021. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Projected Unit Credit
Inflation	2.25%
Salary increases	2.25% per year plus service based merit increases
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries, the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants, and the sex-distinct Pri-2012 head-count weighted Employee Mortality Table for active participants, terminated vested participants, and deferred beneficiaries.

The mortality and economic actuarial assumptions used in the January 1, 2021, valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019 conducted by Segal in November and December 2019.

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 expenses 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 class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Total	100%	

17. RETIREMENT PLANS: (continued)

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

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 7.375%, 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 (6.375%) or 1 percentage point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net pension liability	$1,108,208	$723,741	$393,354

Changes in the Net Pension Liability - The measurement date of the net pension liability was September 30, 2020. The date of the actuarial valuation on which the total pension liability is based was January 1, 2021.

	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
Balances at September 30, 2019	$3,965,336	$3,232,845	$ 732,491
Changes for the year:			
Service cost	41,984	- - -	41,984
Interest	284,963	- - -	284,963
Differences between expected and actual experience	43,815	- - -	43,815
Contributions - employer	- - -	125,327	(125,327)
Net investment income	- - -	302,685	(302,685)
Benefit payments, including refunds of employee contributions	(286,821)	(286,821)	- - -
Administrative expense	- - -	(15,152)	15,152
Assumption changes	33,348	- - -	33,348
Net changes	117,289	126,039	(8,750)
Balances at September 30, 2020	$4,082,625	$3,358,884	$ 723,741

Changes of assumptions - There were no changes in assumptions for the fiscal year ending in 2021.

Benefit changes - For the fiscal year ending in 2021, effective October 1, 2020, the Officials' benefit multiplier was increased from $39 to $49.

17. RETIREMENT PLANS: (continued)

Pension expense -

Service cost	$ 41,984
Interest on TPL	284,963
Administrative expenses	15,152
Expected return on assets	(231,908)
Expensed portion of current year period differences between expected and actual experience in TPL	14,605
Expensed portion of current year period assumption changes	- - -
Current year plan changes	33,348
Expensed portion of current year period differences between projected and actual investment earnings	(14,157)
Current year recognition of deferred inflows and outflows established in prior years	28,698
Total pension expense	$ 172,685

Deferred outflows/inflows of resources related to pensions:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 83,960	$ - - -
Changes of assumptions	29,256	- - -
Net difference between projected and actual earnings on pension plan investments	91,002	130,038
City contributions subsequent to the measurement date	101,634	- - -
Total deferred outflows/inflows of resources related to pensions	$305,852	$130,038

The $101,634 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Projected recognition of deferred outflows/inflows:

Year	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$128,945	$ 71,941
2023	44,939	29,787
2024	30,334	14,155
2025	- - -	14,155
Total projected recognition of deferred outflows/inflows	$204,218	$130,038

18. RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (Fund) and Georgia Interlocal Risk Management Agency (GIRMA), public entity risk pools currently operating as common risk management and insurance programs for member local governments. This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities. GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

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

The liability of the Fund to the employees of the City is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability. GIRMA members shall be jointly and severally liable for all legal obligations of the pools. Based upon the financial performance of the risk pools, the City may be liable for additional premium assessments to meet any financial deficiencies or be entitled to receive a dividend. The City's risk is constituted by a $1,000 deductible for each automobile occurrence and a $2,500 deductible each for all other occurrences.

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

Management believes such coverage is sufficient to preclude any significant uninsured loss to the City. Settled claims have not exceeded the coverage provided in any of the past three years.

19. OPERATING LEASES:

A. CITY AS LESSOR:

The City leases the "Spec" building to Sider-Oxydro, Inc. The monthly lease payment on this lease is $3,000 per month. Total amount of lease income for fiscal year 2021 totaled $36,000.

The City leases the Blount building to Agri-AFC. The monthly lease payment on this lease is $2,200 per month. Total amount of lease income for the fiscal year 2021 totaled $26,400.

B. CITY AS LESSEE:

During July 2018, the City entered into a lease for a copier from Xerox requiring 60 monthly payments in the amount of $160 for 60 months. For the year ended June 30, 2021, rent expenditures for the City totaled $1,920.

During June 2020, the City entered into a lease with Pitney Bowes for a mailing system requiring 60 monthly payments in the amount of $80. For the year ended June 30, 2021, rent expenditures for the City totaled $964.

During April 2017, the City entered into an annual lease with D3 Management, LLC to provide office space for Economic Development employee and the Hawkinsville - Pulaski County Chamber of Commerce requiring monthly payments in the amount of $750. For the year ended June 30, 2021, rent expenditures for the City totaled $9,000.

During August 2018, the City entered into an annual lease with Georgia Power to lease water meters and transmitters, and gas transmitters requiring monthly payments based on an average cost per meter or transmitter. The term of the agreement is 15 years and begins on the effective date of August 6, 2018. This agreement shall be automatically extended or renewed for successive one year periods, up to a maximum total of five times, on the same terms and conditions as in effect immediately prior to the then-current expiration date unless terminated by the City in writing of its election by November 1 of the contract term. The maximum term of the agreement is twenty years.

For the year ended June 30, 2021, rent expenditures for the City totaled $99,604. The following is a schedule of annual lease requirements as of June 30, 2021:

Year ending June 30	Amount
2022	$ 102,488
2023	102,488
2024	100,568
2025	100,568
2026	99,604
2027-2031	498,020
2032-2034	298,812
	$1,302,548

20. HOTEL/MOTEL TAX:

The City of Hawkinsville levies an 8% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the year ended June 30, 2021 is as follows:

	Amount	Percentage of Tax Receipts
Receipts:		
Lodging tax receipts	$52,706	
Expenditures:		
Hawkinsville Pulaski Chamber of Commerce, Inc.	$32,940	62.50%
General Fund	19,766	37.50%
Total expenditures	$52,706	

The City of Hawkinsville received audit verification that the expenditures by the Hawkinsville Pulaski Chamber of Commerce, Inc. were for promotion of tourism as required by OCGA 48-13-51.

21. COMMITMENTS AND CONTINGENCIES:

The City has received federal and state grant or loan monies for specific purposes that are subject to review and audit by grantor agencies to ensure compliance with the specific conditions of the grant or loan. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant or loan. Any liability for reimbursement that may arise as a result of these reviews or audits cannot be reasonably determined at this time. Management believes that the amount, if any, would be immaterial.

The City was a defendant in lawsuits at June 30, 2021. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

The City has received communication from the Environmental Protection Agency (EPA) regarding a violation of the 2008 Water Shed Protection Plan. The City is currently responding to the communication in an effort to remedy the violations. The likelihood of an unfavorable outcome relative to these violations and an estimate of the amount or range of any fine or assessment, if any, cannot be determined at this time. The City has responded to the EPA's communication and is planning improvements to the wastewater system to remedy the violations. The City signed a Master Engineering Services Agreement with Carter & Sloope, Inc. for the Hawkinsville Wastewater Treatment Facility Rehabilitation in the amount of $144,000.

During 2004, an agreement was made between the City and the Georgia Department of Community Affairs (DCA) for an EIP grant for the construction of a workforce development facility (Facility) in the City for the benefit of the citizens, businesses, and industries of the City and surrounding counties. The City agrees that, should the Facility cease to be owned by the City or to be utilized by an educational provider or other authorized user under EIP grant regulations and conditions, within twenty years from the awarding of said grant, the City, pursuant to the conditions of the grant, would repay a portion of the grant funds to DCA using the repayment formula specified in the grant.

21. COMMITMENTS AND CONTINGENCIES: (continued)

The City and its component unit, the Hawkinsville Downtown Development Authority (HDDA) committed $808,800 of finance assistance to the Redevelopment/Adaptive reuse of the former Pillowtex plant for quality affordable housing known as the Cotton Mill Lofts. The commitment was fulfilled by the City issuing a zero rate loan of $648,800 for 30 years. The loan was funded by the City from a $500,000 Redevelopment Fund Grant, $135,300 of in-kind services for the demolition and up-fit, and $13,500 of fees paid for appraisal and low income housing tax credit application. The remainder of the commitment was funded by the HDDA issuing a loan of $160,000 with a term of 20 years and an interest rate of 5.50%.

During the year ended June 30, 2010, the City entered into an agreement with Pulaski County, Georgia (County) to provide police protection within the City limits of Hawkinsville, Georgia beginning July 1, 2009. The City agreed to pay the County $49,525 per month which may be adjusted annually.

During the year ended June 30, 2011, the City entered into an agreement with Pulaski County, Georgia (County) to provide fire protection and emergency management services within the City limits of Hawkinsville, Georgia beginning July 1, 2011. The City agreed to pay the County $15,158 per month which may be adjusted annually.

During 2013, the City entered into a Management Agreement with Jointly Owned Natural Gas (JONG) to manage and operate the City's natural gas system while the City retained ownership of the gas system. The City agreed to pay JONG $11,774 per month. In conjunction with the joint venture elimination as discussed in Note 1-C, this management agreement terminated as of June 30, 2021.

During May 2014, the City entered into an agreement with Pulaski County, Georgia (County) for the provision of the services of the Hawkinsville Planning and Zoning Commission to review planning and zoning issues arising outside of the City of Hawkinsville, but within Pulaski County. The agreement began May 5, 2014 and terminated on May 5, 2015. This agreement shall continue after termination under the same terms unless terminated by either party upon ninety days' written notice. The County will pay the City at the same rate and in the same amounts as paid by the City to its own Planning and Zoning Board Commission members.

During the year ended June 30, 2015, the City amended its Municipal Charter by deleting Article IV entitled "Judicial Branch" in its entirety. The City entered into an agreement with Pulaski County, Georgia (County) to handle adjudication of traffic offenses and other violations of the State and Municipal Code through its Probate Court and the Superior Court of Pulaski County. The City agreed to pay the County $1,667 per month. All fines and revenues received as a result of citations issued by the Sheriff's Department of Pulaski County in the City as determined by the Probate Court and the Superior Court shall be the sole property of the County.

During the year ended June 30, 2017, the City entered into a gas purchases contract with the Municipal Gas Authority of Georgia (MGAG) to obtain and supply the City's gas requirements for resale to its citizens, inhabitants, and customers through its gas distribution system. The MGAG provided a cash Member Return to the City in the amount of $107,174 for the year ended June 30, 2021.

During June 2018, the City entered into a solid waste collection service contract with Advanced Disposal Services Middle Georgia, LLC to collect, transport, and dispose of commercial and residential waste generated by residential and commercial premises in the incorporated areas of the City. The agreement began August 1, 2018 and shall be extended for a possible total contract of five years, consisting of five 1 year automatic annual renewal periods. This agreement shall continue unless terminated by either party upon ninety days written notice.

21. COMMITMENTS AND CONTINGENCIES: (continued)

During the year ended June 30, 2019, the City received approval from Georgia Environmental Finance Authority (GEFA) for a Clean Water State Revolving Fund loan in the amount of $2,500,000 as discussed in Note 10B. In conjunction with this loan, GEFA awarded the City project principal forgiveness in the amount of $500,000, if all loan funds are drawn. Also, the City received approval from the U.S. Department of Commerce Economic Development Administration (EDA) for a $1,410,000 EDA investment for improvements and upgrades to the North Water Pollution Control Plant. This investment requires the City to provide a match of $940,000. The GEFA Clean Water State Revolving Fund loan and the EDA investment are to remedy the EPA violation discussed above. During June 2019, the City entered into an agreement with Popco, Inc. in the amount of $492,800 for North Water Pollution Control Plant Renovations. During February 2020, the City entered into an agreement with Southern Champion Construction, Inc. in the amount of $2,770,924 for North Water Pollution Control Plant Renovations.

During June 2019, the City received approval from the Historic Preservation Division of the Georgia Department of Natural Resources for a grant in the amount of $6,705 to complete the first phase of a historic resources survey. The grant required the City to provide a match with local funds in the amount of $4,470. The City signed a contract with Terracon Consultants, Inc. for preparation of the historic resources survey in the amount of $11,175. Phase I of the historic resources survey was completed in December 2020. During June 2020, the City received approval from the Historic Preservation Division of the Georgia Department of Natural Resources for a grant in the amount of $14,232 to complete the second phase of a historic resources survey. The grant required the City to provide a match with local funds in the amount of $9,488. The City signed a contract with Landmark Preservation LLC for preparation of the historic resources survey in the amount of $22,980.

During the year ended June 30, 2020, the City was awarded a FY2020 Local Maintenance and Improvement Grant in the amount of $73,898. The grant requires the City to provide a match with local funds in the amount of $22,169.

During December 2019, the City signed an agreement with Dublin Construction, Inc. for the design/build of the New City Hall Complex in the amount of $474,382.

During May 2020, the City received approval from the Georgia Department of Transportation - Aviation Programs grant in the amount of $308,760. The grant will require the City to provide a match with local funds in the amount of $102,920. This grant will provide runway pavement rehabilitation to enhance air traffic safety for the traveling public at the Hawkinsville-Pulaski County Airport. The City has signed a contract with Everett Dykes Grassing Company, Inc. to provide airfield pavement rehabilitations for the design of the airfield pavement rehabilitation in the amount of $394,301. During September 2020, the City received approval for a increased budget supplement from the Georgia Department of Transportation - Aviation Programs grant in the amount of $8,879. The supplemental grant will require the City to provide a match with local funds in the amount of $2,960. This supplemental grant will provide additional funds for runway pavement rehabilitation to enhance air traffic safety for the traveling public at the Hawkinsville-Pulaski County Airport.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. As the virus spread across the United States, the federal, state, and local governments have imposed restrictions on individuals and businesses as well as mandating the temporary closure of various businesses. These restrictions and mandates have created many economic uncertainties that may impact the Company. The City cannot reasonably estimate the length or severity of this pandemic and, accordingly, cannot determine the extent to which it’s future operations will be impacted.

21. COMMITMENTS AND CONTINGENCIES: (continued)

On March 27, 2020, the federal government passed the Coronavirus Aid, Relief and Economic Security (CARES) Act and established the Coronavirus Relief Fund (Fund). This fund was to be used to provide funding to assist states, eligible units of local governments, the District of Columbia, and U.S. Territories and Tribal governments that have been negatively impacted by COVID-19. Amounts were distributed based on population. These payments were only to be used to cover costs that (1) were necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020. The City applied for Phase One funding and received $82,762 in July 2020 and $193,111 in September 2020. The City of Hawkinsville, being unable to utilize the full amount allocated to the City during Phase One, transferred $193,111 of CARES Act Phase One funding to Pulaski County, Georgia per approval by the Governor's Office of Planning and Budget. All costs were incurred before December 30, 2020 and qualified for funding.

During the year ended June 30, 2021, the City was awarded a FY2021 Local Maintenance and Improvement Grant in the amount of $63,448. The grant requires the City to provide a match with local funds in the amount of $19,034.

During October 2020, the City was awarded a 2020 Community Development Block Grant in the amount of $344,792 to complete West Lumpkin Street School Neighborhood sewer improvements. The grant will require the City to provide a match with local funds and in-kind leverage in the amount of $32,511.

During March 2021, the City received approval from Georgia Environmental Finance Authority (GEFA) for a loan under the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) in the amount of $1,377,500. In conjunction with this loan, GEFA awarded the City project principal forgiveness in the amount of $206,621, if all loan funds are drawn.

On March 11, 2021, the federal government passed the American Rescue Plan (ARP) Act and established the Coronavirus State and Local Fiscal Recovery (Fund). This fund is to be used to provide funding to a) respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or to aid impacted industries such as tourism, travel, and hospitality; b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers; c) for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and d) to make necessary investment in water, sewer, or broadband infrastructure. The City has received $984,005 in ARP funding as of July 16, 2021. All costs must be incurred before December 31, 2024 to qualify for funding. During April 2022, the City signed a contract with Tommy Gibson Builders, Inc. for construction of the Savannah Circle Storm Drainage Improvements in the amount of $66,548. During May 2022, the City signed a contract with TMT Utilities LLC for the construction of the Broad Street Water Main in the amount of $300,256.

During April 2021, the City signed an amended agreement with Dublin Construction, Inc. to provide design-build services for the New City Hall Complex in the amount of $3,153,546. The City applied for a USDA Community Facilities Loan and Grant to provide funding for the New City Hall Complex.

During May 2021, the City entered into a Management Agreement with the City of Cochran to manage and operate the City of Cochran's natural gas system. The City of Cochran will retain ownership of their gas system. The City of Cochran agreed to pay the City of Hawkinsville $11,000 per month in addition to exact reimbursement of applicable costs for material and/or services provided by vendors, consultants, or contractors not covered under the terms of the agreement. This agreement shall begin on July 1, 2021 and shall continue through June 30, 2022 and will renew for successive one year periods unless terminated by either party upon thirty days written notice.

22. SUBSEQUENT EVENTS:

Subsequent to year end, the City was awarded a FY2022 Local Maintenance and Improvement Grant in the amount of $71,068. The grant requires the City to provide a match with local funds in the amount of $21,320.

Subsequent to year end, the City sold the Agri-AFC building which included 1.469 acres for an amount of $177,000.

Subsequent to year end during October 2021, the City was awarded a 2021 Community Development Block Grant in the amount of $750,000 for repair and replacement of sanitary sewer and stormwater drainage infrastructure. The grant will require the City to provide a match with local funds and in-kind leverage in the amount of $46,540.

Subsequent to year end, the City signed a commercial lease agreement to lease the Hawkinsville Horse Training Center to Gerald Lilley for the period of October 1, 2021 through April 30, 2022. The lease payment will be made in two installments of $150 per horse after any horse has stayed on grounds for longer than 90 days between October 1, 2021 through April 30, 2022. The first payment will be due by February 1, 2022 for all horses stabled longer than 90 days of lease before February 1, 2022. The last payment will be made by April 30, 2022 of remaining horses that have stayed over 90 days. Also, the City signed an additional commercial lease agreement to lease the Hawkinsville Horse Training Center to Gerald Lilley for the period of October 1, 2022 through April 30, 2025. Payment terms will remain $150 per horse for stays over 90 days and will require payments twice a year in February and April.

Subsequent to year end during November 2021, the City was awarded a Land and Water Conservation Fund Grant (LWCF) in the amount of $500,000. This project will include the construction of a splashpad, pickleball courts, benches, playground set, skatepark, restroom building, and a multi-use path at Veterans Memorial Park. The grant requires the City to provide a match with local funds in the amount of $500,000. In conjunction with the LWCF, the City signed a contract in the amount of $62,500 with TSW to provide professional services for design and implementation of the Veterans Memorial Park.

Subsequent to year end during November 2021, the City was awarded an United States Department of Agriculture for a Community Facilities Loan and Grant in the amount of $3,080,000. This funding would require the City to provide a match with local funds in the amount of $200,000. This funding would be used to construct the New City Hall Complex. The loan will require monthly payments of $9,702 of principal plus interest beginning December 17, 2022 for forty years at an interest rate of 2.125% per annum.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS -
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 41,984	$ 59,059	$ 48,509	$ 49,869	$ 41,315	$ 49,560	$ 51,430	$ 46,003
Interest	284,963	269,351	268,333	264,658	254,288	243,829	240,806	233,260
Differences between expected and actual experience	43,815	164,250	(26,006)	5,005	97,536	66,508	(41,825)	(8,382)
Changes of assumptions	- - -	87,768	- - -	69,908	- - -	- - -	(19,534)	- - -
Changes of benefit terms	33,348	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Benefit payments, including refunds of employee contributions	(286,821)	(294,756)	(280,868)	(269,377)	(249,279)	(200,608)	(183,134)	(163,886)
Net change in total pension liability	117,289	285,672	9,968	120,063	143,860	159,289	47,743	106,995
Total pension liability - beginning	3,965,336	3,679,664	3,669,696	3,549,633	3,405,773	3,246,484	3,198,741	3,091,746
Total pension liability - ending	$4,082,625	$3,965,336	$3,679,664	$3,669,696	$3,549,633	$3,405,773	$3,246,484	$3,198,741
Plan fiduciary net position								
Contributions - employer	$ 125,327	$ 113,273	$ 110,703	$ 83,965	$ 88,212	$ 100,594	$ 117,623	$ 118,378
Net investment income	302,685	91,266	311,952	433,701	309,285	36,574	304,694	389,345
Benefit payments, including refunds of employee contributions	(286,821)	(294,756)	(280,868)	(269,377)	(249,279)	(200,608)	(183,134)	(163,886)
Administrative expense	(15,152)	(13,595)	(14,820)	(15,667)	(9,128)	(10,325)	(8,202)	(15,316)
Net change in fiduciary net position	126,039	(103,812)	126,967	232,622	139,090	(73,765)	230,981	328,521
Plan fiduciary net position - beginning	3,232,845	3,336,657	3,209,690	2,977,068	2,837,978	2,911,743	2,680,762	2,352,241
Plan fiduciary net position - ending	$3,358,884	$3,232,845	$3,336,657	$3,209,690	$2,977,068	$2,837,978	$2,911,743	$2,680,762
Net pension liability - ending	$ 723,741	$ 732,491	$ 343,007	$ 460,006	$ 572,565	$ 567,795	$ 334,741	$ 517,979
Plan's fiduciary net position as a percentage of the total pension liability	82.27%	81.53%	90.68%	87.46%	83.87%	83.33%	89.69%	83.81%
Covered employee payroll	$1,173,460	$973,683	$1,182,000	$ 934,449	$ 888,341	$ 760,130	$ 867,622	$ 854,946
Net pension liability as a percentage of covered employee payroll	61.68%	75.23%	29.02%	49.23%	64.45%	74.70%	38.58%	60.59%

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF CITY CONTRIBUTIONS -
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 135,512	$120,398	$ 110,898	$ 99,574	$ 89,826	$ 87,674	$104,901	$109,677
Contributions in relation to the actuarially determined contribution	135,512	120,398	110,898	99,574	89,826	87,674	104,901	109,677
Contribution deficiency (excess)	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
Covered employee payroll	$1,173,460	$973,683	$1,182,000	$934,449	$888,341	$760,130	$867,622	$854,946
Contributions as a percentage of covered employee payroll	11.55%	12.37%	9.38%	10.66%	10.11%	11.53%	12.09%	12.82%

CITY OF HAWKINSVILLE, GEORGIA
NOTES TO SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY -
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
JUNE 30, 2021

Valuation Date: Actuarially determined contribution was determined as of January 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2022.

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.
Net investment rate of return		7.375%
Projected salary increases		2.25% per year plus service based merit increases
Cost of living adjustments		0.00%
Retirement age		Class 0 - age 65 plus 5 years of service; Class 1 - age 62 plus 5 years of service; Elected officials - age 65
Mortality Rates:	Healthy retirees and beneficiaries	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
	Disabled participants	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
	Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
	Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using 60% sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

See Note 17 for changes in assumptions and benefit changes.

NOTE: The methods and assumptions used in the January 1, 2021 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019.

The above information should include 10 years, if available, per GASB Statement No. 68; however, during the transition period, information should be presented for as many years as are available. The year ended June 30, 2014 is the first year that data has been measured in accordance with GASB Statement No. 68.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	$2,052,020	$2,052,020	$2,140,187	$ 88,167
Licenses and permits	92,800	92,800	132,479	39,679
Intergovernmental	502,000	502,000	515,939	13,939
Fines and forfeitures	- - -	3,100	2,670	(430)
Interest	2,500	2,500	3,770	1,270
Miscellaneous	63,000	63,000	84,480	21,480
Total revenues	2,712,320	2,715,420	2,879,525	164,105
EXPENDITURES:				
General government	1,164,562	1,176,779	1,176,774	5
Judicial	- - -	4,808	4,808	- - -
Public safety:				
Fire protection	159,540	159,040	159,040	- - -
Law enforcement	594,300	594,300	594,298	2
E-911	120,000	113,500	113,181	319
Animal control	110,490	118,540	118,531	9
Emergency Management Agency	22,860	23,360	23,244	116
Public works	834,725	889,725	888,758	967
Culture and recreation:				
Recreation board	75,000	75,000	75,000	- - -
Library Board	19,500	19,500	19,500	- - -
Community and economic development	190,970	173,470	172,371	1,099
Debt service:				
Principal	98,520	114,520	114,418	102
Interest	42,800	22,700	22,385	315
Total expenditures	3,433,267	3,485,242	3,482,308	2,934
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(720,947)	(769,822)	(602,783)	167,039
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	6,000	6,000	- - -	(6,000)
Transfers in	742,171	791,046	1,276,693	485,647
Transfers out	(27,224)	(27,224)	(388,636)	(361,412)
Total other financing sources (uses)	720,947	769,822	888,057	118,235
NET CHANGE IN FUND BALANCES	- - -	- - -	285,274	285,274
FUND BALANCE - BEGINNING	178,830	178,830	178,830	- - -
FUND BALANCE - ENDING	$ 178,830	$ 178,830	$ 464,104	$ 285,274

See notes to required supplementary information.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - UDAG GRANT
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Interest	$ 500	$ 500	$ 26	$ (474)
Miscellaneous	36,000	36,000	36,000	- - -
Total revenues	36,500	36,500	36,026	(474)
EXPENDITURES -				
Community and economic development	36,500	36,500	18,822	17,678
Total expenditures	36,500	36,500	18,822	17,678
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	17,204	17,204
OTHER FINANCING SOURCES (USES) -				
Transfers in	- - -	- - -	5,324	5,324
Total other financing sources (uses)	- - -	- - -	5,324	5,324
NET CHANGE IN FUND BALANCES	- - -	- - -	22,528	22,528
FUND BALANCE - BEGINNING	1,506,040	1,506,040	1,506,040	- - -
FUND BALANCE - ENDING	$1,506,040	$1,506,040	$1,528,568	$22,528

See notes to required supplementary information.

1. BUDGETARY POLICY:

The budget is prepared by City management using generally accepted accounting principles. It is presented in an advertised public hearing forum for discussion. The budget for the fiscal year ending June 30 is then adopted by ordinance by the Board of Commissioners, as required by generally accepted accounting principles.

Annual budgets are prepared and adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and the Proprietary Funds. Capital Projects Funds are prepared and adopted on a total project or project-length basis rather than on an annual basis.

The legal level of budgetary control is at the department level within individual funds. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners. As stated by the adopted ordinance, the amount budgeted for specific items or purposes is not required to be utilized for such items or purposes and may be spent by the City manager for other items within the same department for which allocations are originally made.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

No individual major fund had expenditures in excess of appropriations for the year ended June 30, 2021.

SUPPLEMENTARY INFORMATION

CITY OF HAWKINSVILLE, GEORGIA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	MILL PROJECT	HOPE IV MAIN STREET GRANT	2014 CHIP GRANT	2019 CDBG GRANT	2020 CDBG GRANT	HOTEL / MOTEL TAX	CEMETERY FUND	2010 SPLOST	WORKFORCE DEVELOPMENT CENTER	
ASSETS										
Cash - financial institutions	$- - -	$- - -	$ 160	$- - -	$ 1,000	$- - -	$5,000	$78,644	$30,748	$115,552
Receivables:										
Interest	- - -	- - -	- - -	- - -	- - -	- - -	2	- - -	- - -	2
Notes, net of allowance	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Interfund balances	- - -	- - -	- - -	- - -	- - -	6,623	- - -	- - -	- - -	6,623
Total assets	$- - -	$- - -	$ 160	$- - -	$ 1,000	$6,623	$5,002	$78,644	$30,748	$122,177
LIABILITIES AND FUND BALANCES										
LIABILITIES -										
Accounts payable	$- - -	$- - -	$- - -	$- - -	$ 3,125	$6,623	$ - - -	$ - - -	$ - - -	$ 9,748
Total liabilities	- - -	- - -	- - -	- - -	3,125	6,623	- - -	- - -	- - -	9,748
FUND BALANCE:										
Nonspendable -										
Cemetery fund principal	- - -	- - -	- - -	- - -	- - -	- - -	5,000	- - -	- - -	5,000
Restricted for:										
Community and economic development	- - -	- - -	160	- - -	- - -	- - -	- - -	- - -	- - -	160
Capital projects	- - -	- - -	- - -	- - -	- - -	- - -	- - -	78,644	- - -	78,644
Debt service	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	30,748	30,748
Cemetery improvements	- - -	- - -	- - -	- - -	- - -	- - -	2	- - -	- - -	2
Unrestricted	- - -	- - -	- - -	- - -	(2,125)	- - -	- - -	- - -	- - -	(2,125)
Total fund balances	- - -	- - -	160	- - -	(2,125)	- - -	5,002	78,644	30,748	112,429
Total liabilities and fund balances	$- - -	$- - -	$ 160	$- - -	$ 1,000	$6,623	$5,002	$78,644	$30,748	$122,177

CITY OF HAWKINSVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	MILL PROJECT	HOPE IV MAIN STREET GRANT	2014 CHIP GRANT	2019 CDBG GRANT	2020 CDBG GRANT	HOTEL / MOTEL TAX	CEMETERY FUND	2010 SPLOST	WORKFORCE DEVELOPMENT CENTER	
REVENUES:										
Taxes	$- - -	$- - -	$- - -	$ - - -	$ - - -	$ 52,706	$- - -	$ - - -	$ - - -	$ 52,706
Intergovernmental	- - -	- - -	- - -	5,625	341,667	- - -	- - -	- - -	- - -	347,292
Interest	- - -	- - -	- - -	- - -	- - -	- - -	17	97	6	120
Miscellaneous	- - -	- - -	- - -	- - -	- - -	- - -	- - -	26,400	- - -	26,400
Total revenues	- - -	- - -	- - -	5,625	341,667	52,706	17	26,497	6	426,518
EXPENDITURES:										
Current:										
General government	- - -	- - -	- - -	- - -	- - -	32,940	- - -	- - -	- - -	32,940
Public works	- - -	- - -	- - -	- - -	344,792	- - -	- - -	- - -	- - -	344,792
Capital outlay:										
General government	- - -	- - -	- - -	- - -	- - -	- - -	- - -	6,316	- - -	6,316
Public works	- - -	- - -	- - -	- - -	- - -	- - -	- - -	38,950	- - -	38,950
Debt service:										
Principal	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	24,816	24,816
Interest	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	2,443	2,443
Total expenditures	- - -	- - -	- - -	- - -	344,792	32,940	- - -	45,266	27,259	450,257
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	- - -	5,625	(3,125)	19,766	17	(18,769)	(27,253)	(23,739)
OTHER FINANCING SOURCES (USES):										
Transfers in	- - -	- - -	- - -	- - -	1,000	- - -	- - -	- - -	27,224	28,224
Transfers out	- - -	- - -	- - -	(1,000)	- - -	(19,766)	(101)	- - -	- - -	(20,867)
Total other financing sources (uses)	- - -	- - -	- - -	(1,000)	1,000	(19,766)	(101)	- - -	27,224	7,357
NET CHANGE IN FUND BALANCES	- - -	- - -	- - -	4,625	(2,125)	- - -	(84)	(18,769)	(29)	(16,382)
FUND BALANCE - BEGINNING	- - -	- - -	160	(4,625)	- - -	- - -	5,086	97,413	30,777	128,811
FUND BALANCE - ENDING	$- - -	$- - -	$ 160	$ - - -	$ (2,125)	$ - - -	$5,002	$ 78,644	$ 30,748	$112,429

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - 2020 CDBG GRANT
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Intergovernmental	$344,792	$344,792	$341,667	$(3,125)
Total revenues	344,792	344,792	341,667	(3,125)
EXPENDITURES -				
Public works	344,792	344,792	344,792	- - -
Total expenditures	344,792	344,792	344,792	- - -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	(3,125)	(3,125)
OTHER FINANCING SOURCES (USES) -				
Transfers in	- - -	- - -	1,000	1,000
Total other financing sources (uses)	- - -	- - -	1,000	1,000
NET CHANGE IN FUND BALANCES	- - -	- - -	(2,125)	(2,125)
FUND BALANCE - BEGINNING	- - -	- - -	- - -	- - -
FUND BALANCE - ENDING	$ - - -	$ - - -	$ (2,125)	$(2,125)

See notes to required supplementary information.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND - HOTEL / MOTEL TAX
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Taxes	$ 50,000	$ 50,000	$ 52,706	$ 2,706
Total revenues	50,000	50,000	52,706	2,706
EXPENDITURES -				
General government	36,800	36,800	32,940	3,860
Total expenditures	36,800	36,800	32,940	3,860
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,200	13,200	19,766	6,566
OTHER FINANCING SOURCES (USES) -				
Transfers out	(13,200)	(13,200)	(19,766)	(6,566)
Total other financing sources (uses)	(13,200)	(13,200)	(19,766)	(6,566)
NET CHANGE IN FUND BALANCES	- - -	- - -	- - -	- - -
FUND BALANCE - BEGINNING	- - -	- - -	- - -	- - -
FUND BALANCE - ENDING	$ - - -	$ - - -	$ - - -	$ - - -

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Interest	$ 40	$ 40	$ 17	$ (23)
Total revenues	40	40	17	(23)
EXPENDITURES -				
Public works	- - -	- - -	- - -	- - -
Total expenditures	- - -	- - -	- - -	- - -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	40	40	17	(23)
OTHER FINANCING SOURCES (USES) -				
Transfers out	(40)	(40)	(101)	(61)
Total other financing sources (uses)	(40)	(40)	(101)	(61)
NET CHANGE IN FUND BALANCES	- - -	- - -	(84)	(84)
FUND BALANCE - BEGINNING	5,086	5,086	5,086	- - -
FUND BALANCE - ENDING	$5,086	$5,086	$5,002	$ (84)

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - 2010 SPLOST
FOR THE PERIOD ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL TO DATE	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$3,600,000	$3,600,000	$2,289,881	$(1,310,119)
Interest	12,000	12,000	9,047	(2,953)
Miscellaneous	- - -	- - -	136,550	136,550
Total revenues	3,612,000	3,612,000	2,435,478	(1,176,522)
EXPENDITURES -				
Capital outlay:				
General government	2,662,000	1,012,000	702,098	309,902
Public safety	325,000	250,000	171,660	78,340
Public works	- - -	1,650,000	1,315,834	334,166
Culture and recreation	625,000	625,000	133,795	491,205
Community and economic development	- - -	75,000	33,447	41,553
Total expenditures	3,612,000	3,612,000	2,356,834	1,255,166
NET CHANGES IN FUND BALANCES	- - -	- - -	78,644	78,644
FUND BALANCE - BEGINNING	- - -	- - -	- - -	- - -
FUND BALANCE - ENDING	$ - - -	$ - - -	$ 78,644	$ 78,644

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - 2017 SPLOST
FOR THE PERIOD ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL TO DATE	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$3,000,000	$3,000,000	$2,139,435	$ (860,565)
Interest	1,000	1,000	3,601	2,601
Miscellaneous	- - -	- - -	31,293	31,293
Total revenues	3,001,000	3,001,000	2,174,329	(826,671)
EXPENDITURES -				
Capital outlay:				
General government	1,550,000	1,250,000	109,946	1,140,054
Public safety	100,000	100,000	88,659	11,341
Public works	401,000	701,000	694,041	6,959
Culture and recreation	650,000	650,000	150,572	499,428
Community and economic development	300,000	300,000	87,230	212,770
Total expenditures	3,001,000	3,001,000	1,130,448	1,870,552
NET CHANGES IN FUND BALANCES	- - -	- - -	1,043,881	1,043,881
FUND BALANCE - BEGINNING	- - -	- - -	- - -	- - -
FUND BALANCE - ENDING	$ - - -	$ - - -	$1,043,881	$1,043,881

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
DEBT SERVICE FUND - WORKFORCE DEVELOPMENT CENTER
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Interest	$ 10	$ 10	$ 6	$ (4)
Total revenues	10	10	6	(4)
EXPENDITURES -				
Debt service:				
Principal	24,816	24,816	24,816	- - -
Interest	2,418	2,418	2,443	(25)
Total expenditures	27,234	27,234	27,259	(25)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(27,224)	(27,224)	(27,253)	(29)
OTHER FINANCING SOURCES -				
Transfers in	27,224	27,224	27,224	- - -
Total other financing sources	27,224	27,224	27,224	- - -
NET CHANGES IN FUND BALANCES	- - -	- - -	(29)	(29)
FUND BALANCE - BEGINNING	30,777	30,777	30,777	- - -
FUND BALANCE - ENDING	$ 30,777	$ 30,777	$ 30,748	$ (29)

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DISCRETELY PRESENTED COMPONENT UNIT - HAWKINSVILLE DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Interest	$ 6,800	$ 6,800	$ 5,156	$ (1,644)
Miscellaneous	21,000	21,000	3,235	(17,765)
Total revenues	27,800	27,800	8,391	(19,409)
EXPENDITURES -				
Community and economic development	27,800	27,800	18,671	9,129
Total expenditures	27,800	27,800	18,671	9,129
NET CHANGE IN FUND BALANCES	- - -	- - -	(10,280)	(10,280)
FUND BALANCE - BEGINNING	221,232	221,232	221,232	- - -
FUND BALANCE - ENDING	$221,232	$221,232	$210,952	$(10,280)

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS - 2010 SPLOST
FOR THE YEAR ENDED JUNE 30, 2021

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Fire and Police Department equipment	$ 250,000	$ 169,339	$ - - -	$ 169,339	67.74%
New City Hall	1,000,000	385,162	6,316	391,478	39.15%
Upgrade of City property and equipment	1,500,000	1,409,849	12,550	1,422,399	94.83%
Opera House repairs	250,000	98,747	- - -	98,747	39.50%
Renovation of the old firehouse on Broad Street	75,000	2,900	- - -	2,900	3.87%
Capital projects matching grant funds	150,000	135,421	- - -	135,421	90.28%
Totals	$3,225,000	$2,201,418	$18,866	$2,220,284	

NOTE: Pulaski County, Georgia serves as fiscal agent for the distribution of the jointly owned Recreation Board SPLOST proceeds in accordance with an intergovernmental agreement. Accordingly, all expenditures are shown as culture and recreation expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds of Pulaski County, Georgia only.

Reconciliation of SPLOST schedule to Governmental Funds Expenditures:

Total expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - 2010 SPLOST Capital Projects Fund	$45,266
Less - Rent income received on Blount building	26,400
Total Current Year Expenditures per Schedule of Projects - 2010 SPLOST	$18,866

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS - 2017 SPLOST
FOR THE YEAR ENDED JUNE 30, 2021

	Original Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
City improvements	$1,050,000	$524,662	$ 53,106	$ 577,768	55.03%
New City Hall	500,000	14,134	41,350	55,484	11.10%
Economic development	300,000	58,934	- - -	58,934	19.64%
Recreation Department	300,000	79,425	- - -	79,425	26.48%
Roads and streets	250,000	16,394	60,000	76,394	30.56%
City recreation facilities	200,000	- - -	39,620	39,620	19.81%
Track improvements	150,000	9,027	- - -	9,027	6.02%
Capital projects matching grant funds	150,000	129,895	71,608	201,503	134.33%
Public safety / Public works equipment	75,000	- - -	- - -	- - -	0.00%
Renovation of the old firehouse on Broad Street	25,000	1,000	- - -	1,000	4.00%
Totals	$3,000,000	$833,471	$265,684	$1,099,155	

NOTE: Pulaski County, Georgia serves as fiscal agent for the distribution of the jointly owned Recreation Board SPLOST proceeds in accordance with an intergovernmental agreement. Accordingly, all expenditures are shown as culture and recreation expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds of Pulaski County, Georgia only.

Reconciliation of SPLOST schedule to Governmental Funds Expenditures:

Total expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - 2017 SPLOST Capital Projects Fund	$296,977
Less - Reimbursement by Pulaski County for Airport	31,293
Total Current Year Expenditures per Schedule of Projects - 2017 SPLOST	$265,684

CITY OF HAWKINSVILLE, GEORGIA
AWARD NO. 01gp-116-2-4008
ONEGEORGIA SCHEDULE OF SOURCE AND USE OF FUNDS
FOR THE PERIOD ENDED JUNE 30, 2021

Loan proceeds received	$500,000
Loan payments made during fiscal year ended June 30, 2004	10,201
Balance at June 30, 2004	489,799
Loan payments made during fiscal year ended June 30, 2005	10,433
Balance at June 30, 2005	479,366
Loan payments made during fiscal year ended June 30, 2006	17,916
Balance at June 30, 2006	461,450
Loan payments made during fiscal year ended June 30, 2007	14,823
Balance at June 30, 2007	446,627
Loan payments made during fiscal year ended June 30, 2008	29,656
Balance at June 30, 2008	416,971
Loan payments made during fiscal year ended June 30, 2009	27,888
Balance at June 30, 2009	389,083
Loan payments made during fiscal year ended June 30, 2010	22,789
Balance at June 30, 2010	366,294
Loan payments made during fiscal year ended June 30, 2011	62,491
Balance at June 30, 2011	303,803
Loan payments made during fiscal year ended June 30, 2012	64,276
Balance at June 30, 2012	239,527
Loan payments made during fiscal year ended June 30, 2013	51,409
Balance at June 30, 2013	188,118
Loan payments made during fiscal year ended June 30, 2014	29,774
Balance at June 30, 2014	158,344
Loan payments made during fiscal year ended June 30, 2015	27,740
Balance at June 30, 2015	130,604
Loan payments made during fiscal year ended June 30, 2016	29,407
Balance at June 30, 2016	101,197
Loan payments made during fiscal year ended June 30, 2017	101,197
Balance at June 30, 2017	$ - - -

NOTE: This schedule is included in response to the grant Audit Requirements until receipt of a formal close out letter.

CITY OF HAWKINSVILLE, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 14p-x-116-2-5673
FOR THE PERIOD ENDED JUNE 30, 2021

Total Fiscal Year 2014 CDBG Funds Awarded to Recipient	$500,000
Total Amount Drawdown by Recipient from DCA	$500,000
Less: CDBG Funds Expended by Recipient	500,000
Amount of Fiscal Year 2014 CDBG Funds held by Recipient	$ - - -

NOTE: This schedule is included in response to the grant Audit Requirements until receipt of a formal close out letter.

CITY OF HAWKINSVILLE, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 14p-x-116-2-5673
FOR THE PERIOD ENDED JUNE 30, 2021

Program Activity	CDBG Activity Number	Latest Approved Budget CDBG Funds	Accumulative CDBG Expenditures to Date	Accumulative Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (Explain in Remarks)
Professional services Engineering	T-03J-00	$ 39,840	$ 39,840	$ - - -	$ 39,840	NONE
Public Water Sewer	P-03J-01	43,300	43,300	- - -	43,300	NONE
Public Sanitary Sewer	P-03J-02	372,090	386,860	10,000	396,860	NONE
Contingencies	C-022-00	14,770	- - -	- - -	- - -	NONE
Administration	A-21A-00	30,000	30,000	- - -	30,000	NONE
		$500,000	$500,000	$10,000	$510,000	

NOTE: This schedule is included in response to the grant Audit Requirements until receipt of a formal close out letter.

CITY OF HAWKINSVILLE, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 19p-x-116-2-6067
FOR THE PERIOD ENDED JUNE 30, 2021

Total Fiscal Year 2019 CDBG Funds Awarded to Recipient	$750,000
Total Amount Drawdown by Recipient from DCA	$744,375
Less: CDBG Funds Expended by Recipient	744,375
Amount of Fiscal Year 2019 CDBG Funds held by Recipient	$ - - -

CITY OF HAWKINSVILLE, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 19p-x-116-2-6067
FOR THE PERIOD ENDED JUNE 30, 2021

Program Activity	CDBG Activity Number	Latest Approved Budget CDBG Funds	Accumulative CDBG Expenditures to Date	Accumulative Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (Explain in Remarks)
Professional services						
Engineering	T-03J-00	$ 65,109	$ 65,109	$ - - -	$ 65,109	NONE
Public Sanitary Sewer	P-03J-02	639,891	639,891	44,271	684,162	NONE
Administration	A-21A-00	45,000	45,000	- - -	45,000	NONE
		$750,000	$750,000	$44,271	$794,271	

CITY OF HAWKINSVILLE, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 19p-x-116-2-6137
FOR THE PERIOD ENDED JUNE 30, 2021

Total Fiscal Year 2019 CDBG Funds Awarded to Recipient	$344,792
Total Amount Drawdown by Recipient from DCA	$344,792
Less: CDBG Funds Expended by Recipient	344,792
Amount of Fiscal Year 2019 CDBG Funds held by Recipient	$ - - -

CITY OF HAWKINSVILLE, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 19p-x-116-2-6137
FOR THE PERIOD ENDED JUNE 30, 2021

Program Activity	CDBG Activity Number	Latest Approved Budget CDBG Funds	Accumulative CDBG Expenditures to Date	Accumulative Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (Explain in Remarks)
Professional services						
Engineering	T-03J-00	$ 29,765	$ 29,765	$ - - -	$ 29,765	NONE
Public Sanitary Sewer	P-03J-02	290,027	290,027	26,340	316,367	NONE
Administration	A-21A-00	25,000	25,000	- - -	25,000	NONE
		$344,792	$344,792	$26,340	$371,132	

SINGLE AUDIT INFORMATION

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*

D. M. Vickers & Assoc., P.C.

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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*

Board of Commissioners
City of Hawkinsville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hawkinsville, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Hawkinsville, Georgia's basic financial statements and have issued our report thereon dated June 30, 2022. The report on the business-type activities and proprietary funds, the Water and Sewerage Fund, the Gas Fund, and the Training Facility Fund, was qualified because capital assets acquired prior to June 30, 1981, were capitalized at appraised values. The effects of these departures cannot be reasonably determined.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Hawkinsville, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Hawkinsville, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Hawkinsville, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Hawkinsville, Georgia
June 30, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

D. M. Vickers & Assoc., P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Commissioners
City of Hawkinsville, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Hawkinsville, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Hawkinsville, Georgia's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Hawkinsville, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Hawkinsville, Georgia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Hawkinsville, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Hawkinsville, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Hawkinsville, Georgia's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Hawkinsville, Georgia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance 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 City of Hawkinsville, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Hawkinsville, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Hawkinsville, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

H. M. Vickers & Associates, P.C.

Hawkinsville, Georgia
June 30, 2022

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Commerce				
Passed through U.S. Economic Development Administration:				
Economic Development Cluster - Economic Adjustment Assistance	11.307	04-79-07300	$- - -	$1,410,000
Total Economic Development Cluster			- - -	1,410,000
Total U.S. Department of Commerce			- - -	1,410,000
U.S. Department of Housing and Urban Development				
Passed through Georgia Department of Community Affairs:				
Community Development Block Grant	14.229	19p-x-116-2-6137	- - -	344,792
Total U.S. Department of Housing and Urban Development			- - -	344,792
U.S. Department of the Interior				
Passed through Georgia Department of Community Affairs:				
Historic Preservation Fund:				
Grants-in-Aid Phase 1	15.904	1/42920	- - -	3,353
Grants-in-Aid Phase 2	15.904	1/42920	- - -	3,434
Total U.S. Department of the Interior			- - -	6,787
U.S. Department of the Treasury				
Passed through State of Georgia Office of Planning and Budget:				
COVID-19 - Coronavirus Relief Fund	21.019	14462-CRF	- - -	82,762
Total U.S. Department of the Treasury			- - -	82,762
U.S. Environmental Protection Agency				
Passed through Georgia Environmental Finance Authority:				
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	CW2016034	- - -	1,731,977
		CWDRA20021	- - -	858,177
Total Clean Water State Revolving Fund Cluster			- - -	2,590,154
Total U.S. Environmental Protection Agency			- - -	2,590,154
Total Expenditures of Federal Awards			$- - -	$4,434,495

See accompanying notes to schedule of expenditures of federal awards.

CITY OF HAWKINSVILLE, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Hawkinsville, Georgia and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Hawkinsville, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Hawkinsville, Georgia.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The City of Hawkinsville, Georgia has elected not to use the 10% deminimis indirect cost rate allowed under the Uniform Guidance.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified: Governmental activities, Discretely presented component unit, Each major governmental fund, Proprietary fund - Sanitation Fund, and Aggregate remaining fund information Qualified: Business-type activities Proprietary funds - Water and Sewerage Fund, Gas Fund, and Training Facility Fund
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Segregation of Duties
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Federal Program:

CFDA Number	Name of Federal Program or Cluster
66.458	Clean Water State Revolving Funds
11.307	Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

2021-1 Segregation of Duties

Condition: There is not appropriate segregation of duties between initiation, authorization, recording, processing, and reconciliation of transactions and other operational functions and the custody of related assets in the various funds possessed by the City.

Cause: The City of Hawkinsville, Georgia does not have enough employees in the accounting department to achieve adequate segregation of duties.

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate assets without such actions being detected during the normal course of business.

Effect: Failure to properly segregate duties between initiation, authorization, recording, processing, and reconciliation of transactions and the custody of related assets can lead to misappropriation of assets that is not detected during the normal course of business.

Recommendation: The duties of initiation, authorization, recording, processing, and reconciliation of transactions and the custody of related assets should be segregated between employees.

Views of Responsible Officials: The City concurs with the recommendation. Due to the size of the City's staff, this condition can not be totally addressed; however, this condition is minimized due to the involvement of the City Manager.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.