CITY OF HAWKINSVILLE, GEORGIA
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024
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, 2024, and the related notes to the financial statements, which collectively comprise the City of Hawkinsville, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hawkinsville, Georgia, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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

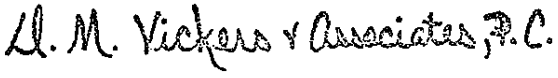
The City has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 January 17, 2025, 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.



Hawkinsville, Georgia
January 17, 2025

BASIC FINANCIAL STATEMENTS

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HAWKINSVILLE DOWNTOWN DEVELOPMENT AUTHORITY
ASSETS:				
Cash and cash equivalents	$ 638,617	$ 1,428,940	$ 2,067,557	$ 78,521
Receivables (net of allowance, where applicable):				
Accounts	- - -	757,689	757,689	850
Interest	30	- - -	30	1,971
Taxes	35,035	- - -	35,035	- - -
Accounts receivable - fines	- - -	- - -	- - -	- - -
Notes	- - -	- - -	- - -	67,922
Other	80,878	18,513	99,391	- - -
Intergovernmental	188,657	- - -	188,657	- - -
Prepaid items	5,685	13,619	19,304	569
Restricted cash	86,122	50,023	136,145	- - -
Deposits	- - -	50	50	- - -
Investments	1,456,851	1,693,167	3,150,018	- - -
Nondepreciable capital assets	2,063,707	388,766	2,452,473	- - -
Depreciable capital assets, net	8,654,580	11,220,411	19,874,991	177,732
Total assets	13,210,162	15,571,178	28,781,340	327,565
DEFERRED OUTFLOWS OF RESOURCES -				
Pensions	385,089	254,939	640,028	- - -
LIABILITIES:				
Accounts payable	178,931	227,700	406,631	- - -
Interest payable	773	3,579	4,352	77
Other payables	- - -	85,605	85,605	- - -
Unearned revenue	- - -	- - -	- - -	15
Accrued liabilities	13,064	6,510	19,574	- - -
Noncurrent liabilities:				
Due within one year:				
Compensated absences	41,830	7,983	49,813	- - -
Notes payable	150,521	120,498	271,019	66,407
Leases payable	3,635	- - -	3,635	- - -
Post-closure care costs	- - -	5,316	5,316	- - -
Due in more than one year:				
Notes payable	3,193,176	1,124,587	4,317,763	- - -
Leases payable	5,092	- - -	5,092	- - -
Post-closure care costs	- - -	37,209	37,209	- - -
Net pension liability	60,652	264,621	325,273	- - -
Total liabilities	3,647,674	1,883,608	5,531,282	66,499
DEFERRED INFLOWS OF RESOURCES -				
Pensions	398,938	228,496	627,434	- - -
NET POSITION:				
Net investment in capital assets	7,777,612	10,364,092	18,141,704	177,732
Restricted for:				
Debt service	31,754	- - -	31,754	- - -
Capital projects	470,075	- - -	470,075	- - -
Public works	86,122	- - -	86,122	- - -
Cemetery:				
Expendable	175	- - -	175	- - -
Nonexpendable	5,000	- - -	5,000	- - -
Unrestricted	1,177,901	3,349,921	4,527,822	83,334
Total net position	$ 9,548,639	$13,714,013	$23,262,652	$261,066

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNIT HAWKINSVILLE DOWNTOWN DEVELOPMENT AUTHORITY
Primary Government								
Governmental activities:								
General government	$1,239,562	$ 146,391	$ 3,835	$ 311,878	$ (777,458)	$ - - -	$ (777,458)	$ - - -
Judicial	7,454	1,315	- - -	- - -	(6,139)	- - -	(6,139)	- - -
Public safety:								
Fire protection	159,040	- - -	- - -	8,497	(150,543)	- - -	(150,543)	- - -
Law enforcement	594,298	- - -	- - -	8,497	(585,801)	- - -	(585,801)	- - -
E-911	136,737	- - -	- - -	- - -	(136,737)	- - -	(136,737)	- - -
Animal control	154,031	- - -	80,252	38,236	(35,543)	- - -	(35,543)	- - -
Public works	1,085,598	- - -	155,662	635,317	(294,619)	- - -	(294,619)	- - -
Health and welfare	6,900	- - -	- - -	- - -	(6,900)	- - -	(6,900)	- - -
Culture and recreation	104,230	- - -	- - -	580,683	476,453	- - -	476,453	- - -
Community and economic development	209,008	36,000	171,983	751,913	750,888	- - -	750,888	- - -
Interest on long-term debt	105,121	- - -	- - -	- - -	(105,121)	- - -	(105,121)	- - -
Total governmental activities	3,801,979	183,706	411,732	2,335,021	(871,520)	- - -	(871,520)	- - -
Business-type activities:								
Water and Sewerage	2,460,099	2,016,661	- - -	120,825	- - -	(322,613)	(322,613)	- - -
Gas	2,160,181	3,064,516	- - -	- - -	- - -	904,335	904,335	- - -
Training Facility	84,168	25,050	- - -	- - -	- - -	(59,118)	(59,118)	- - -
Sanitation	878,194	979,947	- - -	- - -	- - -	101,753	101,753	- - -
Total business-type activities	5,582,642	6,086,174	- - -	120,825	- - -	624,357	624,357	- - -
Total primary government	$9,384,621	$6,269,880	$411,732	$2,455,846	(871,520)	624,357	(247,163)	- - -
Component unit -								
Hawkinsville Downtown Development Authority	$ 29,443	$ - - -	$ 31,498	$ - - -	- - -	- - -	- - -	2,055
General revenues:								
Taxes:								
Property taxes, levied for general purposes					819,488	- - -	819,488	- - -
Sales taxes					722,094	- - -	722,094	- - -
Franchise taxes					342,330	- - -	342,330	- - -
Insurance premium taxes					352,857	- - -	352,857	- - -
Alcoholic beverage taxes					78,149	- - -	78,149	- - -
Hotel / motel taxes					64,008	- - -	64,008	- - -
Financial institutions taxes					21,941	- - -	21,941	- - -
Interest and investment earnings					11,891	10	11,901	3,855
Miscellaneous					48,986	849,468	898,454	14,703
Transfers					(770,320)	770,320	- - -	- - -
Total general revenues and transfers					1,691,424	1,619,798	3,311,222	18,558
Change in net position					819,904	2,244,155	3,064,059	20,613
Net position - beginning					8,728,735	11,469,858	20,198,593	240,453
Net position - ending					$9,548,639	$13,714,013	$23,262,652	$261,066

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	UDAG GRANT FUND	2021 CDBG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	2023 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
ASSETS:							
Cash on hand	$ 600	$ - - -	$- - -	$ - - -	$ - - -	$ - - -	$ 600
Cash - financial institutions	2,802	173,161	1,000	190,701	193,493	76,860	638,017
Receivables (net of allowance, where applicable):							
Interest	- - -	- - -	- - -	- - -	- - -	30	30
Property taxes	35,035	- - -	- - -	- - -	- - -	- - -	35,035
Accounts receivable - fines	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Notes	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Other	30,878	- - -	- - -	50,000	- - -	- - -	80,878
Intergovernmental	122,624	- - -	- - -	- - -	66,033	- - -	188,657
Interfund balances	6,701	- - -	- - -	- - -	- - -	5,257	11,958
Prepaid items	4,221	1,464	- - -	- - -	- - -	- - -	5,685
Restricted cash	86,122	- - -	- - -	- - -	- - -	- - -	86,122
Investments	- - -	1,456,851	- - -	- - -	- - -	- - -	1,456,851
Total assets	$288,983	$1,631,476	$1,000	$240,701	$259,526	$82,147	$2,503,833

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	UDAG GRANT FUND	2021 CDBG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	2023 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES:							
Accounts payable	$ 77,081	$ - - -	$ 33,181	$ 21,851	$ 1,600	$45,218	$ 178,931
Interfund balances	5,257	- - -	- - -	- - -	6,701	- - -	11,958
Accrued liabilities	13,064	- - -	- - -	- - -	- - -	- - -	13,064
Total liabilities	95,402	- - -	33,181	21,851	8,301	45,218	203,953
DEFERRED INFLOWS OF RESOURCES -							
Unavailable revenue - property tax	29,345	- - -	- - -	- - -	- - -	- - -	29,345
Total deferred inflows of resources	29,345	- - -	- - -	- - -	- - -	- - -	29,345
FUND BALANCES:							
Nonspendable:							
Prepaid items	4,221	1,464	- - -	- - -	- - -	- - -	5,685
Cemetery fund principal	- - -	- - -	- - -	- - -	- - -	5,000	5,000
Restricted:							
Public works	86,122	- - -	- - -	- - -	- - -	- - -	86,122
Capital projects	- - -	- - -	- - -	218,850	251,225	- - -	470,075
Debt service	- - -	- - -	- - -	- - -	- - -	31,754	31,754
Cemetery improvements	- - -	- - -	- - -	- - -	- - -	175	175
Assigned to -							
Community and economic development	- - -	1,630,012	- - -	- - -	- - -	- - -	1,630,012
Unassigned	73,893	- - -	(32,181)	- - -	- - -	- - -	41,712
Total fund balances	164,236	1,631,476	(32,181)	218,850	251,225	36,929	2,270,535
Total liabilities, deferred inflows of resources, and fund balances	$288,983	$1,631,476	$ 1,000	$240,701	$259,526	$82,147	$2,503,833

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
JUNE 30, 2024

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 2,270,535
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	$16,607,460	
Less: accumulated depreciation and amortization	(5,889,173)	10,718,287
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		29,345
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	$ 11,958	
Interfund payables	(11,958)	- - -
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	$ 385,089	
Deferred inflows	(398,938)	(13,849)
Long-term liabilities, including notes payable, compensated absences, 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	$ (41,830)	
Notes payable	(3,343,697)	
Lease liability	(8,727)	
Net Pension Liability	(60,652)	
Accrued interest payable	(773)	(3,455,679)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 9,548,639

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
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	UDAG GRANT FUND	2021 CDBG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	2023 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	$2,315,413	$ - - -	$ - - -	$ - - -	$ - - -	$ 64,008	$ 2,379,421
Licenses and permits	153,362	- - -	- - -	- - -	- - -	- - -	153,362
Intergovernmental	409,273	- - -	671,194	468,139	722,226	455,185	2,726,017
Fines and forfeitures	1,315	- - -	- - -	- - -	- - -	- - -	1,315
Interest	6,308	1,746	- - -	137	3,302	3,843	15,336
Miscellaneous	55,625	36,000	- - -	- - -	14,832	- - -	106,457
Total revenues	2,941,296	37,746	671,194	468,276	740,360	523,036	5,381,908
EXPENDITURES:							
Current:							
General government	871,066	- - -	- - -	- - -	- - -	40,005	911,071
Judicial	7,454	- - -	- - -	- - -	- - -	- - -	7,454
Public safety:							
Fire protection	159,040	- - -	- - -	- - -	- - -	- - -	159,040
Law enforcement	594,298	- - -	- - -	- - -	- - -	- - -	594,298
E-911	113,479	- - -	- - -	- - -	- - -	- - -	113,479
Animal control	158,999	- - -	- - -	- - -	- - -	- - -	158,999
Emergency Management Agency	23,258	- - -	- - -	- - -	- - -	- - -	23,258
Public works	986,885	- - -	704,375	- - -	- - -	459,828	2,151,088
Health and welfare	6,900	- - -	- - -	- - -	- - -	- - -	6,900
Culture and recreation	94,500	- - -	- - -	- - -	- - -	- - -	94,500
Community and economic development	196,636	49,061	- - -	- - -	- - -	- - -	245,697
Capital outlay:							
General government	- - -	- - -	- - -	5	5	1,509	1,519
Public works	- - -	- - -	- - -	94,883	138,074	86,252	319,209
Culture and recreation	- - -	- - -	- - -	1,433,279	116,638	- - -	1,549,917
Debt service:							
Principal	133,956	- - -	- - -	- - -	- - -	13,139	147,095
Interest	88,877	- - -	- - -	- - -	- - -	15,967	104,844
Total expenditures	3,435,348	49,061	704,375	1,528,167	254,717	616,700	6,588,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(494,052)	(11,315)	(33,181)	(1,059,891)	485,643	(93,664)	(1,206,460)

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
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	UDAG GRANT FUND	2021 CDBG GRANT FUND	2017 SPLOST CAPITAL PROJECTS FUND	2023 SPLOST CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (from previous page)	$ (494,052)	$ (11,315)	$(33,181)	$(1,059,891)	$ 485,643	$(93,664)	$(1,206,460)
OTHER FINANCING SOURCES (USES):							
Leases	5,844	- - -	- - -	- - -	- - -	- - -	5,844
Transfers in	1,186,798	13,601	- - -	84	- - -	40,016	1,240,499
Transfers out	(643,030)	- - -	- - -	- - -	(334,554)	(24,087)	(1,001,671)
Total other financing sources (uses)	549,612	13,601	- - -	84	(334,554)	15,929	244,672
NET CHANGE IN FUND BALANCES	55,560	2,286	(33,181)	(1,059,807)	151,089	(77,735)	(961,788)
FUND BALANCE - BEGINNING	108,676	1,629,190	1,000	1,278,657	100,136	114,664	3,232,323
FUND BALANCE - ENDING	$ 164,236	$1,631,476	$(32,181)	$ 218,850	$ 251,225	$ 36,929	$ 2,270,535

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, 2024

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (961,788)
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 and amortization expense:		
Expenditures for capital assets	$ 2,985,226	
SPLOST and Grant assets transferred to Enterprise Funds	(1,009,148)	
Less: current year depreciation and amortization	(494,238)	1,481,840
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds -		
Property taxes		10,294
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.		(658)
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	$ 84,164	
Pension expense	65,078	149,242
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	$ 143,788	
Lease liability payments	3,307	
Issuance of long-term debt - lease liabilities	(5,844)	
Interest paid	(277)	140,974
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 819,904

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
ASSETS:					
Current assets:					
Cash - financial institutions	$ 717,412	$ 453,557	$ 61,118	$ 196,853	$ 1,428,940
Receivables:					
Accounts	355,259	275,260	- - -	127,170	757,689
Other	3,467	11,640	- - -	3,406	18,513
Prepaid items	9,404	557	1,749	1,909	13,619
Restricted cash	50,023	- - -	- - -	- - -	50,023
Total current assets	1,135,565	741,014	62,867	329,338	2,268,784
Long-term assets:					
Deposits	- - -	50	- - -	- - -	50
Investments	- - -	1,693,167	- - -	- - -	1,693,167
Capital assets:					
Land	49,407	- - -	327,875	11,484	388,766
Buildings	2,794,859	12,250	2,292,813	- - -	5,099,922
Improvements other than buildings	- - -	1,505,391	66,536	- - -	1,571,927
Machinery and equipment	30,314,631	610,634	304,001	333,033	31,562,299
Accumulated depreciation	(24,400,478)	(904,459)	(1,395,493)	(313,307)	(27,013,737)
Total long-term assets	8,758,419	2,917,033	1,595,732	31,210	13,302,394
Total assets	9,893,984	3,658,047	1,658,599	360,548	15,571,178
DEFERRED OUTFLOWS OF RESOURCES -					
Pensions	180,413	28,621	2,859	43,046	254,939

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
LIABILITIES:					
Current liabilities:					
Accounts payable	$ 44,241	$ 174,747	$ 690	$ 8,022	$ 227,700
Interest payable	31	3,548	- - -	- - -	3,579
Other payables	230	327	- - -	- - -	557
Customer deposits	55,423	29,625	- - -	- - -	85,048
Accrued expenses	- - -	6,510	- - -	- - -	6,510
Compensated absences	- - -	7,983	- - -	- - -	7,983
Notes payable	90,816	29,682	- - -	- - -	120,498
Post-closure care costs	- - -	- - -	- - -	5,316	5,316
Total current liabilities	190,741	252,422	690	13,338	457,191
Long-term liabilities:					
Notes payable	1,028,695	95,892	- - -	- - -	1,124,587
Post-closure care cost	- - -	- - -	- - -	37,209	37,209
Net pension liability	194,385	8,458	37,026	24,752	264,621
Total long-term liabilities	1,223,080	104,350	37,026	61,961	1,426,417
Total liabilities	1,413,821	356,772	37,716	75,299	1,883,608
DEFERRED INFLOWS OF RESOURCES -					
Pensions	153,139	28,315	3,044	43,998	228,496
NET POSITION:					
Net investment in capital assets	7,638,908	1,098,242	1,595,732	31,210	10,364,092
Unrestricted	868,529	2,203,339	24,966	253,087	3,349,921
Total net position	$8,507,437	$3,301,581	$1,620,698	$284,297	$13,714,013

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, 2024

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
OPERATING REVENUES:					
Charges for services	$2,016,661	$3,064,516	$ - - -	$979,947	$6,061,124
Rents	- - -	- - -	25,050	- - -	25,050
Miscellaneous	18,436	108,631	- - -	- - -	127,067
Total operating revenues	2,035,097	3,173,147	25,050	979,947	6,213,241
OPERATING EXPENSES:					
Salaries	- - -	124,455	- - -	1,688	126,143
Insurance	84,114	31,210	18,857	5,222	139,403
Taxes	- - -	58,765	- - -	300	59,065
Retirement	25,454	(3,388)	- - -	3,160	25,226
Uniforms	- - -	383	- - -	- - -	383
Administrative services	309	14,854	- - -	- - -	15,163
Professional fees	148,916	11,293	- - -	- - -	160,209
Technical services	11,680	- - -	- - -	12,280	23,960
Repairs and maintenance	602	1,347	26	- - -	1,975
Equipment rentals	85,813	13,792	879	- - -	100,484
Utilities	350,149	6,967	6,588	1,023	364,727
Advertising	9	1,014	- - -	- - -	1,023
Dues and fees	12,889	2,169	400	- - -	15,458
Education and training	- - -	970	- - -	- - -	970
Contract labor	1,019,938	38,962	1,200	841,774	1,901,874
Office expense	- - -	206	- - -	- - -	206
Vehicle expense	38,207	9,385	- - -	1,483	49,075
Purchases	- - -	1,626,451	- - -	- - -	1,626,451
Parts and supplies	42,663	18,266	510	- - -	61,439
Miscellaneous	- - -	131,639	- - -	- - -	131,639
Depreciation	603,209	65,150	55,708	11,264	735,331
Total operating expenses	2,423,952	2,153,890	84,168	878,194	5,540,204
OPERATING INCOME (LOSS)	(388,855)	1,019,257	(59,118)	101,753	673,037

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, 2024

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
OPERATING INCOME (LOSS) (from previous page)	$ (388,855)	$ 1,019,257	$ (59,118)	$101,753	$ 673,037
NONOPERATING REVENUES (EXPENSES):					
Interest income	10	- - -	- - -	- - -	10
Interest charges	(36,147)	(4,974)	- - -	- - -	(41,121)
Gain (loss) on disposition of assets	- - -	(1,317)	- - -	- - -	(1,317)
Undistributed income (loss) from joint venture	- - -	722,401	- - -	- - -	722,401
Total nonoperating revenues (expenses)	(36,137)	716,110	- - -	- - -	679,973
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(424,992)	1,735,367	(59,118)	101,753	1,353,010
CAPITAL GRANTS AND CONTRIBUTIONS	1,046,173	76,300	7,500	- - -	1,129,973
TRANSFERS IN	802,904	52,902	2,825	81,304	939,935
TRANSFERS OUT	(100,374)	(1,041,701)	(2,939)	(33,749)	(1,178,763)
CHANGE IN NET POSITION	1,323,711	822,868	(51,732)	149,308	2,244,155
TOTAL NET POSITION - BEGINNING	7,183,726	2,478,713	1,672,430	134,989	11,469,858
TOTAL NET POSITION - ENDING	$8,507,437	$ 3,301,581	$1,620,698	$284,297	$13,714,013

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, 2024

	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	$ 1,901,600	$ 2,999,446	$ 25,050	$ 942,900	$ 5,868,996
Payments to suppliers	(1,807,423)	(1,903,529)	(26,698)	(909,233)	(4,646,883)
Payments to employees	25,454	(135,402)	- - -	(1,564)	(111,512)
Other receipts (payments)	9,029	107,992	- - -	628	117,649
Net cash provided (used) by operating activities	128,660	1,068,507	(1,648)	32,731	1,228,250
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	802,904	52,902	2,825	81,304	939,935
Transfers out	(100,374)	(1,041,701)	(2,939)	(33,749)	(1,178,763)
Net cash provided (used) by noncapital financing activities	702,530	(988,799)	(114)	47,555	(238,828)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of capital assets	(11,369)	- - -	- - -	- - -	(11,369)
Principal paid on long-term debt	(458,808)	(28,609)	- - -	- - -	(487,417)
Interest paid on long-term debt	(36,200)	(5,782)	- - -	- - -	(41,982)
Net cash provided (used) by capital and related financing activities	(506,377)	(34,391)	- - -	- - -	(540,768)
CASH FLOWS FROM INVESTING ACTIVITIES -					
Interest and dividends	10	- - -	- - -	- - -	10
Net cash provided (used) by investing activities	10	- - -	- - -	- - -	10
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	324,823	45,317	(1,762)	80,286	448,664
CASH AND CASH EQUIVALENTS - BEGINNING	442,612	408,240	62,880	116,567	1,030,299
CASH AND CASH EQUIVALENTS - ENDING	$ 767,435	$ 453,557	$ 61,118	$ 196,853	$ 1,478,963

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, 2024

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER AND SEWERAGE FUND	GAS FUND	TRAINING FACILITY FUND	SANITATION FUND	TOTAL
CASH AND CASH EQUIVALENTS CLASSIFICATION:					
Cash - financial institutions	$ 717,412	$ 453,557	$ 61,118	$196,853	$1,428,940
Restricted cash	50,023	- - -	- - -	- - -	50,023
Total cash and cash equivalents	$ 767,435	$ 453,557	$ 61,118	$196,853	$1,478,963
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (388,855)	$1,019,257	$(59,118)	$101,753	$ 673,037
Adjustments to reconcile operating income to net cash provided (used) by operating activities -					
Depreciation expense	603,209	65,150	55,708	11,264	735,331
Change in assets and liabilities:					
Receivables, net	(120,795)	(62,295)	- - -	(37,047)	(220,137)
Other receivables	(1,723)	(639)	- - -	628	(1,734)
Prepaid items	5,911	1,182	1,691	(1,239)	7,545
Deferred outflows of resources - pensions	25,454	21,465	- - -	5,143	52,062
Accounts and other payables	7,409	60,374	71	(36,777)	31,077
Deposits	(1,950)	(2,775)	- - -	- - -	(4,725)
Accrued expenses	- - -	(800)	- - -	(5,975)	(6,775)
Accrued salaries	- - -	(458)	- - -	(762)	(1,220)
Accrued compensated absences	- - -	2,772	- - -	(1,486)	1,286
Net pension liability	- - -	(37,825)	- - -	(3,018)	(40,843)
Deferred inflows of resources - pensions	- - -	3,099	- - -	247	3,346
Net cash provided (used) by operating activities	$ 128,660	$1,068,507	$ (1,648)	$ 32,731	$1,228,250
NONCASH CAPITAL FINANCING ACTIVITIES -					
Contributions of capital assets	$1,046,173	$ 76,300	$ 7,500	$ - - -	$1,129,973

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - CUSTODIAL FUND
JUNE 30, 2024

	MUNICIPAL COURT
ASSETS:	
Cash	$ 350
Fines receivable	4,900
Total assets	5,250
LIABILITIES -	
Due to other agencies	350
Total liabilities	350
NET POSITION -	
Restricted for individuals, organizations, and other governments	4,900
Total net position	$4,900

The notes are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	MUNICIPAL COURT
ADDITIONS -	
Court revenues	$4,100
Total additions	4,100
DEDUCTIONS:	
Payments to others	748
Fine revenue - General Fund	1,552
Total deductions	2,300
CHANGE IN NET POSITION	1,800
NET POSITION - beginning	3,100
NET POSITION - ending	$4,900

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, 56 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:

Mid-State Energy Commission - In 1953, the City entered into a joint venture with the Cities of Warner Robins, Perry, Cochran, and Byron, Georgia known as Jointly Owned Natural Gas (JONG). The JONG was established with the purpose of providing maintenance and related services for a natural gas transmission line serving the member cities and their customers. Effective January 1, 2021, JONG was eliminated. The operations were reestablished under a charter as the Mid-State Energy Commission (MSE). A board of directors, composed of one member from each of the cities, manages MSE. Mid-State Energy Commission contracts directly with its suppliers and certain other operational changes are required under the newly formed commission. 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 MSE 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 MSE. The equity interest from MSE as of and for the year ended December 31, 2023, is reported in the Proprietary Funds Statement of Net Position in the Gas Fund.

Income of $722,401 was reported in the Gas Fund for the year ended June 30, 2024. Total investment in MSE recorded as an investment by the Gas Fund totaled $1,693,167 at June 30, 2024. The City’s equity interest in MSE is approximately 18.04% of the total assets of MSE.

The audited financial statements of the Mid-State Energy Commission are on file with the City and copies are available upon request.

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, 2024, the City paid $6,936 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, 2024, 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.

2021 CDBG Grant - This fund is used to account for and report revenue and expenditures of the CDBG Grant for sanitary sewer infrastructure improvements.

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.

2023 SPLOST - This fund is used to account for and report SPLOST revenues and expenditures to be used to improve or purchase City property and equipment, recreational facilities and improvements, economic development capital projects, grant matching funds, public safety and public works equipment, and payments towards existing general obligation debt for the USDA loan of $3,080,000 and GEFA loans of $735,697 and $2,500,000.

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, 2024, 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 notes receivable 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, 2024, 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.

American Rescue Plan - This fund is used to account for and report revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

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, 2024, this fund had no financial activity; therefore, a budget was not prepared or adopted for this fund.

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.

City Hall - This fund is used to account for and report the collection and disbursement of the 2023 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 new City Hall.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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 June 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.

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 for 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

M. INVENTORIES: Inventoriable items are not maintained on hand but are purchased as necessary. These items are recorded as expenditures or expenses and immediately placed in service.

N. PREPAID ITEMS: Payments made to vendors for services that benefit periods beyond June 30, 2024, 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, 2024, 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 Mid-State Energy Commission 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 to the extent the City's capitalization threshold of $5,000 is met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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, were recorded at appraised values which was a departure from GAAP. Depreciable assets acquired before June 30, 1981 have been retired or replaced which eliminated the previously reported 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.

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
Intangibles	3-5 years	N/A

When capital assets are disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in the government-wide and proprietary fund financial statements.

S. RIGHT-TO-USE LEASE ASSETS: The City has recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, *Leases*. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement of the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

T. 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 as 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 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.

U. 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, 2024, accrued vacation leave of $41,830 has been recorded in the government-wide Statement of Net Position in the Governmental Activities and $7,983 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.

V. LONG-TERM OBLIGATIONS: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types, the face amount of debt issued is reported as an other financing source. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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 assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance 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.

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. An assignment of fund balance requires the majority vote of the City Commission.

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources under the economic resources measurement focus of accounting. Net position is categorized as follows:

Net Investment in Capital Assets - This category consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances for debt that 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, 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. 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.

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. 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, 2024.

AB. 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, 2024, the City did not have any such agreements, either entered into by the City or by other governments.

AC. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs): During the year ended June 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The standard establishes a single model for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this standard, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset. The City does not have any SBITAs for the year ended June 30, 2024.

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, 2024, the City's bank balance of $2,331,830 was 100% insured by the Federal Deposit Insurance Corporation.

Discretely Presented Component Unit

The Hawkinsville Downtown Development Authority does not have a deposit policy for custodial credit risk. As of June 30, 2024, 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, 2024, 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, 2024, 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	2023 SPLOST Capital Projects Fund	Total
General Fund	$- - -	$6,701	$ 6,701
Nonmajor Governmental Fund - Hotel / Motel Tax	5,257	- - -	5,257
Total	$5,257	$6,701	$11,958

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

Interfund transfers for the year ended June 30, 2024, consisted of the following:

	Transfers from:							
Transfers to:	General Fund	2023 SPLOST Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewerage Fund	Gas Fund	Training Facility Fund	Sanitation Fund	Total
General Fund	$ - - -	$ 29,106	$24,003	$ 95,001	$1,033,119	$2,939	$ 2,630	$1,186,798
Special Revenue Fund - UDAG Grant	13,601	- - -	- - -	- - -	- - -	- - -	- - -	13,601
Capital Projects Fund - 2017 SPLOST	- - -	- - -	84	- - -	- - -	- - -	- - -	84
Nonmajor Governmental Funds	40,016	- - -	- - -	- - -	- - -	- - -	- - -	40,016
Water and Sewerage Fund	463,809	305,448	- - -	- - -	8,454	- - -	25,193	802,904
Gas Fund	45,318	- - -	- - -	2,573	- - -	- - -	5,011	52,902
Training Facility Fund	- - -	- - -	- - -	1,802	108	- - -	915	2,825
Sanitation Fund	80,286	- - -	- - -	998	20	- - -	- - -	81,304
Total	$643,030	$334,554	$24,087	$100,374	$1,041,701	$2,939	$33,749	$2,180,434

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 $1,009,148 which is the cost of SPLOST assets and ARP 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 Cotton Mill Lofts, LLC (formerly Landmark Properties, LLC). This note represents grant proceeds loaned to the developer to pay for environmental studies and testing and or environmental clean-up costs for the Mill Project. 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, 2024, $485,000 has been advanced. Unadvanced funds on this note at June 30, 2024, 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, 2024, $148,800 has been advanced. Unadvanced funds on this note at June 30, 2024, were $-0-. Due to the terms of this note, the City has recorded an allowance in the amount of $148,800.

These notes are accounted for in the Mill Project Special Revenue Fund. 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, 2024, $1,000,000 has been advanced to River Market. There were no unadvanced funds on this note at June 30, 2024. 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.

This note is accounted for in the HOPE IV Main Street Grant Special Revenue Fund. 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, 2024, $160,000 has been advanced to Cotton Mill. There were no unadvanced funds on this note at June 30, 2024.

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.	$67,922

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, 2024, $15,195 has been advanced to three individual business owners. There were no unadvanced funds on these notes at June 30, 2024. Each of these notes had a repayment term of 60 months with a required minimum monthly payment of $75 per month. These notes were zero interest bearing notes. As of June 30, 2024, one note had an outstanding balance of $2,450. Due to the delinquency of this note, the City recorded an allowance in the amount of $2,450. The balance of the facade notes receivable, net of allowance, at June 30, 2024 is $-0-.

8. CAPITAL ASSETS:

Primary Government

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 959,346	$ - - -	$- - -	$ - - -	$ 959,346
Construction in progress	914,701	1,051,728	- - -	(862,068)	1,104,361
Total capital assets, not being depreciated	1,874,047	1,051,728	- - -	(862,068)	2,063,707
Capital assets, being depreciated and amortized:					
Buildings	7,431,386	265,883	- - -	30,741	7,728,010
Improvements other than buildings	1,299,300	1,270,074	- - -	68,751	2,638,125
Infrastructure	2,619,735	45,281	- - -	15,071	2,680,087
Machinery and equipment	1,381,317	346,416	- - -	(261,643)	1,466,090
Intangible assets	16,924	- - -	- - -	- - -	16,924
Right-to-use - leased equipment	8,673	5,844	- - -	- - -	14,517
Total capital assets, being depreciated and amortized	12,757,335	1,933,498	- - -	(147,080)	14,543,753
Less accumulated depreciation and amortization for:					
Buildings	2,459,014	206,131	- - -	- - -	2,665,145
Improvements other than buildings	787,171	56,240	- - -	- - -	843,411
Infrastructure	1,468,826	123,695	- - -	- - -	1,592,521
Machinery and equipment	668,884	102,243	- - -	- - -	771,127
Intangible assets	7,957	2,300	- - -	- - -	10,257
Right-to-use - leased equipment	3,083	3,629	- - -	- - -	6,712
Total accumulated depreciation	5,394,935	494,238	- - -	- - -	5,889,173
Total capital assets, being depreciated, net	7,362,400	1,439,260	- - -	(147,080)	8,654,580
Governmental activities capital assets, net	$ 9,236,447	$2,490,988	$- - -	$(1,009,148)	$10,718,287

8. CAPITAL ASSETS: (continued)

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type Activities:					
Capital assets, not being depreciated -					
Land	$ 388,766	$ - - -	$- - -	$ - - -	$ 388,766
Total capital assets, not being depreciated	388,766	- - -	- - -	- - -	388,766
Capital assets, being depreciated:					
Buildings	5,068,452	- - -	- - -	31,470	5,099,922
Improvements other than buildings	1,571,927	- - -	- - -	- - -	1,571,927
Machinery and equipment	30,455,057	132,193	2,629	977,678	31,562,299
Total capital assets, being depreciated	37,095,436	132,193	2,629	1,009,148	38,234,148
Less accumulated depreciation for:					
Buildings	2,990,023	67,686	- - -	- - -	3,057,709
Improvements other than buildings	607,172	51,607	- - -	- - -	658,779
Machinery and equipment	22,682,523	616,038	1,312	- - -	23,297,249
Total accumulated depreciation	26,279,718	735,331	1,312	- - -	27,013,737
Total capital assets, being depreciated, net	10,815,718	(603,138)	1,317	1,009,148	11,220,411
Business-type activities capital assets, net	$11,204,484	$(603,138)	$1,317	$1,009,148	$11,609,177

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

Governmental activities:	
General government	$ 403,463
Public safety -	
Animal control	9,374
Public works	81,401
Total depreciation and amortization expense - governmental activities	$ 494,238
Business-type activities:	
Water and Sewerage	$ 603,209
Gas	65,150
Training Facility	55,708
Sanitation	11,264
Total depreciation expense - business-type activities	$ 735,331

8. CAPITAL ASSETS: (continued)

Discretely Presented Component Unit

Capital asset activity for the year ended June 30, 2024, was as follows:

	Hawkinsville Downtown Development Authority				
	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets, being depreciated - Buildings	$191,362	$ - - -	$- - -	$- - -	$191,362
Total capital assets, being depreciated	191,362	- - -	- - -	- - -	191,362
Less accumulated depreciation for - Buildings	8,443	5,187	- - -	- - -	13,630
Total accumulated depreciation	8,443	5,187	- - -	- - -	13,630
Total capital assets, being depreciated,	182,919	(5,187)	- - -	- - -	177,732
Hawkinsville Downtown Development Authority capital assets, net	$182,919	$(5,187)	$- - -	$- - -	$177,732

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	$ 84,164	$ 7,995	$ - - -	$ 7,404	$- - -	$ 591
Differences between expected and actual experience	(24,101)	24,101	18,760	(3,906)	2,602	6,645
Change in assumptions	(7,132)	7,132	5,433	(1,709)	(952)	4,360
Net differences between projected and actual earnings on pension plan investments	332,158	215,711	156,220	26,832	1,209	31,450
Total deferred outflows	$385,089	$254,939	$180,413	$28,621	$2,859	$43,046
Deferred Inflows						
Pensions:						
Differences between expected and actual experience	$165,212	$ 64,287	$ 43,033	$14,313	$- - -	$ 6,941
Net differences between projected and actual earnings on pension plan investments	233,726	164,209	110,106	14,002	3,044	37,057
Total deferred inflows	$398,938	$228,496	$153,139	$28,315	$3,044	$43,998

10. LONG-TERM OBLIGATIONS:

Primary Government

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Governmental activities:					
Compensated absences	$ 41,172	$ 658	$ - - -	$ 41,830	$ 41,830
Notes payable - Hawkinsville-Pulaski County Development Authority	502,037	- - -	90,288	411,749	95,871
Note payable - City Hall	2,985,448	- - -	53,500	2,931,948	54,650
Leases payable	6,190	5,844	3,307	8,727	3,635
Net pension liability	490,595	608,947	1,038,890	60,652	- - -
Total governmental activities	$4,025,442	$615,449	$1,185,985	$3,454,906	$195,986
Business-type activities:					
Compensated absences	$ 6,697	$ 1,286	$ - - -	$ 7,983	$ 7,983
Note payable - BB&T	154,183	- - -	28,609	125,574	29,682
Note payable - GEFA	275,260	- - -	39,517	235,743	40,315
Note payable - GEFA CWSRF	368,790	- - -	368,790	- - -	- - -
Note payable - GEFA CWDRA	934,269	- - -	50,501	883,768	50,501
Post-closure care costs	48,495	- - -	5,970	42,525	5,316
Net pension liability (asset)	305,464	57,848	98,691	264,621	- - -
Total business-type activities	$2,093,158	$ 59,134	$ 592,078	$1,560,214	$133,797

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. Leases payable will be paid by the General Fund and are discussed in Note 11.

A. LONG-TERM OBLIGATIONS FOR GOVERNMENTAL ACTIVITIES:

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

10. LONG-TERM OBLIGATIONS: (continued)

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, 2024, consisted of the following:

PlantersFirst - $500,000 note payable in twenty semiannual installments of $30,697,including interest at a variable rate of 8.00%.	$210,794
SunMark - $500,000 note payable in twenty semiannual installments of $33,614,including interest at a variable rate of 8.00%.	200,955
Total	411,749
Less current portion	95,871
Total long-term portion	$315,878

The annual debt service requirements to maturity, including principal and interest, for the Hawkinsville-Pulaski County Development Authority note payable as of June 30, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 95,871	$32,749	$128,620
2026	105,018	23,602	128,620
2027	113,735	14,885	128,620
2028	97,125	3,949	101,074
Total	$411,749	$75,185	$486,934

Note payable - City Hall - The City of Hawkinsville entered into a loan agreement in the amount of $3,080,000 with the United States Department of Agriculture (USDA) to finance the construction of the City Hall on November 17, 2021. This note payable will be liquidated by the City Hall Debt Service Fund. The note requires the City to accumulate a reserve of $119,016. As of June 30, 2024, the City has funded $31,753 of the reserve which is maintained in a separate bank account. This note required an interest only payment on November 17, 2023. Beginning December 17, 2023, this note will be payable in monthly payments of principal plus interest so that the final payment shall be due no later than November 17, 2061. Unadvanced loan funds totaled $-0- as of June 30, 2024.

United States Department of Agriculture (USDA) - $3,080,000 note due in 452 monthly installments of approximately $9,702, including interest at 2.125%.	$2,931,948
Less current portion	54,650
Total long-term portion	$2,877,298

10. LONG-TERM OBLIGATIONS: (continued)

The annual debt service requirements to maturity, including principal and interest, for the City Hall note payable as of June 30, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 54,650	$ 61,774	$ 116,424
2026	55,823	60,601	116,424
2027	57,021	59,403	116,424
2028	58,245	58,179	116,424
2029	59,494	56,930	116,424
2030-2034	317,178	264,942	582,120
2035-2039	352,700	229,420	582,120
2040-2044	392,201	189,919	582,120
2045-2049	436,126	145,994	582,120
2050-2054	484,970	97,150	582,120
2055-2059	539,284	42,836	582,120
2060-2061	124,256	1,543	125,799
Total	$2,931,948	$1,268,691	$4,200,639

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 Hollingsworth & Vose. 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 be 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%.	$125,574
Less current portion	29,682
Total long-term portion	$ 95,892

The annual debt service requirements to maturity, including principal and interest, for the BB&T notes and leases payable as of June 30, 2024 are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 29,682	$ 4,709	$ 34,391
2026	30,795	3,596	34,391
2027	31,950	2,441	34,391
2028	33,147	1,244	34,391
Total	$125,574	$11,990	$137,564

10. LONG-TERM OBLIGATIONS: (continued)

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 be liquidated by the Water and Sewerage Fund.

GEFA -	
$735,697 note due in 240 monthly installments of approximately $3,722, including interest at 2%.	$235,743
Less current portion	40,315
Total long-term portion	$195,428

The annual debt service requirements to maturity, including principal and interest, for the GEFA note payable as of June 30, 2024 is as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 40,315	$ 4,346	$ 44,661
2026	41,128	3,533	44,661
2027	41,958	2,703	44,661
2028	42,805	1,856	44,661
2029	43,669	992	44,661
2030	25,868	173	26,041
Total	$235,743	$13,603	$249,346

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 be liquidated by the Water and Sewerage Fund and proceeds from a $1,410,000 EDA investment from the U.S. Department of Commerce. This note was fully disbursed as of June 30, 2021. This note was paid in full as of June 30, 2024.

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. As of June 30, 2024, GEFA has granted forgiveness of $178,239. Unadvanced loan funds totaled $189,241 as of June 30, 2023 and, due to project completion, were not drawn and were deobligated. This note payable will be liquidated by the Water and Sewerage Fund.

10. LONG-TERM OBLIGATIONS: (continued)

GEFA CWDRA - $1,188,259 note less debt forgiveness of $178,239 due in 240 monthly installments of approximately $4,208, including interest at 0.0%.	$883,768
Less current portion	50,501
Total long-term portion	$833,267

The annual debt service requirements to maturity, including principal and interest, for the GEFA note payable as of June 30, 2024 is as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 50,501	$- - -	$ 50,501
2026	50,501	- - -	50,501
2027	50,501	- - -	50,501
2028	50,501	- - -	50,501
2029	50,501	- - -	50,501
2030-2034	252,505	- - -	252,505
2035-2039	252,505	- - -	252,505
2040-2042	126,253	- - -	126,253
Total	$883,768	$- - -	$883,768

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 $42,525 and has been included in accrued expenses of the Sanitation Fund. During the year ended June 30, 2024, 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 $5,970 were paid. Post-closure care costs are generally liquidated by the Sanitation Fund.

The post-closure care costs requirements as of June 30, 2024 are as follows:

Year ending June 30,	
2025	$ 5,316
2026	5,316
2027	5,316
2028	5,316
2029	5,316
2030-2032	15,945
Total	$42,525

10. LONG-TERM OBLIGATIONS: (continued)

Discretely Presented Component Unit

The following is a summary of changes in long-term obligations for Hawkinsville Downtown Development Authority for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Note payable	$73,394	$- - -	$6,987	$66,407	$66,407
Total long-term liabilities	$73,394	$- - -	$6,987	$66,407	$66,407

During October 2021, the Hawkinsville Downtown Development Authority signed an unsecured note payable with PlantersFirst Bank in the amount of $84,395 to finance the remodel of the Kinard building. The note will be liquidated by the discretely presented component unit.

PlantersFirst - $84,395 note, due in 35 monthly installments of $835 and a balloon payment of $64,834, including interest at 4.25%.	$66,407
Less current portion	66,407
Total long-term portion	$ - - -

The annual debt service requirements to maturity, including principal and interest, for the PlantersFirst note payable as of June 30, 2024 is as follows:

Year ending June 30,	Principal	Interest	Total
2025	$66,407	$932	$67,339

11. LEASES:

A. CITY AS LESSEE:

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 a lease term of 60 months. The initial lease liability was calculated as $3,660 using the 5 year Bondwave AA QCurve interest rate of 2.465% as of June 30, 2023 to value the lease.

During November 2022, the City entered into a lease with Middle Georgia Business Products for a Kyocera copier requiring monthly payments in the amount of $110 for 48 months. The initial lease liability was calculated as $5,013 using the 5 year Bondwave AA QCurve interest rate of 2.720% as of June 30, 2023 to value the lease.

During August 2023, the City entered into a lease with Middle Georgia Business Products for a Kyocera copier requiring monthly payments in the amount of $130 for 48 months. The initial lease liability was calculated as $5,844 using the 5 year Bondwave AA QCurve interest rate of 3.074% as of June 30, 2024 to value the lease.

11. LEASES: (continued)

Annual debt service requirements to maturity, including principal and interest, as of June 30, 2024 is as follows:

Year ending June 30,	Principal	Interest	Total
2025	$3,635	$208	$3,843
2026	2,765	114	2,879
2027	2,070	37	2,107
2028	258	1	259
Total	$8,728	$360	$9,088

These assets will be amortized over the lease term, which is shorter than the useful life. There are no residual value guarantees in the lease provisions. The total of the City's right-to-use assets - equipment are recorded at a cost of $14,517, less accumulated amortization of $6,712. The leases are reported with capital assets on the Statement of Net Position in the governmental activities column.

B. SHORT-TERM LEASES:

During the year ended June 30, 2023, the City adopted GASB Statement No. 87, *Leases*. This standard defines a short-term lease as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. The City participates in multiple short-term leases as both a lessee and lessor.

As a lessor, the City leases the "Spec" building to Sider-Oxydro, Inc which requires a monthly payment of $3,000. During October 2021, the City signed a commercial lease agreement to lease the Hawkinsville Horse Training Center to Gerald Lilley for the period of October 1, 2023 through April 30, 2025. The lease payment will be made annually in two installments of $150 per horse after any horse has stayed on grounds for longer than 90 days between October 1, 2023 through April 30, 2025. The first payment will be due by February 1 for all horses stabled longer than 90 days of lease before February 1. The last payment will be made by April 30 of remaining horses that have stayed over 90 days. Total amount of lease income for fiscal year 2024 totaled $61,050.

As a lessee, the City maintains an annual short-term 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. Total rent expenditures for fiscal year 2024 totaled $99,604.

12. DEFICIT FUND EQUITY:

There were no deficit net positions in any individual fund for the fiscal year ended June 30, 2024.

The 2021 CDBG Grant Special Revenue Fund ended the year with a deficit fund balance due to final draws on the CDBG being received after year end. Management expects to eliminate this deficit in subsequent year by recording the final draws on the 2021 CDBG Grant.

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

Excess of expenditures over appropriations - There were no expenditures in excess of appropriations for the year ended June 30, 2024.

Violation of Georgia law - SPLOST - The City paid an expenditure with the General Fund that should have been paid with SPLOST funds. An interfund payable from the 2023 Capital Projects Fund to the General Fund was recorded at June 30, 2024. These funds will be paid to the General Fund by the 2023 SPLOST Capital Projects Fund during 2025.

14. 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	$ 31,754	$- - -	$ 31,754
Capital projects	470,075	- - -	470,075
Public works	86,122	- - -	86,122
Cemetery:			
Expendable	- - -	175	175
Nonexpendable	- - -	5,000	5,000
Total restricted net position Governmental Activities	$587,951	$5,175	$593,126

15. 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 $285,599. Also, these four commercial customers accounted for approximately 47.29% of the total charges for services in these funds.

16. 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.

17. 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 ended during March 2023.

18. 2023 SPECIAL PURPOSE LOCAL OPTION SALES TAX:

The residents of the City approved a One Percent Special Purpose Local Option Sales Tax (SPLOST) on November 8, 2022, for funds to improve or purchase City property and equipment, recreational facilities and improvements, economic development capital projects, grant matching funds, public safety and public works equipment, and payments towards existing general obligation debt for the USDA loan of $3,080,000 and GEFA loans of $735,697 and $2,500,000. Collections on the SPLOST began April 1, 2023, and will continue for six years or until $4.25 million is collected as the City's portion, whichever comes first.

19. 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, 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.

19. 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, 2024, 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		45
Vested terminated employees not yet receiving benefits		16
Active employees:		
Vested	12	
Nonvested	14	26
Total membership in the plan		87

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, 2024, was $68,400 which was 8.50% of the covered payroll. The amount of the current year covered payroll is $805,140.

19. 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 $68,400. 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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation at January 1, 2024. The total pension liability in the January 1, 2024 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, 2024, valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December 2019.

19. RETIREMENT PLANS: (continued)

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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.91%
International equity	20%	7.21%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
Total	100%	

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	$675,068	$325,273	$24,975

19. RETIREMENT PLANS: (continued)

Changes in the Net Pension Liability - The measurement date of the net pension liability was September 30, 2023. The date of the actuarial valuation on which the total pension liability is based was January 1, 2024.

	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
Balances at September 30, 2022	$3,962,175	$3,166,116	$ 796,059
Changes for the year:			
Service cost	55,328	- - -	55,328
Interest	284,748	- - -	284,748
Differences between expected and actual experience	(235,866)	- - -	(235,866)
Contributions - employer	- - -	162,705	(162,705)
Net investment income	- - -	425,992	(425,992)
Benefit payments, including refunds of employee contributions	(313,018)	(313,018)	- - -
Administrative expense	- - -	(13,701)	13,701
Net changes	(208,808)	261,978	(470,786)
Balances at September 30, 2023	$3,753,367	$3,428,094	$ 325,273

Changes of assumptions - There were no changes in assumptions for the fiscal year ending in 2024.

Benefit changes - There were no changes in benefit provisions for the fiscal year ending in 2024.

Pension expense -

Service cost	$ 55,328
Interest on TPL	284,748
Administrative expenses	13,701
Expected return on assets	(227,453)
Expensed portion of current year period differences between expected and actual experience in TPL	(117,933)
Expensed portion of current year period differences between projected and actual investment earnings	(39,707)
Current year recognition of deferred inflows and outflows established in prior years	19,518
Total pension expense	$ (11,798)

19. RETIREMENT PLANS: (continued)

Deferred outflows/inflows of resources related to pensions:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ - - -	$(229,499)
Net difference between projected and actual earnings on pension plan investments	547,869	(397,935)
City contributions subsequent to the measurement date	92,159	- - -
Total deferred outflows/inflows of resources related to pensions	$640,028	$(627,434)

The $92,159 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, 2025. Other amounts reported as deferred outflows of 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
2025	$182,623	$395,836
2026	182,623	152,182
2027	182,623	39,708
2028	- - -	39,708
Total projected recognition of deferred outflows/inflows	$547,869	$627,434

20. 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.

21. 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, 2024 is as follows:

	Amount	Percentage of Tax Receipts
Receipts:		
Lodging tax receipts	$64,008	
Expenditures:		
Hawkinsville Pulaski Chamber of Commerce, Inc.	$40,005	62.50%
General Fund	24,003	37.50%
Total expenditures	$64,008	

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.

22. 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, 2024. 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 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 has completed improvements to the wastewater system to remedy the violations. The City is required to perform water testing through 2028.

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.

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.

22. COMMITMENTS AND CONTINGENCIES: (continued)

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 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 $103,252 for the year ended June 30, 2024.

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 $1,968,010 in ARP funding as of July 15, 2023. All costs must be incurred before December 31, 2024 to qualify for funding. During November 2021, the City signed a contact with Anderson Power Services in the amount of $502,830 for generators and transfer switches for three lift stations, two water treatment plants, and a wastewater treatment plant. During December 2021, the City signed a contract with EMC Engineering Services, Inc. in the amount of $21,500 for professional engineering services related to Pulaski Street Drainage Improvements.

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, 2023 and will renew for successive one year periods unless terminated by either party upon thirty days written notice.

22. COMMITMENTS AND CONTINGENCIES: (continued)

During August 2021, the City entered into an agreement with Pulaski County, Georgia (County) and the Pulaski County Board of Elections and Registration (Board of Elections) relating to services of the Board of Elections for the purpose of conducting municipal elections for the City of Hawkinsville. This agreement shall commence on September 1, 2021 and continue through August 30, 2025 unless terminated by either party upon sixty days written notice. The City will pay the County 40% of the Election Superintendent's salary, all costs of poll workers, printing of ballots, publication of any required legal notices, and miscellaneous costs related to municipal elections.

During October 2021, the City was awarded a 2021 Community Development Block Grant (CDBG) 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. The City signed an agreement with Ocmulgee Engineering for engineering services for the 2021 CDBG in the amount of $66,958. During November 2023, the City signed an agreement with K-Dug Corporation to complete drainage and sewer improvements in the Henry Way and Gordon Street neighborhoods in the City of Hawkinsville for an amount of $1,024,070.

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 and $15,000 for the design including electrical for the restrooms at the Veterans Memorial Park. The City also signed a contract with International City Builders, Inc. for the development and construction associated with the Hawkinsville Veterans Memorial Park and LWCF project in the amount of $1,220,000.

22. COMMITMENTS AND CONTINGENCIES: (continued)

During March 2023, the City signed an agreement with Goodwyn Mills Cawood, LLC for airport engineering design, construction, inspection, and administration consultant services. This agreement will commence March 1, 2023 and continue for five years. During November 2023, the City signed a contract with Goodwyn Mills Cawood, LLC to provide airfield design services for the Airfield Lighting LED Conversion Project at the Hawkinsville-Pulaski County Airport for an amount of $27,670.

During April 2023, the City was awarded the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant in the amount of $680,316. This grant will be used for repair, rehabilitation, or replacement of aging, leak-prone distribution pipeline infrastructure. The City signed an agreement with Sapp Engineering & Services, LLC to provide engineering, project management, operations consulting and other services for the work on the natural gas system as approved by the PHMSA grant. Sapp Engineering & Services, LLC will receive an amount not to exceed nine percent of the costs to construct the pipeline infrastructure.

During August 2023, the City signed an agreement with Ryland Environmental for waste disposal services. The initial term of this agreement is two years commencing on August 1, 2023. The agreement may automatically renew for three one year annual periods unless canceled by either party upon 90 days written notice.

During October 2023, the City signed a contract with Inframark, LLC d/b/a ESG Operations for the operations, maintenance, and management services of the Water and Wastewater operations. The initial term of this agreement is nine years and eight months commencing on November 1, 2023 and shall continue through June 30, 2032 for a first year Base Fee of $1,043,850. The Base Fee will be renegotiated each fiscal year and shall include a budget for annual repairs and maintenance, chemicals, and laboratory costs. The agreement may automatically renew for an additional successive term of ten years unless canceled by either party upon 120 days written notice.

During the year ended June 30, 2024, the City was awarded a Supplemental FY 2024 Local Maintenance and Improvement Grant (LMIG) in the amount of $86,122. The grant does not require the City to provide a match with local funds. During July 2024, the City signed a contract with Griffin Grading & Concrete LLC for completion of the FY 2024 LMIG in the amount of $107,923.

During January 2024, the City received a Drinking Water SRF Lead Service Line Replacement Program grant from the Georgia Environmental Finance Authority in the amount of $150,000. This grant requires the City to complete a lead service line inventory prior to October 2025. The City signed a contract with ESG Operations, LLC to perform the required professional services to complete the Lead Service Line inventory in accordance with the EPA's "Lead and Copper Rule Improvements" issued December 2021. The City is required to submit a completed lead service line inventory to the U.S. Environmental Protection Agency by October 16, 2025.

23. SUBSEQUENT EVENTS:

Subsequent to year end, the City was awarded a Supplemental FY 2025 Local Maintenance and Improvement Grant (LMIG) in the amount of $71,080. The grant requires the City to provide a match with local funds.

Subsequent to year end, the City signed a contract in July 2024 with Griffin Grading & Concrete, LLC in the amount of $198,776 for the preparation and of a Pad Ready Site at the North Industrial Park.

Subsequent to year end, the City approved Southern Pipeline as the US DOT PHMSA contractor for the NGDISM grant and signed a contract in the amount of $635,274.

Subsequent to year end, the City was awarded a 2025 Community Development Block Grant (CDBG) for water and sewer improvements; however, the final award amount has not yet been determined.

Subsequent to year end, the City and Pulaski County, Georgia voters approved a Single-County TSPLOST referendum.

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,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 55,328	$ 65,904	$ 56,116	$ 41,984	$ 59,059	$ 48,509	$ 49,869	$ 41,315	$ 49,560	$ 51,430
Interest	284,748	306,880	294,138	284,963	269,351	268,333	264,658	254,288	243,829	240,806
Differences between expected and actual experience	(235,866)	(334,697)	134,269	43,815	164,250	(26,006)	5,005	97,536	66,508	(41,825)
Changes of assumptions	- - -	- - -	- - -	- - -	87,768	- - -	69,908	- - -	- - -	(19,534)
Changes of benefit terms	- - -	- - -	- - -	33,348	- - -	- - -	- - -	- - -	- - -	- - -
Benefit payments, including refunds of employee contributions	(313,018)	(342,191)	(300,869)	(286,821)	(294,756)	(280,868)	(269,377)	(249,279)	(200,608)	(183,134)
Net change in total pension liability	(208,808)	(304,104)	183,654	117,289	285,672	9,968	120,063	143,860	159,289	47,743
Total pension liability - beginning	3,962,175	4,266,279	4,082,625	3,965,336	3,679,664	3,669,696	3,549,633	3,405,773	3,246,484	3,198,741
Total pension liability - ending	$3,753,367	$3,962,175	$4,266,279	$4,082,625	$3,965,336	$3,679,664	$3,669,696	$3,549,633	$3,405,773	$3,246,484
Plan fiduciary net position										
Contributions - employer	$ 162,705	$ 178,020	$ 124,219	$ 125,327	$ 113,273	$ 110,703	$ 83,965	$ 88,212	$ 100,594	$ 117,623
Net investment income	425,992	(626,816)	803,052	302,685	91,266	311,952	433,701	309,285	36,574	304,694
Benefit payments, including refunds of employee contributions	(313,018)	(342,191)	(300,869)	(286,821)	(294,756)	(280,868)	(269,377)	(249,279)	(200,608)	(183,134)
Administrative expense	(13,701)	(14,036)	(14,147)	(15,152)	(13,595)	(14,820)	(15,667)	(9,128)	(10,325)	(8,202)
Net change in fiduciary net position	261,978	(805,023)	612,255	126,039	(103,812)	126,967	232,622	139,090	(73,765)	230,981
Plan fiduciary net position - beginning	3,166,116	3,971,139	3,358,884	3,232,845	3,336,657	3,209,690	2,977,068	2,837,978	2,911,743	2,680,762
Plan fiduciary net position - ending	$3,428,094	$3,166,116	$3,971,139	$3,358,884	$3,232,845	$3,336,657	$3,209,690	$2,977,068	$2,837,978	$2,911,743
Net pension liability - ending	$ 325,273	$ 796,059	$ 295,140	$ 723,741	$ 732,491	$ 343,007	$ 460,006	$ 572,565	$ 567,795	$ 334,741
Plan's fiduciary net position as a percentage of the total pension liability	91.33%	79.91%	93.08%	82.27%	81.53%	90.68%	87.46%	83.87%	83.33%	89.69%
Covered employee payroll	$805,140	$1,242,335	$1,299,858	$1,173,460	$973,683	$1,182,000	$ 934,449	$ 888,341	$ 760,130	$ 867,622
Net pension liability as a. percentage of covered employee payroll	40.40%	64.08%	22.71%	61.68%	75.23%	29.02%	49.23%	64.45%	74.70%	38.58%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 122,879	$ 175,980	$ 156,610	$ 135,512	$120,398	$ 110,898	$ 99,574	$ 89,826	$ 87,674	$104,901
Contributions in relation to the actuarially determined contribution	122,879	175,980	156,610	135,512	120,398	110,898	99,574	89,826	87,674	104,901
Contribution deficiency (excess)	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
Covered employee payroll	$ 805,140	$1,242,335	$1,299,858	$1,173,460	$973,683	$1,182,000	$934,449	$888,341	$760,130	$867,622
Contributions as a percentage of covered employee payroll	15.26%	14.17%	12.05%	11.55%	12.37%	9.38%	10.66%	10.11%	11.53%	12.09%

CITY OF HAWKINSVILLE, GEORGIA
NOTES TO SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY -
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
JUNE 30, 2024

Valuation Date: Actuarially determined contribution was determined as of January 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending June 30, 2025.

Methods and assumptions used to determine contribution rates:

Actuarial cost method		Projected unit credit
Amortization method		Closed level dollar for remaining unfunded liability
Remaining amortization period		Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset valuation method		Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net investment rate of return		7.375%
Projected salary increases		2.25% per year plus service based merit increases
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 projected generationally from 2012 to future years using 60% sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

See Note 19 for changes in assumptions and benefit changes.

NOTE: The methods and assumptions used in the January 1, 2024 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019.

The above information should include 10 years per GASB Statement No. 68. The year ended June 30, 2014 was the first year that data was measured in accordance with GASB Statement No. 68. Fiscal years prior to 2015 are not presented.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	$2,251,140	$2,251,140	$2,315,413	$ 64,273
Licenses and permits	101,900	101,900	153,362	51,462
Intergovernmental	225,250	225,250	409,273	184,023
Fines and forfeitures	4,000	4,000	1,315	(2,685)
Interest	2,500	2,500	6,308	3,808
Miscellaneous	34,160	34,160	55,625	21,465
Total revenues	2,618,950	2,618,950	2,941,296	322,346
EXPENDITURES:				
General government	866,013	871,073	871,066	7
Judicial	- - -	7,460	7,454	6
Public safety:				
Fire protection	159,040	159,040	159,040	- - -
Law enforcement	594,300	594,300	594,298	2
E-911	120,000	120,000	113,479	6,521
Animal control	155,411	159,006	158,999	7
Emergency Management Agency	23,360	23,360	23,258	102
Public works	957,475	986,890	986,885	5
Health and welfare	6,900	6,900	6,900	- - -
Culture and recreation:				
Recreation board	75,000	75,000	75,000	- - -
Library Board	19,500	19,500	19,500	- - -
Community and economic development	225,013	197,010	196,636	374
Debt service:				
Principal	152,500	134,473	133,956	517
Interest	88,500	89,000	88,877	123
Total expenditures	3,443,012	3,443,012	3,435,348	7,664
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(824,062)	(824,062)	(494,052)	330,010
OTHER FINANCING SOURCES (USES):				
Leases	- - -	- - -	5,844	5,844
Transfers in	824,062	824,062	1,186,798	362,736
Transfers out	- - -	- - -	(643,030)	(643,030)
Total other financing sources (uses)	824,062	824,062	549,612	(274,450)
NET CHANGE IN FUND BALANCES	- - -	- - -	55,560	55,560
FUND BALANCE - BEGINNING	108,676	108,676	108,676	- - -
FUND BALANCE - ENDING	$ 108,676	$ 108,676	$ 164,236	$ 55,560

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, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Interest	$ 100	$ 1,750	$ 1,746	$ (4)
Miscellaneous	41,000	47,350	36,000	(11,350)
Total revenues	41,100	49,100	37,746	(11,354)
EXPENDITURES -				
Community and economic development	41,100	49,100	49,061	39
Total expenditures	41,100	49,100	49,061	39
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	(11,315)	(11,315)
OTHER FINANCING SOURCES -				
Transfers in	- - -	- - -	13,601	13,601
Total other financing sources	- - -	- - -	13,601	13,601
NET CHANGE IN FUND BALANCES	- - -	- - -	2,286	2,286
FUND BALANCE - BEGINNING	1,629,190	1,629,190	1,629,190	- - -
FUND BALANCE - ENDING	$1,629,190	$1,629,190	$1,631,476	$ 2,286

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 - 2021 CDBG GRANT
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Intergovernmental	$750,000	$750,000	$671,194	$(78,806)
Total revenues	750,000	750,000	671,194	(78,806)
EXPENDITURES -				
Public works	750,000	750,000	704,375	45,625
Total expenditures	750,000	750,000	704,375	45,625
NET CHANGE IN FUND BALANCES	- - -	- - -	(33,181)	(33,181)
FUND BALANCE - BEGINNING	1,000	1,000	1,000	- - -
FUND BALANCE - ENDING	$ 1,000	$ 1,000	$(32,181)	$(33,181)

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, 2024.

SUPPLEMENTARY INFORMATION

CITY OF HAWKINSVILLE, GEORGIA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL NONMAJOR
	MILL PROJECT	HOPE IV MAIN STREET GRANT	HOTEL / MOTEL TAX	CEMETERY FUND	AMERICAN RESCUE PLAN FUND	2010 SPLOST	CITY HALL	GOVERNMENTAL FUNDS
ASSETS								
Cash - financial institutions	$- - -	$- - -	$- - -	$5,145	$39,961	$- - -	$31,754	$76,860
Receivables:								
Interest	- - -	- - -	- - -	30	- - -	- - -	- - -	30
Notes, net of allowance	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Interfund balances	- - -	- - -	5,257	- - -	- - -	- - -	- - -	5,257
Total assets	$- - -	$- - -	$5,257	$5,175	$39,961	$- - -	$31,754	$82,147
LIABILITIES AND FUND BALANCES								
LIABILITIES -								
Accounts payable	$- - -	$- - -	$5,257	$- - -	$39,961	$- - -	$ - - -	$45,218
Total liabilities	- - -	- - -	5,257	- - -	39,961	- - -	- - -	45,218
FUND BALANCE:								
Nonspendable -								
Cemetery fund principal	- - -	- - -	- - -	5,000	- - -	- - -	- - -	5,000
Restricted for:								
Debt service	- - -	- - -	- - -	- – -	- - -	- - -	31,754	31,754
Cemetery improvements	- - -	- - -	- - -	175	- - -	- - -	- - -	175
Total fund balances	- - -	- - -	- - -	5,175	- - -	- - -	31,754	36,929
Total liabilities and fund balances	$- - -	$- - -	$5,257	$5,175	$39,961	$- - -	$31,754	$82,147

CITY OF HAWKINSVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	MILL PROJECT	HOPE IV MAIN STREET GRANT	HOTEL / MOTEL TAX	CEMETERY FUND	AMERICAN RESCUE PLAN FUND	2010 SPLOST	CITY HALL	
REVENUES:								
Taxes	$- - -	$- - -	$ 64,008	$- - -	$ - - -	$ - - -	$ - - -	$ 64,008
Intergovernmental	- - -	- - -	- - -	- - -	455,185	- - -	- - -	455,185
Interest	- - -	- - -	- - -	153	3,679	6	5	3,843
Total revenues	- - -	- - -	64,008	153	458,864	6	5	523,036
EXPENDITURES:								
Current:								
General government	- - -	- - -	40,005	- - -	- - -	- - -	- - -	40,005
Public works	- - -	- - -	- - -	– - -	459,828	- - -	- - -	459,828
Capital outlay:								
General government	- - -	- - -	- - -	- - -	- - -	1,509	- - -	1,509
Public works	- - -	- - -	- - -	- - -	- - -	86,252	- - -	86,252
Debt service:								
Principal	- - -	- - -	- - -	- - -	- - -	- - -	13,139	13,139
Interest	- - -	- - -	- - -	- - -	- - -	- - -	15,967	15,967
Total expenditures	- - -	- - -	40,005	- - -	459,828	87,761	29,106	616,700
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	24,003	153	(964)	(87,755)	(29,101)	(93,664)
OTHER FINANCING SOURCES (USES):								
Transfers in	- - -	- - -	- - -	- - -	- - -	- - -	40,016	40,016
Transfers out	- - -	- - -	(24,003)	- - -	- - -	(84)	- - -	(24,087)
Total other financing sources (uses)	- - -	- - -	(24,003)	- - -	- - -	(84)	40,016	15,929
NET CHANGE IN FUND BALANCES	- - -	- - -	- - -	153	(964)	(87,839)	10,915	(77,735)
FUND BALANCE - BEGINNING	- - -	- - -	- - -	5,022	964	87,839	20,839	114,664
FUND BALANCE - ENDING	$- - -	$- - -	$ - - -	$5,175	$ - - -	$ - - -	$ 31,754	$ 36,929

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, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Taxes	$ 70,000	$ 70,000	$ 64,008	$(5,992)
Total revenues	70,000	70,000	64,008	(5,992)
EXPENDITURES -				
General government	44,000	44,000	40,005	3,995
Total expenditures	44,000	44,000	40,005	3,995
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	26,000	26,000	24,003	(1,997)
OTHER FINANCING SOURCES (USES) -				
Transfers out	(26,000)	(26,000)	(24,003)	1,997
Total other financing sources (uses)	(26,000)	(26,000)	(24,003)	1,997
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, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Interest	$ 40	$ 40	$ 153	$ 113
Total revenues	40	40	153	113
EXPENDITURES -				
Public works	- - -	- - -	- - -	- - -
Total expenditures	- - -	- - -	- - -	- - -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	40	40	153	113
OTHER FINANCING SOURCES (USES) -				
Transfers out	(40)	(40)	- - -	40
Total other financing sources (uses)	(40)	(40)	- - -	40
NET CHANGE IN FUND BALANCES	- - -	- - -	153	153
FUND BALANCE - BEGINNING	5,022	5,022	5,022	- - -
FUND BALANCE - ENDING	$5,022	$5,022	$5,175	$ 153

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - AMERICAN RESCUE PLAN
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$456,000	$456,000	$455,185	$ (815)
Interest	4,000	4,000	3,679	(321)
Total revenues	460,000	460,000	458,864	(1,136)
EXPENDITURES -				
Public works	460,000	460,000	459,828	172
Total expenditures	460,000	460,000	459,828	172
NET CHANGE IN FUND BALANCES	- - -	- - -	(964)	(964)
FUND BALANCE - BEGINNING	964	964	964	- - -
FUND BALANCE - ENDING	$ 964	$ 964	$ - - -	$ (964)

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, 2024

	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	9,179	(2,821)
Miscellaneous	- - -	- - -	315,750	315,750
Total revenues	3,612,000	3,612,000	2,614,810	(997,190)
EXPENDITURES -				
Capital outlay:				
General government	2,662,000	1,012,000	768,439	243,561
Public safety	325,000	250,000	206,860	43,140
Public works	- - -	1,650,000	1,472,185	177,815
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	2,614,726	997,274
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	84	84
OTHER FINANCING SOURCES (USES) -				
Transfers out	- - -	- - -	(84)	(84)
Total other financing sources (uses)	- - -	- - -	(84)	(84)
NET CHANGES 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 - CAPITAL PROJECTS FUND - 2017 SPLOST
FOR THE PERIOD ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL TO DATE	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$3,000,000	$ 3,835,000	$ 3,815,842	$(19,158)
Interest	1,000	1,000	4,631	3,631
Miscellaneous	- - -	35,000	31,293	(3,707)
Total revenues	3,001,000	3,871,000	3,851,766	(19,234)
EXPENDITURES:				
Capital outlay:				
General government	1,250,000	3,838,000	3,733,461	104,539
Public safety	100,000	100,000	88,659	11,341
Public works	701,000	1,085,000	1,084,946	54
Culture and recreation	650,000	1,665,000	1,655,782	9,218
Community and economic development	300,000	200,000	87,230	112,770
Debt service -				
Principal	- - -	62,000	61,922	78
Total expenditures	3,001,000	6,950,000	6,712,000	238,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	(3,079,000)	(2,860,234)	218,766
OTHER FINANCING SOURCES:				
Loan proceeds	- - -	3,079,000	3,079,000	- - -
Transfers in	- - -	- - -	84	84
Total other financing sources	- - -	3,079,000	3,079,084	84
NET CHANGES IN FUND BALANCES	- - -	- - -	218,850	218,850
FUND BALANCE - BEGINNING	- - -	- - -	- - -	- - -
FUND BALANCE - ENDING	$ - - -	$ - - -	$ 218,850	$218,850

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - 2023 SPLOST
FOR THE PERIOD ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL TO DATE	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$ 4,250,000	$ 4,250,000	$ 892,981	$(3,357,019)
Interest	1,000	1,000	3,348	2,348
Miscellaneous	- - -	- - -	14,832	14,832
Total revenues	4,251,000	4,251,000	911,161	(3,339,839)
EXPENDITURES -				
Capital outlay:				
General government	1,520,000	1,370,000	20	1,369,980
Public safety	405,000	405,000	- - -	405,000
Public works	501,000	501,000	138,074	362,926
Culture and recreation	425,000	575,000	116,806	458,194
Community and economic development	400,000	400,000	- - -	400,000
Total expenditures	3,251,000	3,251,000	254,900	2,996,100
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,000,000	1,000,000	656,261	(343,739)
OTHER FINANCING USES -				
Transfers out	(1,000,000)	(1,000,000)	(405,036)	594,964
Total other financing uses	(1,000,000)	(1,000,000)	(405,036)	594,964
NET CHANGES IN FUND BALANCES	- - -	- - -	251,225	251,225
FUND BALANCE - BEGINNING	- - -	- - -	- - -	- - -
FUND BALANCE - ENDING	$ - - -	$ - - -	$ 251,225	$ 251,225

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
DEBT SERVICE FUND - CITY HALL
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES -				
Interest	$29,106	$29,106	$ 5	$(29,101)
Total revenues	29,106	29,106	5	(29,101)
EXPENDITURES -				
Debt service:				
Principal	13,139	13,139	13,139	- - -
Interest	15,967	15,967	15,967	- - -
Total expenditures	29,106	29,106	29,106	- - -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	- - -	- - -	(29,101)	(29,101)
OTHER FINANCING SOURCES -				
Transfers in	- - -	- - -	40,016	40,016
Total other financing sources	- - -	- - -	40,016	40,016
NET CHANGES IN FUND BALANCES	- - -	- - -	10,915	10,915
FUND BALANCE - BEGINNING	20,839	20,839	20,839	- - -
FUND BALANCE - ENDING	$20,839	$20,839	$ 31,754	$ 10,915

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, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Interest	$ 5,500	$ 5,500	$ 3,855	$(1,645)
Miscellaneous	50,638	50,638	46,201	(4,437)
Total revenues	56,138	56,138	50,056	(6,082)
EXPENDITURES -				
Community and economic development	56,138	56,138	29,443	26,695
Total expenditures	56,138	56,138	29,443	26,695
NET CHANGE IN FUND BALANCES	- - -	- - -	20,613	20,613
FUND BALANCE - BEGINNING	240,453	240,453	240,453	- - -
FUND BALANCE - ENDING	$240,453	$240,453	$261,066	$20,613

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS - 2010 SPLOST
FOR THE YEAR ENDED JUNE 30, 2024

	Original Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Fire and Police Department equipment	$ 250,000	$ 204,539	$ - - -	$ 204,539	81.82%
New City Hall	1,000,000	277,110	1,509	278,619	27.86%
Upgrade of City property and equipment	1,500,000	1,492,498	86,252	1,578,750	105.25%
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	$2,211,215	$87,761	$2,298,976	

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.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS - 2017 SPLOST
FOR THE YEAR ENDED JUNE 30, 2024

	Original Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
City improvements	$1,050,000	$ 580,648	$ 53,668	$ 634,316	60.41%
New City Hall	500,000	3,727,564	- - -	3,727,564	745.51%
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	76,394	- - -	76,394	30.56%
City recreation facilities	200,000	79,690	965,141	1,044,831	522.42%
Track improvements	150,000	9,027	- - -	9,027	6.02%
Capital projects matching grant funds	150,000	358,911	41,219	400,130	266.75%
Public safety / Public works equipment	75,000	149,086	- - -	149,086	198.78%
Renovation of the old firehouse on Broad Street	25,000	1,000	- - -	1,000	4.00%
Totals	$3,000,000	$5,120,679	$1,060,028	$6,180,707	

NOTE: The City of Hawkinsville, Georgia has received a USDA loan in the amount of $3,080,000 for the construction of a City Hall and a LWCF grant in the amount of $500,000 for the construction of a splashpad, pickleball courts, benches, playground set, skatepark, restroom building, and a multi-use path at Veterans Memorial Park. These proceeds are included in the SPLOST 2017 Capital Projects Fund. The USDA loan expenditures will be included on this schedule for the New City Hall and the LWCF grant expenditures will be included on this schedule for the City recreation facilities.

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	$1,528,167
Less - LWCF grant revenue received	(468,139)
Total Current Year Expenditures per Schedule of Projects - 2017 SPLOST	$1,060,028

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS - 2023 SPLOST
FOR THE YEAR ENDED JUNE 30, 2024

	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
City equipment and improvements	$1,120,000	$ 15	$ 87,539	$ 87,554	7.82%
General obligation debt - GEFA & USDA	1,000,000	70,482	334,554	405,036	40.50%
Grant matching	500,000	- - -	35,060	35,060	7.01%
Economic development	250,000	- - -	- - -	- - -	0.00%
Animal control building	225,000	- - -	- - -	- - -	0.00%
Recreation	200,000	168	168	336	0.17%
Downtown Development Authority	150,000	- - -	- - -	- - -	0.00%
Airport	150,000	- - -	- - -	- - -	0.00%
City Riverwalk	150,000	- - -	- - -	- - -	0.00%
Opera House	150,000	- - -	- - -	- - -	0.00%
Public safety	100,000	- - -	- - -	- - -	0.00%
Harness Track Bathrooms	75,000	- - -	- - -	- - -	0.00%
80 Commerce Street	75,000	- - -	101,638	101,638	135.52%
City Hall vehicle	45,000	- - -	- - -	- - -	0.00%
Speed signs	35,000	- - -	15,480	15,480	44.23%
Gateway improvements	25,000	- - -	- - -	- - -	0.00%
Totals	$4,250,000	$70,665	$574,439	$645,104	

NOTE: The City of Hawkinsville, Georgia received reimbursement of $14,832 for some of the 80 Commerce Street expenditures. These proceeds are included in the SPLOST 2023 Capital Projects Fund and are included in the expenditures on this schedule for 80 Commerce Street.

Reconciliation of SPLOST schedule to Governmental Funds Expenditures:

Total expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - 2023 SPLOST Capital Projects Fund	$254,717
Plus - Transfers out per SPLOST referendum to repay USDA & GEFA general obligation debt	334,554
Less - Reimbursement received from Pulaski County, Georgia for 80 Commerce Street	(14,832)
Total Current Year Expenditures per Schedule of Projects - 2023 SPLOST	$574,439

CITY OF HAWKINSVILLE, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES PROGRAM
GRANT NUMBER 21p-x-116-2-6190
FOR THE PERIOD ENDED JUNE 30, 2024

Total Fiscal Year 2021 CDBG Funds Awarded to Recipient	$750,000
Total Amount Drawdown by Recipient from DCA	$711,194
Less: CDBG Funds Expended by Recipient	711,194
Amount of Fiscal Year 2021 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 21p-x-116-2-6190
FOR THE PERIOD ENDED JUNE 30, 2024

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:						
Water/Sewer Improvements	T-03J-00	$ 44,958	$ 39,167	$ 9,500	$ 48,667	NONE
Street Improvements / Flood & Drainage	T-03K-00	22,000	18,333	- - -	18,333	NONE
Acquisition of Property	P-001-01	5,000	3,777	- - -	3,777	NONE
Sewer Facilities	P-03J-02	425,042	425,042	- - -	425,042	NONE
Flood and Drainage Facilities	P-03K-02	208,000	208,000	333,209	541,209	NONE
Administration	A-21A-00	45,000	16,875	- - -	16,875	NONE
		$750,000	$711,194	$342,709	$1,053,903	

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

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, 2024, 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 January 17, 2025.

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 2024-1 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
January 17, 2025

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE 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, 2024. 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, 2024.

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
January 17, 2025

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. Department of Housing and Urban Development				
Passed through Georgia Department of Community Affairs:				
Community Development Block Grant	14.228	21p-x-116-2-6190	$- - -	$ 704,375
Total U.S. Department of the Interior			- - -	704,375
U.S. Department of the Interior				
Passed through Georgia Department of Community Affairs:				
Land & Water Conservation Fund	15.916	LWCF 13-01053	- - -	468,139
Total U.S. Department of the Interior			- - -	468,139
U.S. Department of the Treasury				
Passed through State of Georgia Office of Planning and Budget:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	- - -	455,185
Total U.S. Department of the Treasury			- - -	455,185
U.S. Department of Transportation				
Natural Gas Distribution Infrastructure Safety Modernization	20.708	693JK32440034NGDI	- - -	- - -
Total U.S. Department of Transportation			- - -	- - -
Total Expenditures of Federal Awards			$- - -	$1,627,699

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, 2024

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% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. USDA COMMUNITY FACILITIES LOAN

Federal expenditures under loan programs include any new loans made or received during the year and loans outstanding at the beginning of the year for which there are continuing compliance requirements. The balance of the loan outstanding as of June 30, 2024 is $2,931,948.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
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
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
14.228	CDBG - Public Facility

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

2024-1 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.

CITY OF HAWKINSVILLE, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

2023-1 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.

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

Current Status: The segregation of duties finding was not corrected during the year.