CITY OF
HAWKINSVILLE, GEORGIA



ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

CITY OF HAWKINSVILLE, GEORGIA

FINANCIAL STATEMENTS
AS OF JUNE 30, 2025
AND INDEPENDENT AUDITOR'S REPORT

CITY OF HAWKINSVILLE, GEORGIA

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CITY OF HAWKINSVILLE, GEORGIA

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December 23, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Hawkinsville, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited 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** (the "**City**"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, UDAG Fund, and Rural Workforce Housing Grant Fund - Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, the City restated its prior year governmental activities, business-type activities, and Water and Sewer Fund net position for the correction of errors. Our opinions are not modified with respect to those matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability and related ratios on pages 43-44, the schedule of City contributions on page 45, and the notes to the required supplementary information on page 46 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are 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's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, schedule of projects constructed with transportation special sales tax proceeds, community development block grant schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administration 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.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, schedule of projects constructed with transportation special sales tax proceeds, community development block grant schedules, and the schedule of expenditures of federal awards 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, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, schedule of projects constructed with transportation special sales tax proceeds, community development block grant schedules, 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 December 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC

McNair, McLemore, Middlebrooks & Co., LLC

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FINANCIAL STATEMENTS

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and Cash Equivalents	$ 852,166	$ 1,428,397	$ 2,280,563	$ 152,531
Receivables (Net of Allowance)				
Taxes	77,989	-	77,989	-
Accounts	44,932	944,917	989,849	850
Notes	-	-	-	60,248
Interest	29	-	29	597
Due from Other Governments	1,417,048	-	1,417,048	-
Prepaids	6,106	13,004	19,110	610
Investment - Joint Venture	-	2,406,951	2,406,951	-
Net Pension Asset	141,066	12,267	153,333	-
Assets Held for Resale	1,655,627	-	1,655,627	-
Capital Assets				
Nondepreciable Assets	1,546,096	858,767	2,404,863	34,000
Depreciable Assets, Net	8,761,998	11,489,059	20,251,057	172,545
Total Assets	14,503,057	17,153,362	31,656,419	421,381
Deferred Outflows of Resources				
Related to Pensions	102,480	8,911	111,391	-
Total Deferred Outflows of Resources	102,480	8,911	111,391	-

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025
(CONTINUED)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Liabilities				
Accounts Payable	176,306	262,257	438,563	18
Retainage Payable	10,347	-	10,347	-
Accrued Liabilities	15,959	5,711	21,670	77
Customer Deposits	-	86,898	86,898	-
Due to Primary Government	-	-	-	10,035
Long-Term Liabilities				
Due Within One Year				
Compensated Absences	88,178	13,101	101,279	-
Notes Payable	160,841	50,501	211,342	127,357
Leases Payable	2,765	-	2,765	-
Post-Closure Care Cost	-	5,229	5,229	-
Due in More Than One Year				
Notes Payable	3,032,334	782,766	3,815,100	-
Leases Payable	2,327	-	2,327	-
Post-Closure Care Cost	-	31,376	31,376	-
Total Liabilities	3,489,057	1,237,839	4,726,896	137,487
Deferred Inflows of Resources				
Related to Pensions	286,028	24,872	310,900	-
Total Deferred Inflows of Resources	286,028	24,872	310,900	-
Net Position				
Net Investment in Capital Assets	7,109,827	11,514,559	18,624,386	172,545
Restricted for				
Capital Outlay	1,187,752	-	1,187,752	-
Debt Service	45,545	-	45,545	-
Cemetery	5,329	-	5,329	-
Unrestricted	2,481,999	4,385,003	6,867,002	111,349
Total Net Position	$ 10,830,452	$ 15,899,562	$ 26,730,014	$ 283,894

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	$ 1,254,882	$ 151,180	$ 40,690	$ -
Judicial	6,438	-	-	-
Public Safety	1,089,174	52,554	-	-
Public Works	618,290	-	158,284	1,024,008
Planning and Development	1,275,847	33,878	-	1,020,806
Culture and Recreation	180,930	-	-	-
Health and Welfare	10,300	-	-	-
Tourism	27,573	-	-	-
Interest	92,836	-	-	-
Total Governmental Activities	4,556,270	237,612	198,974	2,044,814
Business-Type Activities				
Water and Sewerage	2,762,585	2,291,296	-	630,437
Gas	2,900,203	3,973,571	-	764,880
Sanitation	954,936	1,020,931	-	-
Training Facility	105,388	16,050	-	20,000
Total Business-Type Activities	6,723,112	7,301,848	-	1,415,317
Total Primary Government	$ 11,279,382	$ 7,539,460	$ 198,974	$ 3,460,131
Component Unit				
Downtown Development Authority	$ 33,313	$ -	$ 25,212	$ -
General Revenues				
Property Taxes				
Sales Taxes				
Other Taxes				
Joint Venture Income / (Loss)				
Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position - June 30, 2024 as Previously Presented				
Correction of an Error				
Net Position - June 30, 2024 as Adjusted				
Net Position - End of Year				

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
$ (1,063,012)	$ -	$ (1,063,012)	$ -
(6,438)	-	(6,438)	-
(1,036,620)	-	(1,036,620)	-
564,002	-	564,002	-
(221,163)	-	(221,163)	-
(180,930)	-	(180,930)	-
(10,300)	-	(10,300)	-
(27,573)	-	(27,573)	-
(92,836)	-	(92,836)	-
(2,074,870)	-	(2,074,870)	-
-	159,148	159,148	-
-	1,838,248	1,838,248	-
-	65,995	65,995	-
-	(69,338)	(69,338)	-
-	1,994,053	1,994,053	-
(2,074,870)	1,994,053	(80,817)	-
			(8,101)
849,637	-	849,637	-
723,686	-	723,686	-
959,805	-	959,805	-
-	800,534	800,534	-
40,404	6	40,410	3,890
125,243	119,273	244,516	27,039
2,698,775	919,813	3,618,588	30,929
1,350,029	(1,350,029)	-	-
1,973,934	1,563,837	3,537,771	22,828
9,548,639	13,714,013	23,262,652	261,066
(692,121)	621,712	(70,409)	-
8,856,518	14,335,725	23,192,243	261,066
$ 10,830,452	$ 15,899,562	$ 26,730,014	$ 283,894

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Funds: UDAG Fund	Special Revenue Funds: Rural Workforce Housing Grant Fund	Capital Project Fund: 2023 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 80,046	$ 139,187	$ 1,000	$ 431,123	$ 200,810	$ 852,166
Receivables, Net of Allowance						
Taxes	77,989	-	-	-	-	77,989
Accounts	44,932	-	-	-	-	44,932
Interest	-	-	-	-	29	29
Due from Other Governments	72,009	-	982,000	248,929	114,110	1,417,048
Asset Held for Resale	-	1,655,627	-	-	-	1,655,627
Prepaid Items	4,564	1,542	-	-	-	6,106
Due From Other Funds	1,001,807	-	-	-	4,620	1,006,427
Total Assets	$ 1,281,347	$ 1,796,356	$ 983,000	$ 680,052	$ 319,569	$ 5,060,324
Liabilities						
Accounts Payable	$ 149,644	$ -	$ -	$ -	$ 26,662	$ 176,306
Retainage Payable	-	-	-	-	10,347	10,347
Accrued Liabilities	15,959	-	-	-	-	15,959
Due to Other Funds	4,620	17,807	983,000	-	1,000	1,006,427
Total Liabilities	170,223	17,807	983,000	-	38,009	1,209,039
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	67,473	-	-	-	-	67,473
Total Deferred Inflows of Resources	67,473	-	-	-	-	67,473
Fund Balances						
Nonspendable	4,564	1,657,169	-	-	-	1,661,733
Restricted	155,634	121,380	-	680,052	281,560	1,238,626
Unassigned	883,453	-	-	-	-	883,453
Total Fund Balances	1,043,651	1,778,549	-	680,052	281,560	3,783,812
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,281,347	$ 1,796,356	$ 983,000	$ 680,052	$ 319,569	$ 5,060,324

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Fund Balances - Governmental Funds	$ 3,783,812
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets	
Capital assets used in governmental activities are not financed resources and, therefore, are not reported in the funds.	
Cost of Assets	16,756,915
Accumulated Depreciation	(6,448,821)
Deferred Outflows of Resources	
Related to Pensions	102,480
Long-Term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the statement of net position. Long-term liabilities at year-end consist of the following:	
Compensated Absences	(88,178)
Notes Payable	(3,193,175)
Leases Payable	(5,092)
Net Pension Asset (Liability)	141,066
Deferred Inflows of Resources	
Related to Pensions	(286,028)
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	67,473
Total Net Position of Governmental Activities	$ 10,830,452

See accompanying notes which 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 FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds				
				Formerly Major Fund	*Formerly Major Fund*			
	General Fund	**UDAG Fund**	**Rural Workforce Housing Grant Fund**	**2021 CDBG Fund**	**2017 SPLOST Fund**	**2023 SPLOST Fund**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
Revenues								
Taxes	$ 2,450,885	$ -	$ -	$ -	$ -	$ -	$ 44,116	$ 2,495,001
Intergovernmental	198,974	-	982,000	-	-	850,149	210,213	2,241,336
Fines and Forfeitures	1,503	-	-	-	-	-	-	1,503
Licenses and Permits	109,344	-	-	-	-	-	-	109,344
Charges for Services	90,764	36,000	-	-	-	-	-	126,764
Contributions and Other	95,036	-	-	-	-	30,207	-	125,243
Investment Earnings	37,736	1,569	-	-	-	2,410	1,141	42,856
Total Revenues	2,984,242	37,569	982,000	-	-	882,766	255,470	5,142,047
Expenditures								
Current								
General Government	932,032	-	-	-	-	45,589	32,989	1,010,610
Judicial	6,438	-	-	-	-	-	-	6,438
Public Safety	1,028,797	-	-	-	-	51,890	-	1,080,687
Public Works	934,708	-	-	-	-	-	-	934,708
Planning and Development	205,012	40,496	-	-	-	-	-	245,508
Culture and Recreation	94,500	-	-	-	-	-	-	94,500
Health and Welfare	10,300	-	-	-	-	-	-	10,300
Tourism	-	-	-	-	-	-	27,573	27,573
Debt Service								
Principal	154,157	-	-	-	-	-	-	154,157
Interest	93,609	-	-	-	-	-	-	93,609
Capital Outlay	-	-	982,000	-	-	206,460	132,249	1,320,709
Total Expenditures	3,459,553	40,496	982,000	-	-	303,939	192,811	4,978,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	(475,311)	(2,927)	-	-	-	578,827	62,659	163,248
Other Financing Sources (Uses)								
Transfers from Other Funds	1,367,619	150,000	-	-	-	-	12,893	1,530,512
Transfers to Other Funds	(12,893)	-	-	-	-	(150,000)	(17,590)	(180,483)
Total Other Financing Sources and (Uses)	1,354,726	150,000	-	-	-	(150,000)	(4,697)	1,350,029
Net Changes in Fund Balances	879,415	147,073	-	-	-	428,827	57,962	1,513,277
Fund Balances - June 30, 2024 as Previously Presented	164,236	1,631,476	-	(32,181)	218,850	251,225	36,929	2,270,535
Change Within Financial Reporting Entity (Major to Nonmajor)	-	-	-	32,181	(218,850)	-	186,669	-
Fund Balances - June 30, 2024 as Adjusted	164,236	1,631,476	-	-	-	251,225	223,598	2,270,535
Fund Balance - Ending	$ 1,043,651	$ 1,778,549	$ -	$ -	$ -	$ 680,052	$ 281,560	$ 3,783,812

See accompanying notes which 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 FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 1,513,277
Amounts reported for governmental activities in the statement of activities are different	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Total Capital Outlays	655,934
Total Depreciation	(580,730)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(6,439)
Deferred Outflows of Resources Related to Pensions is not Available During the Current Period and Therefore is not Reported in the Funds.	
Change in Deferred Outflows of Resources Related to Pensions	(120,246)
Long-Term Liabilities	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:	
Compensated Absences	(46,348)
Notes Payable	150,522
Lease Payable	3,635
Accrued Interest	773
Net Pension Asset (Liability)	440,317
Deferred Inflows of Resources Related to Pensions is not Available During the Current Period and Therefore is not Reported in the Funds.	
Change in Deferred Inflows of Resources Related to Pensions	(74,889)
Revenues	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	38,128
Change in Net Position of Governmental Activities	$ 1,973,934

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 2,249,100	$ 2,249,100	$ 2,450,885	$ 201,785
Intergovernmental	363,500	363,500	198,974	(164,526)
Fines and Forfeitures	4,000	4,000	1,503	(2,497)
Licenses and Permits	75,000	88,545	109,344	20,799
Charges for Services	141,750	141,750	90,764	(50,986)
Contributions and Other	33,660	33,660	95,036	61,376
Investment Earnings	-	-	37,736	37,736
Total Revenues	2,867,010	2,880,555	2,984,242	103,687
Expenditures				
Current				
General Government	1,102,279	1,102,279	932,032	170,247
Judicial	6,500	6,500	6,438	62
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	110,999	9,001
Animal Control	164,346	164,346	141,600	22,746
Emergency Management Agency	23,360	23,360	22,860	500
Public Works	1,040,425	1,040,425	934,708	105,717
Health and Welfare	10,300	10,300	10,300	-
Culture and Recreation				
Recreation Board	75,000	75,000	75,000	-
Library Board	19,500	19,500	19,500	-
Planning and Development	227,783	227,783	205,012	22,771
Debt Service				
Principal	161,671	161,671	154,157	7,514
Interest	80,064	93,609	93,609	-
Total Expenditures	3,784,568	3,798,113	3,459,553	338,560
Excess (Deficiency) of Revenues Over (Under) Expenditures	(917,558)	(917,558)	(475,311)	(234,873)
Other Financing Sources (Uses)				
Transfers from Other Funds	917,558	917,558	1,367,620	450,062
Transfers to Other Funds	-	-	(12,894)	(12,894)
Total Other Financing Sources and (Uses)	917,558	917,558	1,354,726	437,168
Net Change in Fund Balances	-	-	879,415	202,295
Fund Balance - Beginning	164,236	164,236	164,236	-
Fund Balance - Ending	$ 164,236	$ 164,236	$ 1,043,651	$ 202,295

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
UDAG FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for Services	$ 36,000	$ 36,000	$ 36,000	$ -
Contributions and Other	-	4,396	-	(4,396)
Investment Earnings	100	100	1,569	1,469
Total Revenues	36,100	40,496	37,569	(2,927)
Expenditures				
Current				
Planning and Development	36,100	40,496	40,496	-
Total Expenditures	36,100	40,496	40,496	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(2,927)	(2,927)
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	150,000	150,000
Total Other Financing Sources and (Uses)	-	-	150,000	150,000
Net Change in Fund Balance	-	-	147,073	(2,927)
Fund Balance - Beginning	1,631,476	1,631,476	1,631,476	-
Fund Balance - Ending	$ 1,631,476	$ 1,631,476	$ 1,778,549	$ (2,927)

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
RURAL WORKFORCE HOUSING GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ 2,260,505	$ 982,000	$ (1,278,505)
Total Revenues	-	2,260,505	982,000	(1,278,505)
Expenditures				
Capital Outlay	-	2,260,505	982,000	1,278,505
Total Expenditures	-	2,260,505	982,000	1,278,505
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

See accompanying notes which are an integral part of these financial statements.

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CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Water and Sewerage Fund	Gas Fund	Sanitation Fund	Nonmajor Fund Training Facility Fund	Total
Assets					
Current Assets					
Cash and Cash Equivalents	$ 803,219	$ 326,254	$ 256,334	$ 42,590	$ 1,428,397
Accounts Receivable, Net	475,159	325,755	144,003	-	944,917
Prepaids	8,951	615	1,600	1,838	13,004
Total Current Assets	1,287,329	652,624	401,937	44,428	2,386,318
Noncurrent Assets					
Investments - Joint Venture	-	2,406,951	-	-	2,406,951
Net Pension Asset	-	12,267	-	-	12,267
Capital Assets					
Nondepreciable Assets	499,408	-	11,484	347,875	858,767
Depreciable Assets, Net	8,417,398	1,864,709	9,434	1,197,518	11,489,059
Total Capital Assets	8,916,806	1,864,709	20,918	1,545,393	12,347,826
Total Noncurrent Assets	8,916,806	4,283,927	20,918	1,545,393	14,767,044
Total Assets	10,204,135	4,936,551	422,855	1,589,821	17,153,362
Deferred Outflows of Resources					
Related to Pensions	-	8,911	-	-	8,911
Total Deferred Outflows of Resources	-	8,911	-	-	8,911
Liabilities					
Current Liabilities					
Accounts Payable	50,324	200,429	10,254	1,250	262,257
Accrued Liabilities	-	5,711	-	-	5,711
Customer Deposits Payable	56,548	30,350	-	-	86,898
Compensated Absences	-	13,101	-	-	13,101
Post-Closure Care Cost	-	-	5,229	-	5,229
Notes Payable	50,501	-	-	-	50,501
Total Current Liabilities	157,373	249,591	15,483	1,250	423,697
Noncurrent Liabilities					
Post-Closure Care Cost	-	-	31,376	-	31,376
Notes Payable	782,766	-	-	-	782,766
Total Noncurrent Liabilities	782,766	-	31,376	-	814,142
Total Liabilities	940,139	249,591	46,859	1,250	1,237,839
Deferred Inflows of Resources					
Related to Pensions	-	24,872	-	-	24,872
Total Deferred Inflows of Resources	-	24,872	-	-	24,872
Net Position					
Net Investment in Capital Assets	8,083,539	1,864,709	20,918	1,545,393	11,514,559
Unrestricted	1,180,457	2,806,290	355,078	43,178	4,385,003
Total Net Position	$ 9,263,996	$ 4,670,999	$ 375,996	$ 1,588,571	$ 15,899,562

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Water and Sewerage Fund	Gas Fund	Sanitation Fund	Nonmajor Fund Training Facility Fund	Total
Operating Revenues					
Charges for Services	$ 2,291,296	$ 3,973,571	$ 1,020,931	$ 16,050	$ 7,301,848
Miscellaneous	1,365	117,908	-	-	119,273
Total Operating Revenues	2,292,661	4,091,479	1,020,931	16,050	7,421,121
Operating Expenses					
Cost of Sales	-	2,529,809	-	-	2,529,809
Personnel Services and Employee Benefits	2,539	150,639	-	-	153,178
Professional and Technical Services	34,722	9,082	12,651	400	56,855
Maintenance and Repairs	109,511	14,394	2,310	541	126,756
Depreciation Expense	951,008	94,138	10,292	70,339	1,125,777
Insurance	81,495	6,700	7,063	21,165	116,423
Contracted Services	1,149,088	40,636	919,438	-	2,109,162
Supplies, Hardware and Small Equipment	47,412	17,575	2,470	5,300	72,757
Gasoline	26,726	8,609	-	-	35,335
Utilities	344,536	6,854	712	7,643	359,745
Other	12,255	4,196	-	-	16,451
Total Operating Expenses	2,759,292	2,882,632	954,936	105,388	6,702,248
Operating Income (Loss)	(466,631)	1,208,847	65,995	(89,338)	718,873
Non-Operating Revenues (Expenses)					
Intergovernmental	-	680,316	-	-	680,316
Interest Revenue	6	-	-	-	6
Distributed Income - Joint Venture	-	86,750	-	-	86,750
Undistributed Income - Joint Venture	-	713,784	-	-	713,784
Gain (Loss) on Disposal of Assets	-	(14,172)	-	-	(14,172)
Interest Expense	(3,293)	(3,399)	-	-	(6,692)
Total Non-Operating Revenues (Expenses)	(3,287)	1,463,279	-	-	1,459,992
Net Income (Loss) Before Contributions and Transfers	(469,918)	2,672,126	65,995	(89,338)	2,178,865
Capital Contributions	630,437	84,564	-	20,000	735,001
Transfers to Other Funds	(50,029)	(1,300,000)	-	-	(1,350,029)
Change In Net Position	110,490	1,456,690	65,995	(69,338)	1,563,837
Net Position - June 30, 2024 as Previously Presented	8,507,437	3,301,581	284,297	1,620,698	13,714,013
Correction of an Error	646,069	(87,272)	25,704	37,211	621,712
Net Position - June 30, 2024 as Adjusted	9,153,506	3,214,309	310,001	1,657,909	14,335,725
Net Position - End of Year	$ 9,263,996	$ 4,670,999	$ 375,996	$ 1,588,571	$ 15,899,562

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Water and Sewerage Fund	Gas Fund	Sanitation Fund	Nonmajor Fund Training Facility Fund	Total
Cash Flows from Operating Activities					
Cash Received from Customers	$ 2,177,353	$ 4,053,399	$ 1,007,504	$ 16,050	$ 7,254,306
Cash Paid to Suppliers for Goods and Services	(1,801,978)	(233,388)	(948,023)	(34,578)	(3,017,967)
Cash Paid to Employees	-	(2,546,811)	-	-	(2,546,811)
Net Cash Provided by (Used for) Operating Activities	375,375	1,273,200	59,481	(18,528)	1,689,528
Cash Flows from Noncapital Financing Activities					
Transfer to Other Funds	(50,029)	(1,300,000)	-	-	(1,350,029)
Net Cash Provided by (Used for) Noncapital Financing Activities	(50,029)	(1,300,000)	-	-	(1,350,029)
Cash Flows from Capital and Related Financing Activities					
Capital Grants	-	680,316	-	-	680,316
Principal Payments on Notes Payable	(286,244)	(125,574)	-	-	(411,818)
Interest on Notes Payable	(3,324)	(6,947)	-	-	(10,271)
Acquisition and Construction of Assets	-	(735,048)	-	-	(735,048)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(289,568)	(187,253)	-	-	(476,821)
Cash Flows from Investing Activities					
Interest Received	6	-	-	-	6
Distributed Income - Joint Venture	-	86,750	-	-	86,750
Net Cash Provided by (Used for) Investing Activities	6	86,750	-	-	86,756
Net Increase (Decrease) in Cash and Cash Equivalents	35,784	(127,303)	59,481	(18,528)	(50,566)
Cash and Cash Equivalents - Beginning	767,435	453,557	196,853	61,118	1,478,963
Cash and Cash Equivalents - Ending	$ 803,219	$ 326,254	$ 256,334	$ 42,590	$ 1,428,397

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	Water and Sewerage Fund	Gas Fund	Sanitation Fund	Nonmajor Fund Training Facility Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	$ (466,631)	$ 1,208,847	$ 65,995	$ (89,338)	$ 718,873
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	951,008	94,138	10,292	70,339	1,125,777
Changes in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable	(116,433)	(38,855)	(13,427)	-	(168,715)
(Increase) Decrease in Prepaids	453	(58)	309	(89)	615
(Increase) Decrease in Deferred Outflows - Pensions	-	10,456	-	-	10,456
(Increase) Decrease in Net Pension Asset	-	(12,267)	-	-	(12,267)
Increase (Decrease) in Accounts Payable	5,853	25,355	2,232	560	34,000
Increase (Decrease) in Post-Closure Care Cost	-	-	(5,920)	-	(5,920)
Increase (Decrease) in Accrued Liabilities	-	(799)	-	-	(799)
Increase (Decrease) in Customer Deposits	1,125	775	-	-	1,900
Increase (Decrease) in Compensated Absences	-	5,118	-	-	5,118
Increase (Decrease) in Net Pension Liability	-	(26,022)	-	-	(26,022)
Increase (Decrease) in Deferred Inflows - Pensions	-	6,512	-	-	6,512
Total Adjustments	842,006	64,353	(6,514)	70,810	970,655
Net Cash Provided by (Used for) Operating Activities	$ 375,375	$ 1,273,200	$ 59,481	$ (18,528)	$ 1,689,528
Noncash Capital Financing Activities					
Contributions of Capital Assets	$ 630,437	$ 84,564	$ -	$ 20,000	$ 735,001

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Municipal Court
Assets	
Fines Receivable	$ 4,300
Total Assets	$ 4,300
Liabilities and Net Position	
Liabilities	
Accounts Payable	$ -
Total Liabilities	-
Net Position	
Restricted for Individuals, Organizations, and Other Agencies	4,300
Total Net Position	4,300
Total Liabilities and Net Position	$ 4,300

See accompanying notes which are an integral part of these financial statements.

CITY OF HAWKINSVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Municipal Court
Additions	
Fines and Forfeitures	$ 1,250
Total Additions	1,250
Deductions	
Current	
Payments to Others	584
Intergovernmental	1,266
Total Deductions	1,850
Net Change in Net Position	(600)
Net Position - Beginning of Year	4,900
Net Position - End of Year	$ 4,300

See accompanying notes which are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The City of Hawkinsville, Georgia ("the City") was chartered as a municipality by the State of Georgia in 1830. The City operates under a Manager-Commissioner form of government. The City provides a full range of municipal services as authorized by its charter including public safety, highways and streets, sanitation, wastewater treatment, water, gas, municipal court, and general administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Reporting Entity

The City is governed by five elected commissioners. The City for financial reporting purposes includes all of the funds relevant to the operations of the City of Hawkinsville. The accompanying financial statements present the government and its component units, entities for which the government is financially accountable, as defined in GAAP. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

The component unit column in the combined financial statements includes the financial data for the Hawkinsville Downtown Development Authority, as of June 30, 2025. The financial information for the component unit is reported in columns separate from the City's financial information to emphasize that it is legally separate from the City.

Hawkinsville Downtown Development Authority

Hawkinsville Downtown Development Authority - The Hawkinsville Downtown Development Authority ("DDA") is governed by a board appointed by the Hawkinsville's Board of Commissioners. The DDA was created for the purpose of administering activities with regard to the revitalization and promotion of downtown Hawkinsville. The DDA provides community promotions, streetscape maintenance, downtown beautification, and building oversight. The DDA is required to submit a budget to the Hawkinsville's Board of Commissioners for approval. The DDA is a discretely presented component unit of the City. The DDA did not issue separate financial statements for the fiscal year ended June 30, 2025.

Joint Venture

A joint venture has the following characteristics:

1. It is a legal entity that results from a contractual arrangement.
2. It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control.
3. Participants retain an ongoing financial interest or an ongoing financial responsibility.

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.

(1) Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Mid-State Energy Commission (Continued)

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, 2024, is reported in the Gas Fund, a proprietary fund.

Distributed Income of $86,750 and undistributed income of $713,784 was reported in the Gas Fund for the year ended June 30, 2025. Total investment in MSE recorded as an investment by the Gas Fund totaled $2,406,951 at June 30, 2025. The City's equity interest in MSE is approximately 18.04 percent 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 other cities and counties in the central Georgia area, is a member of the Middle Georgia Regional Commission (the "RC") and is required to pay annual dues thereto. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC.

Separate financial statements may be obtained from:

Middle Georgia Regional Commission
3661 Eisenhower Parkway, Suite MB102
Macon, Georgia 31206

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of taxes receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. 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 they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

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

UDAG Fund – The UDAG Fund is used to account for and report economic development revenues and expenditures.

Rural Workforce Housing Grant Fund – The Rural Workforce Housing Grant Fund is used to account for state grant funds received and administered by the City.

2023 SPLOST Fund – The 2023 SPLOST Fund is a capital project fund. It is used to account for all activities related to the Special Purpose Local Option Sales Tax (SPLOST) as restricted by law. SPLOST is the primary revenue of the fund, and capital outlay expenditures for City infrastructure improvements are the primary expenditures of the fund.

The government reports the following major proprietary fund:

Water and Sewerage Fund – The Water and Sewerage Fund is used to account for the provision of water and sewerage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewerage system and billing and collection activities. All costs are financed through charges to water and sewerage customers with rates reviewed regularly and adjusted, if necessary.

Gas Fund – The Gas Fund is used to account for the provision of natural gas services to the residents of the City. Activities of the fund include administration, operations and maintenance of the natural gas system and billing and collection activities. All costs are financed through charges to natural gas customers with rates reviewed regularly and adjusted, if necessary.

Sanitation Fund – The Sanitation Fund is used to account for the provision of sanitation services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sanitation system and billing and collection activities. All costs are financed through charges to sanitation customers with rates reviewed regularly and adjusted, if necessary.

The City also reports the following fund types:

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

Capital Project Funds – Capital project 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 capital assets.

Debt Service Fund – 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.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

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

Deposits

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

Receivables

Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" or "advances to / from other funds." All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based on historical experience rates.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures / expenses when consumed rather than when purchased.

Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to July 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. All acquisitions of land and titled vehicles or equipment are capitalized, even if the cost is less than $5,000. Donated capital assets are recorded at their acquisition value at the date of donation.

The City has recorded right-to-use lease assets. 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.

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

	Estimated Lives	
Asset Class	**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	05 - 10 Years	05 - 10 Years
Infrastructure	20 - 50 Years	N/A
Intangibles	3 - 5 Years	N/A

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, personal, and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation and Personal Leave

The City's policy permits all permanent employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Vacation is earned by all permanent City employees and may be accumulated and carried over to a maximum of 45 days per employee. The City accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide and proprietary fund financial statements.

Sick Leave

The City's policy permits full-time employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Sick leave is earned by all full-time City employees.

Long-Term Obligations

Long-term debt is recorded on the statement of net position in the government-wide and proprietary fund financial statements, and any related interest expense is recorded on the statement of activities in the government-wide financial statements and the statement of revenues, expenses, and changes in net position in the proprietary fund financial statements.

(1) Summary of Significant Accounting Policies (Continued)

Long-Term Obligations (Continued)

Long-term liabilities expected to be financed from governmental fund types are not recorded in the governmental fund financial statements. Payments of principal and interest are recorded as expenditures on the statement of revenues, expenditures, and changes in fund balance in the governmental fund financial statements.

Leases

The City recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The related right-to-use asset is amortized over the lease term.

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. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The amounts that qualify for reporting in this category are related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The amounts that qualify for reporting in this category are related to deferred revenue for pensions. The governmental funds balance sheet reports unavailable revenue related to property taxes as amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Government-wide net position is divided into three components:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The City Council approves committed resources through a motion and vote during the voting session of City Council meetings.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The intent is expressed by the City Council.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of June 30, 2025:

	General Fund	UDAG Fund	2023 SPLOST Fund	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepaids	$ 4,564	$ 1,542	$ -	$ -	$ 6,106
Asset Held for Resale	-	1,655,627	-	-	1,655,627
Restricted					
Capital Outlay	155,634	121,380	680,052	230,686	1,187,752
Cemetery Improvements	-	-	-	5,329	5,329
Debt Service	-	-	-	45,545	45,545
Unassigned	883,453	-	-	-	883,453
Total Fund Balances	$ 1,043,651	$ 1,778,549	$ 680,052	$ 281,560	$ 3,783,812

Risk Management

Predominant exposure for losses lies in the areas of liability and property damage or theft. These risks are mitigated through participation with other Georgia municipalities, in a risk sharing arrangement. Through the Georgia Municipal Association, the City holds membership in Georgia Interlock Risk Management Agency (G.I.R.M.A.). G.I.R.M.A exists by authority of the Official Code of Georgia Annotated 36-85-1 et seq. Members jointly self-insure the risk of general liability, motor vehicle liability, property damage or any combination of such risks.

Since the previous year, there have been no reductions in coverage, and the amount of an insurance settlement has never exceeded coverage. Additionally, City employees are covered by worker's compensation insurance. Coverage is obtained through membership in the Georgia Municipal Association Worker's Compensation Self Insurance Fund.

(1) Summary of Significant Accounting Policies (Continued)

Risk Management (Continued)

Benefits provided for employees, pursuant to this agreement, are specifically limited to obligations imposed by Georgia law against the employer for worker's compensation and/or employer's liability.

The funds are to defend and protect fund members against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. Further, the funds are to pay all costs against members in any legal proceeding defended by the member; all interest accruing after entry of judgement; all expenses incurred for investigation, negotiation or defense.

As a member of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools; to cooperate with pool agents and attorneys; to follow loss reduction procedures established by the funds; and to report, as promptly as possible and in accordance with coverage descriptions issued, all incidents which could result in fund payments for claims of loss. Further, the City is to allow the pool's agents and attorneys to represent the City in investigations, settlement discussions and all levels of litigation arising out of any claim which falls within the scope of loss protection furnished by the funds.

Impact of New Accounting Standard Adopted

Effective July 1, 2024, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement establishes a unified model for the recognition and measurement of all types of compensated absences, including vacation leave, sick leave, paid time off (PTO), holidays, parental leave, and other similar benefits.

Under GASB 101, a liability is recognized for leave that:

- Is attributable to services already rendered,
- Accumulates, and
- Is more likely than not to be used for time off or otherwise paid or settled.

The liability for compensated absences is measured using the employee's pay rate in effect as of the financial statement date, including salary-related payments directly and incrementally associated with payments for leave (e.g., Social Security and Medicare taxes).

As of June 30, 2025, the government reported a liability for compensated absences of $101,279, which reflects the cumulative effect of implementing GASB 101. The net change in the compensated absences liability during the year was $51,466, which includes both increases from leave earned and decreases from leave used or paid.

(2) Budgets and Budgetary Accounting

Annual budgets are adopted for the General and Special Revenue Funds. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended by the Commissioners. Some individual revisions were material in relation to the original appropriations.

A legally authorized, non-appropriated budget is prepared for the Capital Project Funds. Expenditures for these funds are controlled on a project basis and are carried forward each year until the project is completed.

The legal level of control for each adopted annual operating budget, generally, is the department level within each individual fund. Accordingly, the budget resolution reflects the total of each department's appropriation within each fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Commissioners. Department directors are authorized to transfer line item appropriations within a single department. Only action of the Commissioners may authorize the employment of additional personnel.

(2) Budgets and Budgetary Accounting (Continued)

The City does not use encumbrance accounting; all unexpended annual appropriations lapse at year-end.

Expenditures did not exceed the final budget at the fund or function level.

(3) Deposits

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The City's bank balances of deposits as of June 30, 2025, are entirely insured or collateralized with securities held by the City's agent in the City's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held. The City does not have a policy regarding management of risk for custodial credit risk for deposits.

(4) Property Taxes

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The tax billing cycle for 2025 is as follows:

Assessment Date	January 1
Levy Date	October 1
Due Date and Collection Date	December 1

(5) Receivables

Receivables at June 30, 2025 consist of the following:

	General Fund	Water and Sewerage Fund	Gas Fund	Sanitation Fund	Nonmajor Governmental Funds	Total
Receivables						
Taxes	$ 77,989	$ -	$ -	$ -	$ -	$ 77,989
Accounts	44,932	475,159	325,755	144,003	-	989,849
Interest	-	-	-	-	29	29
Gross Receivables	122,921	475,159	325,755	144,003	29	1,067,867
Less Allowance for Uncollectibles	-	-	-	-	-	-
Net Receivables	$ 122,921	$ 475,159	$ 325,755	$ 144,003	$ 29	$ 1,067,867

(6) Due from Other Governments

Amounts due from other governments at June 30, 2025, are as follows:

Fund	State	Other	Total
General Fund	$ 61,974	$ 10,035	$ 72,009
Rural Workforce Housing Grant Fund	982,000	-	982,000
2023 SPLOST Fund	248,929	-	248,929
Nonmajor Governmental Funds	114,110	-	114,110
Total	$ 1,407,013	$ 10,035	$ 1,417,048

(7) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, was as follows:

Due to / from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	UDAG Fund	$ 17,807
	Rural Workforce Housing Grant Fund	983,000
	Nonmajor Governmental Funds	1,000
Nonmajor Governmental Funds	General Fund	4,620
Total		**$ 1,006,427**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	Transfers In			
Transfer Out	General Fund	UDAG Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 12,893	$ 12,893
2023 SPLOST Fund	-	150,000	-	150,000
Water and Sewerage Fund	50,029	-	-	50,029
Gas Fund	1,300,000	-	-	1,300,000
Nonmajor Governmental Funds	17,590	-	-	17,590
Total	$ 1,367,619	$ 150,000	$ 12,893	$ 1,530,512

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

(8) Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

Primary Government

	Restated Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	$ 959,346	$ -	$ -	$ -	$ 959,346
Construction in Progress	625,403	570,400	-	(609,053)	586,750
Total Capital Assets, Not Being Depreciated	1,584,749	570,400	-	(609,053)	1,546,096
Capital Assets, Being Depreciated					
Buildings	7,728,010	-	-	-	7,728,010
Improvements Other Than Buildings	2,638,125	7,875	-	609,053	3,255,053
Infrastructure	2,680,087	77,659	(27,521)	-	2,730,225
Machinery and Equipment	1,466,090	-	-	-	1,466,090
Intangible Assets	16,924	-	-	-	16,924
Intangible Right-To-Use Assets (Leases)	14,517	-	-	-	14,517
Total Capital Assets, Being Depreciated	14,543,753	85,534	(27,521)	609,053	15,210,819
Less Accumulated Depreciation for					
Buildings	(2,665,145)	(198,768)	-	-	(2,863,913)
Improvements Other Than Buildings	(843,411)	(143,126)	-	-	(986,537)
Infrastructure	(1,592,521)	(107,335)	21,082	-	(1,678,774)
Machinery and Equipment	(771,127)	(126,109)	-	-	(897,236)
Intangible Assets	(10,257)	(2,300)	-	-	(12,557)
Intangible Right-To-Use Assets (Leases)	(6,712)	(3,092)	-	-	(9,804)
Total Accumulated Depreciation	(5,889,173)	(580,730)	21,082	-	(6,448,821)
Total Capital Assets Being Depreciated, Net	8,654,580	(495,196)	(6,439)	609,053	8,761,998
Governmental Activities Capital Assets, Net	$ 10,239,329	$ 75,204	$ (6,439)	$ -	10,308,094
			Less: Related Long-Term Debt Outstanding		(3,198,267)
			Net Investment In Capital Assets		$ 7,109,827

(8) Capital Assets

Primary Government (Continued)

	Restated Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated					
Land	$ 388,766	$ -	$ -	$ -	$ 388,766
Construction in Progress	478,958	475,625	-	(484,582)	470,001
Total Capital Assets, Not Being Depreciated	867,724	475,625	-	(484,582)	858,767
Capital Assets, Being Depreciated					
Buildings	5,099,922	-	-	-	5,099,922
Improvements Other Than Buildings	1,571,927	813,175	-	-	2,385,102
Machinery and Equipment	31,562,299	181,251	(33,998)	484,582	32,194,134
Total Capital Assets, Being Depreciated	38,234,148	994,426	(33,998)	484,582	39,679,158
Less Accumulated Depreciation for					
Buildings	(3,057,709)	(152,862)	-	-	(3,210,571)
Improvements Other Than Buildings	(729,189)	(51,704)	-	-	(780,893)
Machinery and Equipment	(23,297,249)	(921,211)	19,825	-	(24,198,635)
Total Accumulated Depreciation	(27,084,147)	(1,125,777)	19,825	-	(28,190,099)
Total Capital Assets Being Depreciated, Net	11,150,001	(131,351)	(14,173)	484,582	11,489,059
Business-Type Activities Capital Assets, Net	$ 12,017,725	$ 344,274	$ (14,173)	$ -	$ 12,347,826
			Less: Capital Related Outstanding Debt		(833,267)
			Net Investment in Capital Assets		$ 11,514,559

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

Governmental Activities	
General Government	$ 159,022
Public Safety	8,487
Public Works	260,464
Planning and Development	78,452
Culture & Recreation	74,305
Total	$ 580,730
Business-Type Activities	
Water and Sewerage Fund	$ 951,008
Gas Fund	94,138
Sanitation Fund	10,292
Training Facility Fund	70,339
Total	$ 1,125,777

(8) Capital Assets (Continued)

Component Unit

	Beginning Balance	Additions	Deductions	Ending Balance
Hawkinsville Downtown Development Authority				
Capital Assets, Not Being Depreciated				
Construction in Progress	$ -	$ 34,000	$ -	$ 34,000
Total Capital Assets, Not Being Depreciated	-	34,000	-	34,000
Capital Assets, Being Depreciated				
Buildings	191,362	-	-	191,362
Total Capital Assets, Being Depreciated	191,362	-	-	191,362
Less Accumulated Depreciation for				
Buildings	(13,630)	(5,187)	-	(18,817)
Total Accumulated Depreciation	(13,630)	(5,187)	-	(18,817)
Total Capital Assets Being Depreciated, Net	177,732	(5,187)	-	172,545
Hawkinsville DDA Capital Assets, Net	$ 177,732	$ 28,813	$ -	$ 206,545

(9) Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 41,830	$ 46,348	$ -	$ 88,178	$ 88,178
Notes Payable					
Hawkinsville - Pulaski County					
Development Authority	411,749	-	(95,872)	315,877	105,019
City Hall	2,931,948	-	(54,650)	2,877,298	55,822
Lease Payable	8,727	-	(3,635)	5,092	2,765
Net Pension (Asset) Liability	299,251	-	(440,317)	(141,066)	-
Governmental Activities					
Long-term Liabilities	$ 3,693,505	$ 46,348	$ (594,474)	$ 3,145,379	$ 251,784
Business-Type Activities					
Compensated Absences	$ 7,983	$ 5,118	$ -	$ 13,101	$ 13,101
Notes Payable					
BB&T	125,574	-	(125,574)	-	-
GEFA	235,743	-	(235,743)	-	-
GEFA CWDRA	883,768	-	(50,501)	833,267	50,501
Post-Closure Care Cost	42,525	-	(5,920)	36,605	5,229
Net Pension (Asset) Liability	26,022	-	(38,289)	(12,267)	-
Business-Type Activities					
Long-Term Liabilities	$ 1,321,615	$ 5,118	$ (456,027)	$ 870,706	$ 68,831

(9) Long-Term Debt (Continued)

Changes in Long-Term Liabilities (Continued)

For the governmental activities, compensated absences and net pension (asset) liability are generally liquidated by the general fund and for the business-type activities, compensated absences and net pension (asset) liability are liquidated by the Gas Fund. The change in compensated absences is a net number.

Governmental Activities

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 as of June 30, 2025, consisted of the following:

Planters First -	
$500,000 note payable in twenty semiannual installments of $30,697, including interest at a variable rate of 8 percent	$ 166,257
SunMark -	
$500,000 note payable in twenty semiannual installments of $33,614, including interest at a variable rate of 8 percent	149,620
	315,877
Less Current Portion	(105,019)
Total Long-Term Portion	$ 210,858

Annual debt service requirements to maturity for the notes payable are as follows:

	Governmental Activities	
Year Ending	Principal	Interest
2026	$ 105,019	$ 23,602
2027	113,735	14,886
2028	97,123	3,950
	$ 315,877	$ 42,438

Notes 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 by depositing $992 per month into a debt service account. As of June 30, 2025, the City has funded $45,545 of the reserve which is maintained in a separate bank account. This note will be payable in monthly installments of $9,702, including interest at 2.125 percent with the final payment due no later than November 17, 2061.

(9) Long-Term Debt (Continued)

Governmental Activities (Continued)

Notes Payable – City Hall (Continued)

Annual debt service requirements to maturity for the notes payable are as follows:

Year Ending	Principal	Interest
2026	$ 55,822	$ 60,601
2027	57,021	59,403
2028	58,244	58,180
2029	59,494	56,930
2030	60,771	55,653
2031-2035	323,984	258,136
2036-2040	360,268	221,852
2041-2045	400,617	181,503
2046-2050	445,485	136,635
2051-2055	495,377	86,743
2056-2060	550,856	31,264
2061	9,359	17
	$ 2,877,298	$ 1,206,917

Leases

The City has entered into three lease liability agreements for the financing of a mailing system and copiers. The lease liability agreements have been recorded at their present value of the future minimum lease payments as of the date of their inceptions.

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

Year Ending	Principal	Interest
2026	$ 2,765	$ 113
2027	2,069	37
2028	258	1
	$ 5,092	$ 151

Business-Type Activities

Notes Payable

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 has been paid in full as of June 30, 2025, and was liquidated by the Gas Fund.

(9) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Notes Payable (Continued)

During January 2010, the City entered into a note payable with Georgia Environmental Facilities Authority (GEFA) for water and wastewater system improvements and expansion. Monthly payments of $3,722, including interest at 2 percent began in February 2010. This note has been paid in full as of June 30, 2025, and was liquidated by the Water and Sewerage Fund.

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 Supervisory Control and Data Acquisition (SCADA) system and make electrical improvements at the North Water Pollution Control Plant (WPCP). Monthly payments of $4,208, including interest at zero percent began in January 2022 and will end in December 2041.

This note payable will be liquidated by the Water and Sewerage Fund.

Annual debt service requirements to maturity for the notes payable are as follows:

Year Ending	Principal	Interest
2026	$ 50,501	$ -
2027	50,501	-
2028	50,501	-
2029	50,501	-
2030	50,501	-
2031-2035	252,505	-
2036-2040	252,505	-
2041-2045	75,752	-
	$ 833,267	$ -

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 $36,605 and has been included in accrued expenses of the Sanitation Fund. During the year ended June 30, 2025, 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 post-closure expenses of $5,920 were paid. Post-Closure Care Costs are generally liquidated by the Sanitation Fund.

(9) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Post-Closure Care Costs (Continued)

The post-closure care costs requirements as of June 30, 2025 are as follows:

Year Ending		
2026	$	5,229
2027		5,229
2028		5,229
2029		5,229
2030		5,229
2031-2032		10,460
	$	36,605

(10) Employee Retirement Plans

Georgia Municipal Employees Benefit System

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (the system), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Hawkinsville Retirement Plan is a defined benefit plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the plan to the City of Hawkinsville. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

Benefits Provided

City officials and full-time employees are eligible to participate. Vesting of officials is immediate; employee benefits vest after ten (10) years of service. The retirement benefit formula is 1.25 percent – 1.75 percent (table breakpoint). The system also provides death benefits. Post retirement increases are not applicable to this plan.

Plan Membership

As of January 1, 2025, the date of the most recent actuarial valuation report, pension plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	45
Terminated Vested Participants	18
Current Active Employees Vested	24
Total Membership in the Plan	87

(10) Employee Retirement Plans (Continued)

Georgia Municipal Employees Benefit System (Continued)

Funding Policy

The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. Ongoing plans that are in compliance with the GMEBS funding policy are ultimately projected to have no unfunded benefits under this amortization method. The Plan is subject to minimum funding standards as set forth in the Public Retirement System Standards Law (Georgia Code Section 47-20-10). In order to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits, the GMEBS funding policy requires a different funding level than the estimated minimum annual contribution. The City's funding policy is to contribute an amount equal to the actuarially recommended contribution rate.

Contributions

The recommended contribution at January 1, 2025, to be paid during the City's fiscal year ending June 30, 2025, was $74,122. This amount is 9.10 percent of expected payroll. Accordingly, the City contributed this amount. During the plan reporting period, employer contributions of $110,690 were recognized by the plan. Because the City contributes the entire cost of the plan, employees are not required to contribute.

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

At June 30, 2025, the City reported a net pension asset. The net pension asset was measured as of September 30, 2024. The total pension liability used to calculate the net pension asset was based on an actuarial valuation as of January 1, 2025. An expected total pension liability as of June 30, 2025, was determined using standard roll-forward techniques.

For the year ended June 30, 2025, the City recognized pension expense relative to GMEBS in the amount of $192,381. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 55,800	$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	310,900
Employer Contributions Subsequent to the Measurement Date	55,591	-
	$ 111,391	$ 310,900

City contributions subsequent to the measurement date of September 30, 2024, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year	Amount
2026	$ (24,896)
2027	31,778
2028	(150,845)
2028	(111,137)

(10) Employee Retirement Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions: The total pension liability as of June 30, 2025, was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increase	2.25%, plus service-based merit increase
Cost of Living Adjustments	2.25% for participants terminated on or after September 1, 1980; N/A otherwise
Investment Rate of Return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality Rates:

- Healthy retirees and beneficiaries: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- Disabled participants: Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- Active participants, terminated vested participants, and deferred beneficiaries: Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Plan termination basis (all lives): 1994 Group Annuity Reserving Unisex Table.

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

Net Pension Liability

Changes in the Net Pension (Assets) Liability	**Total Pension (Assets) Liability**	**Fiduciary Net Position**	**Net Pension (Assets) Liability**
Balances at September 30, 2023	$ 3,753,367	$ 3,428,094	$ 325,273
Changes for the Year			
Service Cost	41,074	-	41,074
Interest	268,192	-	268,192
Difference Between Expected and Actual Experience	111,600	-	111,600
Contributions - Employer	-	110,690	(110,690)
Net Investment Income	-	800,508	(800,508)
Benefit Payments	(315,867)	(315,867)	-
Administrative Expense	-	(11,726)	11,726
Other	-	-	-
Net Changes	104,999	583,605	(478,606)
Balance at September 30, 2024	$ 3,858,366	$ 4,011,699	$ (153,333)

The City's net pension asset is recorded in the Government-Wide Statement of Net Position in the amounts of $141,066 for governmental activities and $12,267 for business-type activities.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024, is summarized in the following table:

(10) Employee Retirement Plans (Continued)

Net Pension Liability (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.60%
International Equity	20%	7.03%
Domestic Fixed Income	20%	2.70%
Real Estate	10%	3.40%
Global Fixed Income	5%	3.70%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension 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 City's net pension (asset) liability calculated using the discount rate of 7.375%, as well as what the City's net pension (asset) 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%)
Sensitivity of the Net Pension (Assets) Liability to Changes in the Discount Rate	$ 205,703	$ (153,333)	$ (461,424)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publicly available at www.gmanet.com.

(11) Hotel / Motel Tax

The City has levied an 8 percent hotel / motel lodging tax. The amount of total tax collected in excess of a rate of three percent is required to be expended for the promotion of tourism, conventions, and trade shows in accordance with O.C.G.A. 48-13-51. A summary of the transactions for the year ending June 30, 2025, follows:

Hotel / Motel Tax Revenue	$ 44,116
Less 62.50% committed to the Chamber of Commerce	(27,573)
Less 37.50% transferred to the General Fund	(16,543)
Change in Fund Balance	-

(12) Litigation

During the course of normal operations of the City, various claims and lawsuits arise. Management has advised that there are no potential liabilities that will impair the City's financial position as of the date of this audit report.

(13) Commitments and Contingencies

Grant Programs

During this and prior years, the City has been a recipient of both state and federal grants. These programs are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

(14) Restatement of Beginning Balances

During the fiscal year ended June 30, 2025, the City determined that a restatement of beginning balances was needed for capital assets and net pension liabilities. Additionally, the 2021 CDBG Fund and 2017 SPLOST Fund previously presented as a major governmental fund no longer meets the quantitative threshold as a major fund. The correction of these errors is better reflected in the schedule below.

	Net Position / Fund Balance June 30, 2024 as Previously Reported	Restatement Net Pension Liability	Restatement Capital Asset Activity	Adjustment - Major to Nonmajor Funds	Net Position / Fund Balance June 30, 2024 as Restated
Government-wide					
Governmental Activities	$ 9,548,639	$ (213,163)	$ (478,958)	$ -	$ 8,856,518
Business-type Activities	13,714,013	213,163	408,549	-	14,335,725
Total Government-wide	$ 23,262,652	$ -	$ (70,409)	$ -	$ 23,192,243
Governmental Funds					
Major Funds					
General Fund	$ 164,236	$ -	$ -	$ -	$ 164,236
UDAG Fund	1,631,476	-	-	-	1,631,476
2021 CDBG Fund	(32,181)	-	-	32,181	-
2017 SPLOST Fund	218,850	-	-	(218,850)	-
2023 SPLOST Fund	251,225	-	-	-	251,225
Nonmajor Governmental Funds	36,929	-	-	186,669	223,598
Total Governmental Funds	$ 2,270,535	$ -	$ -	$ -	$ 2,270,535
Proprietary Funds					
Major Funds					
Water and Sewerage Fund	$ 8,507,437	$ 167,111	$ 478,958	$ -	$ 9,153,506
Gas Fund	3,301,581	(16,863)	(70,409)	-	3,214,309
Sanitation Fund	284,297	25,704	-	-	310,001
Training Facility Fund	1,620,698	37,211	-	-	1,657,909
Total Proprietary Funds	$ 13,714,013	$ 213,163	$ 408,549	$ -	$ 14,335,725

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HAWKINSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Total Pension Liability	**2025**	2024	2023
Service Cost	**$ 41,074**	$ 55,328	$ 65,904
Interest on Total Pension Liability	**268,192**	284,748	306,880
Difference Between Expected and Actual Experience	**111,600**	(235,866)	(334,697)
Changes of Assumptions	**-**	-	-
Benefit Payments, Including Refunds of Employee Contributions	**(315,867)**	(313,018)	(342,191)
Net Change in Total Pension Liability	**104,999**	(208,808)	(304,104)
Total Pension Liability - Beginning	**3,753,367**	3,962,175	4,266,279
Total Pension Liability - Ending	**$ 3,858,366**	$ 3,753,367	$ 3,962,175
Plan Fiduciary Net Position			
Contributions - Employer	**$ 110,690**	$ 162,705	$ 178,020
Net Investment Income	**800,508**	425,992	(626,816)
Benefit Payments, Including Refunds of Member Contributions	**(315,867)**	(313,018)	(342,191)
Administrative Expenses	**(11,726)**	(13,701)	(14,036)
Net Change in Plan Fiduciary Net Position	**583,605**	261,978	(805,023)
Plan Fiduciary Net Position - Beginning	**3,428,094**	3,166,116	3,971,139
Plan Fiduciary Net Position - Ending	**$ 4,011,699**	$ 3,428,094	$ 3,166,116
City's Net Pension Liability (Asset) - Ending	**$ (153,333)**	$ 325,273	$ 796,059
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**103.97%**	91.33%	79.91%
Covered-Employee Payroll	**$ 820,511**	$ 805,140	$ 1,242,335
Net Pension Liability As a Percentage of Covered-Employee Payroll	**-18.69%**	40.40%	64.08%

CITY OF HAWKINSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS (CONTINUED)

	2022	2021	2020	2019	2018	2017	2016
	$ 56,116	$ 41,984	$ 59,059	$ 48,509	$ 49,869	$ 41,315	$ 49,560
	294,138	284,963	269,351	268,333	264,658	254,288	243,829
	134,269	43,815	164,250	(26,006)	5,005	97,536	66,508
	-	33,348	87,768	-	69,908	-	-
	(300,869)	(286,821)	(294,756)	(280,868)	(269,377)	(249,279)	(200,608)
	183,654	117,289	285,672	9,968	120,063	143,860	159,289
	4,082,625	3,965,336	3,679,664	3,669,696	3,549,633	3,405,773	3,246,484
	$ 4,266,279	$ 4,082,625	$ 3,965,336	$ 3,679,664	$ 3,669,696	$ 3,549,633	$ 3,405,773
	$ 124,219	$ 125,327	$ 113,273	$ 110,703	$ 83,965	$ 88,212	$ 100,594
	803,052	302,685	91,266	311,952	433,701	309,285	36,574
	(300,869)	(286,821)	(294,756)	(280,868)	(269,377)	(249,279)	(200,608)
	(14,147)	(15,152)	(13,595)	(14,820)	(15,667)	(9,128)	(10,325)
	612,255	126,039	(103,812)	126,967	232,622	139,090	(73,765)
	3,358,884	3,232,845	3,336,657	3,209,690	2,977,068	2,837,978	2,911,743
	$ 3,971,139	$ 3,358,884	$ 3,232,845	$ 3,336,657	$ 3,209,690	$ 2,977,068	$ 2,837,978
	$ 295,140	$ 723,741	$ 732,491	$ 343,007	$ 460,006	$ 572,565	$ 567,795
	93.08%	82.27%	81.53%	90.68%	87.46%	83.87%	83.33%
	$ 1,299,858	$ 1,173,460	$ 973,683	$ 1,182,000	$ 934,449	$ 888,341	$ 760,130
	22.71%	61.68%	75.23%	29.02%	49.23%	64.45%	74.70%

CITY OF HAWKINSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SCHEDULE OF CITY CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contributions	*	$ 122,879	$ 175,980	$ 156,610	$ 135,512	$ 120,398	$ 110,898	$ 99,574	$ 89,826	$ 87,674
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
Contribution Deficiency (Excess)	*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	N/A	$ 805,140	$ 1,242,335	$ 1,299,858	$ 1,173,460	$ 973,683	$ 1,182,000	$ 934,449	$ 888,341	$ 760,130
Contributions as a Percentage of Covered-Employee Payroll	N/A	15.26%	14.17%	12.05%	11.55%	12.37%	9.38%	10.66%	10.11%	11.53%

* 2025 information will be determined after fiscal year end and will be included in the 2026 audit report.

Changes of Assumptions

There were no changes in plan provisions in the valuation and there were no changes in methods or assumptions in the valuation.

Methods and Assumptions Used to Determine Contribution Rates

Valuation date	The actuarially determined contribution rate was determined as of January 1, 2025, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending June 30, 2026.
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for the 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service-based merit increases
Cost of Living Adjustments	N/A
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, age 65 rate of 50%, ages 66-71 rate of 25% and age 72 and over rate of 100%
Mortality	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 headcount 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.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Hotel / Motel Tax Fund - This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

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

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

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

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 capital assets.

TSPLOST Fund - This fund is used to account for and report TSPLOST revenue and expenditures in accordance with the approved resolution.

2017 SPLOST Fund - This fund is used to account for and report 2017 SPLOST revenue and expenditures in accordance with the approved resolution.

DEBT SERVICE FUND

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

CITY OF HAWKINSVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds				Capital Project Funds			
	Hotel/ Motel Tax Fund	Cemetery Fund	American Rescue Plan Fund	*Formerly Major Fund* 2021 CDBG Fund	TSPLOST Fund	*Formerly Major Fund* 2017 SPLOST Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets								
Cash and Cash Equivalents	$ -	$ 5,300	$ -	$ -	$ 58,304	$ 91,661	$ 45,545	$ 200,810
Accrued Interest	-	29	-	-	-	-	-	29
Due from Other Funds	4,620	-	-	-	-	-	-	4,620
Due from Other Governments	-	-	-	-	114,110	-	-	114,110
Total Assets	$ 4,620	$ 5,329	$ -	$ -	$ 172,414	$ 91,661	$ 45,545	$ 319,569
Liabilities								
Accounts Payable	$ 4,620	$ -	$ -	$ -	$ -	$ 22,042	$ -	$ 26,662
Retainage Payable	-	-	-	-	-	10,347	-	10,347
Due to Other Funds	-	-	-	-	1,000	-	-	1,000
Total Liabilities	4,620	-	-	-	1,000	32,389	-	38,009
Fund Balance								
Restricted	-	5,329	-	-	171,414	59,272	45,545	281,560
Total Fund Balances	-	5,329	-	-	171,414	59,272	45,545	281,560
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,620	$ 5,329	$ -	$ -	$ 172,414	$ 91,661	$ 45,545	$ 319,569

CITY OF HAWKINSVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				Capital Project Funds			
	Hotel/ Motel Tax Fund	Cemetery Fund	American Rescue Plan Fund	*Formerly Major Fund* 2021 CDBG Fund	TSPLOST Fund	*Formerly Major Fund* 2017 SPLOST Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues								
Taxes	$ 44,116	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,116
Intergovernmental	-	-	-	38,806	171,407	-	-	210,213
Investment Earnings	-	154	47	-	7	35	898	1,141
Total Revenues	44,116	154	47	38,806	171,414	35	898	255,470
Expenditures								
Current								
General Government	-	-	-	-	-	32,989	-	32,989
Tourism	27,573	-	-	-	-	-	-	27,573
Capital Outlay	-	-	-	5,625	-	126,624	-	132,249
Total Expenditures	27,573	-	-	5,625	-	159,613	-	192,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,543	154	47	33,181	171,414	(159,578)	898	62,659
Other Financing Sources (Uses)								
Transfer from Other Funds	-	-	-	-	-	-	12,893	12,893
Transfer to Other Funds	(16,543)	-	(47)	(1,000)	-	-	-	(17,590)
Total Other Financing Sources (Uses)	(16,543)	-	(47)	(1,000)	-	-	12,893	(4,697)
Net Change in Fund Balances	-	154	-	32,181	171,414	(159,578)	13,791	57,962
Fund Balances - June 30, 2024 as Previously Presented	-	5,175	-	-	-	-	31,754	36,929
Change Within Financial Reporting Entity (Major to Nonmajor)	-	-	-	(32,181)	-	218,850	-	186,669
Fund Balances - June 30, 2024 as Adjusted	-	5,175	-	(32,181)	-	218,850	31,754	223,598
Fund Balances - Ending	$ -	$ 5,329	$ -	$ -	$ 171,414	$ 59,272	$ 45,545	$ 281,560

CITY OF HAWKINSVILLE, GEORGIA
HOTEL / MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	$ 60,000	$ 44,116	$ (15,884)
Total Revenues	60,000	44,116	(15,884)
Expenditures			
Current			
Tourism	37,500	27,573	9,927
Total Expenditures	37,500	27,573	9,927
Excess (Deficiency) of Revenues over Expenditures	22,500	16,543	(5,957)
Other Financing Sources (Uses)			
Transfer to Other Funds	(22,500)	(16,543)	5,957
Total Other Financing Sources (Uses)	(22,500)	(16,543)	5,957
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

CITY OF HAWKINSVILLE, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings	$ 40	$ 154	$ 114
Total Revenues	40	154	114
Expenditures			
Current			
General Government	40	-	40
Total Expenditures	40	-	40
Net Change in Fund Balance	-	154	154
Fund Balance - Beginning	5,175	5,175	-
Fund Balance - Ending	$ 5,175	$ 5,329	$ 154

CITY OF HAWKINSVILLE, GEORGIA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings	$ -	$ 47	$ 47
Total Revenues	-	47	47
Expenditures			
Current			
Public Works	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	47	47
Other Financing Sources (Uses)			
Transfer to Other Funds	-	(47)	(47)
Total Other Financing Sources (Uses)	-	(47)	(47)
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

CITY OF HAWKINSVILLE, GEORGIA
2021 CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 5,625	$ 38,806	$ 33,181
Total Revenues	5,625	38,806	33,181
Expenditures			
Current			
Public Works	5,625	5,625	-
Total Expenditures	5,625	5,625	-
Excess (Deficiency) of Revenues over Expenditures	-	33,181	33,181
Other Financing Sources (Uses)			
Transfer to Other Funds	-	(1,000)	(1,000)
Total Other Financing Sources (Uses)	-	(1,000)	(1,000)
Net Change in Fund Balance	-	32,181	32,181
Fund Balance - Beginning	(32,181)	(32,181)	-
Fund Balance - Ending	$ (32,181)	$ -	$ 32,181

CITY OF HAWKINSVILLE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings	$ -	$ 898	$ 898
Total Revenues	-	898	898
Expenditures			
Current			
General Government	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	898	898
Other Financing Sources (Uses)			
Transfer from Other Funds	-	12,893	12,893
Total Other Financing Sources (Uses)	-	12,893	12,893
Net Change in Fund Balance	-	13,791	13,791
Fund Balance - Beginning	31,754	31,754	-
Fund Balance - Ending	$ 31,754	$ 45,545	$ 13,791

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2010 SPLOST Fund	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Fire and Police Department Equipment	$ 250,000	$ 204,539	$ -	$ 204,539	81.82%
New City Hall	1,000,000	278,619	-	278,619	27.86%
Upgrade of City Property and Equipment	1,500,000	1,578,750	-	1,578,750	105.25%
Opera House Repairs	250,000	98,747	-	98,747	39.50%
Renovations of the Old Firehouse on Broad St.	75,000	2,900	-	2,900	3.87%
Capital Projects Matching Grant Funds	150,000	135,421	-	135,421	90.28%
Total 2010 SPLOST Fund	$ 3,225,000	$ 2,298,976	$ -	$ 2,298,976	

*Note: The 2010 SPLOST Fund was closed during fiscal year 2024.

2017 SPLOST Fund	Original Estimated Cost	Amended Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
City Improvements	$ 1,050,000	$ 1,050,000	$ 634,316	$ 55,999	$ 690,315	65.74%
New City Hall	500,000	3,580,000	3,727,564	-	3,727,564	104.12%
Economic Development	300,000	300,000	58,934	-	58,934	19.64%
Recreation Department	300,000	300,000	79,425	-	79,425	26.48%
Roads and Streets	250,000	250,000	76,394	-	76,394	30.56%
City Recreation Facilities	200,000	200,000	1,044,831	-	1,044,831	522.42%
Track Improvements	150,000	150,000	9,027	-	9,027	6.02%
Capital Projects Matching Grant Funds	150,000	150,000	400,130	103,614	503,744	335.83%
Public Safety / Public Works Equipment	75,000	75,000	149,086	-	149,086	198.78%
Renovation of the Old Firehouse on Broad Street	25,000	25,000	1,000	-	1,000	4.00%
Total 2017 SPLOST Fund	$ 3,000,000	$ 6,080,000	$ 6,180,707	$ 159,613	$ 6,340,320	

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. The 2017 SPLOST budget has been amended for the inclusion of the loan proceeds.

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2023 SPLOST Fund	Original Estimated Cost	Amended Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
City Equipment and Improvements	$ 1,120,000	$ 1,246,491	$ 87,554	$ 187,206	$ 274,760	22.04%
General Obligation Debt - GEFA & USDA	1,000,000	1,000,000	405,036	-	405,036	40.50%
Grant Matching	500,000	500,000	35,060	44,842	79,902	15.98%
Economic Development	250,000	250,000	-	150,000	150,000	60.00%
Animal Control Building	225,000	225,000	-	-	-	0.00%
Recreation	200,000	200,000	336	-	336	0.17%
Downtown Development Authority	150,000	150,000	-	-	-	0.00%
Airport	150,000	150,000	-	-	-	0.00%
City Riverwalk	150,000	150,000	-	-	-	0.00%
Opera House	150,000	150,000	-	-	-	0.00%
Public Safety	100,000	130,207	-	51,890	51,890	39.85%
Harness Track Bathrooms	75,000	75,000	-	20,000	20,000	26.67%
80 Commerce Street	75,000	75,000	101,638	-	101,638	135.52%
City Hall Vehicles	45,000	45,000	-	-	-	0.00%
Speed Signs	35,000	35,000	15,480	-	15,480	44.23%
Gateway Improvements	25,000	25,000	-	-	-	0.00%
Total 2023 SPLOST Fund	$ 4,250,000	$ 4,406,698	$ 645,104	$ 453,938	$ 1,099,042	

Note: The City of Hawkinsville, Georgia has received a GEMA Grant in the amount of $126,491 for emergency equipment and reimbursement from Pulaski County for a joint project of $30,207. Project budget has been amended to reflect these additions. In addition, the City has included a transfer of $150,000 in the above schedule for the City's investment in an industrial park.

TSPLOST Fund	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Acquisition of Right of Ways; Construction; Renovation and Improvement, Including Resurfacing; Relocation of Utilities; Improvement of Surface-Water Drainage; and/or Patching, Leveling, Milling, Widening, Shoulder Preparation, Culvert Repair, and Other Repairs.	$ 3,000,000	$ -	$ -	$ -	0.00%
Total TSPLOST Fund	$ 3,000,000	$ -	$ -	$ -	

CITY OF HAWKINSVILLE, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
21p-x-116-2-6190 PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program Activity	Activity Number	Budget	Expenditures: Restated CDBG Prior Years	Expenditures: Other Funds Prior Years	Expenditures: Current Year	Expenditures: Total
Professional Services - Engineering:						
Water / Sewer Improvements	T-03J-00	$ 44,958	$ 39,167	$ 9,500	$ -	$ 48,667
Street Improvements / Flood & Drainage	T-03K-00	22,000	22,000	-	-	22,000
Acquisition of Property	P-001-01	5,000	5,000	-	-	5,000
Sewer Facilities	P-03J-02	425,042	430,833	-	-	430,833
Flood and Drainage Facilities	P-03K-02	208,000	208,000	333,209	-	541,209
Administration	A-21A-00	45,000	39,375	-	5,625	45,000
Total		$ 750,000	$ 744,375	$ 342,709	$ 5,625	$ 1,092,709

Note: The beginning CDBG prior year expenditures was restated to include the expenditures that were included in accounts payable during the prior year.

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

21p-x-116-2-6190

FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CUMULATIVE)

I.	Total Fiscal Year 2021 CDBG Funds Awarded to Recipient:	$ 750,000
II.	Total Amount of 2021 CDBG Funds Drawdown by Recipient from DCA:	750,000
III.	Less 2021 CDBG Funds Expended by Recipient:	(750,000)
IV.	Amount of 2021 CDBG Funds Held by Recipient:	$ -

SINGLE AUDIT SECTION

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal / Grantor /Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Passed through the Georgia Department of Community Affairs				
Community Development Block Grant - Entitlement Grants Cluster	14.218	21p-x-116-2-6190	$ -	$ 38,806
Total Pass-through Programs			-	38,806
Total U.S. Department of Housing and Urban Development			-	38,806
U.S. Department of Interior				
Direct Program				
Payments in Lieu of Taxes	15.226		-	16,000
Total Direct Programs			-	16,000
Total U.S. Department of Interior			-	16,000
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation				
Natural Gas Distribution Infrastructure Safety Modernization Grant	20.708	693JK32440034NGDI	-	680,316
Total Pass-through Programs			-	680,316
Total U.S. Department of Transportation			-	680,316
U.S. Department of Homeland Security				
Passed through the Georgia Emergency Management Agency				
Hazard Mitigation Grant Program (HMGP)	97.039	HMGP 4400-0066	-	94,868
Total Pass-through Programs			-	94,868
Total U.S. Department of Homeland Security			-	94,868
Total Expenditures of Federal Awards			$ -	$ 829,990

See accompanying notes to schedule of expenditures of federal awards.

CITY OF HAWKINSVILLE, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(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 under programs of the federal government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administration 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.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting and the accrual basis of accounting, depending upon the type of fund receiving the funds. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City of Hawkinsville, Georgia has elected not to use the 10 - percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Hawkinsville

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

2024-001 **Segregation of Duties**

Status: Unresolved. See CY Finding 2025-001

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE REPORTED

MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

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December 23, 2025

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 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 (*Government Auditing Standards*), 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** (the "City"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

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 have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned cost as items 2025-001 and 2025-002 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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's Response to Findings

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

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

McNAIR McLEMORE MIDDLEBROOKS & Co
CERTIFIED PUBLIC ACCOUNTANTS

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December 23, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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** (the "City") 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's major federal programs for the fiscal year ended June 30, 2025. 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 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2025.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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'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 the City'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'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 GAAS, *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's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the City'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 the City'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 the City'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 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.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

CITY OF HAWKINSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

ALN Numbers	Name of Federal Program
20.708	Natural Gas Distribution Infrastructure Safety Modernization Grant

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

Section II - Financial Statement Findings

Findings noted on the 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:

2025-001 Segregation of Duties

Criteria
Internal control standards (such as those outlined by COSO and GAO's Green Book) require adequate segregation of duties to reduce the risk of errors or fraud. Key functions—authorization, custody, recordkeeping, and reconciliation—should be performed by separate individuals.

Condition
Due to a limited number of accounting staff, the City does not have adequate segregation of duties. Certain individuals are responsible for multiple incompatible functions, including processing transactions, recording entries, and reconciling accounts.

Effect
This condition increases the risk that errors or irregularities could occur and not be detected in a timely manner.

Cause
The City operates with a small finance team, making it impractical to fully segregate duties among staff.

Recommendation
Management should implement compensating controls, such as increased supervisory review, periodic independent reconciliations, and documented approvals, to mitigate the risks associated with limited segregation of duties.

Views of Responsible Officials and Planned Corrective Actions
Management concurs with the finding and acknowledges the limitation and will continue to implement compensating controls, including enhanced review procedures and periodic oversight by the City Manager.

Section II - Financial Statement Findings (Continued)

2025-002 Restatement of Net Position

Criteria
Governmental Accounting Standards require accurate reporting of net position and related balances in the financial statements.

Condition
During the current year, management identified errors in prior-year reporting that required restatement of beginning net position. The following adjustments were made:

- Water and Sewerage Fund: Beginning Construction in Progress (CIP) and Net Position were restated by $408,549. The City had previously reported these amounts as CIP in Governmental Activities.
- Accumulated Depreciation: Beginning balance was restated by $70,409 for a block of assets that were not being depreciated.
- Governmental Activities, Business-Type Activities, and Various Funds: Beginning net position was restated to properly report Net Pension Liability (NPL), Pension Deferred Inflows, and Pension Deferred Outflows. In a prior year, the General Fund assumed responsibility for funding pensions for former business-type employees who became contracted employees.

Effect
Beginning net position for Governmental Activities, Business-Type Activities, Water and Sewerage Fund, Gas Fund, Sanitation Fund, and Training Fund was restated to correct these errors.

Cause
The errors resulted from misclassification of CIP between activities, omission of depreciation on certain assets, and incorrect allocation of pension-related balances following changes in funding responsibilities.

Recommendation
Management should strengthen review procedures over financial reporting to ensure accurate classification of capital assets and proper allocation of pension-related balances.

Views of Responsible Officials and Planned Corrective Action
Management concurs with the finding. Procedures have been implemented to review asset classifications and pension allocations during the year-end close process to prevent similar errors in the future.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

City of Hawkinsville

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December 23, 2025

CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The City of Hawkinsville, Georgia respectfully submits the following corrective action plan for the fiscal year ended June 30, 2025.

FINANCIAL STATEMENT FINDINGS

2025-001 Segregation of Duties

Name of Contact Person: Sara Myers, City Manager

Recommendation: Management should implement compensating controls, such as increased supervisory review, periodic independent reconciliations, and documented approvals, to mitigate the risks associated with limited segregation of duties.

Corrective Action: Management concurs with the finding and acknowledges the limitation and will continue to implement compensating controls, including enhanced review procedures and periodic oversight by the City Manager.

Anticipated Completion Date: December 31, 2025

2025-002 Restatement of Net Position

Name of Contact Person: Sara Myers, City Manager

Recommendation: Management should strengthen review procedures over financial reporting to ensure accurate classification of capital assets and proper allocation of pension-related balances.

Corrective Action: Management concurs with the finding. Procedures have been implemented to review asset classifications and pension allocations during the year-end close process to prevent similar errors in the future.

Anticipated Completion Date: December 31, 2025

FEDERAL AWARDS FINDINGS

None Reported