

City of Blakely, Georgia

FINANCIAL STATEMENTS

***For the Year Ended
December 31, 2020***

Blakely, Georgia

**CITY OF BLAKELY, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2020
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Perry L. Henry, LLC
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of
the City Council
2020 Audit Year City of Blakely, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Blakely, Georgia as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Blakely, Georgia as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund on page 36 and the pension schedules on 39 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blakely, Georgia's basic financial statements. The CDBG schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Special Purpose Local Option Sales Tax is presented for purposes of additional analysis as required by the Official Code of Georgia 48-4-121, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The CDBG schedules and the Schedule of Special Purpose Local Option Sales Tax are the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedure, 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 CDBG schedules, the Schedule of Special Purpose Local Option Sales Tax, 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 July 11, 2021 on our consideration of the City of Blakely'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 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 internal control over financial reporting or on compliance. That report is an integral part on an audit performed in accordance with *Government Auditing Standards* in considering the City of Blakely's internal control over financial reporting and compliance.

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
July 11, 2021

BASIC FINANCIAL STATEMENTS

**CITY OF BLAKELY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash, including time deposits	\$ 340,136	\$ 2,419,953	\$ 2,760,089
Investments	-	4,106,190	4,106,190
Accounts receivable	548,231	1,449,920	1,998,151
Inventory	33,353	411,162	444,515
Prepays	5,964	43,706	49,670
Total Current Assets	927,684	8,430,931	9,358,615
Noncurrent Assets			
Restricted assets:			
Cash	1,620,019	698,282	2,318,301
Non-depreciable assets	382,178	604,024	986,202
Capital assets (net)	7,171,764	13,080,952	20,252,716
Total Noncurrent Assets	9,173,961	14,383,258	23,557,219
Total Assets	10,101,645	22,814,189	32,915,834
Deferred Outflows of Resources	869,722	394,092	1,263,814
LIABILITIES			
Current Liabilities			
Accounts payable	274,523	810,275	1,084,798
Customer deposits	-	391,189	391,189
Debt and lease payable, current portion	71,360	73,775	145,135
Bonds payable, current portion	-	550,000	550,000
Total Current Liabilities	345,883	1,825,239	2,171,122
Noncurrent liabilities			
Compensated absences	236,380	81,284	317,664
Landfill postclosure	-	50,689	50,689
Net pension obligation	2,633,164	1,193,151	3,826,315
Debt and lease payable, less current portion	3,234,140	254,599	3,488,739
Bonds payable, less current portion	-	4,295,000	4,295,000
Total Noncurrent Liabilities	6,103,684	5,874,723	11,978,407
Total Liabilities	6,449,567	7,699,962	14,149,529
NET POSITION			
Net investment in capital assets	4,248,442	8,511,602	12,760,044
Restricted for:			
Capital and special projects	972,956	-	972,956
Bond debt payments	-	698,282	698,282
Unrestricted	(699,598)	6,298,435	5,598,837
Total Net Position	\$ 4,521,800	\$ 15,508,319	\$ 20,030,119

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities Net (Expense)/ Revenue	Business-Type Activities Net (Expense)/ Revenue	
Governmental Activities:							
General government	\$ 1,603,436	\$ 198,257	\$ -	\$ 1,294,593	\$ (110,586)		\$ (110,586)
Public works	1,025,192	35,909	-	760,762	(228,521)		(228,521)
Public safety	3,377,355	829,747	-	-	(2,547,608)		(2,547,608)
Interest	72,551	-	-	-	(72,551)		(72,551)
Total governmental activities	6,078,534	1,063,913	-	2,055,355	(2,959,266)		(2,959,266)
Business-type:							
Water & Sewer	2,042,205	2,090,058	-	-		\$ 47,853	47,853
Electric	7,188,541	9,159,406	-	-		1,970,865	1,970,865
Gas	832,454	1,187,969	-	-		355,515	355,515
Sanitation	1,332,611	1,513,715	-	-		181,104	181,104
Telecommunication	654,630	451,525	-	-		(203,105)	(203,105)
Total business-type activities	12,050,441	14,402,673	-	-		2,352,232	2,352,232
Totals	\$ 18,128,975	\$ 15,466,586	\$ -	\$ 2,055,355	(2,959,266)	2,352,232	(607,034)
General revenues:							
Property taxes					566,185	-	566,185
Insurance premium tax					407,500	-	407,500
Franchise tax					37,419	-	37,419
Sales tax					638,102	-	638,102
Other taxes					76,651	-	76,651
Interest and investment revenue					3,120	98,447	101,567
Gain on sale of capital assets					21,115	(477,887)	(456,772)
Miscellaneous income					491,428	-	491,428
Transfers					1,856,646	(1,856,646)	-
Total general revenues and transfers					4,098,166	(2,236,086)	1,862,080
Change in net position					1,138,900	116,146	1,255,046
Net position - beginning					3,382,900	15,392,173	18,775,073
Net position - ending					\$ 4,521,800	\$ 15,508,319	\$ 20,030,119

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

**CITY OF BLAKELY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash, including time deposits	\$ 272,392	\$ 947	\$ 273,339
Accounts receivable	56,741	97,934	154,675
Taxes receivable	236,388	157,168	393,556
Inventory	33,353	-	33,353
Restricted assets- cash	755,432	931,383	1,686,815
Total assets	<u>\$ 1,354,306</u>	<u>\$ 1,187,432</u>	<u>\$ 2,541,738</u>
LIABILITIES			
Accounts payable	\$ 85,257	\$ 124,242	\$ 209,499
Salaries & wages payable	42,233	7,531	49,764
Accrued liabilities	15,256	-	15,256
Total liabilities	<u>142,746</u>	<u>131,773</u>	<u>274,519</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	81,769	-	81,769
Total deferred inflows of resources	<u>81,769</u>	<u>-</u>	<u>81,769</u>
FUND BALANCES			
Unassigned	1,109,791	(4,111)	1,105,680
Restricted for:			
Capital projects	-	972,956	972,956
Public Safety	-	106,814	106,814
Total fund balances	<u>1,109,791</u>	<u>1,075,659</u>	<u>2,185,450</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,334,306</u>	<u>\$ 1,207,432</u>	<u>\$ 2,541,738</u>

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

**CITY OF BLAKELY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total *fund* balances for governmental funds \$ 2,185,450

Total *net position* reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and construction in progress	382,178	
Other capital assets	<u>13,453,984</u>	
Total capital assets	13,836,162	
Accumulated depreciation	<u>(6,282,220)</u>	
Total Assets - net	<u>7,553,942</u>	7,553,942

Some of the City's revenues have been received and deferred under the modified accrual basis of accounting. These revenues are recognized under the accrual basis of accounting. 81,769

Governmental funds recognize expenditures for insurance using the purchases method. However, the Statement of Activities uses the accrual method and, thus, only the amount of insurance benefits are recognized as expense when it is consumed. The unconsumed is recorded as a prepaid. 5,964

Long-term liabilities, including notes payable, capital leases payable, and compensated absences are not due and payable in the current period and therefore are reported in the funds. (3,541,883)

Deferred Outflows - Pension 869,722
Net Pension Obligation (2,633,164)

Total net position of governmental activities \$ 4,521,800

CITY OF BLAKELY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 1,656,918	\$ 22,367	\$ 1,679,285
Licenses and permits	118,486	-	118,486
Intergovernmental	359,958	1,149,139	1,509,097
Charges for services	192,172	-	192,172
Grants	-	901,399	901,399
Fines and forfeitures	93,839	-	93,839
Interest	3,120	1,486	4,606
Miscellaneous	516,122	278,098	794,220
Total revenues	<u>2,940,614</u>	<u>2,352,489</u>	<u>5,293,103</u>
EXPENDITURES			
Current:			
General government	464,247	544,977	1,009,224
Judicial	118,651	-	118,651
Public safety	2,488,950	691,498	3,180,448
Public works	591,145	19,360	610,505
Health & Welfare	25,660	-	25,660
Cultural & Recreation	151,424	28,240	179,664
Housing & Development	104,692	-	104,692
Capital outlay	171,614	157,306	328,920
Debt service:			
Principal	353,915	23,028	376,943
Interest	72,551	36,216	108,767
Total expenditures	<u>4,542,849</u>	<u>1,500,625</u>	<u>6,043,474</u>
Excess (deficiency) of revenue/expenditures	<u>(1,602,235)</u>	<u>851,864</u>	<u>(750,371)</u>
Other Financing Sources (Uses)			
Transfers in	2,427,775	216,310	2,644,085
Transfers out	<u>(242,005)</u>	<u>(545,434)</u>	<u>(787,439)</u>
Total other financing sources (uses)	<u>2,185,770</u>	<u>(329,124)</u>	<u>1,856,646</u>
Special item			
Proceeds from Sale of Capital Assets	<u>21,115</u>	<u>-</u>	<u>21,115</u>
Net Change in Fund Balance	604,650	522,740	1,127,390
Fund balance - beginning	<u>505,141</u>	<u>552,919</u>	<u>1,058,060</u>
Fund balance - ending	<u>\$ 1,109,791</u>	<u>\$ 1,075,659</u>	<u>\$ 2,185,450</u>

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

CITY OF BLAKELY, GEORGIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balances - total governmental funds \$ 1,127,390

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. while governmental activities report depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. (59,337)

Note payments are reported as expenditures in the government funds, but reduces the liability in the statement of net assets. 376,943

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in government funds:
 Deferred compensation (75,352)

Governmental funds defer all tax revenues not collected within 60 days of year-end. However, the Statement of Activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date. 46,571

Governmental funds recognize expenditures for insurance using the purchases method. However, the Statement of Activities uses the consumption method and thus only the amount of insurance benefits consumed are recognized. (26,989)

Change in NPO, Deferred Inflows, and Deferred Outflows (250,326)

Change in net position of governmental activities \$ 1,138,900

CITY OF BLAKELY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanitation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Assets and Deferred Outflows or Resources						
Current assets:						
Cash	\$ 991,706	\$ 1,087,818	\$ 154,218	\$ 59,427	\$ 126,784	\$ 2,419,953
Investments	-	4,106,190	-	-	-	4,106,190
Accounts receivable (net)	140,031	1,073,955	90,541	145,230	163	1,449,920
Prepaid insurance	6,243	25,695	3,486	6,038	2,244	43,706
Inventory	95,755	289,074	12,395	13,938	-	411,162
Noncurrent assets:						
Restricted asset - cash	698,282	-	-	-	-	698,282
Nondepreciable assets	362,466	2,000	3,881	141,198	94,479	604,024
Capital assets, net of accumulated depreciation	11,762,124	409,033	428,682	448,763	32,350	13,080,952
Total assets	<u>14,056,607</u>	<u>6,993,765</u>	<u>693,203</u>	<u>814,594</u>	<u>256,020</u>	<u>22,814,189</u>
Deferred Outflows	108,715	81,536	40,768	122,305	40,768	394,092
Total Assets & Deferred Outflows	<u>\$ 14,165,322</u>	<u>\$ 7,075,301</u>	<u>\$ 733,971</u>	<u>\$ 936,899</u>	<u>\$ 296,788</u>	<u>\$ 23,208,281</u>
Liabilities						
Current liabilities:						
Accounts payable	\$ 26,606	\$ 608,497	\$ 86,151	\$ 47,245	\$ 22,104	\$ 790,603
Salaries & wages payable	5,573	4,847	1,738	5,983	1,531	19,672
Customer deposits	109,154	234,771	47,264	-	-	391,189
Capital leases, current portion	10,706	-	10,706	52,363	-	73,775
Bonds payable, current portion	550,000	-	-	-	-	550,000
Noncurrent liabilities:						
Landfill liability, less current portion	-	-	-	50,689	-	50,689
Compensated absences	40,580	28,563	9,048	3,093	-	81,284
Net pension liability	329,145	246,859	123,429	370,289	123,429	1,193,151
Capital leases, less current portion	46,044	-	46,044	162,511	-	254,599
Bonds payable, less current portion	4,295,000	-	-	-	-	4,295,000
Total Liabilities	<u>5,412,808</u>	<u>1,123,537</u>	<u>324,380</u>	<u>692,173</u>	<u>147,064</u>	<u>7,699,962</u>
Net Position						
Net investment in capital assets	7,222,840	411,033	375,813	375,087	126,829	8,511,602
Restricted for:						
Bond debt payments	698,282	-	-	-	-	698,282
Unrestricted (deficit)	831,392	5,540,731	33,778	(130,361)	22,895	6,298,435
Total Net Position	<u>8,752,514</u>	<u>5,951,764</u>	<u>409,591</u>	<u>244,726</u>	<u>149,724</u>	<u>15,508,319</u>
Total Liabilities & Net Position	<u>\$ 14,165,322</u>	<u>\$ 7,075,301</u>	<u>\$ 733,971</u>	<u>\$ 936,899</u>	<u>\$ 296,788</u>	<u>\$ 23,208,281</u>

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

CITY OF BLAKELY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanitation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Operating Revenues						
Charges for services	\$ 2,024,224	\$ 9,044,734	\$ 1,123,721	\$ 1,264,010	\$ 266,531	\$ 13,723,220
Other income	65,834	114,672	64,248	249,705	184,994	679,453
Total operating revenues	<u>2,090,058</u>	<u>9,159,406</u>	<u>1,187,969</u>	<u>1,513,715</u>	<u>451,525</u>	<u>14,402,673</u>
Operating Expenses						
Personnel services	676,093	758,633	227,212	572,549	186,005	2,420,492
Contract services and purchases for resale	68,684	6,156,170	67,331	91,552	195,416	6,579,153
Supplies, materials, and repairs	263,293	210,229	499,680	568,472	2,326	1,544,000
Depreciation & amortization	882,957	63,509	38,231	87,635	211,103	1,283,435
Total operating expenses	<u>1,891,027</u>	<u>7,188,541</u>	<u>832,454</u>	<u>1,320,208</u>	<u>594,850</u>	<u>11,827,080</u>
Operating income (loss)	<u>199,031</u>	<u>1,970,865</u>	<u>355,515</u>	<u>193,507</u>	<u>(143,325)</u>	<u>2,575,593</u>
Non-Operating Revenues (Expenses)						
Interest and investment revenue	4,642	93,805	-	-	-	98,447
Interest expense	(151,178)	-	-	(12,403)	(59,780)	(223,361)
Gain (Loss) on sale of capital assets	-	-	-	5,652	(483,539)	(477,887)
Total nonoperating revenues (expenses)	<u>(146,536)</u>	<u>93,805</u>	<u>-</u>	<u>(6,751)</u>	<u>(543,319)</u>	<u>(602,801)</u>
Income (loss) before contributions and transfers	<u>52,495</u>	<u>2,064,670</u>	<u>355,515</u>	<u>186,756</u>	<u>(686,644)</u>	<u>1,972,792</u>
Transfers in/(out)	<u>1,208,758</u>	<u>(1,552,187)</u>	<u>(783,352)</u>	<u>(63,024)</u>	<u>(666,841)</u>	<u>(1,856,646)</u>
Change in net position	1,261,253	512,483	(427,837)	123,732	(1,353,485)	116,146
Net position - beginning	7,491,261	5,439,281	837,428	120,994	1,503,209	15,392,173
Net position - ending	<u>\$ 8,752,514</u>	<u>\$ 5,951,764</u>	<u>\$ 409,591</u>	<u>\$ 244,726</u>	<u>\$ 149,724</u>	<u>\$ 15,508,319</u>

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

**CITY OF BLAKELY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanitation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Cash flows from operating activities:						
Receipts from customers	\$ 2,104,872	\$ 9,065,108	\$ 1,150,987	\$ 1,488,981	\$ 499,336	\$ 14,309,284
Payments to suppliers	(248,520)	(6,278,548)	(518,243)	(715,352)	(291,316)	(8,051,979)
Payments to employees	(676,093)	(758,633)	(227,212)	(572,549)	(186,005)	(2,420,492)
Net cash provided by (used by) operating activities	1,180,259	2,027,927	405,532	201,080	22,015	3,836,813
Cash flows from noncapital financing activities:						
Transfers in (out)	1,162,659	(1,552,187)	(783,352)	(172,756)	(666,841)	(2,012,477)
Net cash provided (used) by noncapital financing activities	1,162,659	(1,552,187)	(783,352)	(172,756)	(666,841)	(2,012,477)
Cash flows from capital & related financing activities:						
Additions to capital assets	(560,774)	(191,682)	(66,104)	(53,050)	(23,177)	(894,787)
Principal (paid) received on bond indebtedness	(535,000)	-	-	-	-	(535,000)
Principal (paid) received on capital lease indebtedness	-	-	-	(90,843)	-	(90,843)
Principal (paid) received on note indebtedness	56,750	-	56,750	-	(2,848,318)	(2,734,818)
Interest paid on bonds payable	(151,178)	-	-	-	-	(151,178)
Interest paid on capital lease payable	-	-	-	(12,403)	-	(12,403)
Interest paid on notes payable	-	-	-	-	(59,780)	(59,780)
Transfers in from SPLOST fund	46,099	-	-	109,732	-	155,831
Proceeds from sale of capital assets	-	-	-	12,956	2,707,020	2,719,976
Net cash used by capital & related financing activities	(1,144,103)	(191,682)	(9,354)	(33,608)	(224,255)	(1,603,002)
Cash flows from investing activities:						
Investment revenue	4,642	93,805	-	-	-	98,447
Net cash provided (used by) investing activities	4,642	93,805	-	-	-	98,447
Net increase (decrease) in cash	1,203,457	377,863	(387,174)	(5,284)	(869,081)	319,781
Cash & Cash Equivalents at Beginning of Year	486,531	4,816,145	541,392	64,711	995,865	6,904,644
Cash & Cash Equivalents at End of Year	\$ 1,689,988	\$ 5,194,008	\$ 154,218	\$ 59,427	\$ 126,784	\$ 7,224,425

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

**CITY OF BLAKELY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water & Sewer Enterprise Fund	Electric Enterprise Fund	Gas Enterprise Fund	Sanitation Enterprise Fund	Telecommunication Enterprise Fund	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 199,031	\$ 1,970,865	\$ 355,515	\$ 193,507	\$ (143,325)	\$ 2,575,593
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization	882,957	63,509	38,231	87,635	211,103	1,283,435
Change in assets & liabilities						
(Increase) decrease in current assets						
Accounts receivable	14,814	(94,298)	(36,982)	(24,734)	47,811	(93,389)
Prepaid	(2,795)	(22,864)	(2,009)	(2,321)	956	(29,033)
Inventories	15,565	76,798	1,175	7,616	-	101,154
(Decrease) increase in current liabilities						
Accounts payable	(18,284)	(29,114)	7,759	(64,207)	(8,893)	(112,739)
Accrued liabilities	75,860	62,777	41,842	677	(65,455)	115,701
Compensated absences	10,498	3,945	(774)	2,907	(20,182)	(3,606)
Customer deposits	2,613	(3,691)	775	-	-	(303)
Net Cash Provided by Operating Activities	\$ 1,180,259	\$ 2,027,927	\$ 405,532	\$ 201,080	\$ 22,015	\$ 3,836,813

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

NOTES TO THE FINANCIAL STATEMENTS

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- **Nonspendable Fund Balance:** Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance:** Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed Fund Balance:** Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City's Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.
- **Assigned Fund Balance:** Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's finance committee or the City's clerk to assign fund balances.
- **Unassigned Fund Balance:** Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

Financial Reporting Entity

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

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

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

City of Blakely, Georgia

Notes to Financial Statements

For the Year Ended December 31, 2020

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Governmental Funds Types

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

Proprietary Fund Types

Enterprise Funds

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

Governmental Funds

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

Revenue Recognition

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

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

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

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

Expenditure Recognition

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

Major Funds

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

Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

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

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

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

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

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

Inter-fund Receivables and Payables

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

Inventories

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

Receivables

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

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

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Capital Assets

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

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

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

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

Government-wide Statements

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

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

General Fund:	
Equipment	2-15 years
Buildings & Infrastructure	35-50 years
Enterprise Funds:	
Water and Sewer:	
Plant, tanks, wells, and extensions	35-50 years
Natural Gas System:	
Distribution system	40 years
Machinery and equipment	2-15 years
Electrical System:	
Distribution system	40 years
Transformers and equipment	2-20 years
Solid-Waste Transfer Facility:	
Equipment	7 years
Telecommunications:	
Equipment	7 years

Fund Financial Statements

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

Restricted Assets

Restricted assets include cash and investments of the proprietary or governmental funds that are legally restricted as to their use. Primarily, restricted assets are related to bond reserve, sinking fund requirements & bond ordinance. The City's policy is to first apply restricted resources when an expense is incurred for the purpose for

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

which both restricted and unrestricted net assets are available. Restricted assets at December 31, 2020, consist of cash on deposit for payment of indebtedness related to the 2009 Water Treatment Revenue Bonds in the Water and Sewer Fund and funds for Special Purpose Local Option Sales Tax, Transportation Special Purpose Local Option Sales Tax, Community Development Building Grants, and Local Maintenance and Improvement Grants.

Long-term Debt

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

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

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

Compensated Absences

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

Accumulated sick leave benefits are not recorded. These benefits are paid only upon employee illness and the amount payable at December 31, 2020 cannot be reasonably estimated.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

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

Fund Statements

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

REVENUES, EXPENDITURES, AND EXPENSES

Special Local Option Sales Tax

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

Property Tax

Under State law, municipalities may levy a property tax. Property taxes are levied in the fall of each year (September 15 for the current year taxes) based on the assessed value of property on the previous January 1. The due date for these taxes was December 20 and the lien date was the following March 1. Taxes are collected throughout the year. Receivables are not recorded when levied. Taxes not expected to be collected within sixty days after the end of the year are not recorded as deferred revenue.

The City levied property during the year ended December 31, 2020. The total amount of property tax receivable was \$173,336.

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Operating and Non-Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Proprietary Fund—By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Inter-fund Transfers

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

FUND ACCOUNTING REQUIREMENTS

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

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

DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

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

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Investments of the City whose population exceeds 3,000, according to the latest census information, are limited by state law to the following:

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

REVENUE RESTRICTIONS

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

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

For the year ended December 31, 2020, the City complied, in all material respects.

DEBT RESTRICTIONS AND COVENANTS

Revenue Bonds Payable

The ordinance providing for the issuance of bonds provides for the establishment of various funds which must be maintained for debt service, construction, cash reserves, etc. As of December 31, 2020, the City was in compliance with the provisions of the 2009 and now 2019 Water Treatment Revenue Bonds Ordinance that requires assets to be accumulated in a restricted account for the payment of future debt service. The Ordinance requires monthly sinking fund deposits to the Combined Utility Sinking Fund. Such deposits are being made on a monthly basis to the Sinking Fund. As a result, the City had appropriated sufficient amounts in the Sinking Fund as of December 31, 2020.

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 3 - CASH AND INVESTMENTS

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

Deposits

As of December 31, 2020, the carrying amount of the City's bank deposits was \$5,078,390 and the respective bank balances totaled \$5,122,067. Of the total bank balance, \$525,000 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$4,597,067 was collateralized with pooled securities held by the financial institution's trust departments. These securities are held in the name of the financial institution and not that of the City.

INVESTMENTS

Municipal Electric Authority of Georgia (MEAG) Trust

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

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

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

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

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

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

The balance of this account on December 31, 2020, is \$3,448,916.

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

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

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

The balance of the account was transferred on October 14, 2015 and did not have a balance as of December 31, 2020. Since the City's right to control these funds is contingent upon future events, these funds are not recorded as an asset in the City's financial statements.

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

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

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

The balance of the account was transferred on January 9, 2019 and did not have a balance as of December 31, 2020. Since the City's right to control these funds is contingent upon future events, these funds are not recorded as an asset in the City's financial statements.

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

- i. To be applied as a credit against the City's obligation share of either Costs of Acquisition and Construction or that portion of Project Annual Costs consisting of Other Annual Costs of the Plant Vogtle Additional Units Non-PPA Project, the Plant Vogtle Additional Units PPA Project and the Plant Vogtle Additional Units PPA-2 Project, without the consent of MEAG, or that portion of Project Annual Costs consisting of Annual Fixed Costs of the Plant Vogtle Additional Units Non-PPA Project, the Plant Vogtle Additional Units PPA Project, and the Plant Vogtle Additional Units PPA-2 Project, with the consent of MEAG, which will not be withheld unless there are adverse federal tax consequences that impact the City.
- ii. To be applied as a credit against the City's obligation share of either Costs of Acquisition and Construction or that portion of Project Annual Costs consisting of Other Annual Costs of any future generation project created by MEAG after the effective date of the Amendment, without the consent of MEAG, or that portion of Project Annual Costs consisting of Annual Fixed Costs of any future generation project created by MEAG after the effective date of the Amendment, with the consent of MEAG.
- iii. In the event MEAG provides the City with the option of paying interest expense incurred in connection with the construction of any generation project prior to commercial operation date and to the extent that such payments do not result in adverse federal tax consequences that impact the City, to be applied as a credit against any capital contributions committed to by such Beneficiary in connection with exercising such option.
- iv. To be applied as a credit against capacity charges incurred by the City in connection with power purchase agreements entered into by MEAG for the purpose of meeting the supplemental power needs of the City.
- v. As payment to MEAG to mitigate that portion of any budgeted Bulk Power Supply cost increases incurred by the City in a Power Supply Year which exceeds the City's prior year's budgeted Bulk Power Supply costs by greater than twelve percent (12%).

The balance of the account on December 31, 2020, is \$657,274.

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 4 - ACCOUNTS RECEIVABLE

Operating Funds Receivable

Accounts receivable at December 31, 2020 are as follows:

SPLOST	\$ 79,503
TSPLOST	75,227
Property Taxes	173,336
Hotel/Motel Taxes	2,438
LOST	63,052
E-911	97,934
General Fund Receivables	56,741
Total General Government	<u>548,231</u>
Gas Fund	90,541
Water & Sewer Fund	140,031
Electrical Fund	1,073,955
Telecommunications Fund	163
Sanitation Fund	145,230
Total Enterprise	<u>1,449,920</u>
Total	<u>\$ 1,998,151</u>

NOTE 5 - INTERFUND TRANSFERS

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

TRANSFERS OUT	TRANSFERS IN							Total
	General Fund	E-911	CDBG	Water & Sewer	Gas	Sanitation	Telecom	
General Fund	\$ -	\$ 55,004	\$ 24,270	\$ 127,255	\$ -	\$ -	\$ 35,476	\$ 242,005
SPLOST	-	-	-	46,099	-	109,732	-	155,831
CDBG	-	-	-	389,603	-	-	-	389,603
Electric	1,552,187	-	-	-	-	-	-	1,552,187
Gas	787,004	-	-	-	-	-	-	787,004
Sanitation	88,584	76,868	-	3,652	3,652	-	-	172,756
Telecom	-	60,168	-	642,149	-	-	-	702,317
Total	<u>\$ 2,427,775</u>	<u>\$ 192,040</u>	<u>\$ 24,270</u>	<u>\$ 1,208,758</u>	<u>\$ 3,652</u>	<u>\$ 109,732</u>	<u>\$ 35,476</u>	<u>\$ 4,001,703</u>

\$109,732 was transferred to the Landfill fund from the SPLOST fund for qualified capital purchases per the referendum.

\$389,603 was transferred to the Water & Sewer fund from the CDBG fund for qualified grant capital expenditures.

\$46,099 was transferred to the Water & Sewer fund from the SPLOST fund for qualified capital purchases per the referendum.

All other transfers were made for general operating purposes.

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 6 - CAPITAL ASSETS

Capital assets by fund type are summarized as follows:

Governmental Activities:

	<u>Balance as of</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance as of</u> <u>12/31/20</u>
General Fund:				
Nondepreciable assets:				
Land	\$ 132,719	\$ -	\$ -	\$ 132,719
Construction in progress	599,953	59,051	(409,545)	249,459
Total nondepreciable assets	<u>732,672</u>	<u>59,051</u>	<u>(409,545)</u>	<u>382,178</u>
Depreciable assets:				
Infrastructure	3,332,652	42,499	-	3,375,151
Buildings	5,680,398	440,700	-	6,121,098
Machinery & equipment	3,810,334	160,780	(13,380)	3,957,734
Total depreciable assets	<u>12,823,384</u>	<u>643,979</u>	<u>(13,380)</u>	<u>13,453,983</u>
Accumulated depreciation:				
Infrastructure	(2,031,799)	(52,412)	-	(2,084,211)
Buildings	(771,390)	(154,542)	-	(925,932)
Machinery & equipment	(3,139,589)	(145,867)	13,380	(3,272,076)
Total accumulated depreciation	<u>(5,942,778)</u>	<u>(352,821)</u>	<u>13,380</u>	<u>(6,282,219)</u>
Total depreciable assets, net	<u>6,880,606</u>	<u>291,158</u>	<u>-</u>	<u>7,171,764</u>
Total general government assets	<u>\$ 7,613,278</u>	<u>\$ 350,209</u>	<u>\$ (409,545)</u>	<u>\$ 7,553,942</u>
Business-type Activities:				
	<u>Balance as of</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance as of</u> <u>12/31/20</u>
Water and Sewer Enterprise Fund:				
Nondepreciable assets				
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Construction in Progress	355,058	4,908	-	359,966
Total nondepreciable assets	<u>357,558</u>	<u>4,908</u>	<u>-</u>	<u>362,466</u>
Depreciable assets				
Plant, systems, & equipment	22,539,701	555,865	(35,631)	23,059,935
Total depreciable assets	<u>22,539,701</u>	<u>555,865</u>	<u>(35,631)</u>	<u>23,059,935</u>
Accumulated depreciation:				
Plant, systems, & equipment	(10,450,485)	(882,957)	35,631	(11,297,811)
Total accumulated depreciation	<u>(10,450,485)</u>	<u>(882,957)</u>	<u>35,631</u>	<u>(11,297,811)</u>
Total depreciable assets, net	<u>12,089,216</u>	<u>(327,092)</u>	<u>-</u>	<u>11,762,124</u>
Total water & sewer fund assets	<u>\$ 12,446,774</u>	<u>\$ (322,184)</u>	<u>\$ -</u>	<u>\$ 12,124,590</u>

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

	Balance as of 12/31/19	Additions	Deductions	Balance as of 12/31/20
Natural Gas Enterprise Fund:				
Nondepreciable assets				
Construction in Progress	\$ -	\$ 3,881	\$ -	\$ 3,881
Total nondepreciable assets	-	3,881	-	3,881
Depreciable assets				
Plant, systems, & equipment	687,587	62,224	-	749,811
Total depreciable assets	687,587	62,224	-	749,811
Accumulated depreciation:				
Plant, systems, & equipment	(282,898)	(38,231)	-	(321,129)
Total accumulated depreciation	(282,898)	(38,231)	-	(321,129)
Total depreciable assets, net	404,689	23,993	-	428,682
Total natural gas fund assets	\$ 404,689	\$ 27,874	\$ -	\$ 432,563
Electric Enterprise Fund:				
Nondepreciable assets				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Total nondepreciable assets	2,000	-	-	2,000
Depreciable assets				
Plant, systems, & equipment	2,356,756	191,682	(69,340)	2,479,098
Total depreciable assets	2,356,756	191,682	(69,340)	2,479,098
Accumulated depreciation:				
Plant, systems, & equipment	(2,075,896)	(63,509)	69,340	(2,070,065)
Total accumulated depreciation	(2,075,896)	(63,509)	69,340	(2,070,065)
Total depreciable assets, net	280,860	128,173	-	409,033
Total electric fund assets	\$ 282,860	\$ 128,173	\$ -	\$ 411,033
Solid Waste Transfer Facility Enterprise Fund:				
Nondepreciable assets				
Land	\$ 141,198	\$ -	\$ -	\$ 141,198
Total nondepreciable assets	141,198	-	-	141,198
Depreciable assets				
Plant, systems, & equipment	3,171,704	53,051	(72,846)	3,151,909
Total depreciable assets	3,171,704	53,051	(72,846)	3,151,909
Accumulated depreciation:				
Plant, systems, & equipment	(2,681,053)	(87,635)	65,542	(2,703,146)
Total accumulated depreciation	(2,681,053)	(87,635)	65,542	(2,703,146)
Total depreciable assets, net	490,651	(34,584)	(7,304)	448,763
Total solid waste transfer facility fund assets	\$ 631,849	\$ (34,584)	\$ (7,304)	\$ 589,961
Tele-Communication Enterprise Fund:				
Nondepreciable assets				
Construction in Progress	\$ 141,237	\$ -	\$ (46,758)	\$ 94,479
Total nondepreciable assets	141,237	-	(46,758)	94,479
Depreciable assets				
Plant, systems, & equipment	3,724,034	-	(3,664,311)	59,723
Total depreciable assets	3,724,034	-	(3,664,311)	59,723
Accumulated depreciation:				
Plant, systems, & equipment	(359,957)	(211,103)	543,687	(27,373)
Total accumulated depreciation	(359,957)	(211,103)	543,687	(27,373)
Total depreciable assets, net	3,364,077	(211,103)	(3,120,624)	32,350
Total tele-communication fund assets	\$ 3,505,314	\$ (211,103)	\$ (3,167,382)	\$ 126,829

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

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

Depreciation was charged to functions as follows:

Governmental activities:	
General Government	\$ 95,319
Public Safety	155,477
Public Works	82,182
Housing and Development	12,725
Culture and Recreation	7,118
Business-type activities:	
Water & Sewer Fund	882,957
Electric Fund	63,509
Gas Fund	38,231
Sanitation Fund	87,635
Telecommunication Fund	211,103
	<u>\$ 1,636,256</u>

NOTE 7 - LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

	Balance, December 31, 2019	Additions	Reductions	Balance, December 31, 2020	Amounts Due Within One Year
Governmental Fund Type:					
Compensated absences	\$ 161,028	\$ 197,246	\$ 121,894	\$ 236,380	\$ -
Intergovernmental	307,978	-	307,978	-	-
Notes Payable	3,374,466	-	68,966	3,305,500	71,360
Totals	<u>\$ 3,843,472</u>	<u>\$ 197,246</u>	<u>\$ 498,838</u>	<u>\$ 3,541,880</u>	<u>\$ 71,360</u>
Proprietary Funds:					
Landfill postclosure liability	\$ 66,689	\$ -	\$ 16,000	\$ 50,689	\$ 16,000
Compensated absences	84,890	69,763	73,369	81,284	-
Notes payable	2,848,318	-	2,848,318	-	-
Capital leases payable	305,717	113,500	90,843	328,374	73,775
Bonds payable	5,380,000	-	535,000	4,845,000	550,000
Totals	<u>\$ 8,685,614</u>	<u>\$ 183,263</u>	<u>\$ 3,563,530</u>	<u>\$ 5,305,347</u>	<u>\$ 639,775</u>

On August 7, 2018, the City approved to enter into an intergovernmental agreement to pay back overpayments from March 2013 through June 2017 of Title Ad Valorem Tax. The overpayment was \$587,978 at 0% payable in 3 annual installments of \$140,000 starting January 15, 2018 and one final payment of \$167,978. This note was paid off during 2020 leaving the balance on December 31, 2020 at \$0.

On August 16, 2019, the City obtained a loan from the USDA for the payoff of the short-term loan that was for the construction of a new Fire Department Complex that houses the Fire Department, E-911 and the Police Department. The total loan was for \$3,397,000 at 3.25% payable in 360 monthly payments of \$14,811 beginning September 16, 2019 and a final balloon payment of \$16,496. The balance of this note on December 31, 2020 was \$3,305,500.

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Annual installment requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 71,360	\$ 106,372	\$ 177,732
2022	73,714	104,018	177,732
2023	76,146	101,586	177,732
2024	78,658	99,074	177,732
2025	81,252	96,480	177,732
2026-2030	448,281	440,379	888,660
2031-2035	527,264	361,396	888,660
2036-2040	620,162	268,498	888,660
2041-2045	729,429	159,231	888,660
2046-2049	599,234	36,259	635,493
Total	\$ 3,305,500	\$ 1,773,293	\$ 355,464

Proprietary Funds

On January 26, 2017, the City obtained a loan from Ameris Bank, for an Intergovernmental contract between South Georgia Regional Information Technology Authority and the City of Blakely, GA. The total loan was for \$3,200,000 at 2.73% payable in 180 monthly payments of \$22,342 beginning February 26, 2018. During 2020, the City sold the fiber fund assets and this note was paid off leaving the balance on December 31, 2020 at \$0.

On September 16, 2016, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the purchase of a 2016 Kenworth Grapple Truck. The total loan was for \$100,000 at 3.25% payable in five annual payments of \$21,992 beginning September 16, 2017. This note was paid off during 2020 leaving the balance on December 31, 2020 at \$0.

On January 16, 2019, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the purchase of a Refuse Truck. The total loan was for \$154,460 at 3.65% payable in five annual payments of \$34,355 beginning January 16, 2020. The balance of this note on December 31, 2020 was \$125,742.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 29,766	\$ 4,589	\$ 34,355
2022	30,852	3,503	34,355
2023	31,978	2,377	34,355
2024	33,146	1,209	34,355
Total	\$ 125,742	\$ 11,678	\$ 137,420

On September 27, 2019, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the purchase of a Freightliner Truck. The total loan was for \$116,250 at 3.63% payable in 60 monthly payments of \$2,122 beginning October 27, 2019. The balance of this note on December 31, 2020 was \$89,132.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 22,597	\$ 2,862	\$ 25,459
2022	23,431	2,028	25,459
2023	24,296	1,163	25,459
2024	18,808	285	19,093
Total	\$ 89,132	\$ 6,338	\$ 95,470

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

On June 25, 2020, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the purchase of two John Deere Backhoe Loaders. The total loan was for \$113,500 at 2.92% payable in 5 annual payments of \$24,727 beginning July 1, 2021. The balance of this note on December 31, 2020 was \$113,500.

Annual capital lease requirements are as follows:

Year Ending	Principal	Interest	Totals
2021	\$ 21,412	\$ 3,315	\$ 24,727
2022	22,038	2,689	24,727
2023	22,681	2,046	24,727
2024	23,344	1,383	24,727
2025	24,025	702	24,727
Total	\$ 113,500	\$ 10,135	\$ 98,908

Bonds Payable

On January 1, 2009, the City of Blakely, Georgia issued \$7,965,000 of its General Obligation Bonds (Sewer Project), Series 2009A with annual interest rates ranging from 2.0% to 4.35%. The proceeds will be used to expand the Plant Street Facility capacity from 1.312 Million Gallons per Day (MGD) to 2.0 MGD, replacing the current operations building and upgrading other operating systems and equipment. The Bonds are direct general obligations to the City and are payable from the levy of an ad valorem tax, without limitation as to rate or amount, levied on all taxable property including all real property, within the City subject to taxation for general obligation bond purposes. During 2019, the Bond was refinanced.

On June 4, 2019, the City of Blakely, Georgia issued \$5,380,000 of its General Obligation Bonds (Sewer Project), Series 2019 with annual interest rates ranging from 2.0% to 4.35%. The proceeds were used to pay off (refund) the existing bond series 2009A. The Bonds are direct general obligations to the City with a provision for levying a bond millage to pay from ad valorem tax, without limitation as to rate or amount, levied on all taxable property including all real property, within the City subject to taxation for general obligation bond purposes. The City has not levied a special mill rate because debt service requirements are being paid from water and sewer fund revenues. The balance as of December 31, 2020 was \$4,845,000.

Annual future debt service requirements for the maturity of the Series 2019 Bonds are as follows:

Year Ending	Principal	Interest	Totals
2021	\$ 550,000	\$ 136,145	\$ 686,145
2022	565,000	120,690	685,690
2023	580,000	104,813	684,813
2024	595,000	88,515	683,515
2025	615,000	71,796	686,796
2026-2028	1,940,000	110,012	2,050,012
Total	\$ 4,845,000	\$ 631,971	\$ 5,476,971

Compensated Absences

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

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 8 - PROGRAM REVENUES

General Government		
Business licenses, fees, and other charges for services	\$	198,257
Public Works		
Shop fees	\$	35,909
Public Safety		
E911 revenue	\$	592,698
Fines & forfeitures and other charges for services	\$	237,049
Water & Sewer Fund		
Water & sewer services	\$	2,090,058
Natural Gas Fund		
Natural gas fees	\$	1,187,969
Electric Fund		
Electric fees	\$	9,159,406
Solid-Waste Transfer Fund		
Landfill fees	\$	1,513,715
Tele-Communication Fund		
Telecom Fees	\$	451,525

NOTE 9 - PENSION PLAN

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

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

As of July 1, 2020, the date of the most recent actuarial valuation, there were 215 participants consisting of the following:

Benefits for retired participants and beneficiaries	77
Terminated vested participants	38
Active vested employees	100
Total	<u>215</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Cash	0%	
Total	100%	

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

Funding Policy

The City is required to contribute an actuarially determined amount to the Plan's trust. The contribution amount is determined using the actuarial methods and assumptions approved by the Board of Trustees, and must satisfy the minimum contribution requirements as set forth in the State of Georgia statutes. The annual recommended contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interests on these amounts from the valuation date to the date contributions are paid. The recommended current rate of contribution for the City is 12.53% of annual covered payroll. Employees are not required to contribute to the Plan.

Actuarial Valuation Information

Valuation Date	July 1, 2020
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted 10% of the amount of the value exceeds or is less than the market value at end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.38%
Projected Salary Increases	2.25% plus service based merit increases
Cost of living adjustment	N/A

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Funded Plan Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	(Surplus) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	Percentage of Covered Payroll* [(b) - (a)] / (c)
7/1/2010	\$ 4,352,992	\$ 5,128,916	\$ 775,924	84.87%	\$2,442,031	31.77%
7/1/2011	4,548,338	5,542,325	993,987	82.07%	2,372,901	41.89%
7/1/2012	4,752,815	5,967,154	1,214,339	79.65%	2,687,152	45.19%
7/1/2013	5,001,653	6,125,955	1,124,302	81.65%	2,382,583	47.19%
7/1/2014	5,215,550	6,490,633	1,275,083	80.36%	2,046,450	62.31%
7/1/2015	5,387,571	6,550,042	1,162,471	82.25%	2,154,375	53.96%
7/1/2016	5,542,708	6,634,929	1,092,221	83.54%	2,306,454	47.35%
7/1/2017	5,698,962	6,776,177	1,077,215	84.10%	2,761,606	39.01%
7/1/2018	5,855,687	7,396,711	1,541,024	79.17%	2,762,964	55.77%
7/1/2019	5,995,761	7,630,280	1,634,519	78.58%	3,622,865	45.12%
7/1/2020	6,081,081	8,411,908	2,330,827	72.29%	3,935,869	59.22%

Change in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at March 31, 2019	* \$ 8,032,002	\$ 5,702,192	\$ 2,329,810
Changes for the year:			
Service cost	118,543	-	118,543
Interest	589,494	-	589,494
Difference between expected and actual expenses	355,867	-	355,867
Employer contributions	-	361,447	(361,447)
Employee contributions	-	-	-
Net investment income	-	(376,804)	376,804
Benefit payments	(581,261)	(581,261)	-
Administrative expense	-	(24,304)	24,304
Other changes	392,940	-	392,940
Net Changes	875,583	(620,922)	1,496,505
Balance at March 31, 2020	** \$ 8,907,585	\$ 5,081,270	\$ 3,826,315

* Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2019 are used to measure TPL as of March 31, 2019. The balances as of March 31, 2019 constitute measurements of the NPL for the year ending December 31, 2019.

** Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2020 are used to measure TPL as of March 31, 2020. The balances as of March 31, 2020 constitute measurements of the NPL for the year ending December 31, 2020.

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

	1% Decrease (6.375%)	Current Rate (7.375%)	1% Increase (8.375%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 4,808,486	\$ 3,826,315	\$ 2,995,962

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Pension expense for the year ended December 31, 2020

Service cost	\$ 118,543
Interest on TPL	589,494
Employee contributions	-
Administrative expenses	24,304
Expected return on assets	(418,510)
Expensed portion of current year period differences between expected and actual experience in TPL	88,966
Expensed portion or current year period assumption changes	96,678
Current year plan changes	6,228
Expensed portion of current year period differences between projected and actual investment earnings	159,062
Current year recognition of deferred inflows and outflows established in prior years.	262,395
Total expense	\$ 927,160

Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 353,417	\$ -
Changes in assumptions	290,034	-
Net difference between projected and actual earnings on pension plan investments *	620,363	-
Total	\$ 1,263,814	\$ -

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

Projected recognition of deferred outflow s/(inflow s)

	Year Established	Outstanding	Recognized	Outstanding						
		Balance January 1, 2020	During FYE December 31, 2020	Balance December 31, 2020	2021	2022	2023	2024	2025	2026 and Thereafter
Fiscal Year Outflow s:										
Total Outflow s:		2,116,072	704,540	1,411,532	431,909	431,909	388,651	159,063	-	-
Fiscal Year Inflow s:										
Total Inflow s		(245,157)	(97,439)	(147,718)	(97,439)	(50,279)	-	-	-	-
Total		1,870,915	607,101	1,263,814	334,470	381,630	388,651	159,063	-	-

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City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

Projected recognition of deferred outflow s/(inflow s) due to differences between expected and actuarial experience in TPL

	Year	Outstanding Balance	Recognized During FYE	Outstanding Balance						
	Established	January 1, 2020	December 31, 2020	December 31, 2020	2021	2022	2023	2024	2025	2026 and Thereafter
Fiscal Year Outflow s:										
Demographic	2018	149,517	149,517	-	-	-	-	-	-	-
Demographic	2019	129,774	43,258	86,516	43,258	43,258	-	-	-	-
Demographic	2020	355,867	88,966	266,901	88,967	88,967	88,967	-	-	-
Total Outflow s:		635,158	281,741	353,417	132,225	132,225	88,967	-	-	-
Fiscal Year Inflow s:										
Total Inflow s		-	-	-	-	-	-	-	-	-
Total		635,158	281,741	353,417	132,225	132,225	88,967	-	-	-

Projected recognition of deferred outflow s/(inflow s) due to assumption changes

	Year	Outstanding Balance	Recognized During FYE	Outstanding Balance						
	Established	January 1, 2020	December 31, 2020	December 31, 2020	2021	2022	2023	2024	2025	2026 and Thereafter
Fiscal Year Outflow s:										
Assumption	2018	47,301	47,301	-	-	-	-	-	-	-
Assumption	2020	386,712	96,678	290,034	96,678	96,678	96,678	-	-	-
Total Outflow s:		434,013	143,979	290,034	96,678	96,678	96,678	-	-	-
Fiscal Year Inflow s:										
Total Inflow s		-	-	-	-	-	-	-	-	-
Total		434,013	143,979	290,034	96,678	96,678	96,678	-	-	-

Projected recognition of deferred outflow s/(inflow s) due to differences between projected and actual investment earnings

	Year	Outstanding Balance	Recognized During FYE	Outstanding Balance						
	Established	January 1, 2020	December 31, 2020	December 31, 2020	2021	2022	2023	2024	2025	2026 and Thereafter
Fiscal Year Outflow s:										
Investment	2016	75,815	75,815	-	-	-	-	-	-	-
Investment	2019	175,772	43,943	131,829	43,943	43,943	43,943	-	-	-
Investment	2020	795,314	159,062	636,252	159,063	159,063	159,063	159,063	-	-
Total Outflow s:		1,046,901	278,820	768,081	203,006	203,006	203,006	159,063	-	-
Fiscal Year Inflow s:										
Investment	2017	(94,320)	(47,160)	(47,160)	(47,160)	-	-	-	-	-
Investment	2018	(150,837)	(50,279)	(100,558)	(50,279)	(50,279)	-	-	-	-
Total Inflow s		(245,157)	(97,439)	(147,718)	(97,439)	(50,279)	-	-	-	-
Total		801,744	181,381	620,363	105,567	152,727	203,006	159,063	-	-

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Compensated Absences

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

Risk Management and Litigation

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

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

Pursuant to provisions of the Official Code of Georgia Annotated, the City of Blakely became a member of the GMA Inter-local Risk Management Agency. The agency established and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of government. The agency is to defend and protect in accordance with the member government contracts and related coverage descriptions any member of the agency against liability or loss.

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

1. To pay all contributions, assessments or other sums due the agency at such times and in such amounts as shall be established by the agency;
2. To select a person to serve as a member representative;
3. To allow the agency and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purpose of the agency to represent the City;
4. To allow attorneys appointed by the agency to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund established by the agency;
5. To assist and cooperate in the defense and settlement of claims against the City;
6. To furnish full cooperation to the agency's attorneys, claims adjusters, service company, and any agent, employee, officer or independent contractor of the agency relating to the purposes of the agency;
7. To follow all loss reduction and prevention procedures established by the agency;
8. To furnish to the agency such budget, operating and underwriting information as may be requested; and
9. To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the agency or any fund established by the agency being required to pay claim for loss or injuries to City property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

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

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

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the findings being required to pay any claims of loss. The City is also to allow the pools'

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

agents and attorney to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

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

Compliance with Legal Provisions

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

NOTE 11 - DEFERRED COMPENSATION PLAN

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

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

For the year ended December 31, 2020, actual contributions by the City and Plan participants were \$41,740 and \$66,884 respectively.

NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

The City stopped accepting solid waste at its landfill site April 8, 1994. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The \$50,689 reported in the long-term debt as a landfill post closure liability at December 31, 2020, represents the projected annual cost to perform annually recurring post closure care for the approximately six years remaining. Due to changes in technology, monitoring period, laws or regulations these costs may change in the future. The City intends to and expects to be able to finance post closure costs from current financial resources.

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

NOTE 13 - POWER SALES CONTRACT

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

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

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

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 14 - RELATED ORGANIZATION

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

NOTE 15 - JOINT VENTURES

Southwest Georgia Regional Commission

City of Blakely, in conjunction with fifty- seven other cities and counties in the southwest Georgia area, participates in the Southwest Georgia Regional Commission. Membership in an RC is required by Code of Georgia Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The City of Blakely paid membership dues to the Southwest Georgia Regional Commission for the year ended December 31, 2020. The RC Board membership includes a representative of the membership governments who is selected by the respective governing body. Georgia law also provides that the member governments are liable for any debts or obligations of an RC beyond its resources. Financial statements are available from the RC at 30 West Broad Street, Camilla, Georgia 31730.

NOTE 16 - HOTEL/MOTEL TAX

The City of Blakely has imposed a 5% hotel/motel tax on lodging facilities with the City. Revenues collected during the year ended December 31, 2020, were \$22,367. \$28,240 was paid to the Court Square Development Authority to promote tourism within the City of Blakely, Georgia.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

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

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

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

NOTE 18 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No expenditures exceeded the budget at the legal level of budgetary control.

NOTE 19 - SPECIAL PURPOSE LOCAL OPTIONS SALES TAX REFERENDUM

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

City of Blakely, Georgia
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 20 - SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the year ended December 31, 2020, the City sold certain capital assets, which were transactions the City considers infrequent in occurrence. The City has reported these transactions as special items in the government-wide financial statements as required by GASB 34, paragraph 56.

The transactions consisted of dispositions of a bat wing mower, tire truck, Ford F-450, 1996 Ford Ranger, water tank trailer, and a 2007 Dodge Charger.

NOTE 21 - SUBSEQUENT EVENT

As of the date of this report, July 11, 2021 there are no subsequent events that would materially affect the financial statements and require disclosures.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BLAKELY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes				
Property	\$ 1,098,200	\$ 1,098,200	\$ 927,113	\$ (171,087)
Sales	703,000	703,000	692,386	(10,614)
Franchise	47,000	47,000	37,419	(9,581)
Licenses and permits	90,000	90,000	118,486	28,486
Intergovernmental	285,200	524,481	359,958	(164,523)
Charges for services	218,000	218,000	192,172	(25,828)
Fines and forfeitures	105,000	105,000	93,839	(11,161)
Interest revenue	3,500	3,500	3,120	(380)
Miscellaneous	453,240	550,889	516,121	(34,768)
Total revenues	<u>3,003,140</u>	<u>3,340,070</u>	<u>2,940,614</u>	<u>(399,456)</u>
EXPENDITURES				
Current:				
General government:				
Finance and administration	1,668,555	1,744,555	555,194	1,189,361
Total general government	<u>1,668,555</u>	<u>1,744,555</u>	<u>555,194</u>	<u>1,189,361</u>
Judicial				
Recorder's court	145,400	145,400	119,650	25,750
Total judicial	<u>145,400</u>	<u>145,400</u>	<u>119,650</u>	<u>25,750</u>
Public safety:				
Police	1,830,765	1,874,667	1,539,644	335,023
Fire	1,239,950	1,239,950	958,597	281,353
Total public safety	<u>3,070,715</u>	<u>3,114,617</u>	<u>2,498,241</u>	<u>616,376</u>
Public works:				
Highways and streets	519,050	529,405	445,801	83,604
Maintenance and shop	190,040	190,040	172,881	17,159
Total public works	<u>709,090</u>	<u>719,445</u>	<u>618,682</u>	<u>100,763</u>
Health & Welfare:				
Welfare	43,300	43,300	25,660	17,640
Community services	59,350	59,350	42,174	17,176
Total health & welfare	<u>102,650</u>	<u>102,650</u>	<u>67,834</u>	<u>34,816</u>
Cultural & Recreation:				
Recreation	115,000	115,000	115,000	-
Libraries	37,000	37,000	36,424	576
Total cultural & recreation	<u>152,000</u>	<u>152,000</u>	<u>151,424</u>	<u>576</u>
Housing & Development:				
Building Inspection	147,700	148,000	105,358	42,642
Total housing & development	<u>147,700</u>	<u>148,000</u>	<u>105,358</u>	<u>42,642</u>
Total current expenditures	<u>5,996,110</u>	<u>6,126,667</u>	<u>4,116,383</u>	<u>2,010,284</u>
Debt service:				
Principal	188,000	355,978	353,915	2,063
Interest	74,000	74,000	72,551	1,449
Total debt service	<u>262,000</u>	<u>429,978</u>	<u>426,466</u>	<u>3,512</u>
Total expenditures	<u>6,258,110</u>	<u>6,556,645</u>	<u>4,542,849</u>	<u>2,013,796</u>
Excess (deficiency) of revenues over expenditures	<u>(3,254,970)</u>	<u>(3,216,575)</u>	<u>(1,602,235)</u>	<u>(2,413,252)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,885,970	2,885,970	2,427,775	(458,195)
Transfers (out)	-	-	(242,005)	(242,005)
Total other financing sources and uses	<u>2,885,970</u>	<u>2,885,970</u>	<u>2,185,770</u>	<u>(700,200)</u>
SPECIAL ITEMS				
Sale of capital assets	1,000	1,000	21,115	20,115
Net Change in Fund Balance	<u>\$ (368,000)</u>	<u>\$ (329,605)</u>	<u>\$ 604,650</u>	<u>\$ 934,255</u>

CITY OF BLAKELY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Budget and Budgetary Accounting

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

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

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

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

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

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

Budgetary Accounting

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

Budget Requirements

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

City of Blakely, Georgia
GASB 67/68 Reporting Information
December 31, 2020

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 118,543	\$ 88,011	\$ 102,481	\$ 83,207
Interest	589,494	567,147	526,086	517,206
Differences between expected and actual experience	355,867	173,031	448,552	25,318
Changes of assumption	-	-	141,903	-
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(581,261)	(540,265)	(526,294)	(496,014)
Other	392,940	-	-	-
Net change in total pension liability	<u>875,583</u>	<u>287,924</u>	<u>692,728</u>	<u>129,717</u>
Total Pension Liability as of beginning	<u>8,032,002</u>	<u>7,744,078</u>	<u>7,051,350</u>	<u>6,921,633</u>
Total Pension Liability as of ending (a)	<u>\$ 8,907,585</u>	<u>\$ 8,032,002</u>	<u>\$ 7,744,078</u>	<u>\$ 7,051,350</u>
Employer contributions	\$ 361,447	\$ 304,261	\$ 282,769	\$ 290,555
Employee contributions	-	-	-	-
Net investment income	(376,804)	202,399	656,846	612,785
Benefit payments, including refunds of employer contributions	(581,261)	(540,265)	(526,294)	(496,014)
Administrative expense	(24,304)	(20,847)	(20,195)	(21,770)
Other	-	-	-	-
Net Change in fiduciary net position	<u>(620,922)</u>	<u>(54,452)</u>	<u>393,126</u>	<u>385,556</u>
Plan fiduciary net position - beginning	<u>5,702,192</u>	<u>5,756,644</u>	<u>5,363,518</u>	<u>4,977,962</u>
Plan fiduciary net position - ending (b)	<u>\$ 5,081,270</u>	<u>\$ 5,702,192</u>	<u>\$ 5,756,644</u>	<u>\$ 5,363,518</u>
Net Pension Liability - ending: (a)-(b)	<u>\$ 3,826,315</u>	<u>\$ 2,329,810</u>	<u>\$ 1,987,434</u>	<u>\$ 1,687,832</u>
Plan's fiduciary net position as a percentage of the total pension liability	57.04%	70.99%	74.34%	76.06%
Covered-employee payroll	\$ 3,935,869	\$ 3,622,865	\$ 2,762,964	\$ 2,761,601
Net pension liability as a percentage of covered-employee payroll	97.22%	64.31%	71.93%	61.12%

City of Blakely, Georgia
Required Supplementary Information - Pension Plan
December 31, 2020

SCHEDULE OF CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Actuarially determined contribution	*	\$ 350,978	\$ 294,918	
Contributions in relation to the actuarially determined contribution	*	348,306	293,703	**
Contribution deficiency (excess)	*	2,672	1,215	
Covered-employee payroll	*	3,622,865	2,762,964	***
Contributions as a percentage of coveredemployee payroll	*	9.61%	10.63%	

* 2020 information will be determined after fiscal year end and will be included in the 2021 valuation report.

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

***2019 covered payroll is based on data collected as of March 31, 2019 for the 2019 actuarial valuation.

**CITY OF BLAKELY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Capital Improvement Projects Funds			Special Revenue Funds		Total Funds
	SPLOST Fund	TSPLOST Fund	Community Development Block Grant Fund	Hotel/Motel Tax Fund	E-911 Fund	
ASSETS						
Cash, including time deposits	\$ -	\$ -	\$ -	\$ -	\$ 947	\$ 947
Accounts receivable	-	-	-	-	97,934	97,934
Taxes receivable	79,503	75,227	-	2,438	-	157,168
Restricted assets- cash	297,279	510,058	107,250	16,796	-	931,383
Total assets	<u>\$ 376,782</u>	<u>\$ 585,285</u>	<u>\$ 107,250</u>	<u>\$ 19,234</u>	<u>\$ 98,881</u>	<u>\$ 1,187,432</u>
LIABILITIES						
Accounts payable	\$ 8,345	\$ -	\$ 111,361	\$ -	\$ 4,536	\$ 124,242
Salaries & wages payable	-	-	-	-	7,531	7,531
Total liabilities	<u>8,345</u>	<u>-</u>	<u>111,361</u>	<u>-</u>	<u>12,067</u>	<u>131,773</u>
FUND BALANCES						
Unassigned	-	-	(4,111)	-	-	(4,111)
Restricted for:						
Capital projects	368,437	585,285	-	19,234	-	972,956
Public safety	-	-	-	-	106,814	106,814
Total fund balances	<u>368,437</u>	<u>585,285</u>	<u>(4,111)</u>	<u>19,234</u>	<u>106,814</u>	<u>1,075,659</u>
Total liabilities and fund balances	<u>\$ 376,782</u>	<u>\$ 585,285</u>	<u>\$ 107,250</u>	<u>\$ 19,234</u>	<u>\$ 118,881</u>	<u>\$ 1,207,432</u>

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

CITY OF BLAKELY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Capital Improvement Projects Funds			Special Revenue Funds		Total Funds
	SPLOST	TSPLOST	Community Development Block Grant	Hotel/Motel Tax	E-911 Fund	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 22,367	\$ -	\$ 22,367
Intergovernmental	462,031	372,508	-	-	314,600	1,149,139
Grants	-	-	901,399	-	-	901,399
Interest	222	1,264	-	-	-	1,486
Miscellaneous	-	-	-	-	278,098	278,098
Total revenues	462,253	373,772	901,399	22,367	592,698	2,352,489
EXPENDITURES						
Current:						
General government	5,070	-	539,907	-	-	544,977
Public safety	-	-	-	-	691,498	691,498
Public works	19,360	-	-	-	-	19,360
Cultural & recreation	-	-	-	28,240	-	28,240
Capital outlay	111,456	45,350	-	-	500	157,306
Debt service:						
Principal	-	-	-	-	23,028	23,028
Interest	-	-	-	-	36,216	36,216
Total expenditures	135,886	45,350	539,907	28,240	751,242	1,500,625
Excess (deficiency) of revenue/expenditures	326,367	328,422	361,492	(5,873)	(158,544)	851,864
Other Financing Sources (Uses)						
Transfers in	-	-	24,270	-	192,040	216,310
Transfers (out) in	(155,831)	-	(389,603)	-	-	(545,434)
Total other financing sources (uses)	(155,831)	-	(365,333)	-	192,040	(329,124)
Net Change in Fund Balance	170,536	328,422	(3,841)	(5,873)	33,496	522,740
Fund balance - beginning	197,901	256,863	(270)	25,107	73,318	552,919
Fund balance - ending	\$ 368,437	\$ 585,285	\$ (4,111)	\$ 19,234	\$ 106,814	\$ 1,075,659

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

**CITY OF BLAKELY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 HOTEL/MOTEL TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget Amounts</u>			<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Hotel/Motel Tax	\$ 50,000	\$ 50,000	\$ 22,367	\$ (27,633)
Total revenues	50,000	50,000	22,367	(27,633)
EXPENDITURES				
Court Square Development	-	30,000	28,240	1,760
Total expenditures	-	30,000	28,240	1,760
Excess (deficiency) or revenues over expenditures	\$ 50,000	\$ 20,000	(5,873)	\$ (29,393)
Net change in fund balance			(5,873)	
Fund balance - beginning			25,107	
Fund balance - ending			\$ 19,234	

**CITY OF BLAKELY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 E-911 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget Amounts</u>			<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 290,400	\$ 290,400	\$ 314,600	\$ 24,200
Miscellaneous	281,150	281,150	278,098	(3,052)
Total revenues	<u>571,550</u>	<u>571,550</u>	<u>592,698</u>	<u>21,148</u>
EXPENDITURES				
Current:				
Public safety	667,800	692,800	691,498	1,302
Capital outlay	1,000	1,000	500	500
Debt service:				
Principal	24,000	24,000	23,028	972
Interest	37,000	37,000	36,216	784
Total expenditures	<u>729,800</u>	<u>754,800</u>	<u>751,242</u>	<u>3,558</u>
Excess (deficiency) or revenues over expenditures	<u>(158,250)</u>	<u>(183,250)</u>	<u>(158,544)</u>	<u>17,590</u>
TRANSFERS				
Transfers	-	-	192,040	192,040
Total transfers	<u>\$ -</u>	<u>\$ -</u>	<u>192,040</u>	<u>\$ 192,040</u>
Net change in fund balance			<u>33,496</u>	
Fund balance - beginning			<u>73,318</u>	
Fund balance - ending			<u>\$ 106,814</u>	

STATE REPORTING REQUIREMENTS

CITY OF BLAKELY, GEORGIA

Annual Report of 9-1-1 Expenditures

For the Year Ended December 31, 2020

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund		
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	\$ _____
	_____		\$ _____
	_____		\$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	\$ _____
3b	Purchase costs	46-5-134(f)(1)(A)	\$ <u>500</u>
3c	Maintenance costs	46-5-134(f)(1)(A)	\$ <u>7</u>
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	\$ <u>410,830</u>
5b	Employee benefits	46-5-134(f)(1)(C)	\$ <u>172,598</u>
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ <u>682</u>
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	\$ <u>-</u>
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	\$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	\$ _____

9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	\$ <u> -</u>
9b	Purchase costs	46-5-134(f)(1)(G)	\$ <u> -</u>
9c	Maintenance costs	46-5-134(f)(1)(G)	\$ <u> </u>
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$ <u> </u>
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	\$ <u> </u>
11b	Purchase costs	46-5-134(f)(1)(I)	\$ <u> </u>
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ <u> </u>
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ <u> 3,524</u>
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ <u> </u>
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ <u> </u>
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ <u> </u>
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ <u> </u>
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ <u> </u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ <u> </u>
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ <u> </u>
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ <u> 59,244</u>

16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$	_____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$	_____
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.			
	<u>Utilities & Telephone</u>		\$	<u>80,733</u>
	<u>General Supplies and Materials</u>		\$	<u>4,550</u>
	<u>Travel</u>		\$	<u>2,076</u>
	<u>Dues</u>		\$	<u>999</u>
	<u>Advertising</u>		\$	<u>15</u>
	<u>Contractual Cost</u>		\$	<u>15,484</u>
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		\$	<u><u>751,242</u></u>

Reconciling Note:

Non-Allowable Items	
Professional Fees	-
Total Expenditures on Combining Statement of Revenues, Expenditures & Changes in Fund Balance	<u><u>751,242</u></u>

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

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date 7/11/2021

Print Name of Chief Elected Official Travis Wimbush

Title of Chief Elected Official Mayor

Signature of Clerk _____ Date 7/11/2021

Print Name of Clerk Melinda Crook

**CITY OF BLAKELY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

February 6, 2018 Ref

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Amended Estimated Cost</u>	<u>Expenditures Prior Years</u>	<u>Expenditures Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
Construction of, improvements to, equipment for, and alterations of, street and sidewalk projects, city buildings and facilities, public safety, infrastructure for telecommunications, waste water treatment facilities and sanitary water system.	\$ 3,001,000	\$ 3,001,000				
Equipment Purchases			\$ 323,355	\$ 104,667	\$ 428,022	
Water Projects			117,581 *	67,298	184,879	
Street & Sidewalk Projects			85,907	-	85,907	
Property			205,149	41,945	247,094	
	<u>\$ 3,001,000</u>	<u>\$ 3,001,000</u>	<u>\$ 731,992</u>	<u>\$ 213,910</u>	<u>\$ 945,902</u>	<u>31.52%</u>

* Beginning balance was restated to recognize expense from prior year that was reimbursed in current year.

**CITY OF BLAKELY, GEORGIA
TRANSPORTATION SCHEDULE OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

July 5, 2016 Ref

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Amended Estimated Cost</u>	<u>Expenditures Prior Years</u>	<u>Expenditures Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
Transportation	\$ 1,650,550	\$ 1,650,550	\$ 203,950	\$ 45,350	\$ 249,300	15.10%
Total	<u>\$ 1,650,550</u>	<u>\$ 1,650,550</u>	<u>\$ 203,950</u>	<u>\$ 45,350</u>	<u>\$ 249,300</u>	15.10%

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

Grant # 18b-x-049-2-5984

December 31, 2020

Total Grant Funds allocated to recipient	\$1,000,000
Less: Total Program Year 2018 funds drawn down by recipient	(32,500)
Less: Total Program Year 2019 funds drawn down by recipient	(324,122)
Less: Total Program Year 2020 funds drawn down by recipient	<u>(593,059)</u>
Funds still available from Grant Resources	<u>\$ 50,319</u>
Total Grant funds held at Year-End	\$ -
Total Program Year 2018 funds drawn down and received by recipient	32,500
Total Program Year 2019 funds drawn down and received by recipient	324,122
Total Program Year 2020 funds drawn down and received by recipient	593,059
Less: Funds applied and expended to Program Year 2018 costs	(32,500)
Less: Funds applied and expended to Program Year 2019 costs	(324,122)
Less: Funds applied and expended to Program Year 2020 costs	<u>(592,059)</u>
TOTAL PROGRAM YEAR 2020 FUNDS HELD BY RECIPIENT	<u>\$ 1,000</u>

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

Grant # 18b-x-049-2-5984

December 31, 2020

<u>Program Activity</u>	<u>Activity Number</u>	<u>Latest Approved Budget CDBG Funds</u>	<u>Current Period Expenditures</u>	<u>Prior Period Expenditures</u>	<u>Grand Total Expenditures to Date</u>	<u>Questioned Costs</u>
Acquisition of Property (Public)	H-001-01	\$ 5,000	\$ 4,000	\$ -	\$ 4,000	\$ -
Clearance	H-004-00	20,000	2,885	-	2,885	-
Contingencies-Unprogramed Funds	C-022-00	34,852	-	-	-	-
Sewer Facilities	P-03J-02	137,253	148,635	-	148,635	-
Street Improvements	P-03K-01	129,350	113,760	-	113,760	-
Flood and Drainage Facilities	P-03K-02	85,000	108,096	-	108,096	-
Rehabilitation of Private Properties	H-14A-01	65,875	58,925	750	59,675	-
Reconstruction of Private Properties	H-14A-02	452,670	150,758	297,872	448,630	-
Administration	A-21A-00	70,000	5,000	58,000	63,000	-
TOTAL		<u>\$ 1,000,000</u>	<u>\$ 592,059</u>	<u>\$ 356,622</u>	<u>\$ 948,681</u>	<u>\$ -</u>

Reconciliation of the CDBG Schedule above to expenditures reported in the the Capital Projects Fund on Page 42

Expenditures from CDBG schedule (above)	\$ 592,059
City's Match	19,111
Grant # 19h-x-049-2-6051	<u>318,340</u>
Net Adjustments	<u>337,451</u>
Total expenditures per Capital Projects Fund on Page 42	<u>\$ 929,510</u>

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

Grant # 19h-x-049-2-6051

December 31, 2020

Total Grant Funds allocated to recipient	\$ 750,000
Less: Total Program Year 2019 funds drawn down by recipient	(20,000)
Less: Total Program Year 2020 funds drawn down by recipient	<u>(308,340)</u>
Funds still available from Grant Resources	<u>\$ 421,660</u>
Total Grant funds held at Year-End	\$ -
Total Program Year 2019 funds drawn down and received by recipient	20,000
Total Program Year 2020 funds drawn down and received by recipient	308,340
Less: Funds applied and expended to Program Year 2019 costs	(20,000)
Less: Funds applied and expended to Program Year 2020 costs	<u>(308,340)</u>
	TOTAL PROGRAM YEAR 2020
	FUNDS HELD BY RECIPIENT \$ <u><u>-</u></u>

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

Grant # 19h-x-049-2-6051

December 31, 2020

<u>Program Activity</u>	<u>Activity Number</u>	<u>Latest Approved Budget CDBG Funds</u>	<u>Current Period Expenditures</u>	<u>Prior Period Expenditures</u>	<u>Grand Total Expenditures to Date</u>	<u>Questioned Costs</u>
Reconstruction of Private Properties	H-14A-02	\$ 707,350	\$ 290,340	\$ -	\$ 290,340	\$ -
Administration	A-21A-00	42,650	18,000	20,000	38,000	-
TOTAL		<u>\$ 750,000</u>	<u>\$ 308,340</u>	<u>\$ 20,000</u>	<u>\$ 328,340</u>	<u>\$ -</u>

Reconciliation of the CDBG Schedule above to expenditures reported in the the Capital Projects Fund on Page 42

Expenditures from CDBG schedule (above)	\$ 308,340
City's Match	10,000
Grant # 18b-x-049-2-5984	<u>611,170</u>
Net Adjustments	<u>929,510</u>
Total expenditures per Capital Projects Fund on Page 42	<u>\$ 929,510</u>

**GOVERNMENTAL AUDITING STANDARDS
REQUIREMENTS**

Perry L. Henry, LLC
Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

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

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

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

We have audited, in accordance with the auditing standard generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Blakely, Georgia as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Blakely's financial statements, and have issued our report thereon dated July 11, 2021.

Internal Control Over Financial Reporting

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

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2018-1 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The results of our test disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Blakely's Response to Findings

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

Purpose of this Report

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

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
July 11, 2021

FEDERAL COMPLIANCE SECTION

SINGLE AUDIT SECTION

Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Blakely, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City of Blakely, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Blakely, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniforms Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Blakely, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Blakely, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Blakely, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City of Blakely, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Blakely, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Blakely, Georgia's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Perry L. Henry, LLC

Perry L. Henry, LLC
Certified Public Accountant
Bainbridge, Georgia
July 11, 2021

City of Blakely, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2020

Federal Grants Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U. S. Department of Agriculture:			
USDA Natural Resources Conservation Service	10.923	NR204310XXXXC005	<u>223,941</u>
Sub-total CFDA Number 10.923			<u>223,941</u>
Sub-total Department of Agriculture			<u>223,941</u>
U.S. Department of Treasury:			
State of Georgia / Office of the Governor			
Cares Act Funding	21.019	n/a	<u>\$ 239,281</u>
Sub-total CFDA Number 21.019			<u>239,281</u>
U. S. Department of Housing and Urban Development:			
Pass-through State of Georgia Georgia Department of Community Affairs			
Community Development Block Grant	14.228	18B-X-049-2-5984	593,059
Community Development Block Grant	14.228	19H-X-04*-2-6051	<u>308,340</u>
Sub-total CFDA Number 14.228			<u>901,399</u>
Sub-total U.S. Department of Housing and Urban Development			<u>901,399</u>
U.S Department of Homeland Security/Federal Emergency Management Agency			
Pass-through State of Georgia			
Georgia Emergency Management Agency/Homeland Security	97.036	PA-04-GA-4400	<u>220,937</u>
Sub-total CFDA Number 97.042			<u>220,937</u>
Sub-total U.S. Department of Homeland Security/ Federal Emergency Management Agency			<u>220,937</u>
Sub-total pass-through awards			<u>1,585,558</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,585,558</u></u>

City of Blakely, Georgia
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2020

NOTE 1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the City of Blakely, Georgia and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. MEASUREMENT FOCUS

The determination of when an award is expended is based on when the activity related to the award occurred.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the Accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4. INDIRECT COST RATE

City of Blakely, Georgia has elected not to use the 10-percent de Minimis indirect cost rate allowed under the Uniform Guidance. All expenditures in the Schedule were direct costs charged to the grants.

NOTE 5. MAJOR PROGRAMS AND CLUSTERS

The program audited as a Type A High Risk Major Program in the Schedule was The Community Development Black Grant-CFDA 14.228 passed through the Georgia Department of Community Affairs. Total expenditures in the Schedule for the year ended December 31, 2020 were \$901,399.

The threshold for the Major Programs was \$750,000 of expenditures. All other programs in the Schedule were Type B Low Risk Programs.

City of Blakely, Georgia did not have any expenditures in the Schedule related to Research and Development Programs. There were not any Clusters of Programs.

City of Blakely, Georgia did not have any federal grant expenditures in the Schedule related to Loan and Loan Guarantee Continuing Compliance Requirements.

City of Blakely, Georgia
Schedule of Findings and Questioned Costs
December 31, 2020

SECTION I

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:
 Material weaknesses identified?

___yes no

Significant deficiencies identified not considered
 to be material weaknesses?

yes ___none reported

Noncompliance material to financial statements noted?

___yes no

Federal Awards

Internal Control over major programs:
 Material weaknesses identified?

___yes no

Significant deficiencies identified not considered
 to be material weaknesses?

___yes 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 OMB Circular
 A-133, Section 510(a)?

___yes no

Identification of major program:

_____ CFDA Number
 14.228

_____ Name of Federal Program or Cluster
 Community Development Black Grant

Dollar threshold used to distinguish between
 Type A and Type B programs:

\$1,585,558

Auditee qualified as low-risk auditee?

yes no

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

2018-1

Criteria:

Internal control is a process designed to provide reasonable assurance about your objectives with regard to reliability of:

- (1) financial reporting,
- (2) effectiveness and efficiency of operation, and
- (3) compliance with applicable laws and regulations.

Condition:

The City does not have adequate separation of duties in various functions of the City.

Cause:

There is an insufficient number of staff to properly segregate functions of all transaction cycles.

Effect:

The City will be exposed to increased risk that the financial statements will be materially misstated whether by error or intentionally could occur and not be detected in a timely manner.

Recommendation:

The City should monitor the control environment and continue to strengthen controls where cost effective.

Management's Response:

Management agrees and will continue to evaluate and seek opportunities to improve and strengthen segregation of duties.

City of Blakely, Georgia
Schedule of Findings and Questioned Costs
December 31, 2020

SECTION III

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported