

# *City of Blakely, Georgia*

---

---

## **FINANCIAL STATEMENTS**

**For the Year Ended  
December 31, 2021**

**Blakely, Georgia**

**CITY OF BLAKELY, GEORGIA  
FOR THE YEAR ENDED DECEMBER 31, 2021  
TABLE OF CONTENTS**

---

<b>FINANCIAL SECTION</b>	<b>Page</b>
Independent Auditor's Report	
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position - Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	8
Statement of Cash Flows - Proprietary Funds	9-10
Notes to the Financial Statements	11-35
<b>Required Supplementary Information:</b>	
Major Funds:	
Budgetary Comparison Schedule - General Fund	36
Notes to Required Supplementary Information - Budget and Budgetary Accounting	37
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Pension Plan	38
Schedule of Contributions - Pension Plan	39
Notes to Schedule of Contributions - Pension Plan	40
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	42
Budgetary Comparison Schedule - Hotel Motel Tax Fund	43
Budgetary Comparison Schedule -E-911 Fund	44
Budgetary Comparison Schedule -ARPA Fund	45

**CITY OF BLAKELY, GEORGIA  
FOR THE YEAR ENDED DECEMBER 31, 2021  
TABLE OF CONTENTS**

---

**STATE REPORTING REQUIREMENTS**

Annual Report of 9-1-1 Expenditures	46-48
Schedule of Special Purpose Local Option Sales Tax	49
Transportation Schedule of Special Purpose Local Option Sales Tax	50
Community Development Block Grant - #18b-x-049-2-5984	51
Community Development Block Grant-Budget to Actual Funds Schedule Grant - #18b-x-049-2-5984	52
Community Development Block Grant - #19h-x-049-2-6051	53
Community Development Block Grant-Budget to Actual Funds Schedule Grant - #19h-x-049-2-6051	54

**GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS**

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 <i>Government Auditing Standards</i>	55
Schedule of Findings and Questioned Cost	56

# 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 AUDITORS' REPORT

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blakely, Georgia as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

#### ***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, 2021, 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 36-37 and the pension schedules on 38-40 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. Additionally, in the supplemental section, the combining and individual fund statements and schedules on pages 41-44.

The combining and individual non-major fund financial statements and schedules, 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 and the Schedule of Special Purpose Local Option Sales Tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, 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  
June 28, 2022

## BASIC FINANCIAL STATEMENTS

---

**CITY OF BLAKELY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current Assets			
Cash, including time deposits	\$ 831,830	\$ 1,801,349	\$ 2,633,179
Investments	-	4,128,343	4,128,343
Accounts receivable	521,695	1,475,767	1,997,462
Inventory	21,639	321,080	342,719
Prepays	7,648	48,894	56,542
Total Current Assets	<u>1,382,812</u>	<u>7,775,433</u>	<u>9,158,245</u>
Noncurrent Assets			
Restricted assets:			
Cash	3,044,512	658,171	3,702,683
Non-depreciable assets	405,368	596,263	1,001,631
Capital assets (net)	<u>7,150,299</u>	<u>12,860,023</u>	<u>20,010,322</u>
Total Noncurrent Assets	<u>10,600,179</u>	<u>14,114,457</u>	<u>24,714,636</u>
<b>Total Assets</b>	<u>11,982,991</u>	<u>21,889,890</u>	<u>33,872,881</u>
Deferred Outflows of Resources	<u>294,329</u>	<u>120,219</u>	<u>414,548</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	160,323	791,122	951,445
Customer deposits	-	389,425	389,425
Debt and lease payable, current portion	73,715	188,632	262,347
Bonds payable, current portion	<u>-</u>	<u>565,000</u>	<u>565,000</u>
Total Current Liabilities	<u>234,038</u>	<u>1,934,179</u>	<u>2,168,217</u>
Noncurrent liabilities			
Compensated absences	183,137	89,746	272,883
Landfill postclosure	-	34,689	34,689
Net pension obligation	1,355,145	553,510	1,908,655
Debt and lease payable, less current portion	3,160,410	650,320	3,810,730
Bonds payable, less current portion	<u>-</u>	<u>3,730,000</u>	<u>3,730,000</u>
Total Noncurrent Liabilities	<u>4,698,692</u>	<u>5,058,265</u>	<u>9,756,957</u>
<b>Total Liabilities</b>	<u>4,932,730</u>	<u>6,992,444</u>	<u>11,925,174</u>
Deferred inflows of resources	<u>728,826</u>	<u>297,689</u>	<u>1,026,515</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,321,542	8,322,334	12,643,876
Restricted for:			
Capital and special projects	1,453,360	-	1,453,360
Bond debt payments	-	658,171	658,171
Unrestricted	<u>840,862</u>	<u>5,739,471</u>	<u>6,580,333</u>
<b>Total Net Position</b>	<u>\$ 6,615,764</u>	<u>\$ 14,719,976</u>	<u>\$ 21,335,740</u>

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, 2021**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities Net (Expense)/ Revenue	Business-Type Activities Net (Expense)/ Revenue	
<b>Governmental Activities:</b>						
General government	\$ 1,360,813	\$ 210,539	\$ 1,327,731	\$ 177,457		\$ 177,457
Public works	787,403	18,916	829,823	61,336		61,336
Public safety	3,526,779	803,403	-	(2,723,376)		(2,723,376)
Interest	67,009	-	-	(67,009)		(67,009)
Total governmental activities	5,742,004	1,032,858	2,157,554	(2,551,592)		(2,551,592)
<b>Business-type:</b>						
Water & Sewer	1,866,566	1,941,421	-		\$ 74,855	74,855
Electric	7,162,564	8,511,188	-		1,348,624	1,348,624
Gas	1,165,802	1,464,883	-		299,081	299,081
Sanitation	1,373,327	1,371,453	-		(1,874)	(1,874)
Telecommunication	30,944	40,967	-		10,023	10,023
Total business-type activities	11,599,203	13,329,912	-		1,730,709	1,730,709
Totals	<u>\$ 17,341,207</u>	<u>\$ 14,362,770</u>	<u>\$ 2,157,554</u>	<u>(2,551,592)</u>	<u>1,730,709</u>	<u>(820,883)</u>
General revenues:						
Property taxes				603,962	-	603,962
Insurance premium tax				420,843	-	420,843
Franchise tax				36,197	-	36,197
Sales tax				677,113	-	677,113
Other taxes				128,279	-	128,279
Interest and investment revenue				5,114	47,270	52,384
Gain on sale of capital assets				184,828	(106,056)	78,772
Miscellaneous income				128,954	-	128,954
Transfers				2,460,266	(2,460,266)	-
Total general revenues and transfers				<u>4,645,556</u>	<u>(2,519,052)</u>	<u>2,126,504</u>
Change in net position				2,093,964	(788,343)	1,305,621
<b>Net position - beginning</b>				<u>4,521,800</u>	<u>15,508,319</u>	<u>20,030,119</u>
<b>Net position - ending</b>				<u>\$ 6,615,764</u>	<u>\$ 14,719,976</u>	<u>\$ 21,335,740</u>

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

**CITY OF BLAKELY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash, including time deposits	\$ 777,725	\$ 747,960	\$ 1,525,685
Accounts receivable	79,588	99,712	179,300
Taxes receivable	196,981	145,415	342,396
Inventory	21,639	-	21,639
Restricted assets- cash	1,040,125	1,310,532	2,350,657
Total assets	<u>\$ 2,116,058</u>	<u>\$ 2,303,619</u>	<u>\$ 4,419,677</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 90,047	\$ 13,432	\$ 103,479
Salaries & wages payable	35,409	6,136	41,545
Accrued liabilities	15,298	-	15,298
Total liabilities	<u>140,754</u>	<u>19,568</u>	<u>160,322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - taxes	113,096	-	113,096
Total deferred inflows of resources	<u>113,096</u>	<u>-</u>	<u>113,096</u>
<b>FUND BALANCES</b>			
Unassigned	1,840,569	-	1,840,569
Inventory	21,639	-	21,639
Restricted for:			
Capital projects	-	1,453,360	1,453,360
Public Safety	-	746,349	746,349
Economic development	-	84,342	84,342
Total fund balances	<u>1,862,208</u>	<u>2,284,051</u>	<u>4,146,259</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,116,058</u>	<u>\$ 2,303,619</u>	<u>\$ 4,419,677</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, 2021**

---

Total *fund* balances for governmental funds \$ 4,146,259

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	405,368	
Other capital assets	<u>13,831,943</u>	
Total capital assets	14,237,311	
Accumulated depreciation	<u>(6,681,644)</u>	
Total Assets - net	<u>7,555,667</u>	7,555,667

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. 113,096

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 uncomsumed is recorded as a prepaid. 7,648

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. (3,417,264)

Deferred Inflows - Pension	(728,826)
Deferred Outflows - Pension	294,329
Net Pension Obligation	(1,355,145)

Total net position of governmental activities	<u><u>\$ 6,615,764</u></u>
---	----------------------------

**CITY OF BLAKELY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 1,789,998	\$ 45,069	\$ 1,835,067
Licenses & Permits	113,412	-	113,412
Intergovernmental	87,584	1,972,644	2,060,228
Charges for Services	193,883	-	193,883
Grants	-	415,560	415,560
Fines & Forfeitures	89,499	-	89,499
Interest	4,871	2,870	7,741
Miscellaneous	182,223	261,934	444,157
Total Revenues	<u>2,461,470</u>	<u>2,698,077</u>	<u>5,159,547</u>
<b>EXPENDITURES</b>			
Current:			
General Government	415,128	531,510	946,638
Judicial	121,098	-	121,098
Public Safety	2,575,356	669,835	3,245,191
Public Works	647,907	-	647,907
Health & Welfare	12,720	-	12,720
Cultural & Recreation	151,737	31,928	183,665
Housing & Development	154,640	-	154,640
Capital Outlay	169,465	199,587	369,052
Debt service:			
Principal	41,605	20,803	62,408
Interest	67,009	33,504	100,513
Total Expenditures	<u>4,356,665</u>	<u>1,487,167</u>	<u>5,843,832</u>
Excess (Deficiency) of Revenue/Expenditures	<u>(1,895,195)</u>	<u>1,210,910</u>	<u>(684,285)</u>
Other Financing Sources (Uses)			
Transfers In	2,548,359	182,056	2,730,415
Transfers Out	<u>(105,575)</u>	<u>(164,574)</u>	<u>(270,149)</u>
Total Other Financing Sources (Uses)	<u>2,442,784</u>	<u>17,482</u>	<u>2,460,266</u>
Special Item			
Proceeds from Sale of Capital Assets	<u>184,828</u>	<u>-</u>	<u>184,828</u>
Net Change in Fund Balance	732,417	1,228,392	1,960,809
Fund Balance - Beginning	<u>1,129,791</u>	<u>1,055,659</u>	<u>2,185,450</u>
Fund Balance - Ending	<u>\$ 1,862,208</u>	<u>\$ 2,284,051</u>	<u>\$ 4,146,259</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, 2021**

---

Net change in fund balances - total governmental funds \$ 1,960,809

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. 1,726

Note payments are reported as expenditures in the government funds, but reduces the liability in the statement of net assets. 71,376

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 53,243

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. 31,327

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. 1,684

Change in NPO, Deferred Inflows, and Deferred Outflows (26,201)

Change in net position of governmental activities \$ 2,093,964

**CITY OF BLAKELY, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	<b>Water &amp; Sewer Enterprise Fund</b>	<b>Electric Enterprise Fund</b>	<b>Gas Enterprise Fund</b>	<b>Sanitation Enterprise Fund</b>	<b>Telecommunication Enterprise Fund</b>	<b>Totals</b>
<b>Assets</b>						
Current assets:						
Cash	\$ 881,823	\$ 774,854	\$ 43,455	\$ 17,153	\$ 84,064	\$ 1,801,349
Investments	-	4,128,343	-	-	-	4,128,343
Accounts receivable (net)	153,129	990,409	155,548	146,793	29,888	1,475,767
Prepaid insurance	7,049	30,637	4,970	5,645	593	48,894
Inventory	85,050	196,150	11,681	28,199	-	321,080
Noncurrent assets:						
Restricted asset - cash	658,171	-	-	-	-	658,171
Nondepreciable assets	358,586	2,000	-	141,198	94,479	596,263
Capital assets, net of accumulated depreciation	11,449,403	458,669	399,514	526,059	26,378	12,860,023
Total assets	<u>13,593,211</u>	<u>6,581,062</u>	<u>615,168</u>	<u>865,047</u>	<u>235,402</u>	<u>21,889,890</u>
<b>Deferred Outflows</b>	<u>33,164</u>	<u>24,873</u>	<u>12,436</u>	<u>49,746</u>	<u>-</u>	<u>120,219</u>
Total Assets & Deferred Outflows	<u>\$ 13,626,375</u>	<u>\$ 6,605,935</u>	<u>\$ 627,604</u>	<u>\$ 914,793</u>	<u>\$ 235,402</u>	<u>\$ 22,010,109</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	\$ 26,483	\$ 577,872	\$ 110,949	\$ 51,804	\$ 8,835	\$ 775,943
Salaries & wages payable	4,360	3,905	1,511	5,403	-	15,179
Customer deposits	110,914	230,097	48,414	-	-	389,425
Capital leases, current portion	123,330	-	11,019	54,283	-	188,632
Bonds payable, current portion	565,000	-	-	-	-	565,000
Noncurrent liabilities:						
Landfill liability, less current portion	-	-	-	34,689	-	34,689
Compensated absences	36,908	28,406	8,539	15,893	-	89,746
Net pension liability	152,692	114,519	57,260	229,039	-	553,510
Capital leases, less current portion	507,067	-	35,025	108,228	-	650,320
Bonds payable, less current portion	3,730,000	-	-	-	-	3,730,000
Total Liabilities	<u>5,256,754</u>	<u>954,799</u>	<u>272,717</u>	<u>499,339</u>	<u>8,835</u>	<u>6,992,444</u>
<b>Deferred Inflows</b>	<u>82,121</u>	<u>61,591</u>	<u>30,795</u>	<u>123,182</u>	<u>-</u>	<u>297,689</u>
<b>Net Position</b>						
Net investment in capital assets	6,882,592	460,669	353,470	504,746	120,857	8,322,334
Restricted for:						
Bond debt payments	658,171	-	-	-	-	658,171
Unrestricted (deficit)	746,737	5,128,876	(29,378)	(212,474)	105,710	5,739,471
Total Net Position	<u>8,287,500</u>	<u>5,589,545</u>	<u>324,092</u>	<u>292,272</u>	<u>226,567</u>	<u>14,719,976</u>
Total Liabilities, Deferred Inflows, & Net Position	<u>\$ 13,626,375</u>	<u>\$ 6,605,935</u>	<u>\$ 627,604</u>	<u>\$ 914,793</u>	<u>\$ 235,402</u>	<u>\$ 22,010,109</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, 2021**

	<b>Water &amp; Sewer Enterprise Fund</b>	<b>Electric Enterprise Fund</b>	<b>Gas Enterprise Fund</b>	<b>Sanitation Enterprise Fund</b>	<b>Telecommunication Enterprise Fund</b>	<b>Totals</b>
<b>Operating Revenues</b>						
Charges for services	\$ 1,936,564	\$ 8,453,982	\$ 1,419,474	\$ 1,352,759	\$ 40,967	\$ 13,203,746
Other income	4,857	57,206	45,409	18,694	-	126,166
Total operating revenues	<u>1,941,421</u>	<u>8,511,188</u>	<u>1,464,883</u>	<u>1,371,453</u>	<u>40,967</u>	<u>13,329,912</u>
<b>Operating Expenses</b>						
Personnel services	582,612	782,365	229,758	657,971	-	2,252,706
Contract services and purchases for resale	59,819	6,022,209	66,315	99,194	17,944	6,265,481
Supplies, materials, and repairs	175,466	266,717	826,620	519,826	7,028	1,795,657
Depreciation & amortization	910,867	91,273	41,452	88,884	5,972	1,138,448
Total operating expenses	<u>1,728,764</u>	<u>7,162,564</u>	<u>1,164,145</u>	<u>1,365,875</u>	<u>30,944</u>	<u>11,452,292</u>
Operating income (loss)	<u>212,657</u>	<u>1,348,624</u>	<u>300,738</u>	<u>5,578</u>	<u>10,023</u>	<u>1,877,620</u>
<b>Non-Operating Revenues (Expenses)</b>						
Interest and investment revenue	3,865	43,405	-	-	-	47,270
Interest expense	(137,802)	-	(1,657)	(7,452)	-	(146,911)
Gain (Loss) on sale of capital assets	-	(110,098)	72	3,970	-	(106,056)
Total nonoperating revenues (expenses)	<u>(133,937)</u>	<u>(66,693)</u>	<u>(1,585)</u>	<u>(3,482)</u>	<u>-</u>	<u>(205,697)</u>
Income (loss) before contributions and transfers	<u>78,720</u>	<u>1,281,931</u>	<u>299,153</u>	<u>2,096</u>	<u>10,023</u>	<u>1,671,923</u>
Transfers in/(out)	<u>(543,734)</u>	<u>(1,644,150)</u>	<u>(384,652)</u>	<u>45,450</u>	<u>66,820</u>	<u>(2,460,266)</u>
Change in net position	(465,014)	(362,219)	(85,499)	47,546	76,843	(788,343)
Net position - beginning	<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>
Net position - ending	<u>\$ 8,287,500</u>	<u>\$ 5,589,545</u>	<u>\$ 324,092</u>	<u>\$ 292,272</u>	<u>\$ 226,567</u>	<u>\$ 14,719,976</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, 2021**

	<b>Water &amp; Sewer Enterprise Fund</b>	<b>Electric Enterprise Fund</b>	<b>Gas Enterprise Fund</b>	<b>Sanitation Enterprise Fund</b>	<b>Telecommunication Enterprise Fund</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 1,928,323	\$ 8,594,732	\$ 1,399,874	\$ 1,369,891	\$ 11,242	\$ 13,304,062
Payments to suppliers	(247,416)	(6,251,425)	(875,531)	(577,619)	(120,782)	(8,072,773)
Payments to employees	(582,612)	(782,365)	(229,758)	(657,971)	-	(2,252,706)
Net cash provided by (used by) operating activities	1,098,295	1,560,942	294,585	134,301	(109,540)	2,978,583
<b>Cash flows from noncapital financing activities:</b>						
Transfers in (out)	(556,097)	(1,644,150)	(397,015)	(65,414)	66,820	(2,595,856)
Net cash provided (used) by noncapital financing activities	(556,097)	(1,644,150)	(397,015)	(65,414)	66,820	(2,595,856)
<b>Cash flows from capital &amp; related financing activities:</b>						
Additions to capital assets	(594,266)	(140,910)	(8,405)	(166,180)	-	(909,761)
Principal (paid) received on bond indebtedness	(550,000)	-	-	-	-	(550,000)
Principal (paid) received on capital lease indebtedness	573,648	-	(10,706)	(52,363)	-	510,579
Interest paid on bonds payable	(136,145)	-	-	-	-	(136,145)
Interest paid on capital lease payable	(1,657)	-	(1,657)	(7,452)	-	(10,766)
Transfers in from SPLOST fund	12,363	-	12,363	110,864	-	135,590
Proceeds from sale of capital assets	-	(110,098)	72	3,970	-	(106,056)
Net cash used by capital & related financing activities	(696,057)	(251,008)	(8,333)	(111,161)	-	(1,066,559)
<b>Cash flows from investing activities:</b>						
Investment revenue	3,865	43,405	-	-	-	47,270
Net cash provided (used by) investing activities	3,865	43,405	-	-	-	47,270
Net increase (decrease) in cash	(149,994)	(290,811)	(110,763)	(42,274)	(42,720)	(636,562)
Cash & Cash Equivalents at Beginning of Year	1,689,988	5,194,008	154,218	59,427	126,784	7,224,425
Cash & Cash Equivalents at End of Year	\$ 1,539,994	\$ 4,903,197	\$ 43,455	\$ 17,153	\$ 84,064	\$ 6,587,863

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, 2021**

	<b>Water &amp; Sewer Enterprise Fund</b>	<b>Electric Enterprise Fund</b>	<b>Gas Enterprise Fund</b>	<b>Sanitation Enterprise Fund</b>	<b>Telecommunication Enterprise Fund</b>	<b>Totals</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 212,657	\$ 1,348,624	\$ 300,738	\$ 5,578	\$ 10,023	\$ 1,877,620
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>						
Depreciation & amortization	910,867	91,273	41,452	88,884	5,972	1,138,448
Change in assets & liabilities						
(Increase) decrease in current assets						
Accounts receivable	(13,098)	83,544	(65,009)	(1,562)	(29,725)	(25,850)
Prepaid	(806)	(4,942)	(1,484)	393	1,651	(5,188)
Inventories	10,705	92,924	714	(14,261)	-	90,082
(Decrease) increase in current liabilities						
Accounts payable	(124)	(30,622)	24,802	(11,442)	(13,269)	(30,655)
Accrued liabilities	(19,994)	(15,028)	(7,269)	53,911	(84,192)	(72,572)
Compensated absences	(3,672)	(157)	(509)	12,800	-	8,462
Customer deposits	1,760	(4,674)	1,150	-	-	(1,764)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,098,295</b>	<b>\$ 1,560,942</b>	<b>\$ 294,585</b>	<b>\$ 134,301</b>	<b>\$ (109,540)</b>	<b>\$ 2,978,583</b>

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, 2021**

---

**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, 2021

---

#### **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, 2021**

---

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**

<b>Funds</b>	<b>Brief Description</b>
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, 2021**

---

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, 2021**

---

**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, 2021**

---

which both restricted and unrestricted net assets are available. Restricted assets at December 31, 2021, 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, 2021 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, 2021. The total amount of property tax receivable was \$145,986.



**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

**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:

<b>Governmental Funds—By Character:</b>	<b>Current (further classified by function)</b>
	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:

<b>Fund</b>	<b>Required By</b>
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.
ARPA 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

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

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.

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:

<b>Revenue Source</b>	<b>Legal Restrictions of Use</b>
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.
ARPA 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, 2021, 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, 2021, the City was in compliance with the provisions of the 2009 and now 2020 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, 2021.

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

**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, 2021, the carrying amount of the City's bank deposits was \$6,335,861 and the respective bank balances totaled \$6,308,580. Of the total bank balance, \$525,000 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$5,783,580 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, 2021, is \$3,480,114.

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, 2021. 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, 2021**

---

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, 2020 and did not have a balance as of December 31, 2021. 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, 2021, is \$648,229.

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

**NOTE 4 - ACCOUNTS RECEIVABLE**

**Operating Funds Receivable**

Accounts receivable at December 31, 2021 are as follows:

SPLOST	\$ 73,800
TSPLOST	68,132
Property Taxes	145,986
Hotel/Motel Taxes	3,483
LOST	50,995
CDBG	4,650
E-911	95,062
General Fund Receivables	<u>79,587</u>
Total General Government	<u>521,695</u>
Gas Fund	155,548
Water & Sewer Fund	153,129
Electrical Fund	990,409
Telecommunications Fund	29,888
Sanitation Fund	<u>146,793</u>
Total Enterprise Funds	<u>1,475,767</u>
Totals	<u><u>\$ 1,997,462</u></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 IN										
TRANSFERS OUTS	General Fund	E-911	ARPA	CDBG	SPLOST	Water & Sewer	Gas	Sanitation	Telecom	Totals
General Fund	\$ -	\$ 48,823	\$ 7,612	\$ -	\$ 10,797	\$ -	\$ -	\$ -	\$ 38,343	\$ 105,575
Hotel/Motel	28,984	-	-	-	-	-	-	-	-	28,984
SPLOST	-	-	-	-	-	12,363	12,363	110,864	-	135,590
Water & Sewer	552,491	-	-	-	-	-	-	-	3,606	556,097
Electric	1,526,622	109,713	-	5,111	-	-	-	-	2,704	1,644,150
Gas	395,663	-	-	-	-	-	-	-	1,352	397,015
Sanitation	44,599	-	-	-	-	-	-	-	20,815	65,414
Total	<u>\$2,548,359</u>	<u>\$158,536</u>	<u>\$ 7,612</u>	<u>\$ 5,111</u>	<u>\$ 10,797</u>	<u>\$ 12,363</u>	<u>\$ 12,363</u>	<u>\$110,864</u>	<u>\$ 66,820</u>	<u>\$2,932,825</u>

\$110,863 was transferred to the Landfill fund from the SPLOST fund for qualified capital purchases per the referendum.

\$12,363 was transferred to the Gas fund from the SPLOST fund for qualified capital purchases per the referendum.

\$12,363 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.

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

**NOTE 6 - CAPITAL ASSETS**

Capital assets by fund type are summarized as follows:

**Governmental Activities:**

	<u>Balance as of</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance as of</u> <u>12/31/21</u>
<b>General Fund:</b>				
<b>Nondepreciable assets:</b>				
Land	\$ 132,719	\$ -	\$ -	\$ 132,719
Construction in progress	249,459	50,709	(27,519)	272,649
Total nondepreciable assets	<u>382,178</u>	<u>50,709</u>	<u>(27,519)</u>	<u>405,368</u>
<b>Depreciable assets:</b>				
Infrastructure	3,375,151	165,015	-	3,540,166
Buildings	6,121,098	55,037	-	6,176,135
Machinery & equipment	3,957,734	157,907	-	4,115,641
Total depreciable assets	<u>13,453,983</u>	<u>377,959</u>	<u>-</u>	<u>13,831,942</u>
<b>Accumulated depreciation:</b>				
Infrastructure	(2,084,211)	(49,548)	-	(2,133,759)
Buildings	(925,932)	(161,249)	-	(1,087,181)
Machinery & equipment	(3,272,076)	(188,627)	-	(3,460,703)
Total accumulated depreciation	<u>(6,282,219)</u>	<u>(399,424)</u>	<u>-</u>	<u>(6,681,643)</u>
Total depreciable assets, net	<u>7,171,764</u>	<u>(21,465)</u>	<u>-</u>	<u>7,150,299</u>
Total general government assets	<u>\$ 7,553,942</u>	<u>\$ 29,244</u>	<u>\$ (27,519)</u>	<u>\$ 7,555,667</u>

**Business-type Activities:**

	<u>Balance as of</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance as of</u> <u>12/31/21</u>
<b>Water and Sewer Enterprise Fund:</b>				
<b>Nondepreciable assets</b>				
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Construction in Progress	359,966	-	(3,880)	356,086
Total nondepreciable assets	<u>362,466</u>	<u>-</u>	<u>(3,880)</u>	<u>358,586</u>
<b>Depreciable assets</b>				
Plant, systems, & equipment	23,059,935	598,146	-	23,658,081
Total depreciable assets	<u>23,059,935</u>	<u>598,146</u>	<u>-</u>	<u>23,658,081</u>
<b>Accumulated depreciation:</b>				
Plant, systems, & equipment	(11,297,811)	(910,867)	-	(12,208,678)
Total accumulated depreciation	<u>(11,297,811)</u>	<u>(910,867)</u>	<u>-</u>	<u>(12,208,678)</u>
Total depreciable assets, net	<u>11,762,124</u>	<u>(312,721)</u>	<u>-</u>	<u>11,449,403</u>
Total water & sewer fund assets	<u>\$ 12,124,590</u>	<u>\$ (312,721)</u>	<u>\$ (3,880)</u>	<u>\$ 11,807,989</u>

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

	Balance as of 12/31/20	Additions	Deductions	Balance as of 12/31/21
<b>Natural Gas Enterprise Fund:</b>				
Nondepreciable assets				
Construction in Progress	\$ 3,881	\$ -	\$ (3,881)	\$ -
Total nondepreciable assets	3,881	-	(3,881)	-
Depreciable assets				
Plant, systems, & equipment	749,811	12,284	-	762,095
Total depreciable assets	749,811	12,284	-	762,095
Accumulated depreciation:				
Plant, systems, & equipment	(321,129)	(41,452)	-	(362,581)
Total accumulated depreciation	(321,129)	(41,452)	-	(362,581)
Total depreciable assets, net	428,682	(29,168)	-	399,514
Total natural gas fund assets	\$ 432,563	\$ (29,168)	\$ (3,881)	\$ 399,514
<b>Electric Enterprise Fund:</b>				
Nondepreciable assets				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Total nondepreciable assets	2,000	-	-	2,000
Depreciable assets				
Plant, systems, & equipment	2,479,098	140,909	-	2,620,007
Total depreciable assets	2,479,098	140,909	-	2,620,007
Accumulated depreciation:				
Plant, systems, & equipment	(2,070,065)	(91,273)	-	(2,161,338)
Total accumulated depreciation	(2,070,065)	(91,273)	-	(2,161,338)
Total depreciable assets, net	409,033	49,636	-	458,669
Total electric fund assets	\$ 411,033	\$ 49,636	\$ -	\$ 460,669
<b>Solid Waste Transfer Facility Enterprise Fund:</b>				
Nondepreciable assets				
Land	\$ 141,198	\$ -	\$ -	\$ 141,198
Total nondepreciable assets	141,198	-	-	141,198
Depreciable assets				
Plant, systems, & equipment	3,151,909	166,180	-	3,318,089
Total depreciable assets	3,151,909	166,180	-	3,318,089
Accumulated depreciation:				
Plant, systems, & equipment	(2,703,146)	(88,884)	-	(2,792,030)
Total accumulated depreciation	(2,703,146)	(88,884)	-	(2,792,030)
Total depreciable assets, net	448,763	77,296	-	526,059
Total solid waste transfer facility fund assets	\$ 589,961	\$ 77,296	\$ -	\$ 667,257
<b>Tele-Communication Enterprise Fund:</b>				
Nondepreciable assets				
Construction in Progress	\$ 94,479	\$ -	\$ -	\$ 94,479
Total nondepreciable assets	94,479	-	-	94,479
Depreciable assets				
Plant, systems, & equipment	59,723	-	-	59,723
Total depreciable assets	59,723	-	-	59,723
Accumulated depreciation:				
Plant, systems, & equipment	(27,373)	(5,972)	-	(33,345)
Total accumulated depreciation	(27,373)	(5,972)	-	(33,345)
Total depreciable assets, net	32,350	(5,972)	-	26,378
Total tele-communication fund assets	\$ 126,829	\$ (5,972)	\$ -	\$ 120,857

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

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	\$ 114,989
Public Safety	183,617
Public Works	80,975
Housing and Development	12,725
Culture and Recreation	7,118
Business-type activities:	
Water & Sewer Fund	910,867
Electric Fund	91,273
Gas Fund	41,452
Sanitation Fund	88,884
Telecommunication Fund	5,972
	<u>\$ 1,537,872</u>

**NOTE 7 - LONG TERM DEBT**

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Amounts Due Within One Year
<b>Governmental Fund Type:</b>					
Compensated absences	\$ 236,380	\$ 138,849	\$ 192,092	\$ 183,137	\$ -
Notes Payable	3,305,500	-	71,375	3,234,125	73,715
Totals	<u>\$ 3,541,880</u>	<u>\$ 138,849</u>	<u>\$ 263,467</u>	<u>\$ 3,417,262</u>	<u>\$ 73,715</u>
<b>Proprietary Funds:</b>					
Landfill postclosure liability	\$ 50,689	\$ -	\$ 16,000	\$ 34,689	\$ 16,000
Compensated absences	81,284	61,177	52,715	89,746	-
Capital leases payable	328,374	584,353	73,775	838,952	188,632
Bonds payable	4,845,000	-	550,000	4,295,000	565,000
Totals	<u>\$ 5,305,347</u>	<u>\$ 645,530</u>	<u>\$ 692,490</u>	<u>\$ 5,258,387</u>	<u>\$ 769,632</u>

On August 16, 2020, 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, 2020 and a final balloon payment of \$16,496. The balance of this note on December 31, 2021 was \$3,234,125.

*This space intentionally left blank.*



**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

Annual installment requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 73,715	\$ 104,017	\$ 177,732
2023	76,146	101,586	177,732
2024	78,658	99,074	177,732
2025	81,252	96,480	177,732
2026	83,933	93,799	177,732
2027-2031	463,073	425,587	888,660
2032-2036	544,661	343,999	888,660
2037-2041	640,625	248,035	888,660
2042-2046	753,497	135,163	888,660
2047-2049	438,565	19,464	458,029
<b>Total</b>	<b>\$ 3,234,125</b>	<b>\$ 1,667,204</b>	<b>\$ 4,901,329</b>

**Proprietary Funds**

On January 16, 2020, 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, 2021. The balance of this note on December 31, 2021 was \$95,975.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 30,852	\$ 3,503	\$ 34,355
2023	31,978	2,377	34,355
2024	33,145	1,209	34,354
<b>Total</b>	<b>\$ 95,975</b>	<b>\$ 7,089</b>	<b>\$ 103,064</b>

On September 27, 2020, 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, 2020. The balance of this note on December 31, 2021 was \$66,535.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 23,431	\$ 2,028	\$ 25,459
2023	24,296	1,163	25,459
2024	18,808	285	19,093
<b>Total</b>	<b>\$ 66,535</b>	<b>\$ 3,476</b>	<b>\$ 70,011</b>

On June 25, 2021, 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, 2021 was \$92,088.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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
<b>Total</b>	<b>\$ 92,088</b>	<b>\$ 6,820</b>	<b>\$ 98,908</b>

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

On July 19, 2021, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the purchase of Vactor Sewer Cleaner. The total loan was for \$397,713 at 1.66% payable in 5 annual payments of \$83,547 beginning August 20, 2022. The balance of this note on December 31, 2021 was \$397,713.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 76,945	\$ 6,602	\$ 83,547
2023	78,223	5,324	83,547
2024	79,521	4,026	83,547
2025	80,841	2,706	83,547
2026	82,183	1,364	83,547
<b>Total</b>	<b>\$ 397,713</b>	<b>\$ 20,022</b>	<b>\$ 417,735</b>

On April 6, 2021, the City obtained a loan from their Georgia Municipal Association, Master Lease, for the purchase of Ford F-550. The total loan was for \$186,641 at 2.70% payable in 5 annual payments of \$40,405 beginning April 6, 2022. The balance of this note on December 31, 2021 was \$186,641.

Annual capital lease requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 35,366	\$ 5,039	\$ 40,405
2023	36,321	4,084	40,405
2024	37,302	3,103	40,405
2025	38,309	2,096	40,405
2026	39,343	1,062	40,405
<b>Total</b>	<b>\$ 186,641</b>	<b>\$ 15,384</b>	<b>\$ 202,025</b>

**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 2020, the Bond was refinanced.

On June 4, 2020, the City of Blakely, Georgia issued \$5,380,000 of its General Obligation Bonds (Sewer Project), Series 2020 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, 2021 was \$4,295,000.

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

Annual future debt service requirements for the maturity of the Series 2020 Bonds are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	630,000	54,514	684,514
2027-2028	1,310,000	55,497	1,365,497
<b>Total</b>	<b>\$ 4,295,000</b>	<b>\$ 495,825</b>	<b>\$ 4,790,825</b>

**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.

**NOTE 8 - PROGRAM REVENUES**

General Government	
Business licenses, fees, and other charges for services	\$ 210,539
Public Works	
Shop fees	\$ 18,916
Public Safety	
E911 revenue	\$ 750,675
Fines & forfeitures and other charges for services	\$ 52,728
Water & Sewer Fund	
Water & sewer services	\$ 1,941,421
Natural Gas Fund	
Natural gas fees	\$ 1,464,883
Electric Fund	
Electric fees	\$ 8,511,188
Solid-Waste Transfer Fund	
Landfill fees	\$ 1,371,453
Tele-Communication Fund	
Telecom fees	\$ 40,967

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

**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, 2021, the date of the most recent actuarial valuation, there were 218 participants consisting of the following:

Benefits for retired participants and beneficiaries	79
Terminated vested participants	39
Active vested employees	100
Total	<u>218</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, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Cash	0%	
Total	<u>100%</u>	

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 13.65% of annual covered payroll. Employees are not required to contribute to the Plan.

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

**Actuarial Valuation Information**

Valuation Date	July 1, 2021
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted 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	7.375%
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 rates under the 2020 OASDI Trustees Report used for the intermediate alternative. Previously future mortality improvements were not explicitly projected.

**Funded Plan Status**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Surplus) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	Percentage of Covered Payroll* [(b) - (a)] / (c)
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%
7/1/2020	6,360,548	8,496,949	2,136,401	74.86%	3,593,358	59.45%

*This space intentionally left blank.*

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

Change in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at March 31, 2020	* \$ 8,907,585	\$ 5,081,270	\$ 3,826,315
Changes for the year:			
Service cost	130,658	-	130,658
Interest	642,988	-	642,988
Difference between expected and actual expenses	(30,161)	-	(30,161)
Employer contributions	-	417,937	(417,937)
Employee contributions	-	-	-
Net investment income	-	2,264,167	(2,264,167)
Benefit payments	(639,529)	(639,529)	-
Administrative expense	-	(20,959)	20,959
Other changes	-	-	-
Net Changes	103,956	2,021,616	(1,917,660)
Balance at March 31, 2021	** \$ 9,011,541	\$ 7,102,886	\$ 1,908,655

\* 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.

\*\* Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2021 are used to measure TPL as of March 31, 2021. The balances as of March 31, 2021 constitute measurements of the NPL for the year ending December 31, 2021.

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	\$ 2,892,353	\$ 1,908,655	\$ 1,077,215

Pension expense for the year ended December 31, 2021	
Service cost	\$ 130,658
Interest on TPL	642,988
Employee contributions	-
Administrative expenses	20,959
Expected return on assets	(365,800)
Expensed portion of current year period differences between expected and actual experience in TPL	(7,541)
Expensed portion or current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	(379,675)
Current year recognition of deferred inflows and outflows established in prior years.	334,470
Total expense	\$ 376,059

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 221,192	\$ (22,620)
Changes in assumptions	193,356	-
Net difference between projected and actual earnings on pension plan investments *	-	(1,003,896)
<b>Total</b>	<b>\$ 414,548</b>	<b>\$ (1,026,516)</b>

\* 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)

	Outstanding Balance January 1, 2021	Recognized During FYE December 31, 2021	Outstanding Balance December 31, 2021	2022	2023	2024	2025	2026	2027 and Thereafter
<b>Fiscal Year Outflow s:</b>									
Total Outflow s:	1,411,532	431,909	979,623	431,909	388,651	159,063	-	-	-
<b>Fiscal Year Inflow s:</b>									
Total Inflow s	(2,076,246)	(484,655)	(1,591,591)	(437,492)	(387,213)	(387,213)	(379,673)	-	-
<b>Total</b>	<b>(664,714)</b>	<b>(52,746)</b>	<b>(611,968)</b>	<b>(5,583)</b>	<b>1,438</b>	<b>(228,150)</b>	<b>(379,673)</b>	<b>-</b>	<b>-</b>

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

	Outstanding Balance January 1, 2021	Recognized During FYE December 31, 2021	Outstanding Balance December 31, 2021	2022	2023	2024	2025	2026	2027 and Thereafter
<b>Fiscal Year Outflow s:</b>									
Demographic 2019	86,516	43,258	43,258	43,258	-	-	-	-	-
Demographic 2020	266,901	88,967	177,934	88,967	88,967	-	-	-	-
<b>Total Outflow s:</b>	<b>353,417</b>	<b>132,225</b>	<b>221,192</b>	<b>132,225</b>	<b>88,967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fiscal Year Inflow s:</b>									
2021	(30,161)	(7,541)	(22,620)	(7,540)	(7,540)	(7,540)			
<b>Total Inflow s</b>	<b>(30,161)</b>	<b>(7,541)</b>	<b>(22,620)</b>	<b>(7,540)</b>	<b>(7,540)</b>	<b>(7,540)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>323,256</b>	<b>124,684</b>	<b>198,572</b>	<b>124,685</b>	<b>81,427</b>	<b>(7,540)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Outstanding Balance January 1, 2021	Recognized During FYE December 31, 2021	Outstanding Balance December 31, 2021	2022	2023	2024	2025	2026	2027 and Thereafter
<b>Fiscal Year Outflow s:</b>									
Assumption 2020	290,034	96,678	193,356	96,678	96,678	-	-	-	-
<b>Total Outflow s:</b>	<b>290,034</b>	<b>96,678</b>	<b>193,356</b>	<b>96,678</b>	<b>96,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fiscal Year Inflow s:</b>									
<b>Total Inflow s</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>290,034</b>	<b>96,678</b>	<b>193,356</b>	<b>96,678</b>	<b>96,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

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

	Year	Outstanding Balance January 1, 2021	Recognized During FYE December 31, 2021	Outstanding Balance December 31, 2021	2022	2023	2024	2025	2026	2027 and There- after
<b>Fiscal Year Outflow s:</b>										
Investment	2019	131,829	43,943	87,886	43,943	43,943	-	-	-	-
Investment	2020	636,252	159,063	477,189	159,063	159,063	159,063	-	-	-
<b>Total Outflow s:</b>		<b>768,081</b>	<b>203,006</b>	<b>565,075</b>	<b>203,006</b>	<b>203,006</b>	<b>159,063</b>	-	-	-
<b>Fiscal Year Inflow s:</b>										
Investment	2017	(47,160)	(47,160)	-	-	-	-	-	-	-
Investment	2018	(100,558)	(50,279)	(50,279)	(50,279)	-	-	-	-	-
Investment	2021	(1,898,367)	(379,675)	(1,518,692)	(379,673)	(379,673)	(379,673)	(379,673)	-	-
<b>Total Inflow s</b>		<b>(2,046,085)</b>	<b>(477,114)</b>	<b>(1,568,971)</b>	<b>(429,952)</b>	<b>(379,673)</b>	<b>(379,673)</b>	<b>(379,673)</b>	-	-
<b>Total</b>		<b>(1,278,004)</b>	<b>(274,108)</b>	<b>(1,003,896)</b>	<b>(226,946)</b>	<b>(176,667)</b>	<b>(220,610)</b>	<b>(379,673)</b>	-	-

**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;



**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

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' 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, 2021, actual contributions by the City and Plan participants were \$42,227 and \$76,302 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 \$34,689 reported in the long-term debt as a landfill post closure liability at December 31, 2021, 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.

# City of Blakely, Georgia

## Notes to Financial Statements

### For the Year Ended December 31, 2021

---

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.

#### **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, 2021. 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, 2021, were \$45,069. \$31,928 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

**City of Blakely, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

---

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 - TRANSPORTATION 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.

**NOTE 20 - SPECIAL ITEM – SALE OF CAPITAL ASSETS**

During the year ended December 31, 2021, 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 1978 Ford Bucket Truck, 1984 Ford Derrick Digger Truck, 1997 Chevrolet Van, 1999 Crescent Trailer, (2) 2001 Chevrolet Silverados, 2004 Ford Super Duty, 2008 Ford F350 Econoline Van, 2010 & 2009 Ford Crown Victorias, 2010 Dodge Charger, 2013 Chevrolet Tahoe, 1962 Clark Forklift, and 5x8 trailer.

**NOTE 21 - SUBSEQUENT EVENT**

As of the date of this report, June 28, 2022, there are no subsequent events that would materially affect the financial statements and require disclosures.

*This space intentionally left blank.*

## REQUIRED SUPPLEMENTARY INFORMATION

---

**CITY OF BLAKELY, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes				
Property	\$ 1,096,000	\$ 1,203,573	\$ 993,478	\$ (210,095)
Sales	730,000	730,000	760,323	30,323
Franchise	50,000	50,000	36,197	(13,803)
Licenses and permits	100,000	100,000	113,412	13,412
Intergovernmental	281,200	281,200	87,584	(193,616)
Charges for services	203,960	203,960	193,883	(10,077)
Fines and forfeitures	105,000	105,000	89,499	(15,501)
Interest revenue	3,000	3,000	4,871	1,871
Miscellaneous	124,800	183,994	182,223	(1,771)
Total revenues	<u>2,693,960</u>	<u>2,860,727</u>	<u>2,461,470</u>	<u>(399,257)</u>
EXPENDITURES				
Current:				
<b>General government:</b>				
Finance and administration	1,681,945	1,873,364	468,320	1,405,044
<b>Total general government</b>	<u>1,681,945</u>	<u>1,873,364</u>	<u>468,320</u>	<u>1,405,044</u>
<b>Judicial</b>				
Recorder's court	147,166	148,266	121,098	27,168
<b>Total judicial</b>	<u>147,166</u>	<u>148,266</u>	<u>121,098</u>	<u>27,168</u>
<b>Public safety:</b>				
Police	1,562,650	1,780,646	1,551,553	229,093
Fire	1,200,011	1,229,011	1,053,293	175,718
<b>Total public safety</b>	<u>2,762,661</u>	<u>3,009,657</u>	<u>2,604,846</u>	<u>404,811</u>
<b>Public works:</b>				
Highways and streets	460,306	539,606	490,650	48,956
Maintenance and shop	188,268	191,668	191,235	433
<b>Total public works</b>	<u>648,574</u>	<u>731,274</u>	<u>681,885</u>	<u>49,389</u>
<b>Health &amp; Welfare:</b>				
Welfare	29,300	29,300	12,720	16,580
Community services	55,021	58,441	52,291	6,150
<b>Total health &amp; welfare</b>	<u>84,321</u>	<u>87,741</u>	<u>65,011</u>	<u>22,730</u>
<b>Cultural &amp; Recreation:</b>				
Recreation	115,000	115,000	115,000	-
Libraries	37,000	37,000	36,737	263
<b>Total cultural &amp; recreation</b>	<u>152,000</u>	<u>152,000</u>	<u>151,737</u>	<u>263</u>
<b>Housing &amp; Development:</b>				
Building Inspection	189,840	202,940	155,155	47,785
<b>Total housing &amp; development</b>	<u>189,840</u>	<u>202,940</u>	<u>155,155</u>	<u>47,785</u>
Total current expenditures	<u>5,666,507</u>	<u>6,205,242</u>	<u>4,248,052</u>	<u>1,957,190</u>
<b>Debt service:</b>				
Principal	48,000	48,000	41,605	6,395
Interest	74,000	74,000	67,009	6,991
Total debt service	<u>122,000</u>	<u>122,000</u>	<u>108,614</u>	<u>13,386</u>
Total expenditures	<u>5,788,507</u>	<u>6,327,242</u>	<u>4,356,666</u>	<u>1,970,576</u>
Excess (deficiency) of revenues over expenditures	<u>(3,094,547)</u>	<u>(3,466,515)</u>	<u>(1,895,196)</u>	<u>(2,369,833)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,122,515	2,122,515	2,548,359	425,844
Transfers (out)	-	-	(105,575)	(105,575)
Total other financing sources and uses	<u>2,122,515</u>	<u>2,122,515</u>	<u>2,442,784</u>	<u>320,269</u>
SPECIAL ITEMS				
Sale of capital assets	1,000	184,642	184,828	186
Net Change in Fund Balance	<u>\$ (971,032)</u>	<u>\$ (1,159,358)</u>	<u>\$ 732,416</u>	<u>\$ 1,891,774</u>

**CITY OF BLAKELY, GEORGIA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**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, 2021**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 130,658	\$ 118,543	\$ 88,011	\$ 102,481	\$ 83,207
Interest	642,988	589,494	567,147	526,086	517,206
Differences between expected and actual experience	(30,161)	355,867	173,031	448,552	25,318
Changes of assumption	-	-	-	141,903	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(639,529)	(581,261)	(540,265)	(526,294)	(496,014)
Other	-	392,940	-	-	-
Net change in total pension liability	<u>103,956</u>	<u>875,583</u>	<u>287,924</u>	<u>692,728</u>	<u>129,717</u>
Total Pension Liability as of beginning	8,907,585	8,032,002	7,744,078	7,051,350	6,921,633
Total Pension Liability as of ending (a)	<u>\$ 9,011,541</u>	<u>\$ 8,907,585</u>	<u>\$ 8,032,002</u>	<u>\$ 7,744,078</u>	<u>\$ 7,051,350</u>
Employer contributions	\$ 417,937	\$ 361,447	\$ 304,261	\$ 282,769	\$ 290,555
Employee contributions	-	-	-	-	-
Net investment income	2,264,167	(376,804)	202,399	656,846	612,785
Benefit payments, including refunds of employer contributions	(639,529)	(581,261)	(540,265)	(526,294)	(496,014)
Administrative expense	(20,959)	(24,304)	(20,847)	(20,195)	(21,770)
Other	-	-	-	-	-
Net Change in fiduciary net position	<u>2,021,616</u>	<u>(620,922)</u>	<u>(54,452)</u>	<u>393,126</u>	<u>385,556</u>
Plan fiduciary net position - beginning	5,081,270	5,702,192	5,756,644	5,363,518	4,977,962
Plan fiduciary net position - ending (b)	<u>\$ 7,102,886</u>	<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>\$ 1,908,655</u>	<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	78.82%	57.04%	70.99%	74.34%	76.06%
Covered-employee payroll	\$ 3,593,358	\$ 3,935,869	\$ 3,622,865	\$ 2,762,964	\$ 2,761,601
Net pension liability as a percentage of covered-employee payroll	53.12%	97.22%	64.31%	71.93%	61.12%

**City of Blakely, Georgia**  
**Required Supplementary Information - Pension Plan**  
**December 31, 2021**

---

**SCHEDULE OF CONTRIBUTIONS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Actuarially determined contribution	*	\$ 401,792	\$ 350,978	\$ 294,918	
Contributions in relation to the actuarially determined contribution	*	397,558	348,306	293,703	**
Contribution deficiency (excess)	*	4,234	2,672	1,215	
Covered-employee payroll	*	3,935,869	3,622,865	2,762,964	***
Contributions as a percentage of coveredemployee payroll	*	10.10%	9.61%	10.63%	

\* 2021 information will be determined after fiscal year end and will be included in the 2022 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.

\*\*\*2020 covered payroll is based on data collected as of March 31, 2020 for the 2020 actuarial valuation.





**CITY OF BLAKELY, GEORGIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2021**

	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	ARPA Fund	
<b>ASSETS</b>							
Cash, including time deposits	\$ -	\$ -	\$ -	\$ -	\$ 1,611	\$ 746,349	\$ 747,960
Accounts receivable	-	-	4,650	-	95,062	-	99,712
Taxes receivable	73,800	68,132	-	3,483	-	-	145,415
Restricted assets- cash	502,664	805,373	-	2,495	-	-	1,310,532
Total assets	<u>\$ 576,464</u>	<u>\$ 873,505</u>	<u>\$ 4,650</u>	<u>\$ 5,978</u>	<u>\$ 96,673</u>	<u>\$ 746,349</u>	<u>\$ 2,303,619</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 4,650	\$ 2,587	\$ 6,195	\$ -	\$ 13,432
Salaries & wages payable	-	-	-	-	6,136	-	6,136
Total liabilities	<u>-</u>	<u>-</u>	<u>4,650</u>	<u>2,587</u>	<u>12,331</u>	<u>-</u>	<u>19,568</u>
<b>FUND BALANCES</b>							
Restricted for:							
Capital projects	576,464	873,505	-	3,391	-	-	1,453,360
Public safety	-	-	-	-	-	746,349	746,349
Economic development	-	-	-	-	84,342	-	84,342
Total fund balances	<u>576,464</u>	<u>873,505</u>	<u>-</u>	<u>3,391</u>	<u>84,342</u>	<u>746,349</u>	<u>2,284,051</u>
Total liabilities and fund balances	<u>\$ 576,464</u>	<u>\$ 873,505</u>	<u>\$ 4,650</u>	<u>\$ 5,978</u>	<u>\$ 96,673</u>	<u>\$ 746,349</u>	<u>\$ 2,303,619</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, 2021**

	Capital Improvement Projects Funds			Special Revenue Funds			Total Funds
	SPLOST	TSPLOST	Community Development Block Grant	Hotel/Motel Tax	E-911 Fund	ARPA Fund	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 45,069	\$ -	\$ -	\$ 45,069
Intergovernmental	424,927	393,032	-	-	301,200	853,485	1,972,644
Grants	-	-	415,560	-	-	-	415,560
Interest	40	2,628	-	-	-	202	2,870
Miscellaneous	-	-	-	-	261,934	-	261,934
Total revenues	424,967	395,660	415,560	45,069	563,134	853,687	2,698,077
<b>EXPENDITURES</b>							
Current:							
General government	-	-	416,560	-	-	114,950	531,510
Public safety	-	-	-	-	669,835	-	669,835
Cultural & recreation	-	-	-	31,928	-	-	31,928
Capital outlay	92,147	107,440	-	-	-	-	199,587
Debt service:							
Principal	-	-	-	-	20,803	-	20,803
Interest	-	-	-	-	33,504	-	33,504
Total expenditures	92,147	107,440	416,560	31,928	724,142	114,950	1,487,167
Excess (deficiency) of revenue/expenditures	332,820	288,220	(1,000)	13,141	(161,008)	738,737	1,210,910
Other Financing Sources (Uses)							
Transfers in	10,797	-	5,111	-	158,536	7,612	182,056
Transfers (out)	(135,590)	-	-	(28,984)	-	-	(164,574)
Total other financing sources (uses)	(124,793)	-	5,111	(28,984)	158,536	7,612	17,482
Net Change in Fund Balance	208,027	288,220	4,111	(15,843)	(2,472)	746,349	1,228,392
Fund balance - beginning	368,437	585,285	(4,111)	19,234	86,814	-	1,055,659
Fund balance - ending	\$ 576,464	\$ 873,505	\$ -	\$ 3,391	\$ 84,342	\$ 746,349	\$ 2,284,051

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, 2021**

	<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	\$ 31,566	\$ 37,275	\$ 45,069	\$ 7,794
Total revenues	<u>31,566</u>	<u>37,275</u>	<u>45,069</u>	<u>7,794</u>
EXPENDITURES				
Court Square Development	30,000	41,709	31,928	9,781
Total expenditures	<u>30,000</u>	<u>41,709</u>	<u>31,928</u>	<u>9,781</u>
Excess (deficiency) or revenues over expenditures	\$ 1,566	\$ (4,434)	13,141	\$ (1,987)
TRANSFERS				
Transfers	-	-	(28,984)	(28,984)
Total transfers	<u>\$ -</u>	<u>\$ -</u>	<u>(28,984)</u>	<u>\$ (28,984)</u>
Net change in fund balance			(15,843)	
Fund balance - beginning			<u>19,234</u>	
Fund balance - ending			<u>\$ 3,391</u>	

**CITY OF BLAKELY, GEORGIA  
 BUDGETARY COMPARISON SCHEDULE  
 E-911 FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 290,400	\$ 290,400	\$ 301,200	\$ 10,800
Miscellaneous	281,000	281,000	261,934	(19,066)
Total revenues	<u>571,400</u>	<u>571,400</u>	<u>563,134</u>	<u>(8,266)</u>
EXPENDITURES				
Current:				
Public safety	686,476	698,476	669,835	28,641
Capital outlay	1,000	1,000	-	1,000
Debt service:				
Principal	24,000	24,000	20,803	3,197
Interest	37,000	37,000	33,504	3,496
Total expenditures	<u>748,476</u>	<u>760,476</u>	<u>724,142</u>	<u>36,334</u>
Excess (deficiency) or revenues over expenditures	<u>(177,076)</u>	<u>(189,076)</u>	<u>(161,008)</u>	<u>(44,600)</u>
TRANSFERS				
Transfers	-	-	158,536	158,536
Total transfers	<u>\$ -</u>	<u>\$ -</u>	<u>158,536</u>	<u>\$ 158,536</u>
Net change in fund balance			(2,472)	
Fund balance - beginning			-	
Fund balance - ending			<u>\$ (2,472)</u>	

**CITY OF BLAKELY, GEORGIA  
 BUDGETARY COMPARISON SCHEDULE  
 ARPA FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget Amounts</u>			<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ -	\$ 853,485	\$ 853,485	\$ -
Miscellaneous	-	-	202	202
Total revenues	-	853,485	853,687	202
EXPENDITURES				
Current:				
General government	-	114,950	114,950	-
Total expenditures	-	114,950	114,950	-
Excess (deficiency) or revenues over expenditures	-	738,535	738,737	202
TRANSFERS				
Transfers	-	-	7,612	7,612
Total transfers	\$ -	\$ -	7,612	\$ 7,612
Net change in fund balance			746,349	
Fund balance - beginning			-	
Fund balance - ending			<u>\$ 746,349</u>	

## STATE REPORTING REQUIREMENTS

---

# CITY OF BLAKELY, GEORGIA

## Annual Report of 9-1-1 Expenditures

### For the Year Ended December 31, 2021

---

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		
Expenditures (UCOA Activity 3800)		
2	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) \$ _____
3c	Maintenance costs	46-5-134(f)(1)(A) \$ _____ 31
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) \$ _____ 389,090
5b	Employee benefits	46-5-134(f)(1)(C) \$ _____ 180,234
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D) \$ _____ 1,098
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) \$ _____
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>          6,326</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>          54,307</u>

16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$	<u>-</u>
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$	<u>-</u>
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.			
	<u>Utilities &amp; Telephone</u>		\$	<u>77,785</u>
	<u>General Supplies and Materials</u>		\$	<u>2,498</u>
	<u>Travel</u>		\$	<u>4,412</u>
	<u>Dues</u>		\$	<u>829</u>
	<u>Advertising</u>		\$	<u>5</u>
	<u>Contractual Cost</u>		\$	<u>7,527</u>
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		\$	<u><u>724,142</u></u>

**Reconciling Note:**

Non-Allowable Items	
Professional Fees	<u>-</u>
Total Expenditures on Combining Statement of Revenues, Expenditures & Changes in Fund Balance	<u><u>724,142</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 6/28/2022

Print Name of Chief Elected Official Travis Wimbush

Title of Chief Elected Official Mayor

Signature of Clerk  Date 6/28/2022

Print Name of Clerk Melinda Crook

**CITY OF BLAKELY, GEORGIA  
SCHEDULE OF SPECIAL PURPOSE  
LOCAL OPTION SALES TAX  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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			\$ 511,466	\$ 149,517	\$ 660,983	
Water Projects			184,879	-	184,879	
Street & Sidewalk Projects			85,907	-	85,907	
Property			247,094	19,138	266,232	
	<u>\$ 3,001,000</u>	<u>\$ 3,001,000</u>	<u>\$ 1,029,346</u>	<u>\$ 168,655</u>	<u>\$ 1,198,001</u>	<u>39.92%</u>

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

Expenditures from SPLOST schedule (above)	\$ 168,655
Principal paid on debt	<u>59,082</u>
Total expenditures per Capital Projects Fund on Page 42	<u>\$ 227,737</u>

**CITY OF BLAKELY, GEORGIA  
 TRANSPORTATION SCHEDULE OF SPECIAL PURPOSE  
 LOCAL OPTION SALES TAX  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

---

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	\$ 249,300	\$ 107,440	\$ 356,740	21.61%
Total	<u>\$ 1,650,550</u>	<u>\$ 1,650,550</u>	<u>\$ 249,300</u>	<u>\$ 107,440</u>	<u>\$ 356,740</u>	21.61%

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

---

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

**December 31, 2021**

---

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	(593,059)
Less: Total Program Year 2021 funds drawn down by recipient	(49,319)
Less: Total Program Funds De-Obligated	<u>(1,000)</u>
Funds still available from Grant Resources	<u>\$ -</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
Total Program Year 2021 funds drawn down and received by recipient	49,319
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	(592,059)
Less: Funds applied and expended to Program Year 2021 costs	<u>(50,319)</u>

**TOTAL PROGRAM YEAR 2021  
FUNDS HELD BY RECIPIENT** \$ -

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

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

December 31, 2021

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Current Period Expenditures	Prior Period Expenditures	Grand Total Expenditures to Date	Questioned Costs
Acquisition of Property (Public)	H-001-01	\$ 7,000	\$ 3,000	\$ 4,000	\$ 7,000	\$ -
Clearance	H-004-00	20,000	17,115	2,885	20,000	-
Contingencies-Unprogramed Funds	C-022-00	23,204	23,204	-	23,204	-
Sewer Facilities	P-03J-02	148,635	-	148,635	148,635	-
Street Improvements	P-03K-01	113,760	-	113,760	113,760	-
Flood and Drainage Facilities	P-03K-02	108,096	-	108,096	108,096	-
Rehabilitation of Private Properties	H-14A-01	59,675	-	59,675	59,675	-
Reconstruction of Private Properties	H-14A-02	448,630	-	448,630	448,630	-
Administration	A-21A-00	70,000	7,000	63,000	70,000	-
<b>TOTAL</b>		<u>\$ 999,000</u>	<u>\$ 50,319</u>	<u>\$ 948,681</u>	<u>\$ 999,000</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)	\$ 50,319
Grant # 19h-x-049-2-6051	<u>366,241</u>
Net Adjustments	<u>366,241</u>
Total expenditures per Capital Projects Fund on Page 42	<u>\$ 416,560</u>

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

---

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

**December 31, 2021**

---

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	(308,340)
Less: Total Program Year 2021 funds drawn down by recipient	(366,241)
Less: Total Program Funds De-Obligated	<u>(55,419)</u>
Funds still available from Grant Resources	<u>\$ -</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
Total Program Year 2021 funds drawn down and received by recipient	366,241
Less: Funds applied and expended to Program Year 2019 costs	(20,000)
Less: Funds applied and expended to Program Year 2020 costs	(308,340)
Less: Funds applied and expended to Program Year 2021 costs	<u>(366,241)</u>
<b>TOTAL PROGRAM YEAR 2021  FUNDS HELD BY RECIPIENT</b>	<b><u>\$ -</u></b>

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

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

December 31, 2021

<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	\$ 651,931	\$ 361,591	\$ 290,340	\$ 651,931	\$ -
Administration	A-21A-00	42,650	4,650	38,000	42,650	-
<b>TOTAL</b>		<u>\$ 694,581</u>	<u>\$ 366,241</u>	<u>\$ 328,340</u>	<u>\$ 694,581</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)	\$ 366,241
Grant # 18b-x-049-2-5984	<u>50,319</u>
Net Adjustments	<u>416,560</u>
Total expenditures per Capital Projects Fund on Page 4	<u>\$ 416,560</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, each major fund, and the aggregate remaining fund information of the City of Blakely, Georgia as of and for the year ended December 31, 2021, 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 June 28, 2022.

**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  
June 28, 2022

**City of Blakely, Georgia**  
**Schedule of Findings and Responses**  
**December 31, 2021**

---

**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.