

**CITY OF BALDWIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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●Morris & Waters●

To the Honorable Mayor and
Members of the City Council
City of Baldwin, Georgia

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Baldwin, Georgia, (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Morris & Waters

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Baldwin, Georgia's basic financial statements. The accompanying Schedule of Special Local Option Sales Tax Projects as required by the Official Code of Georgia Annotated as described in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Special Local Option Sales Tax is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Special Local Option Sales Tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Statistical Information as described in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2024, on our consideration of the City of Baldwin's internal control over financial reporting and on our tests of its compliance with certain provision 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 of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Morris & Waters

A handwritten signature in black ink that reads "Morris and Waters". The signature is written in a cursive, flowing style.

Canton, Georgia
August 27, 2024

CITY OF BALDWIN, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,245,405	\$ 3,785,048	\$ 5,030,453
Accounts Receivable (net)	36,402	387,287	423,689
Taxes Receivable (net)	117,458	-	117,458
Due from Other Governments	120,243	122,958	243,201
Prepaid Items	129,694	568	130,262
Internal Balances	2,741,025	(2,741,025)	-
Restricted Cash	-	5,110,167	5,110,167
Capital Assets:			
Capital Assets Not Being Depreciated	1,083,650	4,667,851	5,751,501
Capital Assets, Net of Depreciation	<u>3,421,569</u>	<u>8,036,132</u>	<u>11,457,701</u>
Total Assets:	<u>8,895,446</u>	<u>19,368,986</u>	<u>28,264,432</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charges on Refunding	<u>-</u>	<u>18,332</u>	<u>18,332</u>
<u>LIABILITIES</u>			
Accounts Payable	433,007	223,336	656,343
Accrued Liabilities	34,574	26,966	61,540
Customer Deposits	-	121,075	121,075
Compensated Absences	43,533	18,957	62,490
Financed purchases, due within one year	167,530	14,801	182,331
Financed purchases, due in more than one year	856,350	41,649	897,999
Bonds Payable, due within one year	-	225,000	225,000
Bonds Payable, due in more than one year	-	6,965,345	6,965,345
Notes Payable, due within one year	-	62,524	62,524
Notes Payable, due in more than one year	<u>-</u>	<u>2,067,525</u>	<u>2,067,525</u>
Total Liabilities	<u>1,534,994</u>	<u>9,767,178</u>	<u>11,302,172</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,481,339	7,777,438	11,258,777
Restricted for:			
Capital Projects	1,095,600	-	1,095,600
Debt Service	-	716,318	716,318
Unrestricted	<u>2,783,513</u>	<u>1,126,384</u>	<u>3,909,897</u>
Total Net Position	<u>\$ 7,360,452</u>	<u>\$ 9,620,140</u>	<u>\$ 16,980,592</u>

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

CITY OF BALDWIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 556,688	\$ 44,587	\$ 637,456	\$ -	\$ 125,355	\$ -	\$ 125,355	
Judicial	211,549	61,936	-	-	(149,613)	-	(149,613)	
Public Safety	1,856,414	827,173	-	-	(1,029,241)	-	(1,029,241)	
Public Works	1,190,334	236,219	-	1,050,946	96,831	-	96,831	
Culture & Recreation	22,858	3,373	-	-	(19,485)	-	(19,485)	
Housing and Development	32,826	37,069	-	-	4,243	-	4,243	
Total Governmental Activities	3,870,669	1,210,357	637,456	1,050,946	(971,910)	-	(971,910)	
Business-Type Activities:								
Water and Sewer	3,451,748	3,679,034	-	93,935	-	321,221	321,221	
Total Business-Type Activities	3,451,748	3,679,034	-	93,935	-	321,221	321,221	
Total Primary Government	7,322,417	4,889,391	637,456	1,144,881	(971,910)	321,221	(650,689)	
General Revenues:								
Taxes								
Property Taxes					794,283	-	794,283	
Sales Taxes					150,952	-	150,952	
Franchise Tax					118,104	-	118,104	
Motor Vehicle and Mobile Home Tax					94,411	-	94,411	
Alcohol and Excise Taxes					39,222	-	39,222	
Insurance Premium Tax					307,695	-	307,695	
Other Taxes					4,134	-	4,134	
Unrestricted Investment Earnings					20,040	130,422	150,462	
Miscellaneous					68,959	-	68,959	
Donations					5,589	-	5,589	
Sale of Capital Assets					25,562	-	25,562	
Transfers					(48,697)	48,697	-	
					1,580,254	179,119	1,759,373	
Changes in Net Position					608,344	500,340	1,108,684	
Net Position - Beginning					6,752,108	9,119,800	15,871,908	
Net Position - Ending					\$ 7,360,452	\$ 9,620,140	\$ 16,980,592	

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

CITY OF BALDWIN, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	<u>General</u>	<u>SPLOST</u>	<u>TSPLOST</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 232,272	\$ 809,765	\$ 203,368	\$ 1,245,405
Accounts Receivable	36,402	-	-	36,402
Taxes Receivable	117,458	-	-	117,458
Intergovernmental Receivable	-	102,544	17,699	120,243
Due from Other Funds	2,805,905	-	-	2,805,905
Prepaid Items	129,694	-	-	129,694
Total Assets	<u>3,321,731</u>	<u>912,309</u>	<u>221,067</u>	<u>4,455,107</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts and Contracts Payable	433,007	-	-	433,007
Accrued Liabilities	34,574	-	-	34,574
Due to Other Funds	-	57,615	7,265	64,880
Total Liabilities	<u>467,581</u>	<u>57,615</u>	<u>7,265</u>	<u>532,461</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Taxes	47,765	-	-	47,765
Total Deferred Inflows of Resources				
<u>FUND BALANCE</u>				
Nonspendable:				
Prepaid Items	129,694	-	-	129,694
Restricted:				
Capital Projects	27,104	854,694	213,802	1,095,600
Unassigned	2,649,587	-	-	2,649,587
Total Fund Balances	<u>2,806,385</u>	<u>854,694</u>	<u>213,802</u>	<u>3,874,881</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,321,731</u>	<u>\$ 912,309</u>	<u>\$ 221,067</u>	<u>\$ 4,455,107</u>

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

CITY OF BALDWIN, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances for Governmental Funds	\$ 3,874,881
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Total Net Position for Governmental Activities in the Statement of Net Position is different because:

Capital assets of \$7,014,517 net of accumulated depreciation of \$2,509,298 are not financial resources and, therefore, are not reported in the funds.	4,505,219
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Long-term liabilities (compensated absences and financed purchases) are not due and payable in the current period and, therefore, are not in the governmental funds.	(1,067,413)
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Some revenues are not available in the current period and, therefore, not reported in the governmental funds.	<u>47,765</u>
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Total Net Position of Governmental Activities	<u>\$ 7,360,452</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF BALDWIN, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>SPLOST</u>	<u>TSPLOST</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes	\$ 1,508,801	\$ -	\$ -	\$ 1,508,801
Licenses and Permits	81,656	-	-	81,656
Intergovernmental	764,783	695,520	210,976	1,671,279
Fines and Forfeitures	475,429	-	-	475,429
Charges for Services	653,272	-	-	653,272
Investment Income	20,040	14,175	2,948	37,163
Donations	5,589	-	-	5,589
Miscellaneous	68,959	-	-	68,959
Total Revenues	<u>3,578,529</u>	<u>709,695</u>	<u>213,924</u>	<u>4,502,148</u>
<u>EXPENDITURES</u>				
Current:				
General Government	419,657	-	-	419,657
Judicial	211,549	-	-	211,549
Public Safety	1,663,038	-	-	1,663,038
Public Works	561,251	409,617	151,006	1,121,874
Culture & Recreation	7,812	-	-	7,812
Housing and Development	32,826	-	-	32,826
Capital Outlay:				
Public Safety	1,148,027	-	-	1,148,027
Public Works	-	479,612	96,496	576,108
Debt Service				
Principal	38,056	-	-	38,056
Interest	9,424	-	-	9,424
Total Expenditures	<u>4,091,640</u>	<u>889,229</u>	<u>247,502</u>	<u>5,228,371</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(513,111)</u>	<u>(179,534)</u>	<u>(33,578)</u>	<u>(726,223)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(48,697)	-	(48,697)
Proceeds from Sale of Capital Assets	25,562	-	-	25,562
Financed Purchases	1,061,936	-	-	1,061,936
Total Other Financing Sources (Uses)	<u>1,087,498</u>	<u>(48,697)</u>	<u>-</u>	<u>1,038,801</u>
Net Change in Fund Balances	574,387	(228,231)	(33,578)	312,578
Fund Balances - Beginning of Year	<u>2,231,998</u>	<u>1,082,925</u>	<u>247,380</u>	<u>3,562,303</u>
Fund Balances - End of Year	<u>\$ 2,806,385</u>	<u>\$ 854,694</u>	<u>\$ 213,802</u>	<u>\$ 3,874,881</u>

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

CITY OF BALDWIN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balance - Total Governmental Funds	\$ 312,578
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense. This is the amount by which depreciation of \$296,945 was exceeded by capital outlay of (\$1,724,135) in the current period.	 1,427,190
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	 (93,287)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position.	 (1,023,880)
 Some expenses (compensated absences) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.	 <u>(14,257)</u>
 Change in Net Position of Governmental Activities	 <u>\$ 608,344</u>

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

CITY OF BALDWIN, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
BUDGET & ACTUAL (GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>REVENUES</u>				
Taxes:				
Property	\$ 826,305	\$ 826,305	\$ 794,283	\$ (32,022)
Sales	135,000	135,000	150,952	15,952
Franchise	115,000	115,000	118,104	3,104
Motor Vehicle & Mobile Home	90,000	90,000	94,411	4,411
Alcohol	40,000	40,000	39,222	(778)
Insurance Premium	270,000	270,000	307,695	37,695
Other	6,350	6,350	4,134	(2,216)
Licenses & Permits	107,000	107,000	81,656	(25,344)
Intergovernmental			764,783	764,783
Fines & Forfeitures	266,663	266,663	475,429	208,766
Charges For Services	842,872	842,872	653,272	(189,600)
Investment Income			20,040	20,040
Other Revenues	15,259	15,259	74,548	59,289
Total Revenues	2,714,449	2,714,449	3,578,529	864,080
<u>EXPENDITURES</u>				
Current:				
General Government	357,887	357,887	419,657	(61,770)
Judicial	230,426	230,426	211,549	18,877
Public Safety	1,913,878	1,913,878	2,858,545	(944,667)
Public Works	455,737	455,737	561,251	(105,514)
Culture & Recreation	6,315	6,315	7,812	(1,497)
Housing and Development	40,000	40,000	32,826	7,174
Total Expenditures	3,004,243	3,004,243	4,091,640	(1,087,397)
Excess of Revenues Over Expenditures	(289,794)	(289,794)	(513,111)	(223,317)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	279,794	279,794	-	(279,794)
Financed Purchases	-	-	1,061,936	1,061,936
Proceeds from Sale of Capital Assets	10,000	10,000	25,562	15,562
Total Other Financing Sources (Uses)	289,794	289,794	1,087,498	797,704
Net Change in Fund Balances	-	-	574,387	574,387
Fund Balance, Beginning Of Year (as re-stated)	2,231,998	2,231,998	2,231,998	-
Fund Balance, End Of Year	\$ 2,231,998	\$ 2,231,998	\$ 2,806,385	\$ 574,387

CITY OF BALDWIN, GEORGIA
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 3,785,048
Accounts Receivable (Net of Allowance for Uncollectibles)	387,287
Due from Other Governments	122,958
Prepaid Items	568
Restricted Cash	5,110,167
Total Current Assets	9,406,028

Noncurrent Assets:

Capital Assets not Being Depreciated	4,667,851
Capital Assets Net of Accumulated Depreciation	8,036,132
Total Noncurrent Assets	12,703,983

Total Assets	22,110,011
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Charges on Refunding	18,332
Total Deferred outflows of resources	18,332

LIABILITIES

Current Liabilities:

Accounts Payable	223,336
Due to Other Funds	2,741,025
Accrued Expenses	26,966
Compensated Absences	18,957
Customer Deposits	121,075
Financed purchases, due within one year	14,801
Bonds Payable, due within one year	225,000
Notes Payable, due within one year	62,524
Total Current Liabilities	3,433,684

Noncurrent Liabilities

Financed purchases, due in more than one year	41,649
Bonds Payable, due in more than one year	6,965,345
Notes Payable, due in more than one year	2,067,525
Total Noncurrent Liabilities	9,074,519

Total Liabilities	12,508,203
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NET POSITION

Net Investment in Capital Assets	7,777,438
Restricted for Debt Service	716,318
Unrestricted	1,126,384
Total Net Position	\$ 9,620,140

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

CITY OF BALDWIN, GEORGIA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2023

	<u>Water/Sewer Fund</u>
<u>OPERATING REVENUES</u>	
Water Charges	\$ 2,385,043
Sewer Charges	967,184
Other	<u>326,807</u>
Total Operating Revenues	<u>3,679,034</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	844,911
Contracted Services	864,123
Materials and Supplies	929,843
Depreciation	<u>599,856</u>
Total Operating Expenses	<u>3,238,733</u>
Operating Income	<u>440,301</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest Revenues	130,422
Interest and Amortization Expense	<u>(213,015)</u>
Total Nonoperating Revenues (Expenses)	(82,593)
Income before Contributions and Transfers	357,708
Transfer in	48,697
Capital Contributions	<u>93,935</u>
Changes in Net Position	500,340
Net Position - Beginning	<u>9,119,800</u>
Net Position - Ending	<u>\$ 9,620,140</u>

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

CITY OF BALDWIN, GEORGIA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	<u>Water/Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 3,623,288
Cash Payments to Suppliers and Service Providers	(912,861)
Cash Payments to Employees	(842,811)
Net Cash provided by Operating Activities	<u>1,867,616</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(939,944)
Capital Grants Received for Purchases of Capital Assets	93,935
Transfer in from SPLOST	48,697
Principal Paid on Notes Payable, Bonds and Capital Leases	(283,631)
New Borrowings	239,151
Interest paid on Notes Payable	(211,793)
Net Cash Required for Capital and Related Financing Activities	<u>(1,053,585)</u>
Cash Flows from Investing Activities:	
Interest Received	130,422
Net Cash Provided by Investing Activities	<u>130,422</u>
Net Increase in Cash and Cash Equivalents	<u>944,453</u>
Cash and Equivalents at Beginning of Year	<u>7,950,762</u>
Cash and Equivalents at End of Year	<u>8,895,215</u>
Reconciliation of Cash	
Cash	3,785,048
Restricted Cash	5,110,167
Total Cash	<u>8,895,215</u>
Reconciliation of Operating Income to Net	
Cash Provided from Operating Activities:	
Operating Income	440,301
Adjustments to Reconcile Operating	
Income to Net Cash Provided by	
Operating Activities:	
Depreciation and Amortization	599,856
Increase in Accounts Receivable	(54,446)
Increase in Accounts Payable	177,633
Increase in Due to Other Funds	821,950
Decrease in Accrued Expenses	(113,129)
Decrease in Compensated Absences	(3,249)
Increase in Customer Deposits	(1,300)
Net Cash Provided by	
Operating Activities	<u>\$ 1,867,616</u>

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

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The City of Baldwin ("The City") was incorporated in 1896. City of Baldwin operates under a Mayor-Council form of government. The following services are provided to the citizens of Baldwin: public safety which includes both police and fire protection, highways and streets, sanitation, cultural activities, public improvements, planning and community development, water and sewer system and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements or APB opinions issued after November 30, 1989. The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The financial statements of the reporting entity include those of City of Baldwin, Georgia (the primary government). Component units are legally separate organizations for which the City is financially accountable for the entity or the exclusion of such entity would cause the City's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of the entity's governing body and either the City can impose its will on the entity or the potential exists for the entity to provide specific financial benefits or impose specific financial burdens on the City. Based on this definition, the City has no component units or other organizations that are required to be reported in these financial statements. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities and fund financial statements, which provide a more detailed level of financial information. These statements report financial information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Fiduciary funds are not included in the government-wide financial statements.

The Statement of Net Position presents the financial position of the governmental and business-type activities of the City at the fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City has elected not to allocate indirect expenses among its programs, functions and segments in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and, (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. To identify which functional program a revenue pertains to, the determining factor for *charges for services* is that function which *generates* the revenue; and for *grants and contributions*, the determining factor is that function to which the revenue is *restricted*. Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for both governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's two major governmental funds:

The General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's unrestricted fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

The SPLOST Fund - This fund accounts for the City's share of a one percent sales tax levied in both Habersham and Banks County, Georgia, to fund capital outlay projects in the voter approved referendum.

The TSPLOST Fund - This fund accounts for the City's share of a one percent sales tax levied by Banks County, Georgia to fund transportation improvements approved in the voter approved referendum.

Proprietary Funds - Proprietary fund financial statements include a statement of net position, statement of revenues, expenses, and changes in net position, and a statement of cash flows. Proprietary operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. The City's policy for defining operating and non-operating revenues and expenses in proprietary funds is based on the following concepts. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing business. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and the depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable to proprietary funds are similar to those used by businesses in the private sector. The following are the City's two major proprietary funds:

The Water and Sewer Fund - This fund accounts for the activities of the government's water and sewer activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. All assets and liabilities associated with the operation of the City, including capital assets, as well as infrastructure assets purchased since January 1, 2003, and long-term liabilities, are included in the Statement of Net position. The Statement of Activities reports revenues and expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year that they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements – Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and non-major funds aggregated. All governmental funds are reported using the *flow of current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included in the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are reported. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements. Like the government-wide statements, all proprietary fund types are accounted for on the flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included in the Statements of Net position. The Statements of Changes in Fund Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary fund activities.

1-D. Basis of Accounting

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

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 30 days for sales taxes and within

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

60 days for all other revenues) before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Program Revenues – Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then, unrestricted resources as they are needed.

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

Deferred/Unearned Revenue - The City recognizes revenues and other governmental fund financial resources in the accounting period in which they become both measurable and available. When an asset is received in a governmental fund, but the revenue is not available, the City reports a deferred inflow of resources until such time as the revenue becomes available. The City limits the use of the term "deferred" to items reported as deferred outflows of resources or deferred inflows of resources.

1-E. Assets, Liabilities and Fund Equity

1-E-1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, certificates of deposit, as well as short-term investments with a maturity date within three months of the date acquired by the City. Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in any of the following types of obligations:

- Obligations of the State of Georgia or of any other state.
- Obligations of the United States Government.
- Obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency.
- Obligations of any corporation of the United States Government.
- Prime bankers' acceptances.
- The State of Georgia local government investment pool (i.e., Georgia Fund I).
- Repurchase agreements.
- Obligations of the other political subdivisions of the State of Georgia.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits (in excess of FDIC insurance) may not be returned. As of June 30, 2023, the City's entire bank balance was insured or collateralized with securities by the pledging financial institution's trust department or agent in the City's name.

1-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at June 30, 2023.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

1-E-3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

1-E-4. Capital Assets

Capital Assets are defined by the City as assets with an initial, individual cost which exceeds certain capitalization thresholds and have an estimated useful life in excess of two years. General capital assets are those assets not specifically related to activities reported in the proprietary funds. All general infrastructure assets (e.g., roads, bridges, sidewalks and similar items) acquired or constructed after December 31, 2002 are reported in the government-wide financial statements. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide Statement of Net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the enterprise funds' Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 per item that has an estimated useful life in excess of three years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized. All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Estimated Useful Life in Years</u>
Buildings	40
Infrastructure	15-40
Machinery and Equipment	3-20
Vehicles	3-10

At the inception of a capital lease, at the governmental fund reporting level, expenditures and an "other financing sources" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-5. Compensated Absences

City employees are entitled to certain compensated absences such as earned but unused vacation and sick pay benefits based on their length of employment. Compensated absences either vest or accumulate and are accrued when they are earned. The vesting method is used to compute earned personal leave at year-end. No more than 240 hours can be carried over to a subsequent year without approval. No more than 120 hours will be paid out upon separation. All personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are reported as a liability in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
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1-E-6. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

1-E-7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. Capital leases are recognized as a liability in the governmental fund financial statements when due. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental type funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1-E-8. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City restricts those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unrestricted fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management’s intent to set aside these resources for specific purposes and are tentative management plans that are subject to change.

GASB Statement 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be, if applicable, reported in the following categories:

- 1) **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
- 2) **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).

City of Baldwin, Georgia
Notes to the Basic Financial Statements
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- 3) **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally.
- 4) **Assigned fund balance** – amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the City Council or by a designee to whom the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Restricted fund balance is made up of funds which can only be used for capital projects. At June 30, 2023 the balance in restricted fund balance was \$1,095,600.

Net Position - Net Position represents the difference between assets and liabilities. Net Position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net Position 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, laws or regulations of other governments. All other net positions are reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

1-E-9. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

1-E-10. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system or from grants or outside contributions of resources restricted to capital acquisition and construction.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

1-E-11. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and in the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between governmental and business-type activities on the government-wide Statement of Activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-12. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require the approval of the governing body. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget ordinance.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is to ensure that all deposits in excess of the FDIC limit for governments be collateralized by the financial institution with securities held by the financial institution in the City's name. For custodial credit risk purposes the deposits in banks are classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the City or by its agent in its name; 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name; and, 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the City's name. All cash bank balances as of the balance sheet date are entirely insured or collateralized with securities held by the City's agent in the City's name. As of June 30, 2023, the City had no "investments" as defined by generally accepted accounting principles.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

3-B. Receivables

Receivables at June 30, 2023 consisted of taxes, interest and accounts (billings for user charges, including unbilled utility receivables). Receivables and payables are recorded in the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and, in the case of receivables, collectability. Receivables at June 30, 2023 consist of the following:

Governmental Funds:

	<u>General</u>	<u>SPLOST</u>	<u>TSPLOST</u>	<u>Total</u>
Accounts	\$ 36,402	\$ -	\$ -	\$ 36,402
Taxes	117,458	-	-	117,458
Intergovernmental	-	102,544	17,699	120,243
Net Receivable	<u>\$ 153,860</u>	<u>\$ 102,544</u>	<u>\$ 17,699</u>	<u>\$ 274,103</u>

Proprietary Funds:

	<u>Water & Sewer</u>
Accounts Receivable	\$ 413,029
Intergovernmental	122,958
Less Allowance for uncollectible	(25,742)
Net Receivable	<u>\$ 510,245</u>

3-C. Property Taxes

Property taxes are levied on property values assessed as of January 1. The taxes are levied by October 1 based on the assessed value of property as listed on the previous January 1 and are due on or before December 1, with a lien date of January 1 of the following year. Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized when available.

3-D. Deficit Fund Net position

The City had no deficit net position balances at June 30, 2023.

3-E. Excess of Expenditures Over Appropriations

The City had excess expenditures over budgeted amounts in the following General Fund area:

General Government	\$ 61,770
Public Safety	\$ 944,667
Public Works	\$ 105,514
Culture & Recreation	\$ 1,497

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

3-F. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 238,982	\$ -	\$ -	\$ 238,982
Construction in Progress	717,545	127,123	-	844,668
Total capital assets, not being depreciated	<u>956,527</u>	<u>127,123</u>	<u>-</u>	<u>1,083,650</u>
Capital assets being depreciated:				
Buildings and Improvements	1,918,210	-	-	1,918,210
Machinery and Equipment	625,204	247,076	-	872,280
Vehicles	1,059,703	1,349,936	(171,054)	2,238,585
Infrastructure	901,792	-	-	901,792
Total capital assets, being depreciated	<u>4,504,909</u>	<u>1,597,012</u>	<u>(171,054)</u>	<u>5,930,867</u>
Less accumulated depreciation for:				
Buildings and Improvements	(527,961)	(61,298)	-	(589,259)
Machinery and Equipment	(449,003)	(44,909)	-	(493,912)
Vehicles	(847,911)	(145,648)	171,054	(822,505)
Infrastructure	(558,532)	(45,090)	-	(603,622)
Total accumulated depreciation	<u>(2,383,407)</u>	<u>(296,945)</u>	<u>171,054</u>	<u>(2,509,298)</u>
Total capital assets being depreciated, net	<u>2,121,502</u>	<u>1,300,067</u>	<u>-</u>	<u>3,421,569</u>
Total governmental activities capital assets, net	<u>\$ 3,078,029</u>	<u>\$ 1,427,190</u>	<u>\$ -</u>	<u>\$ 4,505,219</u>
<u>Business-Type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 499,222	\$ -	\$ -	\$ 499,222
Construction in Progress	3,641,100	527,529	-	4,168,629
Total capital assets, not being depreciated	<u>4,140,322</u>	<u>527,529</u>	<u>-</u>	<u>4,667,851</u>
Capital assets being depreciated:				
Buildings and Improvements	351,484	-	-	351,484
Machinery and Equipment	2,570,322	-	-	2,570,322
Vehicles	475,872	165,790	-	641,662
Infrastructure	17,589,976	246,625	-	17,836,601
Total capital assets, being depreciated	<u>20,987,654</u>	<u>412,415</u>	<u>-</u>	<u>21,400,069</u>
Less accumulated depreciation for:				
Buildings and Improvements	(170,448)	(15,573)	-	(186,021)
Machinery and Equipment	(2,052,492)	(75,090)	-	(2,127,582)
Vehicles	(385,076)	(23,668)	-	(408,744)
Infrastructure	(10,156,065)	(485,525)	-	(10,641,590)
Total accumulated depreciation	<u>(12,764,081)</u>	<u>(599,856)</u>	<u>-</u>	<u>(13,363,937)</u>
Total capital assets being depreciated, net	<u>8,223,573</u>	<u>(187,441)</u>	<u>-</u>	<u>8,036,132</u>
Total business-type activities capital assets, net	<u>\$ 12,363,895</u>	<u>\$ 340,088</u>	<u>\$ -</u>	<u>\$ 12,703,983</u>

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

3-F. – Capital Assets – continued

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

Governmental Activities:

General Government	\$ 29,487
Public Safety	183,952
Public Works	63,232
Cemetery	5,228
Culture and Recreation	<u>15,046</u>
Total Depreciation Expense	<u>\$ 296,945</u>

Business-type Activities:

Water and Sewer	\$ 390,250
Water Plant	<u>209,606</u>
Total Depreciation Expense	<u>\$ 599,856</u>

3-G. – Long Term Debt – Notes Payable, Revenue Bonds and Capital Leases

Governmental Activities:

Financed Purchases – Direct Borrowing

The City has entered into various agreements for equipment that qualifies as financed purchases (titles transfer at the end of the agreements). Following is a description of these agreements.

In 2023, The City has entered into a financed purchase agreement for the purchase of fire truck. The amount financed for the fire truck was \$755,000. The effective interest rate is 3.87% per annum. The payment terms require seven (7) annual payments of \$125,134 with the first payment being due in February 2024. Ownership of the related asset will transfer to the City at the end of the agreement. The outstanding balance as of June 30, 2023 is \$755,000.

Finance purchase debt service to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 96,246	\$ 28,888
2025	99,640	25,494
2026	103,496	21,638
2027	107,501	17,632
2028	111,662	13,472
2029	115,983	9,151
2030	<u>120,472</u>	<u>4,662</u>
	<u>\$ 755,000</u>	<u>\$ 120,937</u>

The depreciation and amortization expense related to these assets under finance purchase agreement is \$31,458 for the year ended June 30, 2023. This amount is included with depreciation expense on page 24.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

In the fiscal year ended June 30, 2023, the City entered into a financed purchase agreement for the purchase of six police vehicles. The amount financed for the vehicles was \$306,936. The effective interest rate is 8.5% per annum. The payment terms require forty-eight (48) monthly payments of \$7,287 with the first payment being due on December 31, 2022. Ownership of the related assets will transfer to the City at the end of the agreement. The outstanding balance as of June 30, 2023 is \$268,880.

Finance purchase debt service to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 71,284	\$ 16,155
2025	71,284	16,155
2026	71,284	16,155
2027	<u>55,028</u>	<u>6,731</u>
	<u>\$ 268,880</u>	<u>\$ 55,196</u>

The depreciation and amortization expense related to these assets under finance purchase agreement is \$30,694 for the year ended June 30, 2023. This amount is included with depreciation expense on page 24.

Business-Type Activities:

Notes Payable

- a. Notes Payable – On January 11, 2016, the City executed a promissory note (DWSRF 14-015) to the Georgia Environmental Finance Authority (GEFA) to borrow up to \$540,000 from the Drinking Water State Revolving Fund for the purpose of funding the replacement of the City's existing water meters with an automatic meter reading (ARM) system and related appurtenances. The unpaid principal balance of the note began to bear interest at 0.50% annually and became payable monthly on September 1, 2019. At that time, the note was finalized and entered into its repayment phase whereby principal and interest is due in one hundred-nineteen (119) equal monthly installments until the note is fully repaid. Additionally, the agreement with GEFA included a principal forgiveness component of \$215,139 of this note. If the City does not make its debt service payments on a timely basis, the full amount of the debt becomes due immediately. The outstanding balance of this note payable at June 30, 2023 is \$200,906.

Note payable requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 32,160	\$ 931
2025	32,321	770
2026	32,483	608
2027	32,646	445
2028	32,810	281
2029	32,974	117
2030	<u>5,512</u>	<u>3</u>
	<u>\$ 200,906</u>	<u>\$ 3,155</u>

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

- b. Notes Payable – In July 2017, the City executed a promissory note (DWSRF 13-016) to GEFA to borrow up to \$1,634,000 from the Drinking Water State Revolving Fund for water system improvements including a new elevated water storage tank, servicing and painting existing storage tanks, a new booster pump station, installing pressure reducing valves in the distribution system and other related improvements. The unpaid principal balance of the note will bear interest at 2.03% annually and will be payable monthly until the project is completed. Upon completion, the note will be finalized and will enter into its repayment phase whereby principal and interest will be due in two hundred thirty-nine (239) equal monthly installments until the note is fully repaid. Additionally, the agreement with GEFA included a principal forgiveness component of \$397,000 of this note, if all funds are drawn. As of June 30, 2023, the City had made draws totaling \$1,223,861 on this note payable to GEFA. As the project is still in the construction phase, an amortization schedule has not been determined for this note and thus the entire payable is reported as due in more than one year. If the City does not make its debt service payments on a timely basis, the full amount of the debt becomes due immediately.
- c. Notes Payable – In February 2021, the City executed a promissory note (DW2017019) to GEFA to borrow up to \$1,036,000 from the Drinking Water State Revolving Fund for water system improvements including water plant transmission lines and pre-treatment system. As of June 30, 2023, the City had made all draws totaling \$1,036,000 of which \$310,800 was forgiven for a total promissory note of \$725,200. The note bears an interest rate of 1.94% and requires the City to make two hundred thirty-nine (239) consecutive monthly installments of \$3,648. The first payment was due on November 1, 2022. If the City does not make its debt service payments on a timely basis, the full amount of the debt becomes due immediately. The outstanding balance of this note payable at June 30, 2023 is \$705,282.

Note payable requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 30,364	\$ 13,412
2025	30,958	12,818
2026	31,563	12,213
2027	32,182	11,594
2028	32,812	10,964
2029-2033	173,947	44,933
2034-2038	191,650	27,230
2039-2042	181,806	7,890
	<u>\$ 705,282</u>	<u>\$ 141,054</u>

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

Revenue Bonds

Revenue Bond 2021 Issue – In 2021, the City issued \$7,330,000 of Series 2021 revenue refunding bonds to (1) refund the City's remaining Series 2012 revenue bonds of \$3,260,000 and (2) to fund additional water plant and water infrastructure projects. These bonds carry interest rates ranging from 2% to 3% which are payable on June 1 and December 1 of each year and mature on June 1, 2046. The Bond Ordinance requires the City to maintain a reserve account equal to the lesser of ten percent of the outstanding bonds, the maximum annual debt service payment or one hundred twenty-five percent of the average annual principal and interest outstanding. The City's net revenues surpassed the minimum level of 110 percent as required by the Bond Ordinance for fiscal year ended June 30, 2023. The outstanding balance of these revenue bonds at June 30, 2023 is \$6,920,000.

Debt service on this Bond is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 225,000	\$ 177,603
2025	230,000	170,853
2026	235,000	163,953
2027	245,000	156,903
2028	250,000	149,553
2029-2033	1,375,000	633,013
2034-2038	1,530,000	472,763
2039-2043	1,695,000	307,354
2044-2046	<u>1,135,000</u>	<u>68,850</u>
	<u>\$ 6,920,000</u>	<u>\$ 2,300,845</u>

Financed Purchases – Direct Borrowing

The City has entered into an agreement for the purchase of a 2023 Dodge Durango for the Water/Sewer fund that qualifies as a financed purchase. The amount financed for the vehicle was \$61,409. The effective interest rate is 8.5% per annum. The payment terms require forty-nine (49) monthly payments of \$1,515 with the first payment being due on January 31, 2023. Ownership of the related asset will transfer to the City at the end of the agreement. The outstanding balance as of June 30, 2023 is \$56,450.

Finance purchase debt service to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 14,801	\$ 3,379
2025	14,801	3,379
2026	14,801	3,379
2027	<u>12,047</u>	<u>2,820</u>
	<u>\$ 56,450</u>	<u>\$ 12,957</u>

The depreciation and amortization expense related to these assets under finance purchase agreement is \$6,141 for the year ended June 30, 2023. This amount is included with depreciation expense on page 20.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

Changes in Long – Term Liabilities

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance			Balance	Due Within
	<u>6/30/2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>6/30/2023</u>	<u>One Year</u>
Governmental Activities:					
Financed purchases	\$ -	\$ 1,061,936	\$ 38,056	1,023,880	167,530
Compensated Absences	<u>29,276</u>	<u>14,257</u>	<u>-</u>	<u>43,533</u>	<u>43,533</u>
Governmental Activity long term liabilities	<u>\$ 29,276</u>	<u>\$ 1,076,193</u>	<u>\$ 38,056</u>	<u>\$ 1,067,413</u>	<u>\$ 211,063</u>
	Balance			Balance	Due Within
	<u>6/30/2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>6/30/2023</u>	<u>One Year</u>
Business-type Activities:					
Bonds Payable	\$ 7,135,000	\$ -	\$ 215,000	\$ 6,920,000	\$ 225,000
Original Issue Premium	<u>282,099</u>	<u>-</u>	<u>11,754</u>	<u>270,345</u>	<u>-</u>
Total Bonds Payable	7,417,099	-	226,754	7,190,345	225,000
GEFA DWSRF 14-015	232,906	-	32,000	200,906	32,160
GEFA DWSRF 13-016	1,082,321	141,540	-	1,223,861	-
GEFA DW2017019	688,998	36,202	19,918	705,282	30,364
Financed purchases	-	61,409	4,959	56,450	14,801
Compensated Absences	<u>22,206</u>	<u>-</u>	<u>3,249</u>	<u>18,957</u>	<u>18,957</u>
Total Business-type long term liabilities	<u>\$ 9,443,530</u>	<u>\$ 239,151</u>	<u>\$ 286,880</u>	<u>\$ 9,395,801</u>	<u>\$ 321,282</u>

3-H. - Interfund Balances and Transfers

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net position, except for any net residual amounts due between the aggregate governmental activities and the aggregate business-type activities, which are reclassified and presented as internal balances. All due to/from balances are expected to be repaid within one year. The composition of interfund balances at June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	SPLOST Fund	\$ 57,615
General Fund	TSPLOST Fund	\$ 7,265
General Fund	Water and Sewer Fund	\$ 2,741,025

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and, to return money to the fund from which it was originally provided once a project is completed. All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. There were no transfers during the year ended June 30, 2023.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

3-I. Defined Contribution Pension Plan

The City offers its employees a Defined Contribution Plan (the “401a Plan”) created in accordance with the Internal Revenue Code Section 401 (a). The Defined Contribution Plan for the City is available to all eligible full-time employees. The defined contribution is not available to employees until termination, retirement, death or unforeseeable emergency. As required by federal regulations, the 401a Plan assets are held in a trust for the exclusive benefit of participants and their beneficiaries. The 401a Plan is administered by a third party administrator, Georgia Municipal Association (GMA), who also serves as the trustee of the 401a Plan. The City has no fiduciary relationship with the trust. Accordingly, the plan assets are not reported in the City’s financial statements.

Under the 401a Plan authorized by the Mayor and City Council, the City is required to make a fixed contribution equal to 2% of the aggregate annual compensation of all participants. The City’s contribution and related investment earnings allocated to an employee’s account are fully vested after four consecutive years of employment. The City contributed \$20,957 to the 401a Plan during the fiscal year ended June 30, 2023. At the end of the fiscal year, there were 31 participants in the 401a Plan.

The City also provides a 3% match to those eligible employees who contribute 5% to the section 457(b) defined contribution plan. Only full-time employees participating in the section 457(b) deferred compensation plan are eligible after being employed for one year. Plan provisions and contribution requirements are established and may be amended by the City Council. The City’s contribution for fiscal year 2023 was \$22,221 and employee contributions were \$40,225.

Note 4 - Other Notes

4-A. Risk Management

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 joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract. The fund is to pay all cost 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.

Settled claims have not exceeded the coverages in the last three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

City of Baldwin, Georgia
Notes to the Basic Financial Statements
June 30, 2023

4-B. Contingencies and Commitments

In the normal course of operations, the City receives grants from federal and state agencies. The grant programs are subject to audit by the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. These audits, if any, could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

4-C. Joint Ventures

The City is member, as required under Georgia law, in conjunction with other cities and counties in the area, of the Georgia Mountains Regional Commission (RC) and as such is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. Section 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the:

Georgia Mountains Regional Commission
P.O. Box 1720
Gainesville, GA 30503-1720

4-D. Internal Activity

It is the City's policy to eliminate or reclassify all internal activity and balances reported as interfund activity and balances in the fund financial statements in the government-wide Statement of Net position and Activities. These eliminations occur first within the governmental activities column and within the business-type activities column and then separately in the total primary government column.

City of Baldwin, Georgia
Schedule of Findings and Responses
June 30, 2023

<u>Finding 2023-1:</u>	Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.
<u>Effect:</u>	Failure to properly segregate duties or implement compensating controls can lead to misappropriation of funds or abuse of the system that is not detected in a timely manner by employees in the normal course of performing their assigned functions
<u>Recommendations:</u>	Because of limited resources and personnel, management may not be able to properly address this finding, but checks and balances should be strengthened between the Accounting Department, City Manager , Mayor and City Council to offset this deficiency.
<u>Views of Responsible Officials and Planned Corrective Actions:</u>	We will continue to review our operations to determine the most efficient and effective solution to properly segregate duties.
<u>Finding 2023-2:</u>	The Cities expenditures exceeded appropriations at the legal level of control.
<u>Recommendations:</u>	We recommend that the City pass a budget that accurately reflects the expected expenditures and amend the budget throughout the year to account for unforeseen changes in these expenditures.
<u>Views of Responsible Officials and Planned Corrective Actions:</u>	We concur with the findings of our city auditor and plan on passing an accurate budget as well as amend the budget throughout the year to account for unforeseen changes in revenues and expenditures.
<u>Finding 2023-3:</u>	During the course of the audit, it was noted that not all checking accounts were being reconciled on a timely basis.
<u>Effect:</u>	This deficiency could resulted in errors and omissions and unreliable financial reports.
<u>Recommendations:</u>	It is recommended that any and all bank accounts be reconciled on a timely basis.
<u>Views of Responsible Officials and Planned Corrective Actions:</u>	We concur with this recommendation and will work to reconcile all accounts on a timely basis.



●Morris & Waters●

**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**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
Baldwin, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Baldwin, Georgia ("the City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 27, 2024.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. We consider the deficiencies described in the accompanying schedule of findings and responses, as items 2023-1 through 2023-3, to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Morris & Waters

Certified Public Accountants

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Canton, GA 30115

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Compliance and Other Matters

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

City of Baldwin's Response to Finding

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and accordingly, we express no opinion on them.

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 result 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.

Morris & Waters

A handwritten signature in black ink that reads "Morris and Waters". The script is cursive and fluid.

Canton, Georgia
August 27, 2024

CITY OF BALDWIN, GEORGIA
SCHEDULE OF PROJECTS USING SPECIAL PURPOSE SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2023

Cost	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total To Date	
Habersham County SPLOST VI	\$ 1,754,438	\$ 1,754,438				84%
Roads & Bridges			\$ 279,811	\$ 27,179	\$ 306,990	
Public Safety			338,115	-	338,115	
Capital Outlay Projects			698,899	123,340	822,239	
Total			<u>\$ 1,316,825</u>	<u>\$ 150,519</u>	<u>\$ 1,467,344</u>	
Habersham County SPLOST VII	\$ 2,482,752	\$ 2,482,752				33%
IT Upgrades			\$ 39,570	\$ -	\$ 39,570	
Roads & Bridges			-	419,970	419,970	
Recreation			-	-	-	
Public Safety			-	-	-	
Public Works			-	367,335	367,335	
Total			<u>\$ 39,570</u>	<u>\$ 787,305</u>	<u>\$ 826,875</u>	
Banks County SPLOST III	\$ 498,700	\$ 498,700				61%
Road Improvements			\$ 53,348	\$ -	\$ 53,348	
Water System Improvements			193,957	-	193,957	
Parks: New Park Site Preparation			-	-	-	
Cemetery			59,200	-	59,200	
Total			<u>\$ 306,505</u>	<u>\$ -</u>	<u>\$ 306,505</u>	
Banks County SPLOST IV	\$ 725,400	\$ 725,400				0%
Road Improvements			\$ -	\$ 102	\$ 102	
Water System Improvements			-	-	-	
Parks			-	-	-	
Total			<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 102</u>	
Banks County 2018 TSPLOST	\$ 775,833	\$ 775,833				81%
Smokerise Rd & Crooked Pine Trail Paving			\$ 171,877	\$ -	\$ 171,877	
Baldwin Heights Drive Paving & Gravel, Davison						
Street and Vista Lane Paving and Widening			183,532	12,820	196,352	
Church Street & Ivory Drive Paving			27,989	136,936	164,925	
Transportation Equipment			-	97,746	97,746	
Total			<u>\$ 383,398</u>	<u>\$ 247,502</u>	<u>\$ 630,900</u>	
Banks County 2022 TSPLOST	\$ 865,561	\$ 865,561				0%
Milling, cross drains, resurfacing and striping of 2.9 miles to include:						
Banks Ridge Drive, Banks Highland Drive, Banks Terrace, Park Ave.						
Presley Street, Stonepile Street, Sunrise Ridge Road and Landrum St.			\$ -	\$ -	\$ -	
Total			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

OTHER INFORMATION

**CITY OF BALDWIN, GEORGIA
STATISTICAL INFORMATION
YEAR ENDED JUNE 30, 2023**

Fiscal Year	Volume of Water Purchase	Cost of Water Purchased from Plant	Volume of Water Billed to Customers	Revenue from Water Billed to Customers	Percent Water Loss
2013	167,446,140	544,213	112,816,608	880,092	32.63
2014	167,493,000	544,352	115,278,853	891,254	31.17
2015	171,504,000	326,363	132,651,911	988,954	22.65
2016	175,932,530	571,771	127,920,163	1,013,251	27.29
2017	173,457,000	562,240	118,197,529	989,909	31.86
2018	176,769,000	550,483	112,197,410	938,203	36.53
2019	190,210,190	602,440	124,544,962	901,958	34.52
2020	169,210,674	531,192	114,712,069	1,067,751	32.21
2021	203,798,670	607,808	114,320,014	1,094,972	43.91
2022	218,536,720	633,756	117,746,970 *	1,152,790	46.12
2023	233,549,000	677,292	117,606,365 *	1,331,191	49.64

TOTAL WATER AND SEWER SYSTEM CONNECTIONS

Fiscal Year	WATER CONNECTIONS		SEWER CONNECTIONS	
	Residential	Commercial	Residential	Commercial
2013	1,754	150	904	101
2014	1,718	154	877	102
2015	1,714	157	866	105
2016	1,711	157	878	99
2017	1,686	168	855	109
2018	1,692	159	871	105
2019	1,579	157	792	105
2020	1,610	163	815	111
2021	1,620	156	838	107
2022	1,675	160	865	111
2023	1,684	162	892	112

LARGEST WATER AND SEWER USERS

User Name	Water Gallons Per Year	Sewer Gallons Per Year	Combined Revenue Fiscal 2023	Percent of Water and Sewer Revenue
Department of Corrections	-	52,532,380	266,744	11.38 %
Fieldale Corporation	13,813,349	2,337,367	333,744	14.24
Oak Heritage Healthcare, Inc.	4,718,663	3,746,024	104,703	4.47
Heritage Gardens	3,527,506	3,527,506	66,788	2.85
Lindsay Windows	-	2,238,800	34,090	1.45
Habersham Retreat	1,573,061	1,573,061	43,562	1.86
SteelCell NA	1,313,957	1,313,957	35,428	1.51
Baldwin Court Apartments	916,701	916,701	25,123	1.07
Tiny Bubbles	713,872	713,872	19,199	0.82
Habersham BOE	525,602	525,602	14,136	0.60
Wat Lao	486,047	-	9,556	0.41
All Others	90,017,607	44,096,154	1,390,528	59.33
TOTALS	117,606,365	113,521,424	2,343,600	100.00

*Includes CITY usage

**CITY OF BALDWIN, GEORGIA
STATISTICAL INFORMATION
YEAR ENDED JUNE 30, 2023**

RATIO OF LARGEST WATER USERS TO TOTAL WATER VOLUME

TEN LARGEST USERS' VOLUME	27,588,758
AMOUNT OF WATER DELIVERED TO CUSTOMERS	117,606,365
TEN LARGEST USERS PERCENTAGE OF TOTAL WATER VOLUME	23.46 %

RATIO OF LARGEST SEWER USERS TO TOTAL SEWER VOLUME

TEN LARGEST USERS' VOLUME	69,425,270
AMOUNT OF WASTEWATER FLOW	113,521,424
TEN LARGEST USERS PERCENTAGE OF TOTAL WASTEWATER	61.16 %

RATIO OF LARGEST WATER AND SEWER USERS TO TOTAL WATER AND SEWER VOLUME

REVENUE FROM TEN LARGEST USERS	\$ 953,071
COMBINED WATER AND SEWER REVENUE	\$ 2,343,600
TEN LARGEST USERS PERCENTAGE OF TOTAL WATER AND SEWER REVENUE	40.67 %

WATER AND SEWER RATES

INSIDE RATES	WATER		SEWER
	per 1,000 gallons		per 1,000 gallons
<u>Residential</u>			
0- 2,000 gallons	\$ 7.34	\$	11.60
2,001 - 6,000 gallons	7.78		11.97
6,001 - 9,000 gallons	11.67		12.35
9,001 and up gallons	15.56		12.89
<u>Commercial</u>			
0- 2,000 gallons	\$ 7.34	\$	11.60
2,001 - 6,000 gallons	7.78		11.97
6,001 - 9,000 gallons	11.67		12.35
9,001 and up gallons	15.56		12.89
OUTSIDE RATES	WATER		SEWER
	per 1,000 gallons		per 1,000 gallons
<u>Residential</u>			
0- 1,000 gallons	\$ 10.27	\$	16.24
1,001 - 6,000 gallons	10.90		16.77
6,001 - 9,000 gallons	16.34		17.29
9,001 and up gallons	21.78		18.04
<u>Commercial</u>			
0- 2,000 gallons	\$ 10.27	\$	16.24
2,001 - 6,000 gallons	10.90		16.77
6,001 - 9,000 gallons	16.34		17.29
9,001 and up gallons	21.78		18.04

\$5 admin fee per customer account

CITY OF BALDWIN, GEORGIA
ENTERPRISE FUND
SCHEDULE OF DEBT SERVICE COVERAGE RATIOS
JUNE 30, 2023

	2012	2013	2014	2015	2016	2017
INCOME BEFORE DEBT SERVICE (2)	\$ 152,585	\$ 499,479	\$ 559,690	\$ 507,130	\$ 367,640	\$ (29,572)
DEBT SERVICE EXISTING PROJECTS	191,360	-	-	-	-	-
DEBT SERVICE NEW SEWER PLANT	229,252	180,346	320,346	477,546	478,547	481,146
	420,612	180,346	320,346	477,546	478,547	481,146
REVENUE AVAILABLE FOR DEBT SERVICE	152,585	499,479	559,690	507,130	367,640	(29,572)
ADD BACK DEPRECIATION	520,286	523,788	519,518	499,831	544,015	563,746
TOTAL AVAILABLE FOR DEBT SERVICE	672,871	1,023,267	1,079,208	1,006,961	911,655	534,174
DEBT SERVICE COVERAGE	1.60	5.67	3.37	2.11	1.91	1.11

	2018 (1)	2019 (1)	2020	2021 (3)	2022	2023
INCOME BEFORE DEBT SERVICE (2)	\$ (95,356)	\$ (262,307)	\$ 194,598	\$ 481,936	\$ 762,121	\$ 570,723
DEBT SERVICE	483,146	484,546	502,402	57,246	442,395	497,650
	483,146	484,546	502,402	57,246	442,395	497,650
REVENUE AVAILABLE FOR DEBT SERVICE	(95,356)	(262,307)	194,598	481,936	762,121	570,723
ADD BACK DEPRECIATION	579,817	558,371	598,316	605,470	595,317	599,856
TOTAL AVAILABLE FOR DEBT SERVICE	484,461	296,064	792,914	1,087,406	1,357,438	1,170,579
DEBT SERVICE COVERAGE	1.00	0.61	1.58	19.00	3.07	2.35

(1) - The City's net revenues were less than the minimum level of 110 percent as required by the Bond Ordinance for fiscal year ended June 30, 2018 and June 30, 2019. However, the City obtained a rate study to determine a more appropriate rate structure as necessitated by the Bond Ordinance as a result of the net revenues being less than the minimum level. The City then adopted new rates effective July 1, 2019.

(2) - Income before debt service equates to operating income (loss) plus investment income.

(3) - Only debt service in 2021 was interest expense, due to bond refunding in 2021 no principal payments were made.