Christopher S. Huther
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chuther@wiley.law

Wiley Rein LLP
2050 M St NW
Washington, DC 20036
Tel: 202.719.7000

wiley.law

September 26, 2022

VIA ELECTRONIC FILING

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street SW
Atlanta, GA 30334

Re: City of Bainbridge, Georgia—Application for Certificate of Authority to Provide Competitive Local Exchange Service

Dear Ms. Tanner:

The City of Bainbridge, Georgia ("Applicant" or "Bainbridge") hereby submits an application for a certificate of authority to provide competitive local exchange service in the State of Georgia ("Application") pursuant to O.C.G.A. § 46-5-163(b).

Per the Georgia Public Service Commission's ("Commission") February 24, 2022 Notice,[1] Applicant is electronically submitting a Zip file containing one (1) copy of its Application, in Microsoft Word format, in accordance with the Commission's Alternative Electronic Filing Procedures ("eFiling Procedures"). This copy of Bainbridge's Application has been broken into multiple Microsoft Word files and placed in a designated folder within the Zip file. For the Commission's convenience, these Microsoft Word files have been numbered to reflect the order in which they are presented.

Applicant would also like to note that certain components of its Application needed to be created in Portable Document Format ("PDF"). However, converting these components from PDF to Microsoft Word format in order to comply with the Commission's eFiling Procedures unavoidably created certain minor, non-substantive formatting discrepancies between the components' original PDF versions and their subsequent Microsoft Word versions. As such, Applicant is also electronically submitting one (1) copy of its Application as a comprehensive PDF, combining each of the Application's components into a single file. For ease, and to avoid any confusion that these minor discrepancies may cause, Applicant suggests that the Commission treat this PDF copy as the original version of Bainbridge's Application for purposes of the Commission's review.

[1] *See* Georgia Public Service Commission, *Notice of Alternative Electronic Filing Procedures at the Georgia Public Service Commission* (Feb. 24, 2022), available at https://psc.ga.gov/site/downloads/Alternative_Filing_Memo.pdf.

Pursuant to the Commission's eFiling Procedures, Applicant will also provide the Commission with one (1) hard copy of the Application via mail in a timely manner. At this time, Applicant requests that the Commission waive the public hearing requirement for this matter.

Applicant welcomes the opportunity to work with the Commission to obtain approval of the Application and will gladly provide any additional information that the Commission should require.

Best regards,

Christopher S. Huther

Attachments

Filing Instructions: Mail one (1) original and five (5) copies of completed application materials, including all attachments, to:

Mr. Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington St. SW
Atlanta, GA 30334

Georgia Public Service Commission
244 WASHINGTON STREET, SW
ATLANTA GEORGIA 30334-5701

APPLICATION FOR CERTIFICATE OF AUTHORITY
TO PROVIDE COMPETITIVE LOCAL EXCHANGE SERVICE

I. APPLICANT ADDRESS

NAME OF COMPANY City of Bainbridge

ADDRESS: STREET 101 South Broad Street

P.O. Box 158

CITY Bainbridge STATE Georgia ZIP CODE 39818

TEL. NO. (229) 248-2000 FAX NO. (229) 246-7311

EMPLOYEE DESIGNATED TO RECEIVE AND RESPOND TO COMMISSION REQUESTS:

NAME David Hower TEL. NO. (229) 248-2000

TITLE Broadband Manager FAX NO. (229) 246-7311

E-MAIL Davidh@Bainbridgecity.com

EMPLOYEE ADDRESS (*IF DIFFERENT FROM ABOVE*):

STREET Same as above.

CITY _____ STATE _____ ZIP CODE _____

NOTE: FAILURE TO NOTIFY THE COMMISSION, IN WRITING, WHEN THERE IS A CHANGE IN THE CONTACT PERSON OR ADDRESS(ES) LISTED IN THIS APPLICATION WILL RESULT IN CANCELLATION OF THE APPLICATION OR SUBSEQUENT CERTIFICATE.

II. ATTORNEY OR AGENT ADDRESS

IF APPLICANT IS NOT A GEORGIA CORPORATION, GIVE NAME AND ADDRESS OF AN ATTORNEY OR AGENT IN THE STATE OF GEORGIA UPON WHOM PROCESS MAY BE SERVED IN ANY SUIT AGAINST APPLICANT.

NAME Tom Conger

NAME OF FIRM Conger & Smith LLC

ADDRESS: STREET 218 E. Water Street

CITY Bainbridge STATE GA ZIP CODE 39817

TEL. NO. (229) 246-0525 FAX NO. (229) 246-7122

III. ORGANIZATION

1. TYPE OF ORGANIZATION: (CHECK ONE)

   [ ] LLC

   [ ] INDIVIDUAL

   [ ] PARTNERSHIP

   [ ] CORPORATION

   [ ] MUTUAL OR COOPERATIVE (INC./UNINC.)

   [X] OTHER (SPECIFY): Municipal Corporation

2. IF APPLICANT IS A CORPORATION OR LIMITED PARTNERSHIP, INSERT THE SEVEN-DIGIT CONTROL NUMBER FROM "CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS" ISSUED BY THE SECRETARY OF STATE OF THE STATE OF **GEORGIA.**

   CONTROL NUMBER: N/A

   ATTACH A COPY OF GEORGIA SECRETARY OF STATE CERTIFICATE, MARKED EXHIBIT ___.

3. IF APPLICANT IS A CORPORATION, ATTACH COPY OF CHARTER, MARKED EXHIBIT ___. ALSO ATTACH A LIST OF ALL DIRECTORS AND PRINCIPAL STOCKHOLDERS WITH THE NUMBER OF SHARES HELD BY EACH, MARKED EXHIBIT ___, AND GIVE NAME AND ADDRESSES OF THE FOLLOWING OFFICERS:

   PRESIDENT N/A ADDRESS N/A

   V. PRESIDENT N/A ADDRESS N/A

   TREASURER N/A ADDRESS N/A

   SECRETARY N/A ADDRESS N/A

   STATE AND DATE OF INCORPORATION: STATE N/A DATE N/A

4. IF APPLICANT IS A PARTNERSHIP OR COOPERATIVE, PROVIDE AN ATTACHMENT, MARKED EXHIBIT ___, WITH NAMES AND ADDRESSES OF PARTNERS, OFFICERS OR MEMBERS.

5. IF APPLICANT IS A SUBSIDIARY, PARENT, OR AFFILIATE OF ANY OTHER COMPANY, REGARDLESS OF TYPE OR INDUSTRY, PROVIDE A CHART, MARKED EXHIBIT ___, SHOWING THE RELATIONSHIPS BETWEEN THE APPLICANT AND ALL AFFILIATED COMPANIES.

IV. EXISTING AUTHORITY

1. DOES THE APPLICANT OR ANY AFFILIATE PRESENTLY HAVE AN EXISTING CERTIFICATE(S) OF AUTHORITY ISSUED BY THE GEORGIA PUBLIC SERVICE COMMISSION?

   [X] NO

   [ ] YES

   IF YES, CHECK CERTIFICATE TYPE(S) AND INSERT CERTIFICATE NUMBERS:

   [ ] INTEREXCHANGE CARRIER (IXC): X-____

   [ ] RESELLER OF LONG DISTANCE (RESALE): R -____

   [ ] ALTERNATE OPERATOR SERVICE (AOS): A-____

   [ ] INSTITUTIONAL TELECOMMUNICATIONS SERVICE (ITS): P-____

   [ ] PAYPHONE SERVICE PROVIDER (PSP): ____

   [ ] AUTOMATIC DIALING AND ANNOUNCING DEVICE (ADAD): ____

   [ ] TELEPHONE SERVICE OBSERVING EQUIPMENT (TSOE): ____

2. A) DOES THE APPLICANT OR ANY AFFILIATE PRESENTLY HAVE CERTIFICATE AUTHORITY IN ANY OTHER STATE OR FEDERAL JURISDICTION(S)?

   [X] NO

   [ ] YES

   IF YES, LIST STATES IN WHICH AUTHORITY HAS BEEN GRANTED: _____

   _____

   _____

   B) DOES THE APPLICANT OR ANY AFFILIATE PRESENTLY HAVE PENDING APPLICATIONS IN ANY OTHER STATE OR FEDERAL JURISDICTION(S)?

   [X] NO

   [ ] YES

   IF YES, LIST STATES IN WHICH APPLICATIONS ARE PENDING: _____

   _____

   _____

   C) HAS THE APPLICANT BEEN <u>DENIED</u> CERTIFICATION IN ANY JURISDICTION?

   [X] NO

   [ ] YES

   IF YES, WHICH STATE(S) OR JURISDICTION(S)? _____

   ATTACH A COPY OF THE ORDER(S) DENYING CERTIFICATION.

V. LOCAL EXCHANGE SERVICE

1. WHAT CUSTOMER CLASS(ES) DOES THE APPLICANT PROPOSE TO SERVE (CHECK ALL THAT APPLY)?

   [X] RESIDENTIAL

   [X] BUSINESS

   [ ] OTHER:_____

2. PLEASE READ "ADDENDUM – POST-CERTIFICATION OBLIGATIONS OF COMPETITIVE LOCAL EXCHANGE CARRIERS" (AVAILABLE ONLINE AT http://www.psc.state.ga.us/telecom/tl_forms/forms.asp). WILL THE APPLICANT COMPLY WITH THESE REQUIREMENTS?

   [X] YES

   [ ] NO

3. DOES THE COMPANY INTEND TO PROVIDE PRE-PAID LOCAL EXCHANGE SERVICE?

   [X] NO

   [ ] YES

   IF YES, READ "ADDENDUM – ADDITIONAL OBLIGATIONS OF PRE-PAID LOCAL EXCHANGE CARRIERS" (AVAILABLE ONLINE AT http://www.psc.state.ga.us/telecom/tl_forms/forms.asp).

4. SELECT THE METHOD(S) BY WHICH SERVICE WILL BE PROVIDED:

   [ ] RESALE

   [X] FACILITIES-BASED (PLEASE COMPLETE SECTION VI OF THE APPLICATION)

5. TARIFFS FOR LOCAL EXCHANGE SERVICES ARE NO LONGER REQUIRED. DOES THE COMPANY WISH TO MAINTAIN A LOCAL EXCHANGE SERVICES TARIFF WITH THE GEORGIA PUBLIC SERVICE COMMISSION?

   [X] NO

   [ ] YES

   IF YES, ATTACH A **LOCAL EXCHANGE SERVICES TARIFF**, MARKED EXHIBIT ___, WHICH INCLUDES THE RATES, TERMS, AND CONDITIONS FOR ALL SERVICES.

6. AN ACCESS SERVICES TARIFF MUST BE FILED WITH THE GEORGIA PUBLIC SERVICE COMMISSION IN ORDER TO PROVIDE ACCESS SERVICES (SEE O.C.G.A. § 46-5-166(e)). DOES THE COMPANY INTEND TO PROVIDE ACCESS SERVICES?

   [X] NO

   [ ] YES

   IF YES, ATTACH AN **ACCESS SERVICES TARIFF**, MARKED EXHIBIT ___, WHICH INCLUDES THE RATES, TERMS, AND CONDITIONS FOR ALL SERVICES.

VI. FACILITIES-BASED SERVICE

1. IF AUTHORITY SOUGHT IS FACILITIES-BASED, ANSWER THE FOLLOWING:

   A) AUTHORITY REQUESTED (CHECK ALL THAT APPLY):

   [X] CONSTRUCTION OF NEW FACILITIES

   [ ] ACQUISITION OF FACILITIES (LEASE OR PURCHASE)

   [ ] PRIVATE LINE SERVICE

   B) IF ACQUIRING FACILITIES FROM ANOTHER CARRIER, PLEASE PROVIDE DESCRIPTION AND MAPS.

   C) DO YOU CURRENTLY HAVE FACILITIES DEPLOYED IN GEORGIA?

   [ ] NO

   [X] YES

   IF YES:

   PLEASE PROVIDE MAPS INDICATING THE LOCATION(S) OF FACILITIES (E.G., SWITCHES, FIBER, ETC.). HOW ARE THESE FACILITIES CURRENTLY BEING UTILIZED?

   Please see Exhibit A.

   D) WHAT FACILITIES DO YOU PROPOSE TO DEPLOY IN GEORGIA? (PROVIDE DESCRIPTION AND MAPS)

   Please see Exhibit B.

2. PROVIDE BREAKDOWN OF ALL COSTS ASSOCIATED WITH THE FACILITIES TO BE DEPLOYED IN GA.

   Please see Exhibit C.

VII. TECHNICAL CAPABILITY

1. PROVIDE RESUMES AND/OR PROFILES OF THE APPLICANT'S MANAGEMENT TEAM, MARKED EXHIBIT D. DESCRIBE EACH TEAM MEMBER'S TECHNICAL QUALIFICATIONS, WHICH INCLUDE ANY RELEVANT WORK EXPERIENCE, EDUCATION, AND TRAINING.

2. DESCRIBE MECHANISM BY WHICH APPLICANT INTENDS TO BILL FOR SERVICES. APPLICANT'S NAME MUST APPEAR ON END-USER'S BILL.

   Applicant intends to bill for its services by sending its customers a bill on a monthly basis. Applicant will ensure that its name will appear on each end-user's bill.

3. DETAIL THE PROCESSES BY WHICH THE COMPANY PROPOSES TO HANDLE CUSTOMER SERVICE ORDERS, INQUIRIES, AND COMPLAINTS. CUSTOMER SERVICE MUST OPERATE DURING NORMAL BUSINESS HOURS (i.e., 9:00 AM - 5:00 PM, or similar) MONDAY-FRIDAY; DURING NON-BUSINESS HOURS, CUSTOMERS SHOULD BE ABLE TO LEAVE MESSAGES VIA VOICEMAIL OR A MESSAGE SERVICE. DESCRIBE HOW THE APPLICANT WILL COMPLY WITH THIS REQUIREMENT. LIST TELEPHONE NUMBERS THAT WILL BE USED FOR CUSTOMER SERVICE. APPLICANT MUST PROVIDE A TOLL-FREE NUMBER WHEREUPON INQUIRIES AND COMPLAINTS CAN BE SERVED.

   Please see Exhibit E.

4. PLEASE STATE WHETHER THE APPLICANT HAS EXPERIENCED CUSTOMER COMPLAINTS LODGED WITH ANY JURISDICTION'S REGULATORY AGENCY OR ATTORNEY GENERAL'S OFFICE FROM ANY NUMBER OF CUSTOMERS REPRESENTING MORE THAN 0.5% OF ALL CUSTOMERS SERVED BY THE APPLICANT WITHIN SUCH JURISDICTION.

   [X] NO

   [ ] YES

   IF YES:

   PLEASE STATE THE NAME (INCLUDING CONTACT PERSON) OF EACH REGULATORY AGENCY OR ATTORNEY GENERAL'S OFFICE, DESCRIBE THE NATURE OF THE COMPLAINTS, EXPLAIN WHETHER AND HOW SUCH COMPLAINTS HAVE BEEN RESOLVED, AND STATE YOUR PLANS TO PREVENT SUCH COMPLAINTS FROM OCCURING AGAIN.

VIII. FINANCIAL CAPABILITY

1. PROVIDE THE MOST RECENT CERTIFIED REPORT ON THE EXAMINATION OF APPLICANT'S FINANCIAL STATEMENTS ALONG WITH BUSINESS PLAN ASSUMPTIONS. IF APPLICANT DOES NOT HAVE CERTIFIED FINANCIAL REPORTS PROVIDE THIS COMMISSION WITH CERTIFIED DOCUMENTATION OF FUNDS TO BE USED FOR CAPITALIZATION.

   Please see Exhibit F.

2. IS APPLICANT PRESENTLY INVOLVED IN ANY LITIGATION?

   [X] NO

   [ ] YES

   IF YES, PLEASE DESCRIBE IN DETAIL: _____

3. DOES THE APPLICANT AGREE TO FILE FINANCIAL REPORTS ON AN ANNUAL BASIS WITH THE COMMISSION AFTER CERTIFICATION IS GRANTED?

   [ ] NO

   [X] YES

AFFIDAVIT 1 - VERACITY OF APPLICATION AND AGREEMENT TO COMPLY WITH GEORGIA LAWS AND AGENCY RULES/ORDERS

Name: David Hower

Company: City of Bainbridge

Title/Position: Broadband Manager

Address: 101 South Broad Street, P.O. Box 158

Bainbridge, Georgia 39818

Tel. No. (229) 248-2000

THE INDIVIDUAL NAMED ABOVE (HEREINAFTER, "APPLICANT") PERSONALLY APPEARED BEFORE THE UNDERSIGNED, AN OFFICER DULY AUTHORIZED TO ADMINISTER OATHS. THE APPLICANT, AFTER FIRST BEING DULY SWORN, DEPOSES AND CERTIFIES THAT HE OR SHE HAS READ THE APPLICATION AND KNOWS THE CONTENTS THEREOF, AND THAT THE STATEMENTS MADE HEREIN ARE TRUE TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF.

APPLICANT FURTHER AGREES TO ABIDE BY ALL APPLICABLE LAWS UNDER THE STATE OF GEORGIA, AS CODIFIED IN THE OFFICIAL CODE OF GEORGIA ANNOTATED; ALL APPLICABLE RULES AND REGULATIONS OF THE GEORGIA PUBLIC SERVICE COMMISSION; AND ALL FINDINGS, CONCLUSIONS, TERMS, AND CONDITIONS SET FORTH IN PERTINENT COMMISSION ORDERS.

UNDER PENALTIES OF PERJURY, APPLICANT DECLARES THAT THE STATEMENTS MADE IN THE FOREGOING APPLICATION, INCLUDING ACCOMPANYING STATEMENTS AND ATTACHMENTS ARE TRUE, COMPLETE, AND CORRECT. I UNDERSTAND THAT ANY FALSE OR MISLEADING INFORMATION IN, OR IN CONNECTION WITH, MY APPLICATION MAY BE CAUSE FOR DENIAL OR LOSS OF CERTIFICATE.

See signed Affidavits below.
Signature of Affiant

Date

Subscribed and sworn before me this

_____ day of_____, 20_____.

(SEAL)

_____
(NOTARY PUBLIC)

AFFIDAVIT 2 – UNIVERSAL ACCESS FUND

The Applicant hereby acknowledges that participation and compliance with the Universal Access Fund (UAF) requirements developed by the Georgia Public Service Commission, as mandated in the Telecommunications and Competition Act of 1995 (O.C.G.A. 46-5-160 and O.C.G.A. 46-5-167), will be complied with.

That Applicant further acknowledges that compliance with the requirements of the UAF is necessary to receive and maintain an active Certificate of Authority to provide telecommunications service in Georgia.

The Applicant also agrees to file quarterly reports for quarters subsequent to the effective date of certification including any portion of the quarter when certificated, in conformance with the instructions attached hereto (see "Addendum – Universal Access Fund") with the full understanding that not to do so may result in revocation of this same certificate. This attested to by signature below of proper authorized company official.

City of Bainbridge
(COMPANY)

See signed Affidavits below.
(SIGNATURE)

Subscribed and sworn before me this

_____ day of_____, 20_____.

(SEAL)

_____
(NOTARY PUBLIC)

AFFIDAVIT 3 – FAMILY VIOLENCE SHELTER CONFIDENTIALITY ACT

Personally appeared before me, an officer duly authorized to administer oaths, David Hower, who, after being duly sworn, deposes and says that he or she is Broadband Manager of Applicant, certified telephone service provider or directory information provider.

1.

I make this affidavit on the basis of my personal knowledge.

2.

I have read the May 13, 2005 Order and the August 30, 2005 Amendatory Order in Georgia Public Service Commission ("Commission") Docket No. 19553-U, Implementation of Senate Bill 147, the Family Violence Shelter Confidentiality Act of 2004 (O.C.G.A. § 46-5-7). I have also read the Commission Staff Memorandum dated May 1, 2007 (see "Addendum – Family Violence Shelter Confidentiality Act") that summarizes the requirements under O.C.G.A. § 46-5-7 and the Commission orders issued pursuant to that Code Section of providers of telephone service in the State of Georgia or any other entity that publishes, disseminates, or otherwise provides telephone directory information or listings of telephone subscribers in the State of Georgia.

3.

The Applicant agrees that it will satisfy the minimum requirements set forth in the Commission orders and Staff Memorandum referenced in paragraph 2 of this affidavit to protect the confidentiality of the location and address of family violence shelters in the State of Georgia.

4.

Pursuant to O.C.G.A. § 46-5-7, the Applicant submits this affidavit as its plan to protect the confidentiality of the location and address of family violence shelters in the State of Georgia.

FURTHER AFFIANT SAITH NOT.

City of Bainbridge
(COMPANY)

See signed Affidavits below.
(SIGNATURE)

Subscribed and sworn before me this

_____ day of_____, 20_____.

(SEAL)

_____
(NOTARY PUBLIC)

AFFIDAVIT 4 – EXCHANGES

The Applicant agrees to provide local telecommunication services in conformance with the existing exchange boundary maps of the incumbent Local Exchange Carriers as approved by the Public Service Commission.

Instructions: (1) Under "INCUMBENT LOCAL EXCHANGE CARRIERS(S)", list the names of all the incumbent LECs in whose territories you intend to operate. (2) Under "EXCHANGE(S)", list each individual exchange name (e.g, Acworth, Adairsville, Albany, etc.) in which the applicant will be operating Lists of exchange names can be downloaded from the Commission's website at http://www.psc.state.ga.us/telecom/tl_forms/forms.asp. In lieu of writing or typing the individual exchange names on this document, it is acceptable to print "See attached list" in the first blank under "EXCHANGE(S)" and attach the appropriate list(s) of exchanges to the document.

INCUMBENT LOCAL EXCHANGE CARRIER(S) Windstream, AT&T Georgia, and all Tier 2 ILECs.

EXCHANGE(S):

See attached list.

City of Bainbridge
(COMPANY)

See signed Affidavits below.
(SIGNATURE)

Subscribed and sworn before me this

_____ day of_____, 20_____.

_____
(NOTARY PUBLIC)

(SEAL)

GPSC FORM 900-1, Revised: 08/17/2015
Electronic Version

AFFIDAVIT 1 - VERACITY OF APPLICATION AND AGREEMENT TO COMPLY WITH GEORGIA LAWS AND AGENCY RULES/ORDERS

Name: David Hower

Company: City of Bainbridge

Title/Position: Broadband Manager

Address: 101 South Broad Street, P.O. Box 158

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Tel. No. (229) 248-2000

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David Hower
Signature of Affiant

Sept 1st 2022
Date

Subscribed and sworn before me this

1 day of SEPT, 2022.

(NOTARY PUBLIC)

Allison R. Godwin
NOTARY PUBLIC
Decatur County
COMM. EXP. 03-21-2023
State of GA

GPSC FORM 900-1, Revised: 08/17/2015
Electronic Version

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City of Bainbridge
(COMPANY)

David Hower
(SIGNATURE)

Subscribed and sworn before me this
14th day of July, 2022.

Allison R. Godwin (SEAL)
COMM. EXP.
NOTARY
Decatur County
PUBLIC
03-21-2023
State of GA

(NOTARY PUBLIC)

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FURTHER AFFIANT SAITH NOT.

City of Bainbridge
(COMPANY)

David Hower
(SIGNATURE)

Subscribed and sworn before me this
14th day of July, 2022.

(NOTARY PUBLIC)

Allison R. Godwin
COMM. EXP.
NOTARY
Decatur County
PUBLIC
03-21-2023
State of GA

(SEAL)

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INCUMBENT LOCAL EXCHANGE CARRIER(S) _Windstream, AT&T Georgia, and all Tier II ILECs._

EXCHANGE(S):

See attached list.

City of Bainbridge
(COMPANY)

David Howk
(SIGNATURE)

Subscribed and sworn before me this 14th day of July, 2022.

Allison R. Godwin COMM. EXP. NOTARY Decatur County PUBLIC 03-21-2023 State of GA

(SEAL)

(NOTARY PUBLIC)

GPSC FORM 900-1, Revised: 08/17/2015
Electronic Version

Windstream Exchanges

Abbeville
Adel
Alamo
Alapaha
Ashburn
Barwick
Batesville
Berlin
Big Canoe
Blairsville
Blakely
Bluffton
Boston
Braselton
Broxton
Buena Vista
Byromville
Byron
Cairo
Calvary-Reno
Carlton
Carnesville
Canton
Cedar Springs
Centerville
Chatsworth
Clarkesville
Clayton
Cleveland
Cohutta
Colbert
Collins
Comer
Commerce
Coolidge
Cornelia
Crawford-
Lexington
Cuthbert
Dalton
Danville
Dahlonega
Danielsville
Dawson
Dawsonville
Demorest
Doerun
Donalsonville
Douglas
Eastanollee
Edison
Ellaville
Enigma
Fargo
Fitzgerald
Folkston
Ft. Gaines
Funston
Glenville
Gray
Haddock
Hahira
Helen
Hiawassee
Homer
Homerville
Ideal
Ila
Iron City
Irwinville
Jacksonville
Jakin
Jasper
Jefferson
Jeffersonville
Kensington
Layfayette
Lakeland
Lake Sinclair
Lavonia
Ludowici
Lyerly
McRae
Manchester
Marshallville
Maxeys
Maysville
Meigs
Menlo
Milan
Milledgeville
Monroe
Montezuma
Montrose
Morgan
Morven
Moultrie
Mt. City Dillard
Mt. Vernon
Nashville
Nicholson
Noble
Norman Park
Northside
Ochlocknee
Ocilla
Odum
Parrott
Pavo
Pendergrass
Perry
Pineview
Pitts
Preston
Quitman
Ray City
Rebecca
Reidsville
Reynoldsville
Rincon
Rochelle
Rhine
Sasser
Shellman
Springfield
Screven
Summerville
Suches
St. George
Sylvania
Toccoa
Thomaston
Trion
Tunnel Hill
Unadilla
Union Point
Uvalda
Villanow
Warm Springs
Whigham
White Plains
Winder
Winterville
Woodland
Yatesville
Young Harris

BellSouth Telecommunications, Inc.
d/b/a AT&T Georgia ("AT&T Georgia")

Exchange List

Acworth
Adairsville
Albany
Alpharetta
Americus
Appling
Arlington
Athens
Atlanta
Augusta
Austell
Baconton
Bainbridge
Barnesville
Baxley
Blackshear
Bogart-Statham
Bowdon
Bremen
Brunswick
Buchanan
Buford
Calhoun
Camilla
Carrollton
Cartersville
Cave Spring
Cedartown
Chamblee
Claxton
Clermont
Cochran
Colquitt
Columbus
Concord
Conyers
Cordele
Covington
Cumming
Cusseta
Dallas
Douglasville
Dublin
Duluth
Eastman
Eatonton
Elberton
Fairburn
Fayetteville
Flowery Branch
Forsyth
Fort Valley
Franklin
Gainesville
Gay
Gibson
Grantville
Greensboro
Greenville
Griffin
Hamilton
Hampton
Harlem
Hazelhurst
Hephzibah
Hogansville
Jackson
Jekyll Island
Jesup
Johnson Corner
Jonesboro
Kingston
LaGrange
Lake Park
Lawrenceville
Leary
Leesburg
Lithonia
Loganville
Louisville
Lula
Lumber City
Lumpkin
Luthersville
Lyons
Macon
Madison
Marietta
McCaysville
McDonough
Millen
Monticello
Newnan
Newton
Norcross
Palmetto
Panola
Pelham
Pine Mountain
Pooler
Powder Springs
Richland
Rockmart
Rome
Roopville
Rossville
Roswell
Royston
Rutledge
Sandersville-
Tennille
Sardis
Savannah
Senoia
Smithville
Smyrna
Social Circle
Sparks
Sparta
St. Simons Island
Stockbridge
Stone Mountain
Swainsboro
Sylvester
Tallapoosa
Temple
Tennga
Thomasville
Thomson
Tifton
Tucker
Tybee Island
Valdosta
Vidalia
Villa Rica
Wadley
Warner Robins
Warrenton
Watkinisville
Waycross
Waynesboro
Woodbury
Woodstock
Wrens
Wrightsville
Zebulon

TIER 2 EXCHANGES

Accucom: (Windstream)
Gordon
Irwinton
Toomsboro

Alma:
Alma
Nicholls
Patterson

Blue Ridge(TDS):
Blue Ridge
Dial
Lakewood

Brantley:
Hoboken
Hortense
Nahunta
Waynesville

Bulloch:
Anderson
Brooklet
Clito
Nevils
Portal
Stilson

Camden(TDS):
St. Marys

Chickamauga:
Chickamauga
High Point

Citizens:
Lake Blackshear
Leslie
Plains
Vienna

Coastal:
Hinesville
Keller
Midway
Richmond Hill

ComSouth:
Hawkinsville

Darien:
Darien
Eulonia
Sapelo Island

Ellijay:
Ellijay

Frontier Communications of Fairmount:
Fairmount
Ranger

Frontier Communications of Georgia:
Register
Statesboro

Glenwood:
Glenwood

Hart:
Hartwell

Interstate:
West Point

Nelson-Ball Ground(TDS):
Big Canoe
Marble Hill
Nelson

Pembroke:
Ellabell
Pembroke

Pineland:
Adrian
Bartow
Cobbtown
Davisboro
Kite
Lexsy
Metter
Midville
Oak Park
Twin City

Plant:
Lenox
Omega
Pearson
Pinehurst
Soperton
Warwick
Willacoochee

Planters:
Dover
Guyton
Hiltonia
Newington
South Guyton

Progressive:
Cadwell
Cedar Grove
Chester
Dexter
Dudley
Rentz

Public Service:
Butler
Culloden
Geneva
Lizella
Reynolds
Roberta
Talbotton

Quincy(TDS) :
Attapulgus

GT Com:
Chattahoochee

Trenton:
Rising Fawn
Trenton
West Brow

Ringgold:
Ringgold

Waverly Hall:
Waverly Hall

Wilkes:
Crawfordville
Lincolnton
Metasville
Rayle
Tignall
Washington

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EXHIBIT A: EXISTING FACILITIES

The map on the following page indicates the facilities that Applicant has deployed in Georgia.

Applicant currently has a basic commercial grade fiber broadband network that serves schools, government buildings, medical facilities, and a handful of commercial businesses. This network has been in place since 2007.

Bainbridge Existing Fiber Facilities

- Fiber Hut
- Fiber Splice Points
- Fiber Vaults
- T3 Fiber Cable
- City Limits

N

City of BAINBRIDGE FIBER

EXHIBIT B: PROPOSED FACILITIES

The map on the following page indicates the facilities that Applicant proposes to deploy.

Applicant seeks to expand its existing fiber broadband network with a fiber-to-the-home ("FTTH") network ("FTTH Network") to deliver FTTH throughout Applicant's community. Applicant intends to make reliable high-speed fiber Internet available to every home and business in the City of Bainbridge.

Bainbridge Fiber Low Level Design

- T3 Fiber Cable
- T2 Fiber Cable
- T1 Fiber Cable
- Path
- Demand Assignment
- Conduit
- Civil
- Aerial Span
- Fiber Equipment
- City Limits

N

City of BAINBRIDGE FIBER

EXHIBIT C: ESTIMATED COSTS

DEPLOYMENT COSTS

The table on the following page provides a breakdown of the estimated costs associated with the deployment of Applicant's FTTH Network. This table contains two overarching cost categories, which total **$7,752,876**. These figures represent the costs necessary to provide high-speed Internet to every home and business in Bainbridge, including fiber optic cable and associated equipment costs; construction costs; and engineering and construction management costs.

Category 1 reflects the Total Outside Plant ("OSP") costs associated with the FTTH Network and consists of two subcategories: (A) OSP Construction Costs; and (B) OSP Consultant Costs.

OSP Construction Costs are estimated to be **$6,922,092** and consist of the following:

- **Fiber Optic Cable Costs:** The construction costs incurred for aerial and underground materials and the placement of the FTTH Network. This includes any strand or other necessary infrastructure to place the fiber cables within the FTTH Network.

- **Local Convergence Point Splitter Costs:** The estimated costs for the OSP terminating equipment and its associated materials. Local convergence point splitters are necessary to transition the feeder fiber coming from the fiber hut to the distribution fiber that will deliver Applicant's services to the customer.

- **Make Ready Costs:** The estimated costs incurred from necessary payments to existing pole and facility owners to rearrange their poles, facilities, and other OSP infrastructure to allow for the placement of the FTTH Network.

- **Pole Replacement Costs:** The estimated make ready costs charged by pole owners to rearrange existing attachments on a pole or change out the existing pole with a taller pole in order to accommodate the attachment of Applicant's FTTH Network cables or other equipment.

OSP Consultant Costs are estimated to be **$510,088** and consist of the following:

- **Engineering Costs:** The estimated engineering costs associated with the design of the FTTH Network.

- **Construction Management Costs:** The estimated costs of the work functions that come with the design and engineering of the FTTH Network, including permitting for and inspections of the FTTH Network.

- **Project Management and Bid Management Costs:** The estimated overall project and construction oversight costs during the FTTH Network's build out.

Category 2 reflects the estimated Total Inside Plant Costs associated with the FTTH Network. This Category consists of two types of costs, which total **$320,696**. These costs are:

- **Optical Line Terminal Equipment Costs:** The estimated costs for the inside plant equipment associated with the fiber hut.

- **Optical Line Terminal Equipment Installation Costs:** The estimated costs for the inside plant equipment installation associated with the fiber hut.

CATEGORY 1: OSP COSTS

OSP Construction Costs	***$6,922,092***
OSP Consultant Costs	***$510,088***
Total OSP Costs	***$7,432,180***

CATEGORY 2: INSIDE PLANT COSTS

Total Inside Plant Costs	***$320,696***

TOTAL ESTIMATED COST: ***$7,752,876***

OPERATIONAL COSTS

The table on the following page provides an overview of Applicant's projected annual operating costs. These figures reflect the costs that Applicant must consider in starting up the FTTH Network and onboarding customers.

Specifically, these figures include the estimated costs that Applicant will incur for: (1) constructing the buildings and infrastructure to house and support network electronics and equipment; (2) developing processes, databases, software, and systems for processing and addressing customer service orders; (3) integrating, provisioning, monitoring, and managing network electronics and traffic; (4) trouble reporting and maintenance dispatch; and (5) overseeing maintenance replenishment and systems upgrades. Further, these figures account for the costs to Applicant to coordinate installation at the customer's premises, install the drop to the point of demarcation at the customer's premises, and install the optical network termination device.

Also included in these figures are Applicant's projected costs for providing technical and operational support to its customers. Specifically, these amounts include the costs of: (1) consumer marketing and notifications; (2) providing a customer call center for service activation and trouble reports; (3) performing demand-based repairs and maintenance; (4) performing routine inspections and assessments; (5) posting all as-built documentation resulting from activities relating to initial installations and/or maintenance activities; and (6) the warehouse and inventory of spare components for maintenance replenishment, including any planned network expansion or upgrades.

For reference, the "Internet Access" line item refers to the cost to Applicant to purchase wholesale Internet to be resold to the FTTH Network's customer base.[1]

NETWORK OPERATING EXPENSES

Operations and Maintenance	$245,833
Internet Access	$402,376
Existing Operational Costs	$498,520
Community Education & Outreach	$1,200
General and Administrative Costs	$403,747
Total Operating Expenses	***$1,551,676***

[1] Community Network Services, based in Thomasville, Georgia, will provide the primary access into Applicant's fiber hut.

EXHIBIT D: MANAGEMENT TEAM

Applicant's FTTH Network will be managed by David Hower, who has over 23 years of experience in the telecommunications industry.

Mr. Hower worked for Community Network Services ("CNS")[1]—a Georgia regional telecommunications provider—from 1999 until he accepted a position with Applicant in 2022. In his time with CNS, Mr. Hower served in many roles, most recently as Telecommunications Manager. In this role, Mr. Hower was responsible for network and capacity planning, commercial and institutional account management, and project oversight. His overall leadership and contributions within the organization were instrumental in the rebranding of CNS when it transitioned into CNSNext, which brought enhanced Internet services, capacity, and advanced Internet Protocol television to its customers. In addition to his work with CNS, from 2020 to 2021, Mr. Hower served as the President of the Fiber Network Alliance ("FNA"), a strategic alliance comprised of public and private organizations focused on aligning their fiber network resources in order to provide broadband to the areas they collectively serve.[2] Mr. Hower is currently FNA's Secretary.

Mr. Hower will also be supported by Sterling IT Solutions ("Sterling"). As explained in Exhibit A above, Applicant currently has a basic fiber broadband network in place that serves Applicant's schools, government buildings, and medical facilities, as well as a handful of commercial businesses. Applicant is currently under contract with Sterling to support Applicant's commercial customers, and Sterling will continue to do so as Applicant begins delivering service over its FTTH Network. With over 20 years of experience in the IT field, Sterling installs routers, firewalls, and security appliances that will allow the Applicant's commercial customers to connect to Applicant's fiber. Sterling also runs data cabling, and installs, sets up, and maintains network hardware within the Applicant's existing infrastructure. Sterling's contact information is as follows:

- Phone Number: (229) 400-9005
- Email Address: sterling@sterlingitsolutions.tech

As Applicant's network expands with the deployment of the FTTH Network, so too may the team overseeing the network. Should Applicant ultimately fill additional management positions, Applicant will be happy to provide details with regard to those individuals' technical qualifications upon request.

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[1] Additional information about CNS is available on its website: https://cnsnext.com/about-cns.

[2] Additional information about FNA is available on its website: https://www.fibernetworkalliance.com/about/.

EXHIBIT E: CUSTOMER SERVICE

Applicant will establish a Network Operations Center ("NOC") to handle customer service orders, inquiries, and complaints. Applicant's NOC will, at a minimum, operate during normal business hours and enable customers to leave messages during non-business hours, in compliance with the Commission's customer service requirements.

When a customer contacts Applicant's NOC, a customer support specialist will gather the details of the problem and open a service ticket. A ticket number will then be generated and provided to the customer, which the customer may use in any further exchanges with the NOC.

The toll-free telephone number that customers may use to reach the NOC will be established before Applicant begins offering service. Until that time, Applicant may be reached at the following telephone numbers:

- City Manager Department: (229) 248-2000
- Utilities Department: (229) 248-2014

EXHIBIT F: FINANCIAL REPORT AND BUSINESS PLAN ASSUMPTIONS

FINANCIAL REPORT

A copy of Applicant's most recent financial report is available following the 10-year business plan below. This report was prepared for the fiscal year ("FY") ending September 30, 2021 and was independently audited by Mauldin & Jenkins, LLC.

BUSINESS PLAN ASSUMPTIONS

- **Goal:** Applicant's goal is to make high-speed data transfer, broadband Internet access, and potentially other advanced telecommunications services available to every home, school, business, government office, and medical facility in Bainbridge via utilization of the Applicant's existing fiberoptic network. Applicant's 10-year detailed business plan is also attached below.

- **Competition:** Applicant will be able to provide a service that is substantially superior to the services being offered by the majority of would-be Internet service provider competitors operating in Bainbridge. According to the Federal Communications Commission, there are six fixed commercial broadband providers serving Bainbridge, Georgia.[1] These providers offer broadband access through a mixture of cable, satellite, fixed wireless, and ADSL technologies. Applicant will be providing high-speed broadband access with minimum download and upload speeds of up to 1 Gbps, or 1000 Mbps. However, only one of the broadband providers currently operating in Bainbridge offers broadband service with download speeds of up to 1000 Mbps, and none of these providers offer upload speeds that match Applicant's. Therefore, Applicant will be well-suited to compete, and ultimately excel, in the Bainbridge broadband market.

- **Customers:** Applicant will be able to build a sizeable pool of customers. Applicant's FTTH Network will make high-speed broadband access available to every resident and business in Bainbridge. Additionally, previous requests from Bainbridge residents and businesses to access Applicant's existing network evidence substantial interest in the fast and reliable municipal broadband service that Applicant will be providing. Customers in Bainbridge are dissatisfied with the service being provided by the commercial broadband companies currently operating in the area and are frustrated with the lack of adequate broadband options. Therefore, Applicant will have little trouble developing a substantial customer base for its FTTH Network.

- **Finances:** Applicant is in a sound financial position to deploy and operate its FTTH Network. It is projected to cost Applicant $7,752,876 to deploy the FTTH Network.

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[1] *See* FCC, Fixed Broadband Deployment Map for Bainbridge, Georgia, available at https://broadbandmap.fcc.gov/#/location-summary?version=dec2020&place_name=Bainbridge,%20Georgia,%20United%20States&lat=30.903800&lon=-84.575500&tech=acfosw&speed=25_3&vlat=30.903692227445745&vlon=-84.57437713559517&vzoom=17.47671070454058 (last visited Sept. 26, 2022).

Applicant has applied to the State of Georgia for $5,000,000 in Federal grant funding to assist with these costs, and will provide matching funds to cover the remaining $2,752,876. Additionally, as laid out in Exhibit C, Applicant anticipates that it will incur roughly $1,551,676 in annual operating costs. However, as the 10-year business plan below demonstrates, Applicant expects that its revenues from the FTTH Network will more than offset these expenses.

- **Talent:** Applicant will be enlisting talent with the knowledge and expertise necessary to successfully deploy and operate the FTTH Network. As explained in Exhibit D, Applicant has hired a veteran telecommunications expert to manage the FTTH Network. Applicant has also contracted with McLean Engineering Company, Inc. and RTS Associates, LLC to assist with the design of the FTTH Network, and with Sterling to assist with the deployment and maintenance of network hardware. Finally, Applicant will receive assistance from Teton Telecom, an industry expert based in Georgia, on business plan development and implementation. Teton Telecom currently consults for multiple telecommunications providers.

- **Compliance:** Applicant will obtain all authorizations necessary to deploy and operate the FTTH Network and will comply with all applicable statutory and regulatory obligations.

- **Timing:** Applicant will complete the FTTH Network and begin offering service by July 1, 2023. Construction on the FTTH Network will begin in December 2022 and last until December 2023.

10-YEAR BUSINESS PLAN SUMMARY

For purposes of the business plan below, Applicant assumes a conservative take rate of 33%. Applicant has also assumed a conservative average monthly rate of $75 per subscriber. Both assumptions have been thoroughly analyzed, and Applicant expects to exceed these goals.

10-Year Annualized			
		Total	**%**
OSP Construction Costs	$	6,922,092	
OSP Consultant Costs	$	510,088	
Inside Plant Costs	$	320,696	
Total Deployment Costs	**$**	**7,752,876**	
Less Grants	**$**	**-**	**0%**
Investment	**$**	**7,752,876**	**100%**
Homes Passed (Cumulative)		*5,645*	

Revenue		
		Total
Grant Proceeds	$	-
Existing Customer Base	$	8,600,000
Projected Residential Revenue - Phase I	$	20,769,084
Projected Residential Revenue - Phase II	$	-
Businesses	$	-
Total Revenue	**$**	**29,369,084**

Network Operating Expenses		
		Total
Operations and Maintenance	$	2,458,331
Internet Access	$	4,023,756
Existing Operational Costs	$	4,985,200
Community Education & Outreach	$	12,000
General & Administrative Costs	$	4,037,472
Total Operating Expenses	**$**	**15,516,759**

EBITDA	**$**	**13,852,325**

CITY OF BAINBRIDGE, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

CITY OF BAINBRIDGE, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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CITY OF BAINBRIDGE, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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INTRODUCTORY SECTION

CITY OF BAINBRIDGE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2021

Elected Officials

Edward Reynolds, Mayor

Board of Aldermen

Roslyn Palmer	Glennie Bench
Sylvia Washington	Kregg Close
Phil Long	Don Whaley

Appointed Officials

City Manager	Chris M. Hobby
Assistant City Manager	Roy Oliver
Attorney	Tom Conger
Director of Administrative Services	Lisa H. Taylor
Director of Economic and Comm. Dev.	Steve O'Neil
Director of Public Safety	Frank Green
Director of Engineering and Community Services	Gabriel Menendez

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Bainbridge, Georgia** (the "City"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bainbridge, Georgia as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4 through 12), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (pages 57 and 58) the Schedule of City Contributions (pages 59 and 60), and the budgetary comparison information for the General Fund and the Local Relief Fund (pages 61 – 63), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, the schedule of expenditures of transportation special purpose local option sales tax proceeds, as required by the O.C.G.A. §48-8-260, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of transportation special purpose local option sales tax proceeds (the "supplementary information") are the responsibility of management and were derived from and relate 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 supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bainbridge, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bainbridge, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2022

CITY OF BAINBRIDGE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

As management of the City of Bainbridge, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $38,420,406 (net position).
- The government's total net position decreased by $1,042,551.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $12,962,428 representing an increase of $5,553,287.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $3,148,622, or 17%, of total general fund expenditures.
- The City's total debt (net of premium) increased by $12,215,710 during the current fiscal year. For additional information, refer to Note 6 of this report.
- As of September 30, 2021, the City owes $31,204,039 of debt government-wide, net of premium.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judicial, public safety, public works, community development, and leisure services. The business-type activities of the City include water and sewer, sewage treatment, sanitation, natural gas, and telecommunications.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund and Special Purpose Local Option Sales Tax ("SPLOST") fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 – 17 of this report.

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Gas Fund, Sanitation Fund and Telecommunications Fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the four individual enterprise funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 18 – 21 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 – 56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City's progress in funding its obligation to provide pension benefits to its employees and certain other supplementary information.

Required supplemental information can be found on pages 57 – 63 of this report.

Other supplemental information can be found on pages 64 – 76 of this report.

Capital Assets Used in the Operation of Governmental Funds. Information pertaining to governmental funds capital assets can be found in Note 5 of this report.

Financial Analysis of the City as a Whole

City of Bainbridge -- Net Position

	2021			2020		
	Governmental Activities	**Business-type Activities**	**Total**	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	**$ 18,104,776**	**$ 993,606**	**$ 19,098,382**	$ 10,010,152	$ 513,060	$ 10,523,212
Capital assets	**30,288,282**	**29,568,394**	**59,856,676**	24,534,168	29,550,347	54,084,515
Total assets	**48,393,058**	**30,562,000**	**78,955,058**	34,544,320	30,063,407	64,607,727
Deferred outflows of resources	**1,510,404**	**431,282**	**1,941,686**	1,215,758	405,707	1,621,465
Liabilities:						
Current liabilities	**5,643,355**	**2,058,018**	**7,701,373**	1,247,166	669,057	1,916,223
Non-current liabilities	**31,892,602**	**1,339,267**	**33,231,869**	22,046,913	1,199,504	23,246,417
Total liabilities	**37,535,957**	**3,397,285**	**40,933,242**	23,294,079	1,868,561	25,162,640
Deferred inflows of resources	**1,494,372**	**48,724**	**1,543,096**	1,542,353	61,242	1,603,595
Net position:						
Net investment in capital assets	**7,875,218**	**29,010,631**	**36,885,849**	8,074,652	29,347,630	36,833,733
Restricted	**9,633,014**	**-**	**9,633,014**	3,932,437	-	3,932,437
Unrestricted	**(6,635,099)**	**(1,463,358)**	**(8,098,457)**	(1,083,443)	(808,319)	(1,303,213)
Total net position	**$ 10,873,133**	**$ 27,547,273**	**$ 38,420,406**	$ 10,923,646	$ 28,539,311	$ 39,462,957

The City's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $38,420,406 at the close of the most recent fiscal year. Of this amount, $10,873,133 came from governmental activities, and $27,547,273 came from business-type activities.

By far the largest portion of the City's net position was comprised of Net Investment in Capital Assets with a balance of $36,885,849, or 96%, of total net position. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional information about the City's long-term debt and capital assets can be found in Note 5 and Note 6 of this report.

At September 30, 2021, unrestricted net position is ($8,098,457). At the end of the current fiscal year, the City reports positive balances in net investment in capital assets and restricted net position for both governmental and business-type activities.

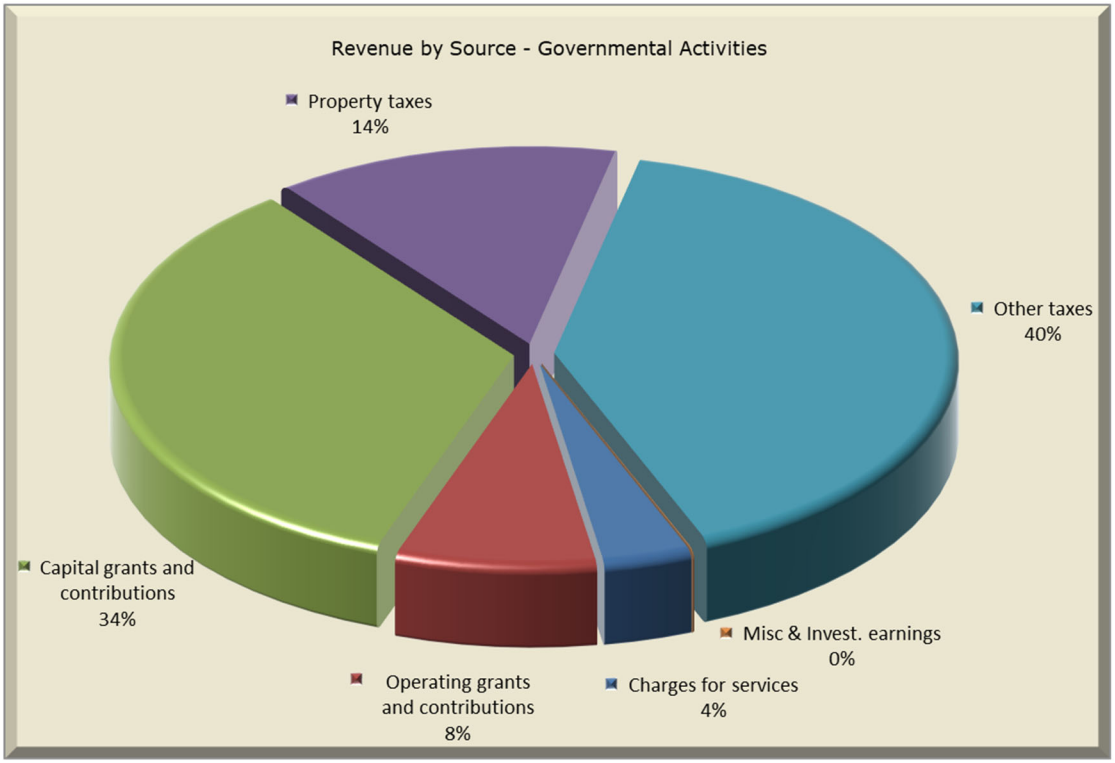
City of Bainbridge - Statement of Activities

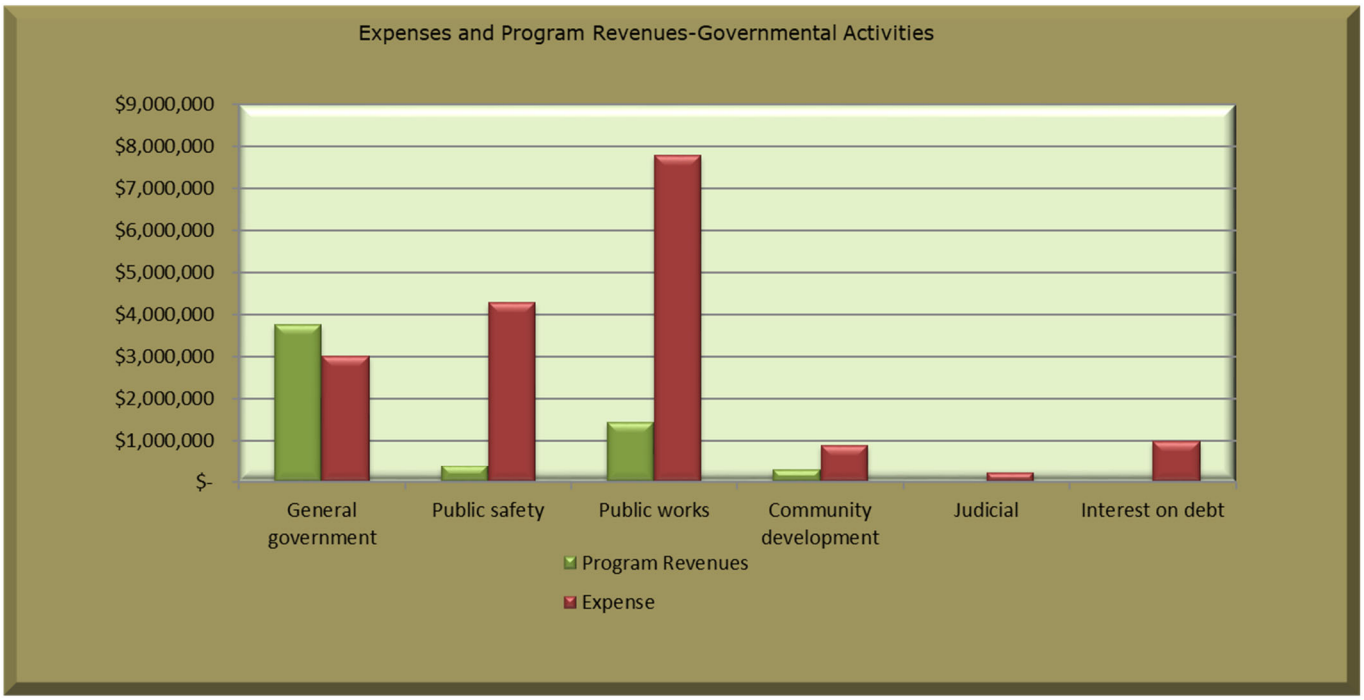
	2021			2020		
	Governmental Activities	**Business-type Activities**	**Total**	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	**$ 462,592**	**$ 10,436,090**	**$ 10,898,682**	$ 486,054	$ 10,541,428	$ 11,027,482
Operating grants and contributions	**1,051,546**	**-**	**1,051,546**	1,425,990	-	1,425,990
Capital grants and contributions	**4,439,777**	**-**	**4,439,777**	4,130,700	-	4,130,700
General revenues:						
Property taxes	**1,826,492**	**-**	**1,826,492**	1,660,169	-	1,660,169
Other taxes	**5,271,442**	**-**	**5,271,442**	4,947,499	-	4,947,499
Other	**4,284**	**1,260**	**5,544**	15,663	640	16,303
Total revenues	**13,056,133**	**10,437,350**	**23,493,483**	12,666,075	10,542,068	23,208,143
Expenses						
General government	**3,019,991**	**-**	**3,019,991**	2,972,701	-	2,972,701
Public safety	**4,293,435**	**-**	**4,293,435**	4,310,606	-	4,310,606
Public works	**7,797,778**	**-**	**7,797,778**	5,470,083	-	5,470,083
Judicial	**235,965**	**-**	**235,965**	236,274	-	236,274
Community development	**893,027**	**-**	**893,027**	971,063	-	971,063
Water & sewer	**-**	**3,706,420**	**3,706,420**	-	3,565,548	3,565,548
Natural gas	**-**	**1,627,569**	**1,627,569**	-	1,559,313	1,559,313
Sanitation	**-**	**2,199,585**	**2,199,585**	-	2,594,887	2,594,887
Telecommunications	**-**	**564,424**	**564,424**	-	600,507	600,507
Interest and fiscal charges on long-term debt	**1,010,646**	**-**	**1,010,646**	947,382	-	947,382
Total expenses	**17,250,842**	**8,097,998**	**25,348,840**	14,908,109	8,320,255	23,228,364
Increase (decrease) in net position before transfers	**(4,194,709)**	**2,339,352**	**(1,855,357)**	(2,242,034)	2,221,813	(20,221)
Transfers	**3,741,274**	**(3,741,274)**	**-**	1,484,065	(1,484,065)	-
Gain on sale of capital assets	**402,922**	**409,884**	**812,806**	361,977	3,056	365,033
Change in net position	**(50,513)**	**(992,038)**	**(1,042,551)**	(395,992)	740,804	344,812
Net position, beginning, before restatement	**10,923,646**	**28,539,311**	**39,462,957**	11,319,638	27,798,507	39,118,145
Net position, end of year	**$ 10,873,133**	**$ 27,547,273**	**$ 38,420,406**	$ 10,923,646	$ 28,539,311	$ 39,462,957

Governmental activities

The above statement shows the revenues and expenses by activities. Total revenue from governmental activities was $13,056,133 while expenses were $17,250,842.

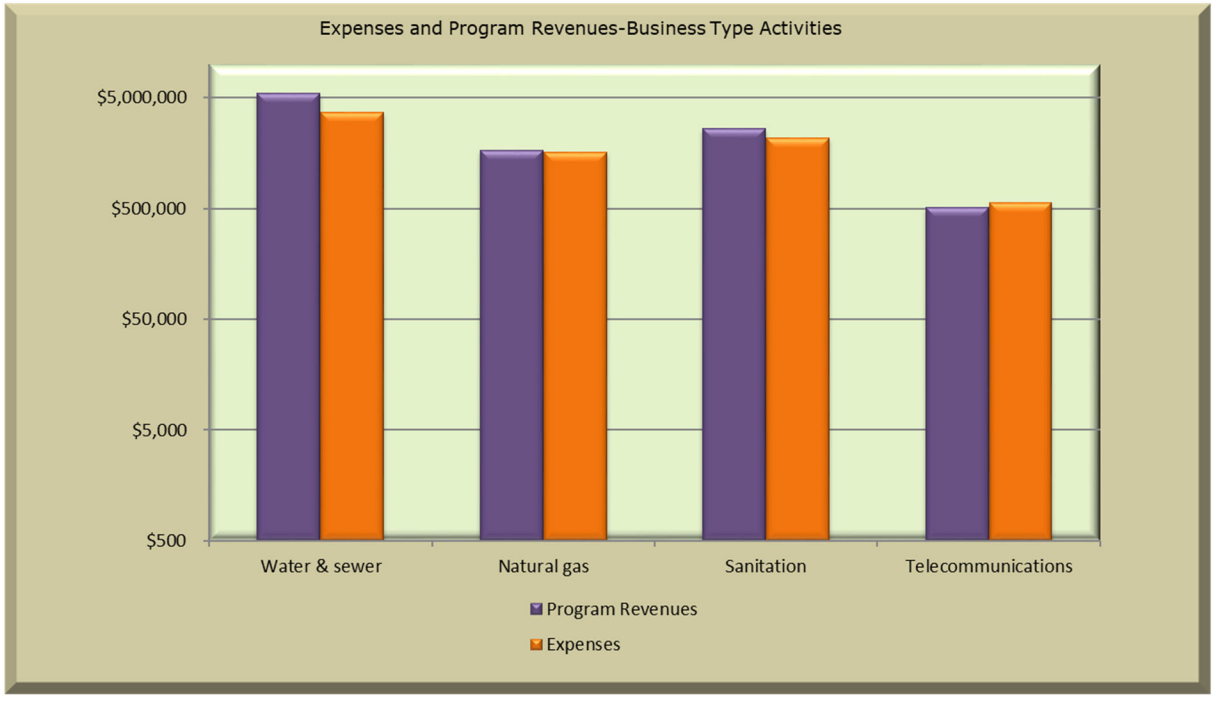
	2021	2020
Program Revenues:		
General Government	**$ 3,779,918**	$ 3,391,593
Public Safety	**409,107**	353,574
Public Works	**1,462,039**	2,009,395
Judicial	**-**	-
Community Development	**302,851**	288,182
Interest on Debt	**-**	-
Total	**$ 5,953,915**	$ 6,042,744





Business-type activities

Program revenues from business-type activities totaled $10,437,350 and expenses totaled $8,097,998. The following graph displays the expenses and program revenues for business-type activities:



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $12,962,428, an increase of $5,553,287. Approximately 24%, or $3,148,622, of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been restricted for other purposes or is not in a spendable form.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $3,148,622. The fund balance in the City's general fund decreased by $147,290 during the current fiscal year.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) at the end of the year amounted to:

- ($1,356,296) for the Water & Sewer fund.
- ($155,749) for the Natural Gas fund.
- ($9,522) for the Solid Waste (Sanitation) fund.
- $5,245 for the Telecommunications fund.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's budget is prepared in accordance with the laws of the State of Georgia and the Code of Ordinances of the City of Bainbridge. The City adopts the fiscal budget during September of the preceding fiscal year. A detailed budgetary comparison schedule for the fiscal year ended September 30, 2021 can be found in the Required Supplementary Information.

During September 2020, the City adopted a General Fund budget of $12,411,581 for fiscal year 2021. At the end of the fiscal year, the final actual expenditures were $18,006,479, which was as increase of $5,594,898 from the original adopted budget. The final amended budget expenditures were $17,575,643.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2021 amounts to $59,856,676 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and streets. The total increase in the City's investment in capital assets for the current fiscal year was 11%.

Major (over $50,000) capital asset events during the current fiscal year included the following:

- $510,063 current year addition – Drainage improvements.
- $53,482 current year addition – Marina Improvements.
- $80,000 current year addition – Pump Track.
- $1,300,162 current year addition – Street Paving.
- $192,309 current year addition – 2021 John Deere 624L.
- $243,426 current year addition – two 2022 Peterbilt 348 Dump Trucks.
- $64,925 current year addition – 2021 John Deere 331G.
- $52,653 current year addition – 2020 ford F350.

Government Wide Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	$ 2,361,139	$ 109,267	$ 2,470,406
Building and improvements	16,768,043	44,526,169	61,294,212
Machinery and equipment	10,176,590	6,765,833	16,942,423
Infrastructure	11,743,891	-	11,743,891
Construction in progress	7,490,753	865,668	8,356,421
Accumulated depreciation	(18,252,134)	(22,698,543)	(40,950,677)
Total	$ 30,288,282	$ 29,568,394	$ 59,856,676

Long-term debt

The City's total debt government- wide is $31,204,039 which increased by $12,215,710 during the current fiscal year.

Additional information on the City's long-term debt can be found in note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is currently 2.5%, which decreased from a rate of 4.7% a year ago. This is below the state's average unemployment rate of 3.2% and the national average unemployment rate of 4.8%.
- The occupancy rate of the City's central business district is 94%, this is 1% higher than prior year.

All of these factors were considered in preparing the City's budget for the 2021-2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Division of Administrative Services, P.O. Box 158, Bainbridge, GA 39818.

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention and Visitor's Bureau
ASSETS					
Cash and cash equivalents	$ 13,311,539	$ 729,994	$ 14,041,533	$ 3,129	$ 95,157
Taxes receivables, net	251,651	-	251,651	-	-
Account receivables, net	2,439,000	877,446	3,316,446	-	-
Due from other governments	816,266	337	816,603	-	-
Due from primary government	-	-	-	-	15,334
Due from component units	2,932	28	2,960	-	-
Assets held for resale	-	-	-	419,252	-
Internal balances	926,683	(926,683)	-	-	-
Inventories	141,764	161,460	303,224	-	-
Prepaid items	214,941	151,024	365,965	-	105
Capital assets, not depreciated	9,851,892	974,935	10,826,827	276,304	-
Capital assets, depreciated, net	20,436,390	28,593,459	49,029,849	295,493	-
Total assets	48,393,058	30,562,000	78,955,058	994,178	110,596
DEFERRED OUTFLOWS OF RESOURCES					
Differences between expected and actual experience of economic/demographic losses	504,334	172,556	676,890	-	848
Assumption changes	326,013	111,544	437,557	-	548
City contributions subsequent to the measurement date	430,172	147,182	577,354	-	723
Deferred charge on refunding	249,885	-	249,885	-	-
Total deferred outflows of resources	1,510,404	431,282	1,941,686	-	2,119
LIABILITIES					
Accounts payable	1,236,922	1,059,776	2,296,698	66	7,965
Accrued expenses	326,135	47,742	373,877	-	-
Claims payable	214,872	-	214,872	-	-
Checks in excess of bank balance	1,739	-	1,739	-	-
Due to component unit	15,334	-	15,334	-	-
Due to primary government	-	-	-	386	2,574
Customer deposits	-	365,248	365,248	-	-
Unearned revenue	2,057,590	9,343	2,066,933	-	-
Bonds payable, due within one year	1,075,000	-	1,075,000	-	-
Bonds payable, due in more than one year	27,481,699	-	27,481,699	-	-
Notes payable, due within one year	26,311	-	26,311	55,368	-
Notes payable, due in more than one year	542,719	-	542,719	544,768	-
Financed purchases, due within one year	470,827	519,584	990,411	-	-
Financed purchases, due in more than one year	732,413	355,486	1,087,899	-	-
Compensated absences payable, due within one year	218,625	56,325	274,950	-	-
Compensated absences payable, due in more than one year	93,697	24,140	117,837	-	-
Landfill post-closure care	237,308	-	237,308	-	-
Net pension liability	2,804,766	959,641	3,764,407	-	4,714
Total liabilities	37,535,957	3,397,285	40,933,242	600,588	15,253
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	1,351,964	-	1,351,964	-	-
Differences between expected and actual experience of economic/demographic gains	46,481	15,903	62,384	-	78
Net difference between projected and actual earnings on pension plan investments	95,927	32,821	128,748	-	161
Total deferred inflows of resources	1,494,372	48,724	1,543,096	-	239
NET POSITION					
Net investment in capital assets	7,875,218	29,010,631	36,885,849	571,797	-
Restricted for:					
General government	2,546	-	2,546		
Public safety	47,949	-	47,949	-	-
Capital projects	9,582,519	-	9,582,519	-	-
Unrestricted	(6,635,099)	(1,463,358)	(8,098,457)	(178,207)	97,223
Total net position	$ 10,873,133	$ 27,547,273	$ 38,420,406	$ 393,590	$ 97,223

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: DDA	Component Units: CVB
Primary government									
Governmental activities:									
General government	$ 3,019,991	$ 441,050	$ 513,334	$ 2,825,534	$ 759,927	$ -	$ 759,927	$ -	$ -
Judicial	235,965	-	-	-	(235,965)	-	(235,965)	-	-
Public safety	4,293,435	21,542	217,963	169,602	(3,884,328)	-	(3,884,328)	-	-
Public works	7,797,778	-	174,146	1,287,893	(6,335,739)	-	(6,335,739)	-	-
Community development	893,027	-	146,103	156,748	(590,176)	-	(590,176)	-	-
Interest and fiscal charges on long-term debt	1,010,646	-	-	-	(1,010,646)	-	(1,010,646)	-	-
Total governmental activities	17,250,842	462,592	1,051,546	4,439,777	(11,296,927)	-	(11,296,927)	-	-
Business-type activities:									
Water and sewer	3,706,420	5,540,968	-	-	-	1,834,548	1,834,548	-	-
Natural gas	1,627,569	1,699,828	-	-	-	72,259	72,259	-	-
Sanitation	2,199,585	2,674,415	-	-	-	474,830	474,830	-	-
Telecommunications	564,424	520,879	-	-	-	(43,545)	(43,545)	-	-
Total business-type activities	8,097,998	10,436,090	-	-	-	2,338,092	2,338,092	-	-
Total primary government	$ 25,348,840	$ 10,898,682	$ 1,051,546	$ 4,439,777	(11,296,927)	2,338,092	(8,958,835)	-	-
Component units:									
Downtown Development Authority	$ 52,904	$ 7,300	$ 101,841	$ -	-	-	-	56,237	-
Convention and Visitor's Bureau	87,960	-	140,766	-	-	-	-	-	52,806
Total component units	$ 140,864	$ 7,300	$ 242,607	$ -	-	-	-	56,237	52,806
General revenues:									
Property taxes					1,826,492	-	1,826,492	-	-
Sales taxes					2,240,607	-	2,240,607	-	-
Insurance premium tax					1,062,723	-	1,062,723	-	-
Alcoholic beverage taxes					358,954	-	358,954	-	-
Franchise taxes					877,350	-	877,350	-	-
Hotel taxes					239,415	-	239,415	-	-
Business taxes					458,047	-	458,047	-	-
Other taxes					34,346	-	34,346	-	-
Unrestricted investment earnings					4,284	1,260	5,544	216	8,030
Gain on sale of capital assets					402,922	409,884	812,806	64,448	-
Transfers					3,741,274	(3,741,274)	-	-	-
Total general revenues and transfers					11,246,414	(3,330,130)	7,916,284	64,664	8,030
Change in net position					(50,513)	(992,038)	(1,042,551)	120,901	60,836
Net position, beginning of year					10,923,646	28,539,311	39,462,957	272,689	36,387
Net position, end of year					$ 10,873,133	$ 27,547,273	$ 38,420,406	$ 393,590	$ 97,223

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

CITY OF BAINBRIDGE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	SPLOST	SPLOST VII	TSPLOST	Bainbridge Public Facilities Authority	Local Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 1,092,863	$ 418,663	$ 725,152	$ 1,117,796	$ 7,666,020	$ 2,207,011	$ 83,663	$ 13,311,168
Accounts receivable, net	228,286	-	-	-	-	-	23,274	251,560
Taxes receivable, net	2,439,000	-	-	-	-	-	-	2,439,000
Due from other funds	1,167,490	-	25,372	-	-	-	-	1,192,862
Due from other governments	188,886	-	347,503	279,877	-	-	-	816,266
Due from component units	2,932	-	-	-	-	-	-	2,932
Inventories	64,483	-	-	-	-	-	-	64,483
Prepaid items	116,309	-	-	-	-	-	-	116,309
Total assets	$ 5,300,249	$ 418,663	$ 1,098,027	$ 1,397,673	$ 7,666,020	$ 2,207,011	$ 106,937	$ 18,194,580
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 177,552	$ 65,455	$ 57,881	$ 771,598	$ -	$ 146,534	$ 196	$ 1,219,216
Accrued other expenses	249,066	-	-	-	-	-	-	249,066
Due to other funds	250	17,300	-	85,630	-	2,887	40,912	146,979
Unearned revenues	-	-	-	-	-	2,057,590	-	2,057,590
Due to component units	-	-	-	-	-	-	15,334	15,334
Total liabilities	426,868	82,755	57,881	857,228	-	2,207,011	56,442	3,688,185
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	1,351,964	-	-	-	-	-	-	1,351,964
Unavailable revenue - fines	192,003	-	-	-	-	-	-	192,003
Total deferred inflows of resources	1,543,967	-	-	-	-	-	-	1,543,967
FUND BALANCES								
Non-spendable:								
Inventories	64,483	-	-	-	-	-	-	64,483
Prepaid items	116,309	-	-		-	-	-	116,309
Restricted for:								
Capital projects	-	335,908	1,040,146	540,445	7,666,020	-	-	9,582,519
General government	-	-	-	-	-	-	2,546	2,546
Public safety	-	-	-		-	-	47,949	47,949
Unassigned	3,148,622	-	-		-	-	-	3,148,622
Total fund balances	3,329,414	335,908	1,040,146	540,445	7,666,020	-	50,495	12,962,428
Total liabilities, deferred inflows of resources and fund balances	$ 5,300,249	$ 418,663	$ 1,098,027	$ 1,397,673	$ 7,666,020	$ 2,207,011	$ 106,937	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,269,413
Revenue earned but unavailable is not reported in the funds.	192,003
Deferred outflows of resources related to pension are not available to pay for current period expenditures and, therefore, are not reported in the funds.	1,193,131
Internal service funds are used by management to charge the costs of employee health care self-insurance and the City shop to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(265,900)
Deferred inflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	(134,795)
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Notes payable	(569,030)
Financed purchases	(1,199,568)
Bonds payable	(26,680,000)
Unamortized bond premium	(1,876,699)
Accrued interest payable	(76,075)
Accrued compensated absences	(299,529)
Net pension liability	(2,654,823)
Deferred charge on refunding	249,885
Landfill post-closure care obligation	(237,308)
Net position of governmental activities	$ 10,873,133

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General	SPLOST	SPLOST VII	TSPLOST	Bainbridge Public Facilities Authority	Local Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Taxes	$ 6,858,519	$ -	$ -	$ -	$ -	$ -	$ 239,415	$ 7,097,934
Licenses and permits	215,707	-	-	-	-	-	-	215,707
Intergovernmental	709,521	984,588	1,097,341	2,355,290	-	198,153	19,810	5,364,703
Charges for services	61,021	-	-	-	-	-	-	61,021
Fines and forfeitures	206,556	-	-	-	-	-	-	206,556
Investment earnings	3,618	479	686	1,393	632	-	34	6,842
Other revenues	157,323	124,062	-	-	-	-	6,999	288,384
Total revenues	8,212,265	1,109,129	1,098,027	2,356,683	632	198,153	266,258	13,241,147
Expenditures								
Current:								
General government	2,599,162	-	-	-	-	-	4,892	2,604,054
Judicial	237,911	-	-	-	-	-	-	237,911
Public safety	4,548,068	-	-	-	-	-	6,190	4,554,258
Public works	8,856,165	-	-	-	-	-	-	8,856,165
Community development	1,455,834	-	-	-	-	-	95,767	1,551,601
Capital projects	-	1,646,366	57,881	2,596,941	-	198,153	-	4,499,341
Debt service:								
Principal	279,739	96,171	-	208,537	1,040,000	-	-	1,624,447
Interest	29,600	14,876	-	13,389	604,512	-	-	662,377
Issuance costs	-	-	-	-	506,591	-	-	506,591
Total expenditures	18,006,479	1,757,413	57,881	2,818,867	2,151,103	198,153	106,849	25,096,745
Excess (deficiency) of revenues over (under) expenditures	(9,794,214)	(648,284)	1,040,146	(462,184)	(2,150,471)	-	159,409	(11,855,598)
Other financing sources (uses)								
Transfers in	9,006,358	1,545,796	-	176,156	1,479,323	-	-	12,207,633
Transfers out	(201,394)	(1,479,323)	-	(352,586)	(6,108,177)	-	(143,659)	(8,285,139)
Issuance of financed purchase agreement	382,937	-	-	-	-	-	-	382,937
Issuance of bond payable	-	-	-	-	17,605,000	-	-	17,605,000
Premium on bond issuance	-	-	-	-	725,222	-	-	725,222
Payment to escrow for refunded debt	-	-	-	-	(5,685,791)	-	-	(5,685,791)
Proceeds from sale of capital assets	459,023	-	-	-	-	-	-	459,023
Total other financing sources (uses)	9,646,924	66,473	-	(176,430)	8,015,577	-	(143,659)	17,408,885
Net change in fund balances	(147,290)	(581,811)	1,040,146	(638,614)	5,865,106	-	15,750	5,553,287
Fund balances, beginning of year	3,476,704	917,719	-	1,179,059	1,800,914	-	34,745	7,409,141
Fund balances, end of year	$ 3,329,414	$ 335,908	$ 1,040,146	$ 540,445	$ 7,666,020	$ -	$ 50,495	$ 12,962,428

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

CITY OF BAINBRIDGE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds	$	5,553,287
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay		7,657,521
Depreciation expense		(1,653,078)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(237,321)
The issuance of long-term debt provides current financial resources while the repayment of principle on long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Principal repayments of bonds		1,040,000
Prinicipal payments of financed purchases		564,928
Prinicipal payments of notes payable		19,519
Issuance of bonds		(17,605,000)
Premium on bond issuance		(725,222)
Payment of refunded general obligation debt to escrow agent		5,685,791
Initiation of financed purchases		(382,937)
Amortization of bond premium		128,402
The net effect of revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(185,014)
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities.		70,330
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Adjustments for these items are as follows:		
Accrued interest on debt		57,685
Amortization of deferred charge on refunding		(27,765)
Compensated absences		(10,971)
Net pension liability and deferred inflows and outflows		(669)
Change in net position of governmental activities	$	(50,514)

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
ASSETS						
Current assets:						
Cash	$ 302,038	$ 40,056	$ 360,267	$ 27,633	$ 729,994	$ 371
Receivables, net						
Utility accounts	385,127	175,743	200,937	115,639	877,446	-
Other	-	-	-	-	-	91
Due from other funds	-	256	610	278,431	279,297	22,279
Due from other governments	-	-	-	337	337	-
Due from component units	28	-	-	-	28	-
Inventory	111,535	13,772	17,718	18,435	161,460	77,281
Prepaid items	121,675	12,593	16,756	-	151,024	98,632
Total current assets	920,403	242,420	596,288	440,475	2,199,586	198,654
NON-CURRENT ASSETS						
Capital assets:						
Construction in progress	865,668	-	-	-	865,668	-
Land	-	-	13,870	95,397	109,267	-
Buildings and improvements	38,571,723	4,315,830	615,097	283,236	43,785,886	23,749
Machinery and equipment	2,057,776	278,196	4,202,090	968,842	7,506,904	200,340
	41,495,167	4,594,026	4,831,057	1,347,475	52,267,725	224,089
Less accumulated depreciation	(16,770,576)	(2,409,640)	(2,988,910)	(530,205)	(22,699,331)	(205,220)
Total capital assets	24,724,591	2,184,386	1,842,147	817,270	29,568,394	18,869
Total assets	25,644,994	2,426,806	2,438,435	1,257,745	31,767,980	217,523
DEFERRED OUTFLOWS OF RESOURCES						
Difference between expectec and actual experience	84,504	22,563	65,489	-	172,556	26,962
Assumption changes	54,625	14,585	42,334	-	111,544	17,429
Contributions subsequent to the measurement date	72,078	19,245	55,859	-	147,182	22,997
Total deferred outflows of resources	211,207	56,393	163,682	-	431,282	67,388
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	772,694	218,168	37,839	31,075	1,059,776	17,706
Accrued expenses	709	44,967	2,066	-	47,742	994
Checks written in excess of bank balance	-	-	-	-	-	1,739
Claims payable	-	-	-	-	-	214,872
Due to other funds	807,171	47,618	-	404,155	1,258,944	88,515
Customer deposit payable	365,098	-	150	-	365,248	-
Unearned revenue	9,343	-	-	-	9,343	-
Compensated absences - current portion	27,352	8,371	20,602	-	56,325	8,955
Financed purchases - current portion	51,288	4,024	464,272	-	519,584	3,672
Total current liabilities	2,033,655	323,148	524,929	435,230	3,316,962	336,453
NON-CURRENT LIABILITIES						
Compensated absences, net of current portion	11,722	3,588	8,830	-	24,140	3,838
Financed purchases, net of current portion	78,210	2,682	274,594	-	355,486	-
Net pension liability	469,956	125,479	364,206	-	959,641	149,943
Total long-term liabilities	559,888	131,749	647,630	-	1,339,267	153,781
Total liabilities	2,593,543	454,897	1,172,559	435,230	4,656,229	490,234
DEFERRED INFLOWS OF RESOURCES						
Difference between expectec and actual experience	7,788	2,079	6,036	-	15,903	2,485
Net difference between projected and actua earnings on pension plan investments	16,073	4,292	12,456	-	32,821	5,128
Total deferred inflows of resources	23,861	6,371	18,492	-	48,724	7,613
NET POSITION						
Net investment in capital assets	24,595,093	2,177,680	1,420,588	817,270	29,010,631	15,197
Unrestricted (deficit)	(1,356,296)	(155,749)	(9,522)	5,245	(1,516,322)	(228,133)
Total net position (deficit)	$ 23,238,797	$ 2,021,931	$ 1,411,066	$ 822,515	27,494,309	$ (212,936)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					52,964	
Net position of business-type activities					$ 27,547,273	

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
Operating revenues						
Charges for services	$ 5,467,969	$ 1,600,577	$ 2,619,415	$ 519,799	$ 10,207,760	$ 3,483,915
Other revenues	72,999	99,251	55,000	1,080	228,330	51,335
Total operating revenues	5,540,968	1,699,828	2,674,415	520,879	10,436,090	3,535,250
Operating expenses						
Personal services	1,165,959	326,069	836,284	-	2,328,312	376,204
Cost of operations	1,671,689	1,210,006	855,735	524,419	4,261,849	458,872
Depreciation	868,543	93,389	491,191	40,005	1,493,128	13,009
Benefits and claims	-	-	-	-	-	2,613,155
Total operating expenses	3,706,191	1,629,464	2,183,210	564,424	8,083,289	3,461,240
Operating income (loss)	1,834,777	70,364	491,205	(43,545)	2,352,801	74,010
Non-operating revenues (expenses)						
Investment income	894	119	216	31	1,260	657
Interest expense	(10,955)	(972)	(23,807)	-	(35,734)	(553)
Gain (loss) from disposal of capital assets	34,441	-	375,443	-	409,884	17,241
Total non-operating revenues (expenses)	24,380	(853)	351,852	31	375,410	17,345
Income (loss) before transfers and contributions	1,859,157	69,511	843,057	(43,514)	2,728,211	91,355
Transfers						
Transfers in	-	-	-	355,819	355,819	-
Transfers out	(3,050,555)	(25,985)	(901,773)	(300,000)	(4,278,313)	-
Total transfers	(3,050,555)	(25,985)	(901,773)	55,819	(3,922,494)	-
Capital contributions	181,220	-	-	-	181,220	-
Change in net position	(1,010,178)	43,526	(58,716)	12,305	(1,013,063)	91,355
Net position (deficit), beginning of year	24,248,975	1,978,405	1,469,782	810,210		(304,291)
Net position (deficit), end of year	$ 23,238,797	$ 2,021,931	$ 1,411,066	$ 822,515		$ (212,936)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					21,025	
Change in net position of business-type activities.					$ (992,038)	

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

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 5,532,033	$ 1,638,912	$ 2,904,276	$ 523,507	$ 10,598,728	$ 3,534,824
Cash payments for goods and services	(489,926)	(1,286,890)	(1,389,742)	(527,753)	(3,694,311)	(462,715)
Cash payments to employees	(1,168,549)	(316,026)	(838,511)	-	(2,323,086)	(380,623)
Cash payments for claims and benefits	-	-	-	-	-	(2,699,648)
Net cash provided by (used in) operating activities	3,873,558	35,996	676,023	(4,246)	4,581,331	(8,162)
CASH FLOWS FROM NON-CAPITAL						
Transfers from other funds	-	-	-	355,819	355,819	-
Transfers to other funds	(3,050,555)	(25,985)	(901,773)	(300,000)	(4,278,313)	-
Net cash provided by (used in) non-capital financing activities	(3,050,555)	(25,985)	(901,773)	55,819	(3,922,494)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(786,733)	-	(546,100)	(35,418)	(1,368,251)	-
Proceeds from sale of capital assets	32,132	-	416,838	-	448,970	17,241
Proceeds from capital leases	-	-	854,400	-	854,400	-
Principal payments on financed purchases	(57,329)	(9,184)	(115,534)	-	(182,047)	(8,812)
Interest paid	(11,745)	(972)	(23,807)	-	(36,524)	(553)
Net cash provided by (used in) capital and related financing activities	(823,675)	(10,156)	585,797	(35,418)	(283,452)	7,876
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	894	119	216	31	1,260	657
Net cash provided by investing activities	894	119	216	31	1,260	657
Net increase (decrease) in cash	222	(26)	360,263	16,186	376,645	371
Cash and cash equivalents						
Begininning of year	301,816	40,082	4	11,447	353,349	-
End of year	$ 302,038	$ 40,056	$ 360,267	$ 27,633	$ 729,994	$ 371

(Continued)

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Major Enterprise Funds					
	Water and Sewer	Natural Gas	Sanitation	Tele-communications	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ 1,834,777	$ 70,364	$ 491,205	$ (43,545)	$ 2,352,801	$ 74,010
Depreciation	868,543	93,389	491,191	40,005	1,493,128	13,009
Changes in assets and liabilities, deferred outflows and inflows of resources:						
(Increase) decrease in assets and deferred outflows:						
Accounts receivables	(9,491)	(60,920)	(15,814)	2,585	(83,640)	-
Due from other funds	71,008	(152)	(610)	(55,210)	15,036	526,275
Due from other govermments	556	4	245,675	43	246,278	3,562
Due from component units	(28)	-	-	-	(28)	-
Inventory	(8,036)	3,766	(13,306)	(4,275)	(21,851)	(4,416)
Prepaid items	(10,142)	(1,228)	1,333	1,976	(8,061)	(2,657)
Deferred outflows - difference between expected and actual experience	(27,168)	(9,751)	(21,054)	-	(57,973)	(8,668)
Deferred outflows - assumption changes	21,888	1,989	16,962	-	40,839	6,983
Deferred outflows - contributions subsequent to the measurement date	(14,659)	(6,807)	(11,360)	-	(32,826)	(4,677)
Increase (decrease) in liabilities and deferred inflows:						
Checks in excess of bank balance	-	-	-	-	-	(37,689)
Accounts payable	723,951	69,668	4,670	(6,026)	792,263	(16,290)
Accrued liabilities	(4,572)	(2,544)	(528,559)	-	(535,675)	(3,612)
Due to other funds	388,114	(150,615)	-	60,201	297,700	(530,263)
Customer deposits	18,759	-	150	-	18,909	-
Claim payable	-	-	-	-	-	(30,128)
Deferred inflows - net difference between projected and actual earnings on pension plan investments	5,552	2,013	4,302	-	11,867	1,771
Deferred inflows - net pension liability	14,506	26,820	11,238	-	52,564	4,628
Net cash provided by (used in) operating activities	$ 3,873,558	$ 35,996	$ 676,023	$ (4,246)	$ 4,581,331	$ (8,162)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Capital assets transferred from other funds	$ 181,221	$ -	$ -	$ -	$ 181,221	$ -
Net noncash investing, capital and financing activities	$ 181,221	$ -	$ -	$ -	$ 181,221	$ -

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bainbridge, Georgia (the "City") have been prepared in conformity with U. S. generally accepted accounting principles ("GAAP") as applied to governmental entities units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City was created in 1824 and operates under an elected Mayor/Council (Board of Aldermen) form of government. The City's major operations include public safety, community development, highways and streets, water, sewage, natural gas, telecommunications, sanitation, marina, public improvements, and general administrative services.

The financial statements of the reporting entity include those of the City of Bainbridge (the "primary government") and in accordance with GAAP, as is set forth in GASB Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34", the financial statements of its component units. The fiscal year of the component units is September 30. The component units discussed below are included in the reporting entity because of the financial relationship with the City.

Discretely Presented Component Units

Downtown Development Authority ("DDA"): The Downtown Development Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly on January 15, 1981. The purpose of the DDA is the redevelopment and improvement of the downtown Bainbridge district. The City's Board of Aldermen appoints all members of the DDA and is able to impose its will on the DDA. Separate financial statements are not prepared for the Downtown Development Authority but are included in the City's Annual Financial Report.

Bainbridge Convention and Visitor's Bureau ("CVB"): The Bainbridge Convention and Visitor's Bureau was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly. The purpose of the CVB is to promote tourism, conventions, and trade shows in the area. The City's Board of Aldermen approves the annual budget of the CVB and provides the majority of the CVB's resources for current year expenses. Separate financial statements are not prepared for the CVB but are included in the City's Annual Financial Report.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Blended Component Unit

City of Bainbridge Public Facilities Authority (the "Authority"): The City of Bainbridge Public Facilities Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly in 2013. The purpose of the Authority is to assist the City in providing facilities, equipment, and services. The Authority provides funding through intergovernmental agreements for the construction of governmental facilities. The Authority is composed of six to nine members. Six of the members are the City Aldermen and Mayor. The City Aldermen and Mayor may nominate and appoint up to three additional members. Separate financial statements are not prepared for the City of Bainbridge Public Facilities Authority.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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. 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 for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and all intergovernmental revenues to be available if they are collected within nine months of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The ***Special Purpose Local Option Sales Tax ("SPLOST") Fund*** is used to account for projects financed by a 1% SPLOST as well as loan proceeds used for these same projects.

The ***Special Purpose Local Option Sales Tax VII ("SPLOST VII") Fund*** is used to account for projects financed by a 1% SPLOST as well as loan proceeds used for these same projects.

The ***Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Fund*** is a capital projects fund that is used to account for T-SPLOST projects financed by a 1% SPLOST.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The ***Public Facilities Authority Fund*** is a capital projects fund that provides funding through intergovernmental agreements for the construction of governmental facilities.

The ***Local Relief Fund*** is a special revenue fund that is used to account for the financial resources provided and subsequently expended from the American Rescue Plan Act grant received from the federal government.

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

The ***Natural Gas Fund*** accounts for the activities of the City's natural gas distribution system.

The ***Sanitation Fund*** accounts for the activities of refuse collection and delivery to the Decatur County landfill, including tipping fees.

The ***Telecommunications Fund*** accounts for the leasing of the telecommunications infrastructure.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** are used to account for the proceeds of specific revenue sources that relate to expenditures for specified purposes.

The ***Capital Projects Funds*** are used to account for financial resources to be used for the acquisition, renovation, and construction of major capital assets (other than those financed by proprietary funds).

The ***Internal Service Funds*** are used to account for the services performed by a central service department for other departments of the governmental unit.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General Fund and Special Revenue Funds. Capital Projects Funds adopt project length budgets.

The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget including proposed expenditures and the means of financing them is submitted to the Board of Aldermen and the citizens by the City Manager.
- A public hearing on the budget is held, giving notice thereof at least ten days in advance.
- The budget is then revised and adopted by the Board of Aldermen before September 30 of each year.
- The level of control (the level at which expenditures may not legally exceed appropriations) of each of the above adopted budgets is at the department level. The City's Manager may make transfers of appropriations within a department. Transfers of appropriations between functions require the approval of the Mayor and the Board of Aldermen.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the Board of Aldermen. Individual amendments were not material in relation to the original appropriations which were amended.

Encumbrances accounting, under which purchase orders, contracts, and other commitments in excess of $1,000 for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds.

Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. There were no open purchase orders in excess of $1,000 as of September 30, 2021.

The following General Fund departments and special revenue funds incurred expenditures in excess of budgeted amounts. Excess expenditures were funded by excess revenues.

General Fund		
Public works - streets	$	418,000
Public works - parks		48,900
Hotel/Motel Tax Fund		-

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For the purpose of the statement of cash flows, cash and cash equivalents include short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

All of the City's investments are certificates of deposit or money market accounts held at local banks. Investments are stated at fair value. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligation of other counties, municipal corporations, and political subdivisions of the State which are rated "AA" or better by Moody's Investor's Services, Inc., non-negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as advances. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide statement of net position as "internal balances."

G. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, land easement, or capital asset acquisitions, are recorded as capital contributions within the statement of revenues, expenses and changes in fund net assets. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

H. Inventory

Inventory is valued at the lower of average cost or market. Inventories of the government, for both governmental fund types and proprietary fund types, are recorded as expenditures when consumed rather than when purchased.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Major outlays for capital assets and major improvements are capitalized as projects are constructed.

The cost of normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate are not capitalized.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25 –50
Improvements	25
System improvements	30
Machinery and equipment	5 – 15
Infrastructure	15 – 50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types 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.

L. Compensated Absences

Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category that are related to changes in its net pension liability. Any contributions made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. Changes in actuarial assumptions, which adjust the net pension liability, are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

Additionally, experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members.

In addition to liabilities, the governmental funds balance sheet and statement of net position 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, arising under the modified accrual basis of accounting that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from fines not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Deferred revenue is reported in the governmental fund balance sheet and the statement of net position for property taxes levied as of September 30, 2021 for the September 30, 2022 budget.

Additionally, the City has two items that qualify for reporting in this category related to the City's net pension liability which are reported in the government-wide and proprietary fund statements of net position. The differences between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a five year period, resulting in recognition as a deferred inflow of resources. Additionally, experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City does not have a formal fund balance policy. Fund balances are classified as follows:

- ***Non-spendable*** - Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.

- ***Restricted*** - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- ***Committed*** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Alderman through the adoption of a resolution prior to the end of a fiscal year. Only the City Alderman may modify or rescind the commitment.

- ***Assigned*** - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Alderman has authorized City management to assign fund balances.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. The following calculations provide further detail into the net investment in capital assets reported by the City.

	Governmental Activities	Business-type Activities	Total Primary Government
Capital assets, net of depreciation	$ 30,288,282	$ 29,568,394	$ 59,856,676
Less - financed purchases	(1,203,240)	(875,070)	(2,078,310)
Less - notes payable	(569,030)	-	(569,030)
Less - bonds payable	(28,556,699)	-	(28,556,699)
Plus - unspent proceeds	7,666,020	317,307	7,983,327
Plus - deferred charge on refunding	249,885	-	249,885
Net investment in capital assets	$ 7,875,218	$ 29,010,631	$ 36,885,849

Net position is reported as restricted using the same definition as used for restricted fund balances as described in the section above. All other net position is 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The City reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of September 30, 2021, the City was not exposed to custodial credit risk.

NOTE 3. RECEIVABLES

Property taxes. Decatur County, Georgia bills and collects real and personal property taxes for the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in August of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days. Liens may attach to property for unpaid taxes at any time within three years after the due date.

Assessed values are established by the Decatur County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed value of real and personal property (excluding motor vehicles and mobile home taxes) at January 1, 2021 was $362,662,453.

Based on the 2021 millage levy of 3.778, a property tax owner would pay $3.778 per $1,000 of assessed valuation. Current tax collections of $1,367,156 for the fiscal year ended September 30, 2021 were 99.9% of the levy.

NOTE 3. RECEIVABLES (CONTINUED)

Receivables as of September 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST VII	T-SPLOST	Water and Sewer	Natural Gas
Receivables:					
Accounts	$ 501,857	$ -	$ -	$ -	$ -
Taxes	2,439,000	-	-	-	-
Intergovernmental	188,886	347,503	279,877	-	-
Utility	-	-	-	558,556	178,274
Gross receivables	3,129,743	347,503	279,877	558,556	178,274
Less allowance for uncollectible	(273,571)	-	-	(173,429)	(2,531)
Net total receivables	$ 2,856,172	$ 347,503	$ 279,877	$ 385,127	$ 175,743

	Sanitation	Telecom-munications	Internal Service	Nonmajor Governmental Funds
Receivables:				
Accounts	$ -	$ -	$ 91	$ 23,275
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Utility	259,303	115,639	-	-
Gross receivables	259,303	115,639	91	23,275
Less allowance for uncollectible	(58,366)	-	-	-
Net total receivables	$ 200,937	$ 115,639	$ 91	$ 23,275

NOTE 4. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances at September 30, 2021 are summarized as follows:

	Payable Fund									
	General Fund	T-SPLOST Fund	Local Relief Fund	SPLOST Fund	Nonmajor Govt Funds	Water and Sewer Fund	Natural Gas Fund	Tele-communications Fund	Internal Service Funds	Total
Receivable Fund:										
General Fund	$ -	$ 60,258	$ 100	$ 17,300	$ 40,912	$ 556,866	$ -	$ 404,155	$ 87,899	$ 1,167,490
SPLOST VII Fund	-	25,372	-	-	-	-	-	-	-	25,372
Natural Gas Fund	250	-	-	-	-	-	-	-	6	256
Sanitation Fund	-	-	-	-	-	-	-	-	610	610
Telecommunications Fund	-	-	2,787	-	-	228,026	47,618	-	-	278,431
Internal Service Funds	-	-	-	-	-	22,279	-	-	-	22,279
Total	$ 250	$ 85,630	$ 2,887	$ 17,300	$ 40,912	$ 807,171	$ 47,618	$ 404,155	$ 88,515	$ 1,494,438

NOTE 4. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. These balances are expected to be repaid within one year.

Interfund transfers for the current fiscal year are as follows:

	Transfers Out				
Transfers in	SPLOST Fund	General Fund	T-SPLOST Fund	Public Facilities Authority	Water & Sewer Fund
General Fund	$ -	$ -	$ 352,586	$ 4,386,225	$ 2,962,994
SPLOST Fund	-	-	-	1,545,796	-
T-SPLOST Fund	-	-	-	176,156	-
Public Facilities Authority Fund	1,479,323	-	-	-	-
Telecommunications Fund	-	201,394	-	-	87,561
Total	$ 1,479,323	$ 201,394	$ 352,586	$ 6,108,177	$ 3,050,555

Transfers in	Natural Gas Fund	Sanitation Fund	Tele-communications Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 860,893	$ 300,000	$ 143,659	$ 9,006,357
SPLOST Fund	-	-	-	-	1,545,796
T-SPLOST Fund	-	-	-	-	176,156
Public Facilities Authority Fund	-	-	-	-	1,479,323
Telecommunications Fund	25,985	40,880	-	-	355,820
Total	$ 25,985	$ 901,773	$ 300,000	$ 143,659	$ 12,563,452

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

Transfers between the SPLOST Fund and other funds are for the receipt of grant proceeds and for the disbursement of funds for payment of debt service. Transfers from T-SPLOST Fund to General Fund are for reimbursement of salaries and equipment rental for T-SPLOST projects.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,361,139	$ -	$ -	$ -	$ 2,361,139
Construction in progress	1,804,596	6,493,796	-	(807,639)	7,490,753
Total	4,165,735	6,493,796	-	(807,639)	9,851,892
Capital assets, being depreciated:					
Buildings and improvements	16,527,912	123,775	-	116,356	16,768,043
Machinery and equipment	9,521,448	1,039,950	(384,808)	-	10,176,590
Infrastructure	11,233,828	-	-	510,063	11,743,891
Total	37,283,188	1,163,725	(384,808)	626,419	38,688,524
Less accumulated depreciation for:					
Buildings and improvements	(5,851,947)	(636,034)	-	-	(6,487,981)
Machinery and equipment	(6,560,643)	(622,012)	328,707	-	(6,853,948)
Infrastructure	(4,502,165)	(408,040)	-	-	(4,910,205)
Total	(16,914,755)	(1,666,086)	328,707	-	(18,252,134)
Total capital assets, being depreciated, net	20,368,433	(502,361)	(56,101)	626,419	20,436,390
Governmental activities capital assets, net	$ 24,534,168	$ 5,991,435	$ (56,101)	$ (181,220)	$ 30,288,282

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 109,267	$ -	$ -	$ -	$ 109,267
Construction in progress	230,473	727,520	-	(92,325)	865,668
Total	339,740	727,520	-	(92,325)	974,935
Capital assets, being depreciated:					
Buildings and plant in service	44,217,207	35,417	-	273,545	44,526,169
Machinery and equipment	6,849,943	605,314	(689,424)	-	6,765,833
Total	51,067,150	640,731	(689,424)	273,545	51,292,002
Less accumulated depreciation for:					
Buildings and plant in service	(17,216,445)	(819,560)	-	-	(18,036,005)
Machinery and equipment	(4,640,098)	(673,568)	651,128	-	(4,662,538)
Total	(21,856,543)	(1,493,128)	651,128	-	(22,698,543)
Total capital assets, being depreciated, net	29,210,607	(852,397)	(38,296)	273,545	28,593,459
Business-type activities capital assets, net	$ 29,550,347	$ (124,877)	$ (38,296)	$ 181,220	$ 29,568,394

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Downtown Development Authority for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - DDA					
Capital assets, not being depreciated:					
Land	$ 251,476	$ -	$ (138,552)	$ 163,380	$ 276,304
Construction in progress	162,380	1,000	-	(163,380)	-
Total	413,856	1,000	(138,552)	-	276,304
Capital assets, being depreciated:					
Buildings and improvements	301,523	-	-	-	301,523
Total	301,523	-	-	-	301,523
Less accumulated depreciation for:					
Buildings and improvements	-	(6,030)	-	-	(6,030)
Total	-	(6,030)	-	-	(6,030)
Total capital assets, being depreciated, net	301,523	(6,030)	-	-	295,493
Governmental activities capital assets, net	$ 715,379	$ (5,030)	$ (138,552)	$ -	$ 571,797

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

Governmental activities:	
General government	$ 455,853
Public safety	204,535
Public works	454,604
Community development	551,094
Total depreciation expense - governmental activities	$ 1,666,086
Business-type activities:	
Water and sewer	$ 868,543
Natural gas	93,389
Sanitation	491,191
Telecommunications	40,005
Total depreciation expense - business-type activities	$ 1,493,128

NOTE 6. LONG-TERM DEBT

Notes Payable (Direct Borrowings) – Governmental Activities

In 2019, the City entered into an agreement with the Georgia Environmental Finance Authority ("GEFA") to finance the installation of new gravity sewer lines, rehabilitate five pump stations, and related appurtenances. The total amount of the loan was $588,549, with an interest rate of 1.25%. Principal and interest payments are due monthly beginning January 1, 2021 through December 2040.

Upon the occurrence of an event of default, GEFA, at its option, without demand or notice of any kind, may declare the loans immediately due and payable, whereupon all outstanding principal and accrued interest shall become immediately due and payable.

Debt service requirements to maturity for the note payable are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 26,311	$ 6,963	$ 33,274
2023	26,643	6,631	33,274
2024	26,978	6,296	33,274
2025	27,316	5,958	33,274
2026	27,660	5,614	33,274
2027 – 2031	143,633	22,738	166,371
2032 – 2036	152,862	13,509	166,371
2037 – 2041	137,627	3,762	141,389
Total	$ 569,030	$ 71,471	$ 640,501

NOTE 6. LONG-TERM DEBT (CONTINUED)

Financed Purchases (Direct Borrowing)

The City has entered into financed purchase agreements to finance the acquisition of various equipment and vehicles. These agreements qualify as financed purchases for accounting purposes (title transfers at the end of the agreement). The financed purchase agreements have maturity dates ranging from 2021 through 2028 and bear interest at rates of 1.26% to 4.72%.

At September 30, 2021, the City had $2,836,469 of equipment and vehicles under financed purchase agreements for its governmental activities, with accumulated depreciation totaling $1,405,445, and current year depreciation of $320,073. For its business-type activities, the City had $996,882 of equipment and vehicles under financed purchase agreements, with accumulated depreciation totaling $610,490 and current year depreciation of $411,488.

At September 30, 2021, future payments for financed purchases of governmental activities are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 473,385	$ 41,323	$ 514,708
2023	217,898	22,602	240,500
2024	214,618	14,709	229,327
2025	297,336	7,673	305,009
Total	$ 1,203,237	$ 86,307	$ 1,289,544

At September 30, 2021, future payments for financed purchases of business-type activities are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 519,584	$ 19,916	$ 539,500
2023	85,698	11,927	97,625
2024	67,257	5,289	72,546
2025	61,197	3,773	64,970
2026	46,191	2,798	48,989
2027-2028	95,143	2,835	97,978
Total	$ 875,070	$ 46,538	$ 921,608

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Direct Placement) - Governmental Activities

On December 19, 2019, the Bainbridge Public Facilities Authority issued the Series 2019 A&B Revenue Bonds. The Series 2019A Bonds were issued in the amount of $2,245,000 for the purpose of refunding a portion of the Bainbridge Public Facilities Authority Series 2013 Revenue Bonds, certain leases held by the City, and paying the cost of issuance of the Series 2019A Bonds. Principal payments on the Series 2019A Bonds are due annually beginning September 1, 2020 and mature on September 1, 2028. Interest rates on the 2019A Bonds range from 2.00% to 2.85% with interest due semi-annually on February 1 and September 1, beginning February 1, 2020.

The Series 2019B Bonds were issued in the amount of $8,645,000 for the purpose of financing the acquisition, construction, and equipping of recreation, public safety, and utilities facilities for the City, refunding the Downtown Bainbridge Development Authority Series 2013 Revenue Bonds, and various outstanding loans made to the City of Bainbridge by the GEFA, other leases held by the City and paying the cost of issuance of the Series 2019B Bonds. Principal payments on the 2019B Bonds are due annually beginning September 1, 2028, and the bonds mature on September 1, 2039. Interest is due semi-annually on February 1 and September 1, beginning February 1, 2020, at rates ranging from 3.00% to 4.00%.

In February 2021, the Bainbridge Public Facilities Authority issued the Series 2021 A&B Revenue Bonds. The Series 2021A Bonds were issued in the amount of $12,320,000 for the purpose of: 1) refunding all of the Bainbridge Public Facilities Authority Series 2013 Revenue Bonds, 2) financing, in whole or in part, the acquisition, construction, and equipping of multiple buildings, 3) related capitalized interest, and 4) paying the cost of issuance of the Series 2021A Bonds. Principal payments on the 2021A Bonds are due annually beginning September 1, 2022, and the bonds mature on September 1, 2041. The 2021A Bonds have an interest rate of 2.00%, which are due semi-annually on March 1 and September 1, beginning September 1, 2021. The issuance of the Series 2021A Bonds were used to refund the Bainbridge Public Facilities Authority Series 2013 Revenue Bonds. The difference between the cash flows required to service the old debt and the cash flow to service the new debt and complete the refunding totaled $301,408. The economic gain resulting from the refunding was $240,696.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Direct Placement) - Governmental Activities (Continued)

The Series 2021B Bonds were issued in the amount of $5,285,000 for the purpose of: 1) financing, in whole or in part, the acquisition, construction, and equipping of multiple buildings, 2) related capitalized interest, and 3) paying the cost of issuance of the Series 2021B Bonds. Principal payments on the 2021B Bonds are due annually beginning September 1, 2025, and the bonds mature on September 1, 2041. The 2021B Bonds have an interest rate of 3.00%, which are due semi-annually on March 1 and September 1, beginning September 1, 2021.

Debt service requirements to maturity for the revenue bonds at September 30, 2021, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 1,075,000	$ 762,922	$ 1,837,922
2023	1,100,000	741,228	1,841,228
2024	1,005,000	718,890	1,723,890
2025	1,030,000	698,300	1,728,300
2026	1,140,000	675,900	1,815,900
2027 – 2031	6,175,000	2,949,434	9,124,434
2032 – 2036	7,350,000	1,923,613	9,273,613
2037 – 2041	7,805,000	681,290	8,486,290
Total	$ 26,680,000	$ 9,151,577	$ 35,831,577

NOTE 6. LONG-TERM DEBT (CONTINUED)

Component Unit – Downtown Development Authority – Notes Payable (Direct Borrowing)

In August 2021, the Downtown Development Authority entered into a note payable agreement with a local financial institution in the amount of $604,533 for the purpose of purchase of real estate. Principal and interest are payable monthly until maturity in September 2026. The note bears interest at a rate of 2.00% annually.

Debt service requirements to maturity for the note payable at September 30, 2021, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 55,368	$ 11,497	$ 66,865
2023	56,482	10,380	66,862
2024	57,622	9,240	66,862
2025	58,785	8,076	66,861
2026	371,879	12,265	384,144
Total	$ 600,136	$ 51,458	$ 651,594

NOTE 6. LONG-TERM DEBT (CONTINUED)

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 15,425,000	$ 17,605,000	$ (6,350,000)	$ 26,680,000	$ 1,075,000
Premium	1,378,020	725,222	(226,543)	1,876,699	-
Note payable from direct borrowing	588,549	-	(19,519)	569,030	26,311
Financed purchases from direct borrowing	1,394,043	382,937	(573,740)	1,203,240	470,827
Landfill post-closure care	237,308	-	-	237,308	-
Compensated absences	305,807	197,935	(191,420)	312,322	218,625
Net pension liability	2,718,186	1,152,803	(1,066,223)	2,804,766	-
Governmental activities: long-term liabilities	$ 22,046,913	$ 20,063,897	$ (8,427,445)	$ 33,683,365	$ 1,790,763
Business-type activities:					
Compensated absences	$ 89,710	$ 51,745	$ (60,990)	$ 80,465	$ 56,325
Financed purchases	202,717	854,400	(182,047)	875,070	519,584
Net pension liability	907,077	494,059	(441,495)	959,641	-
Business-type activities: Long-term liabilities	$ 1,199,504	$ 1,400,204	$ (684,532)	$ 1,915,176	$ 575,909
Component unit - DDA					
Note payable from direct borrowing	$ 454,815	$ 604,533	$ (459,212)	$ 600,136	$ 55,368

Compensated absences, landfill post-closure care costs, and the net pension liability of governmental activities are typically liquidated by the General Fund. Compensated absences and the net pension liability of business-type activities are liquidated by the Water and Sewer Fund, Natural Gas Fund, and Sanitation Fund.

NOTE 7. LANDFILL POST-CLOSURE CARE

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. A liability has been recognized based on the expected future post-closure care costs that will be incurred. The recognition of these landfill post-closure care costs has been accrued in full because the landfill is no longer accepting waste. The estimated liability for landfill post-closure care costs is $237,308 as of September 30, 2021, which is based on 100% usage (filled) of the landfill. This landfill was operated and accounted for in the General Fund prior to the City's creation of the Sanitation Enterprise Fund.

The estimated total current cost of the landfill post-closure care of $237,308 is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2021. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 8. PENSION PLAN

Plan Description

The City contributes to the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The plan also provides for death benefits for early retirees. The benefit provisions and all other requirements are established and may be amended by the System and the Adoption Agreement executed by the City. All full-time employees become eligible for the plan after one year of service. Benefits vest after completing ten years of service and are payable beginning at age 55.

The City Council, in its role as the plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

NOTE 8. PENSION PLAN (CONTINUED)

Plan Description (Continued)

As of January 1, 2021, the date of the most recent actuarial valuation, there were 184 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	80
Inactive plan members entitled to, but not receiving benefits	40
Active plan members	64
Total	184

Contributions. The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Commission. For the year ended September 30, 2021, the actuarially determined rate was 9.47% of annual pay. City contributions to the plan were $577,354 for the year ended September 30, 2021.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% – 8.50%, including inflation
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pri-2012 head-count weighted Healthy Retiree Mortality Table with gender-distinct rates, set forward two years for males and one year for females multiplied by 1.25.

NOTE 8. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

*Actuarial assumptions (Continued).*The investment return and inflation assumptions used in the January 1, 2021 valuation were based on the results of an actuarial study in December 2019. The mortality and other actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – September 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the table below.

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

* Rates shown are net of the 2.25% assumed rate of inflation.

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

NOTE 8. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended September 30, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 14,341,926	$ 10,710,929	$ 3,630,997
Changes for the year:			
Service cost	126,132	-	126,132
Interest	1,033,867	-	1,033,867
Differences between expected and actual experience	459,909	-	459,909
Contributions - employer	-	497,797	(497,797)
Net investment income	-	1,010,940	(1,010,940)
Benefit payments, including refunds of employee contributions	(899,049)	(899,049)	-
Administrative expense	-	(26,954)	26,954
Net changes	720,859	582,734	138,125
Ending Balance	$ 15,062,785	$ 11,293,663	$ 3,769,122

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 5,419,899	$ 3,769,122	$ 2,370,113

NOTE 8. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2021, and the current sharing pattern of costs between employer and employee.

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

For the year ended September 30, 2021, the City recognized pension expense of $632,570. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ (128,913)
Differences between expected and actual experience	677,738	(62,462)
Changes in actuarial assumptions	438,105	-
City contributions subsequent to the measurement date	578,077	-
Total	$ 1,693,920	$ (191,375)

City contributions subsequent to the measurement date of $578,077 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	
2022	$ 242,330
2023	278,436
2024	359,080
2025	44,622
Total	$ 924,468

NOTE 9. POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of Bainbridge's OPEB Plan is a single-employer defined benefit healthcare plan administered by the City. The City has the authority to establish and amend benefit provisions. The City provides medical, prescription drug, dental, and vision benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree with the exception of life insurance. City employees may become eligible for those benefits if they retire on or after the age of 55, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement is equal to or greater than 90. Effective October 1, 2014, the plan was closed to new retirees. As of September 30, 2021, there are two retirees with two covered spouses eligible for benefits. No new retirees will be eligible for benefits.

Funding Policy - The contribution requirements are established and may be amended by the City. The plan is financed on a pay-as-you-go basis. During the year ended September 30, 2021, the City contributed $22,812 to the plan. Employees are not required to contribute to the plan. There are no assets accumulated in a trust to pay related benefits.

Total OPEB Liability - An estimate of the total OPEB liability is not material to the City's financial statements and therefore, the City has elected not to implement GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefit Plans Other than Pensions.*

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency ("GIRMA") whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated ("O.C.G.A.") authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

NOTE 10. RISK MANAGEMENT (CONTINUED)

The City must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

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

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a public entity risk pool managed by the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund whereby the risk is pooled with other entities.

NOTE 10. RISK MANAGEMENT (CONTINUED)

Pursuant to Title 34, Chapter 9, Article 5 of the O.C.G.A, the City became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

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

The City believes that coverage provided by these various insurance policies is adequate to cover any outstanding claims as detailed by the carrier. A liability for unpaid deductibles on claims outstanding at year-end has been recorded for workers' compensation.

NOTE 11. GROUP INSURANCE

During fiscal year 2017, the City entered into the Decatur County Healthcare Cooperative (the "Cooperative"), a captive insurance plan, along with Decatur County, Georgia and the Hospital Authority of Bainbridge, Decatur County, Georgia. Stop-loss coverage is provided by QBE Insurance Group Limited ("QBE"). Health Smart handles the administration of the program and claims. Financing of the plan is provided by the City and employees participating in the plan. The transactions of the self-funded group insurance plan are accounted for in the Employee Benefits fund.

NOTE 11. GROUP INSURANCE (CONTINUED)

Liabilities of the Employee Benefits Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR"). Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts and other economic and social factors.

	September 30, 2021	September 30, 2020
Claims liability, beginning of year	**$ 245,000**	$ 319,929
Incurred claims (including IBNRs)	**1,759,559**	2,343,510
Claims paid	**(1,789,687)**	(2,418,439)
Claims liability, end of year	**$ 214,872**	$ 245,000

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the southwest Georgia area, is a member of the Southwest Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During its fiscal year ended September 30, 2021, the City paid $13,289 in such dues. Membership in an RC is required by the O.C.G.A. §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. §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: Southern Georgia Regional Commission, 327 W. Savannah St., Valdosta, Georgia 30601.

NOTE 13. RELATED ORGANIZATIONS

The Bainbridge Housing Authority (the "Authority") is a related organization which has not been included in the reporting entity. The Authority is a legally separate entity having a board composed of some members appointed by the City. The City does not have the ability to impose its will or have a financial benefit or burden relationship with the Authority. A copy of the Authority's annual financial report is available at 108 South Sims Street, Bainbridge, Georgia 39817.

NOTE 14. TAX ABATEMENT PROGRAMS

GASB Statement No. 77, *Tax Abatement Disclosures,* requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the County's tax revenues. As of September 30, 2021, the City did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

NOTE 15. GUARANTEES

The State's Industrial Financing Act (the "Act") permits local governments to extend non-exchange financial guarantees on certain debt issued by unrelated entities located within the government's physical boundaries. In accordance with the Act, the City has guaranteed certain debt of the Development Authority of Bainbridge & Decatur County, a legally separate entity that is located within the City boundaries but is not a component unit of the City or part of the City's financial reporting entity. The following are the non-exchange financial guarantees extended by the City on behalf of that entity:

On August 8, 2013, the City entered into an intergovernmental contract with the Development Authority of Bainbridge & Decatur County. The Authority issued $1,200,000 Development Authority of Bainbridge and Decatur County Taxable Revenue Bonds (Industrial Building Project), Series 2013 for the purpose of financing the acquisition of property. Payment for the bonds is secured by a pledge of tax revenues by the County and the intergovernmental contract with the City beginning December 1, 2013 through December 1, 2028. At September 30, 2021, the outstanding principal amount of the guaranteed debt is $523,292. In the event the Authority is unable to make a required payment on the bonds, the City would be required to make that payment. Under the intergovernmental agreement, if the City makes a payment, the Authority will reimburse the City as soon as such other monies become available.

On May 13, 2016, the Development Authority of Bainbridge & Decatur County signed a promissory note with a local financial institution for the purpose of financing the acquisition of property. The original note amount was $708,342 and will mature August 10, 2026. Payment for the note is secured by a guarantee agreement with the City. At September 30, 2021, the outstanding principal amount of the loan was $146,142. In the event the Authority is unable to make a required payment on the loan, the City would be required to make that payment. The Authority is not required to repay the City for any payments the City makes pursuant to the guarantee.

NOTE 15. GUARANTEES (CONTINUED)

On March 1, 2017, the City entered into intergovernmental contracts with the Hospital Authority of Bainbridge & Decatur County. The Authority issued $9,330,000 Hospital Authority of the City of Bainbridge & Decatur County Revenue Anticipation Certificates, Series 2017A, and $2,040,000 Hospital Authority of the City of Bainbridge & Decatur County Taxable Revenue Bonds, Series 2017B, for the purpose of financing the modification of property and acquisition of equipment. Payment for the bonds is secured by a pledge of tax revenues by the County and the intergovernmental contract with the City beginning September 1, 2018 through September 1, 2032. At September 30, 2021, the outstanding principal amount of the guaranteed debt is $8,810,000. In the event the Indigent Care Reimbursements, SPLOST Payments, Net Revenues (as defined in the bond resolution) of the Authority and the additional payments to be made by the County are not sufficient to make required payments on the bonds, the City would be required to make the payment.

NOTE 16. CONDUIT DEBT

The City's blended component unit, the Bainbridge Public Facilities Authority, has issued Revenue Bonds to provide financial assistance to local governmental entities for the acquisition and construction of property and facilities deemed to be in the public interest.

The bonds are secured by and are payable solely from payments from underlying funding agreements. As further security, the scheduled payment of principal of and interest on the Series 2018 Bonds when due is guaranteed under an insurance policy issued concurrently with the delivery of the Series 2018 Bonds. Upon repayment of the bonds, ownership of the acquired property or facilities transfers to the entity served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds. As of September 30, 2021, there was one series of Revenue Bonds (Series 2018: Decatur County Projects) with an aggregate outstanding principal amount payable of $20,470,000, none of which was recognized as a liability by the City.

NOTE 17. HOTEL/MOTEL TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. For the fiscal year ended September 30, 2021, $239,415 of hotel/motel tax was collected and spent by the City to promote tourism in accordance with O.C.G.A. §48-13-51.

NOTE 18. SUBSEQUENT EVENT

In December 2021, the City issued the City of Bainbridge, Georgia Combined Utilities Revenue Bonds 2021 Bonds in the amount of $55,015,000 for the purposes of: (a) renovation, addition, extension, and expansion of the (i) water system, (ii) wastewater system, (iii) road system, (iv) natural gas distribution system, and (v) telecommunication system; (b) the acquisition of certain economic development property, (collectively, “Projects”); and (c) paying the costs of issuance of the 2021 Bonds, including a municipal bond insurance policy. The bonds have an interest rate of 4.00%. Principal payments on the bonds are due annually beginning December 1, 2026 with a maturity date of December 1, 2051.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	**$ 126,132**	$ 129,354	$ 130,052	$ 122,901
Interest on total pension liability	**1,033,867**	950,651	943,557	910,296
Differences between expected and actual experience	**459,909**	421,002	(156,157)	286,049
Changes of assumptions	**-**	-	-	193,828
Changes of benefit terms	**-**	-	-	-
Benefit payments, including refunds of employee contributions	**(899,049)**	(832,019)	(812,325)	(803,914)
Other	**-**	710,935	**-**	**-**
Net change in total pension liability	**720,859**	1,379,923	105,127	709,160
Total pension liability - beginning	**14,341,926**	12,962,003	12,856,876	12,147,716
Total pension liability - ending (a)	**15,062,785**	14,341,926	12,962,003	12,856,876
Plan fiduciary net position				
Contributions - employer	**497,797**	450,322	435,729	493,675
Net investment income	**1,010,940**	309,739	998,189	1,360,020
Benefit payments, including refunds of member contributions	**(899,049)**	(832,019)	(812,325)	(803,914)
Administrative expenses	**(26,954)**	(28,310)	(27,316)	(30,375)
Other	**-**	-	-	**-**
Net change in plan fiduciary net position	**582,734**	(100,268)	594,277	1,019,406
Plan fiduciary net position - beginning	**10,710,929**	10,811,197	10,216,920	9,197,514
Plan fiduciary net position - ending (b)	**11,293,663**	10,710,929	10,811,197	10,216,920
City's net pension liability (asset) - ending (a) - (b)	**$ 3,769,122**	$ 3,630,997	$ 2,150,806	$ 2,639,956
Plan fiduciary net position as a percentage of the total pension liability	**74.98%**	74.68%	83.41%	79.47%
Covered-employee payroll	**$ 5,804,992**	$ 5,139,295	$ 5,080,129	$ 4,988,379
Net pension liability as a percentage of covered-employee payroll	**64.93%**	70.65%	42.34%	52.92%

2017	2016	2015
$ 126,686	$ 131,037	$ 155,977
939,969	874,344	872,039
(337,899)	630,372	(188,034)
-	-	(82,949)
(308,161)	-	-
(803,028)	(774,930)	(679,640)
-	-	-
(382,433)	860,823	77,393
12,530,149	11,669,326	11,591,933
12,147,716	12,530,149	11,669,326
424,435	513,517	508,312
973,314	112,520	942,322
(803,028)	(774,930)	(679,640)
(17,074)	(20,370)	(16,261)
(262,379)	-	-
315,268	(169,263)	754,733
8,882,246	9,051,509	8,296,776
9,197,514	8,882,246	9,051,509
$ 2,950,202	$ 3,647,903	$ 2,617,817
75.71%	70.89%	77.57%
$ 4,665,079	$ 4,902,829	$ 4,742,203
63.24%	74.40%	55.20%

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	2021	2020	2019	2018
Actuarially determined contribution	**$ 577,354**	$ 457,040	$ 489,079	$ 493,675
Contributions in relation to the actuarially determined contribution	**577,354**	457,040	489,079	493,675
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Covered-employee payroll	**$ 6,097,953**	$ 5,804,992	$ 5,139,295	$ 5,080,129
Contributions as a percentage of covered-employee payroll	**9.47%**	7.87%	9.52%	9.72%

Notes to the Schedule

Actuarial Cost Method	Projected Unit Credit.
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%

The schedule will present ten years of information once it is accumulated.

Changes since prior valuation:

- Amounts reported for fiscal year ended in 2020 and later reflect that a one-time Early Retirement Incentive Program was offered to employees between July 1, 2019 and August 30, 2019 who met the Rule of 90 as of January 1, 2019.

2017	2016	2015
$ 424,435	$ 423,714	$ 513,517
424,435	423,714	513,517
$ -	$ -	$ -
$ 4,988,379	$ 4,665,079	$ 4,902,829
8.51%	9.08%	10.47%

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 6,489,604	$ 6,856,716	$ 6,858,519	$ 1,803
Licenses and permits	172,140	215,707	215,707	-
Intergovernmental	495,417	678,117	709,521	31,404
Charges for services	49,250	61,021	61,021	-
Fines and forfeitures	330,000	202,175	206,556	4,381
Investment earnings	-	3,618	3,618	-
Other revenues	105,000	116,304	157,323	41,019
Total revenues	7,641,411	8,133,658	8,212,265	78,607
Expenditures				
General government:				
Mayor and council	1,100,741	877,909	877,909	-
City manager	451,503	451,677	451,677	-
Finance, budget and accounting	941,905	926,419	926,419	-
Purchasing	164,335	334,162	334,162	-
City attorney	15,000	8,995	8,995	-
Total general government	2,673,484	2,599,162	2,599,162	-
Judicial:				
City court	312,739	237,911	237,911	-
Community development:				
Mainstreet tourism	520,752	553,410	553,410	-
Building code enforcement	120,249	146,358	146,358	-
Communications	141,226	151,085	151,085	-
Code enforcement	490,945	605,981	604,981	1,000
Total community development	1,273,172	1,456,834	1,455,834	1,000
Public works:				
Maintenance	157,724	143,645	143,645	-
Streets	2,003,867	2,450,765	2,868,765	(418,000)
Parks	1,285,124	5,794,855	5,843,755	(48,900)
Total public works	3,446,715	8,389,265	8,856,165	(466,900)
Public safety:				
Services	4,255,590	4,548,068	4,548,068	-
Debt service:				
Principal	408,786	314,803	279,739	35,064
Interest	41,095	29,600	29,600	-
Total debt service	449,881	344,403	309,339	35,064
Total expenditures	12,411,581	17,575,643	18,006,479	(430,836)
Deficiency of revenues under expenditures	(4,770,170)	(9,441,985)	(9,794,214)	(352,229)

(Continued)

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Transfers in	$ 4,929,829	$ 9,184,356	$ 9,006,358	$ (177,998)
Transfers out	(201,394)	(201,394)	(201,394)	-
Proceeds from the sale of capital assets	41,735	459,023	459,023	-
Issuance of financed purchase agreement	-	-	382,937	382,937
Total other financing sources (uses)	4,770,170	9,441,985	9,646,924	204,939
Net change in fund balance	$ -	$ -	(147,290)	$ (147,290)
	Reconciliation to GAAP Basis			
	Unbudgeted capital outlay		-	
			$ (147,290)	

CITY OF BAINBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
LOCAL RELIEF FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ 2,255,742	$ 198,153	$ (2,057,589)
Total revenues	-	2,255,742	198,153	(2,057,589)
Expenditures				
Capital projects	-	198,153	198,153	-
Total expenditures	-	198,153	198,153	-
Net change in fund balance	$ -	$ 2,057,589	$ -	$ (2,057,589)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BAINBRIDGE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds			
	Hotel/Motel Tax Fund	Confiscated Assets Fund	Bricks for Veterans Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 28,080	$ 48,145	$ 7,438	$ 83,663
Accounts receivable, net	23,274	-	-	23,274
Total assets	$ 51,354	$ 48,145	$ 7,438	$ 106,937
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	$ 36,020	$ -	$ 4,892	$ 40,912
Due to component units	15,334	-	-	15,334
Accounts payable	-	196	-	196
Total liabilities	51,354	196	4,892	56,442
FUND BALANCES (DEFICIT)				
Restricted for:				
Public safety	-	47,949	-	47,949
General government	-	-	2,546	2,546
Unassigned	-	-	-	-
Total fund balances (deficit)	-	47,949	2,546	50,495
Total liabilities and fund balances (deficit)	$ 51,354	$ 48,145	$ 7,438	$ 106,937

CITY OF BAINBRIDGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			
	Hotel/Motel Tax Fund	Confiscated Assets Fund	Bricks for Veterans Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ 239,415	$ -	$ -	$ 239,415
Intergovernmental	-	19,810	-	19,810
Investment earnings	11	23	-	34
Other revenues	-	-	6,999	6,999
Total revenues	239,426	19,833	6,999	266,258
Expenditures				
Current:				
General government	-	-	4,892	4,892
Public safety	-	6,190	-	6,190
Community development	95,767	-	-	95,767
Total expenditures	95,767	6,190	4,892	106,849
Excess of revenues over expenditures	143,659	13,643	2,107	159,409
Other financing uses				
Transfers out	(143,659)	-	-	(143,659)
Total other financing uses	(143,659)	-	-	(143,659)
Net change in fund balances	-	13,643	2,107	15,750
Fund balances, beginning of year	-	34,306	439	34,745
Fund balances (deficits), end of year	$ -	$ 47,949	$ 2,546	$ 50,495

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL/MOTEL TAX FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	$ 239,415	$ 239,415	$ -
Investment earnings	11	11	-
Total revenues	239,426	239,426	-
Expenditures			
Current:			
Community development	95,767	95,767	-
Total expenditures	95,767	95,767	-
Excess of revenues over expenditures	143,659	143,659	-
Other financing uses			
Transfers out	(143,659)	(143,659)	-
Net change in fund balance	$ -	-	$ -
Fund balance, beginning of year		-	
Fund balance (deficit), end of year		$ -	

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CONFISCATED ASSETS FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 19,810	$ 19,810	$ -
Investment earnings	23	23	-
Total revenues	19,833	19,833	-
Expenditures			
Current:			
Public safety	6,190	6,190	-
Total expenditures	6,190	6,190	-
Net change in fund balance	$ 13,643	13,643	$ -
Fund balance, beginning of year		34,306	
Fund balance, end of year		$ 47,949	

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BRICKS FOR VETERANS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Final Budget	Actual	Variance with Final Budget
Revenues			
Other revenues	$ 6,999	$ 6,999	$ -
Total revenues	6,999	6,999	-
Expenditures			
Current:			
General government	4,892	4,892	-
Total expenditures	4,892	4,892	-
Net change in fund balance	$ 2,107	2,107	$ -
Fund balance, beginning of year		439	
Fund balance, end of year		$ 2,546	

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Employee Benefits Fund	City Shop Fund	Total
ASSETS			
CURRENT ASSETS			
Cash	$ -	$ 371	$ 371
Accounts receivable, net of allowances	91	-	91
Due from other funds	-	22,279	22,279
Inventory	-	77,281	77,281
Prepaid items	95,975	2,657	98,632
Total current assets	96,066	102,588	198,654
NON-CURRENT ASSETS			
Capital assets:			
Buildings and improvements	-	23,749	23,749
Machinery and equipment	-	200,340	200,340
	-	224,089	224,089
Less accumulated depreciation	-	(205,220)	(205,220)
Total capital assets	-	18,869	18,869
Total assets	96,066	121,457	217,523
DEFERRED OUTFLOWS OF RESOURCES			
Differences between expected and actual experience	-	26,962	26,962
Assumption changes	-	17,429	17,429
Contributions subsequent to the measurement date	-	22,997	22,997
Total deferred outflows of resources	-	67,388	67,388

(Continued)

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Employee Benefits Fund	City Shop Fund	Total
LIABILITIES			
CURRENT LIABILITIES			
Checks written in excess of bank balance	$ 1,739	$ -	$ 1,739
Accounts payable	2,738	14,968	17,706
Accrued expenses	-	994	994
Claims payable	214,872	-	214,872
Due to other funds	10,700	77,815	88,515
Current portion - compensated absences	-	8,955	8,955
Current portion - financed purchases	-	3,672	3,672
Total current liabilities	230,049	106,404	336,453
LONG-TERM LIABILITIES			
Compensated absences, net of current portion	$ -	$ 3,838	$ 3,838
Net pension liability	-	149,943	149,943
Total long-term liabilities	-	153,781	153,781
Total liabilities	230,049	260,185	490,234
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience	-	2,485	2,485
Net difference between projected and actual earnings on pension plan investments	-	5,128	5,128
Total deferred inflows of resources	-	7,613	7,613
NET POSITION (DEFICIT)			
Net investment in capital assets	-	15,197	15,197
Unrestricted (deficit)	(133,983)	(94,150)	(228,133)
Total net position (deficit)	$ (133,983)	$ (78,953)	$ (212,936)

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Employee Benefits Fund	City Shop Fund	Total
OPERATING REVENUES			
Charges for services	$ 2,655,133	$ 828,782	$ 3,483,915
Other revenues	51,335	-	51,335
Total operating revenues	2,706,468	828,782	3,535,250
OPERATING EXPENSES			
Personal services	-	376,204	376,204
Cost of operations	-	458,872	458,872
Depreciation	-	13,009	13,009
Benefits and claims	2,613,155	-	2,613,155
Total operating expenses	2,613,155	848,085	3,461,240
Operating income (loss)	93,313	(19,303)	74,010
NON-OPERATING INCOME (EXPENSE)			
Investment income	657	-	657
Interest expense	-	(553)	(553)
Gain on sale of assets	-	17,241	17,241
Total non-operating income, net	657	16,688	17,345
Change in net position	93,970	(2,615)	91,355
NET POSITION (DEFICIT), beginning of year	(227,953)	(76,338)	(304,291)
NET POSITION (DEFICIT), end of year	$ (133,983)	$ (78,953)	$ (212,936)

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Employee Benefits Fund	City Shop Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 2,698,991	$ 835,833	$ 3,534,824
Payments for goods and services	-	(462,715)	(462,715)
Payments to employees	-	(380,623)	(380,623)
Payments for claims and benefits	(2,699,648)	-	(2,699,648)
Net cash used in operating activities	(657)	(7,505)	(8,162)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on financed purchases	-	(8,812)	(8,812)
Interest paid on financed purchases	-	(553)	(553)
Proceeds from sale of capital assets	-	17,241	17,241
Net cash provided by capital and related financing activities	-	7,876	7,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	657	-	657
Net cash provided by investing activities	657	-	657
Net increase in cash	-	371	371
Cash:			
Beginning of year	-	-	-
End of year	$ -	$ 371	$ 371

(Continued)

CITY OF BAINBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Employee Benefits Fund	City Shop Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income (loss)	$ 93,313	$ (19,303)	$ 74,010
Depreciation	-	13,009	13,009
Changes in assets and liabilities:			
(Increase) in due from other funds	-	526,275	526,275
Decrease in due from other governments	-	3,562	3,562
(Increase) in inventory	-	(4,416)	(4,416)
(Increase) in prepaid items	-	(2,657)	(2,657)
(Increase) in net difference between expected and actual experience	-	(8,668)	(8,668)
Decrease in assumption changes	-	6,983	6,983
(Increase) in contributions subsequent to the measurement date	-	(4,677)	(4,677)
Decrease in checks in excess of bank balance	(37,689)	-	(37,689)
Increase (decrease) in accounts payable	(18,676)	2,386	(16,290)
Decrease in accrued liabilities	-	(3,612)	(3,612)
Decrease in due to other funds	(7,477)	(522,786)	(530,263)
Decrease in claims payable	(30,128)	-	(30,128)
Increase in net difference between projected and actual earnings on pension plan investments	-	1,771	1,771
Increase in net pension liability	-	4,628	4,628
Net cash used in operating activities	$ (657)	$ (7,505)	$ (8,162)

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX VI PROCEEDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

Project	Original Estimated Cost	Prior Years	Current Year	Total
Water and Sewer bond service	$ 6,500,000	$ 210,221	$ 147,485	$ 357,706
General Fund bond service	3,000,000	13,440	-	13,440
Road Construction and Improvements	1,700,000	83,032	-	83,032
Recreation Improvements	1,000,000	578,300	1,035,881	1,614,181
Public Safety Equipment	1,082,000	621,739	463,000	1,084,739
	$ 13,282,000	1,506,732	1,646,366	3,153,098
Debt Service Expenditures		7,330,056	111,047	7,441,103
		$ 8,836,788	1,757,413	$ 10,594,201
Transfers to Bainbridge Public Facilities Authority for debt service payments			1,479,323	
			$ 3,236,736	

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX VII PROCEEDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

Project	Original Estimated Cost	Prior Years	Current Year	Total
Sanitary sewer improvements and related debt service	$ 5,035,000	$ -	$ -	$ -
Park improvements and related debt service	2,800,000	-	57,881	57,881
Animal shelter and related debt service	500,000	-	-	-
Public property improvements, acquisitions and construction and related debt	2,500,000	-	-	-
Public safety equipment and related debt	1,100,000	-	-	-
	$ 11,935,000	$ -	$ 57,881	$ 57,881

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

Project	Original and Current Estimated Cost	Prior Years	Current Year	Total
Equipment	$ 1,317,500	$ 1,175,331	$ 758,963	$ 1,934,294
Paving	5,779,321	1,202,392	2,187,614	3,390,006
Sidewalk and Concrete Repair	683,179	-	-	-
Stormwater Improvements	620,000	350,968	2,950	353,918
	$ 8,400,000	2,728,691	2,949,527	5,678,218
Debt service payments		440,809	221,926	662,735
		$ 3,169,500	$ 3,171,453	$ 6,340,953

Total expenditures - T-SPLOST Fund	$ 2,818,867
Transfers out - T-SPLOST Fund	352,586
	$ 3,171,453

CITY OF BAINBRIDGE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2021

ASSETS	
Cash	$ 3,129
Assets held for resale	419,252
Total assets	422,381
LIABILITIES	
Accounts payable	66
Due to primary government	386
Total liabilities	452
FUND BALANCE	
Assigned for downtown development	421,929
Total fund balance	$ 421,929

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

REVENUES	
Intergovernmental	$ 101,841
Investment income	216
Other revenues	7,300
Total revenues	109,357
EXPENDITURES	
Current:	
Community development	41,663
Debt service:	
Principal	459,211
Interest	6,212
Total expenditures	507,086
Deficiency of revenues over expenditures	(397,729)
OTHER FINANCING SOURCES	
Proceeds from sale of capital assets	203,000
Issuance of notes payable	604,533
Total other financing sources	807,533
Net change in fund balance	409,804
FUND BALANCE, BEGINNING OF YEAR	12,125
FUND BALANCE, END OF YEAR	$ 421,929

CITY OF BAINBRIDGE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CONVENTION AND VISITOR'S BUREAU
SEPTEMBER 30, 2021

ASSETS		
Cash	$	95,157
Due from primary government		15,334
Prepaid items		105
Total assets		110,596
LIABILITIES		
Accounts payable		7,965
Due to primary government		2,574
Total liabilities		10,539
FUND BALANCE		
Assigned for tourism		100,057
Total fund balance	$	100,057

CITY OF BAINBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION AND VISITOR'S BUREAU
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

REVENUES	
Intergovernmental	$ 140,766
Investment income	8,030
Total revenues	148,796
EXPENDITURES	
Current:	
Culture and recreation	88,683
Total expenditures	88,683
Net change in fund balances	60,113
FUND BALANCES, BEGINNING OF YEAR	39,944
FUND BALANCES, END OF YEAR	$ 100,057

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bainbridge, Georgia (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Bainbridge, Georgia's basic financial statements and have issued our report thereon dated March 30, 2022.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

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

The City of Bainbridge, Georgia's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2022

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CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_X_ Yes ____ No
Significant deficiencies identified?	____ Yes _X_ None Reported
Noncompliance material to financial statements noted?	____Yes _X_ None Reported

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021–001. Proper Recording of Capital Assets, Lease Activity, and Accounts Payable

Criteria: Under the economic resources measurement focus used by proprietary funds, the cost of property, equipment, and construction in progress are recorded as capital assets when the costs are incurred. Additionally, payments made under operating leases should be recorded as an expense. Principal payments made under a capital lease should be recorded as a reduction in the capital lease payable, and the interest portion of the capital lease payment should be recorded as interest expense. Under the current financial resources measurement focus used by governmental funds, capital leases are recognized as an increase in other financing sources for capital lease proceeds and an increase in capital outlay for the face value of the debt. Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the related cash flows.

Condition: The City was not properly recording capital assets, contributed capital, capital leases payable and accounts payable during fiscal year 2021.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended September 30, 2021.

Effect: Adjustments recorded as follows:

- Water & Sewer Fund – adjustment to increase construction in progress by $908,494, contributed capital by $181,220, accounts payable by $708,860 and expenses by $18,414.
- Sanitation Fund – adjustment to increase to recognize capital leases payable by $317,300 and reduce capital lease proceeds by $317,300. Another adjustment to reduce capital leases payable and construction in progress by $86,546. Another adjustment to reduce construction in progress by $14,378 and increase depreciation expense by $14,378.
- General Fund – adjustment to increase capital outlay and capital lease proceeds by $382,937.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure capital assets, capital leases and accounts payable were properly reconciled and recorded.

Recommendation: We recommend the City review all capital asset and lease transactions to ensure all are properly accounted for.

Views of Responsible Officials and Planned Corrective Action: The City will implement steps to ensure that all capital assets, contributed capital, capital leases payable, and accounts payable are properly recorded and accounted for.

CITY OF BAINBRIDGE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

2020–001. Proper Recording of Capital Assets and Lease Activity

Criteria: Under the economic resources measurement focus used by proprietary funds, the cost of property, equipment, and construction in progress are recorded as capital assets when the costs are incurred. Additionally, payments made under operating leases should be recorded as an expense. Principal payments made under a capital lease should be recorded as a reduction in the capital lease payable, and the interest portion of the capital lease payment should be recorded as interest expense.

Condition: The City was not properly recording capital assets or contributed capital during fiscal year 2020.

Auditee Response/Status: Unresolved. See current year finding 2021-001.

2020–002. Proper Recording of Transactions Related to Bond Issuance

Criteria: Transactions related to the issuance of bonds should be recorded in the appropriate expenditure accounts and as other financing sources (uses) rather than recording all activity in one account.

Condition: The City recorded the use of bond proceeds in one expenditure account (Miscellaneous Projects and Debt), rather than properly classifying the use of funds.

Auditee Response/Status: Resolved.

2020–003. Improper Use of T-SPLOST Funds in Prior Year

Criteria: The Official Code of Georgia Annotated ("O.C.G.A.") §48-8-260 identifies eligible uses of transportation special purpose local option sales tax collections.

Condition: In the prior year, T-SPLOST funds reimbursed the General Fund for expenditures that were not for allowable purposes under O.C.G.A.§48-8-260. At September 30, 2020, the General Fund has not yet reimbursed the T-SPLOST Fund $247,924 for these unallowable expenditures.

Auditee Response/Status: Resolved.