

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 11, 2024

NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED

S&P UNDERLYING RATING: A
S&P INSURED RATING: AA

(See "Ratings" herein)

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2024 Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2024 Bonds (the "Code"), and interest on the Series 2024 Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In the further opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from all present state income taxation within the State of Georgia. See "TAX MATTERS" for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based.



\$10,000,000*
City of Barnesville, Georgia
Water and Sewerage Revenue Bonds, Series 2024

Dated: Date of Issuance

Due: September 1, as shown on the inside cover

The City of Barnesville, Georgia (the "City"), will issue \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024 (the "Series 2024 Bonds" or the "Bonds"), in fully registered form in denominations of \$5,000 each or any integral multiple thereof. The principal of the Bonds will be payable upon presentation and surrender on the date fixed for maturity at the designated corporate trust office of U.S. Bank Trust Company National Association, Nashville, Tennessee, as Paying Agent. Interest shall be payable by first class mail at the address shown on the registration books kept by U.S. Bank Trust Company National Association, Nashville, Tennessee, as Bond Registrar, on each March 1 and September 1, commencing [] 1, 20 [] (each, an "Interest Payment Date"), to the registered owner of such Bond at the close of business on the fifteenth day of the calendar month next preceding each such Interest Payment Date. Certain of the Bonds are subject to optional redemption and scheduled mandatory redemption prior to maturity*. See "THE BONDS - Redemption Provisions" herein.

The Series 2024 Bonds are being issued to provide funds to (i) pay all or a portion of the costs of acquiring or constructing, or both, capital improvements to the City's water distribution system or sanitary sewer collection system, or both (collectively, the "Projects"), (ii) pay the cost of a municipal bond insurance policy (the "Insurance Policy") and a debt service reserve insurance policy ("Reserve Policy") for the Bonds, each to be issued by Assured Guaranty Inc. ("AG" or the "Bond Insurer") concurrently with the delivery of the Bonds; and (iii) pay the costs associated with the issuance of the Bonds.

The Bonds are payable solely from the net revenues of the System (defined below) and funds pledged to the payment thereof ranking on a parity as to lien with the City's previously issued Water and Sewerage Revenue Refunding Bonds, Series 2020, as described herein. Under certain terms and conditions described herein, the City may also issue additional revenue bonds ranking on a parity as to the lien on the net revenues of the System with that of the Series 2020 Bonds and the Bonds. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS" herein.

The Bonds are not a debt or a general obligation or a pledge of the full faith and credit of the State of Georgia or the City. Issuance of the Bonds will not obligate the State or the City to levy or pledge any form of taxation for the payment thereof. No holder of the Bonds will ever have the right to compel any exercise of the taxing power of the State or the City to pay the Bonds or interest thereon, nor to enforce payment thereof against any other property of the State or the City, nor shall the Bonds constitute a charge, lien or encumbrance legal or equitable, upon any property of the State or the City other than the revenues of the System pledged to the payment thereof. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under the Insurance Policy. For a description of the Policy and the Bond Insurer, see "BOND INSURANCE" herein. For a form of the Insurance Policy, see "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."



The Bonds will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, as securities depository for the book-entry system of registration for the Bonds. Purchases of Bonds may be made only in book-entry form in any Authorized Denomination. Purchasers of the Bonds will not receive certificates representing their interests in Bonds so purchased. See "THE BONDS – General" and "APPENDIX G – BOOK-ENTRY SYSTEM OF REGISTRATION." Payments of interest on the Bonds will be made as described in accordance with the procedures of DTC for so long as the Bonds are registered in the book-entry system of DTC. It is expected that the Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about November 7, 2024.

The Bonds will be offered when, as and if issued by the City, subject to validation by the Superior Court of Lamar County, Georgia, and the unqualified approving legal opinion of Butler Snow LLP, Macon, Georgia, Bond Counsel. Certain legal matters are subject to the approval for the City by its counsel, Beck, Owen & Murray, Griffin, Georgia. Butler Snow LLP, Macon, Georgia is serving as Disclosure Counsel to the City.

Dated: _____.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$10,000,000*
City of Barnesville, Georgia
Water and Sewerage Revenue Bonds, Series 2024

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, AND CUSIPs*

<u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ¹	<u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ¹
2025	\$195,000				2040	\$325,000			
2026	170,000				2041	335,000			
2027	175,000				2042	350,000			
2028	185,000				2043	365,000			
2029	195,000				2044	380,000			
2030	205,000				2045	395,000			
2031	215,000				2046	410,000			
2032	225,000				2047	425,000			
2033	235,000				2048	445,000			
2034	250,000				2049	465,000			
2035	260,000				2050	485,000			
2036	275,000				2051	500,000			
2037	290,000				2052	525,000			
2038	300,000				5053	545,000			
2039	310,000				2054	565,000			
	\$ _____	Term Bond due September 1, 20____,	Interest Rate _____%	Yield _____%	CUSIP _____				
	\$ _____	Term Bond due September 1, 20____,	Interest Rate _____%	Yield _____%	CUSIP _____				
	\$ _____	Term Bond due September 1, 20____,	Interest Rate _____%	Yield _____%	CUSIP _____				

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CITY OF BARNESVILLE, GEORGIA

CITY COUNCIL

Kelly G. Hughes, Mayor
Joseph Sims, Mayor Pro Tem, Councilmember, Ward 4
William Claxton, Councilmember, Ward 1
Christopher Hightower, Councilmember, Ward 2
Sammie D. Shropshire, Councilmember, Ward 3
Cecil "Butch" McDaniel, Councilmember, Ward 5

ACTING CITY MANAGER

Tammy York
Barnesville, Georgia

CITY ATTORNEY

David E. Penland, Esq.
Beck, Owen & Murphy
Griffin, Georgia

MUNICIPAL ADVISOR

Crews & Associates, Inc.
Atlanta, Georgia

BOND COUNSEL AND DISCLOSURE COUNSEL

Butler Snow LLP
Macon, Georgia

BOND INSURER

Assured Guaranty Inc.
New York, New York

UNDERWRITER

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[,]

IMPORTANT INFORMATION

This Official Statement is in a form deemed final by the City for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted under Rule 15c2-12(b)(1).

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Bid therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Final Official Statement in the amount specified in the Notice of Sale.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date.

The Bonds will not be registered under the Security Act of 1933, as amended, or under any state securities laws. Neither the Bonds nor the herein defined Bond Ordinance has been registered or qualified with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended. The registration or qualification of the Bonds and such Bond Ordinance in accordance with applicable provisions of securities laws of the States in which the Bonds and such Bond Ordinance have been registered or qualified, and the exemption from registration or qualification in other states, shall not be regarded as a recommendation thereof.

In making an investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

All quotations from summaries and explanations of laws and documents do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the City. The City is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the City that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

Assured Guaranty Inc. (“AG”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE,” and “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

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OFFICIAL STATEMENT

of the

CITY OF BARNESVILLE, GEORGIA

relating to its

\$10,000,000*

WATER AND SEWERAGE REVENUE BONDS, SERIES 2024

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices, is to furnish certain information concerning the City of Barnesville, Georgia (the “**City**”), its combined water and sewerage system as it now exists and as it may hereafter be added to, extended or improved (the “**System**”), and the proposed issuance by the City of \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**” or the “**Bonds**”).

Inquiries may be directed to Mrs. Tammy York, Acting City Manager, 109 Forsyth Street, Barnesville, Georgia 30204, by telephoning (770) 358-0181 or by e-mailing tammy.york@cityofbarnesville.com. Inquiries may also be made to Crews & Associates, Inc., 260 Peachtree Street NW, Atlanta, Georgia 30303, by telephoning (404) 967-2543, or by e-mailing tking@crewsfs.com.

The City

For certain demographic, economic, and other information relating to the City, see “APPENDIX A – BARNESVILLE GENERAL INFORMATION.”

Legal Authority

The Bonds are to be issued pursuant to the Constitution of the State of Georgia, the Revenue Bond Law of the State of Georgia (O.C.G.A. Sections 36-82-60, et seq.), as amended, and the terms of a Bond Ordinance to be adopted by the governing body of the City on or about [_____], 2024 (the “**Bond Ordinance**”).

Purpose of the Bonds

The Series 2024 Bonds are being issued to provide funds to (i) pay all or a portion of the costs of acquiring or constructing, or both, capital improvements to the City’s water distribution system or sanitary sewer collection system, or both (collectively, the “**Projects**”), (ii) pay the cost of a municipal bond insurance policy (the “**Insurance Policy**”) and a debt service reserve insurance policy (“**Reserve Policy**”) for the Bonds, each to be issued by Assured Guaranty Inc. (“**AG**” or the “**Bond Insurer**”) concurrently with the delivery of the Bonds; and (iii) pay the costs associated with the issuance of the Bonds. See “PLAN OF FINANCE” and “SOURCES AND USES OF FUNDS” herein.

Security and Sources of Payment for the Bonds

The Bonds are special obligations of the City and will be secured by and payable solely from a lien on the Net Revenues (as defined in the Bond Ordinance) of the System ranking on a parity with that of the City’s Water and Sewerage Revenue Refunding Bonds, Taxable Series 2020A and Taxable Series 2020B (together, the “**Series 2020 Bonds**”). The Bonds and the Series 2020 Bonds (together, the “**Parity Bonds**”) will represent all bonded indebtedness payable on a parity basis from a first lien on the Net Revenues of the System; however, the City may issue Additional Bonds upon meeting certain conditions in the Bond Ordinance and the Bond Ordinance under which the Series 2020 Bonds were issued (the “**2020 Bond Ordinance**,” and, together with the Bond Ordinance, where applicable, the “**Bond Ordinances**”) as more fully described herein. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “APPENDIX B – COPY OF SUBSTANTIALLY FINAL FORM OF THE BOND ORDINANCE” herein.

* Preliminary; subject to change.

Tax Status

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2024 Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2024 Bonds (the “Code”), and interest on the Series 2024 Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In the further opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from all present state income taxation within the State of Georgia. See “FEDERAL TAX MATTERS” for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based. Also see “APPENDIX E” for the proposed form of opinion of Bond Counsel. For more complete discussion of such opinion and certain other tax consequences of owning the Bonds, see “TAX MATTERS” herein.

Opinion of Counsel. Certain legal matters incidental to authorization and issuance of the Bonds are subject to the approving legal opinion of Butler Snow LLP, Macon, Georgia, Bond Counsel. It is anticipated that the approving opinion of Butler Snow LLP will be in substantially the form included in “APPENDIX E” attached hereto. The payment of legal fees is contingent upon the issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Other Information

This Official Statement provides information only as of the date indicated on the cover. Such information is subject to change after such date.

This Official Statement and any subsequent disclosure documents of the City shall be made available through the office of the City Manager, City of Barnesville, 109 Forsyth Street, Barnesville, Georgia 30204, telephone number 770-358-0181.

Copies of the Bond Ordinance are available upon request and payment of the cost of such copying and handling by writing or calling the office of the City Manager, City of Barnesville, 109 Forsyth Street, Barnesville, Georgia 30204, telephone number 770-358-0181.

All undefined, capitalized terms used herein shall have the meanings ascribed to such terms in the Bond Ordinance unless the context requires otherwise. See “APPENDIX B – COPY OF SUBSTANTIALLY FINAL FORM OF THE BOND ORDINANCE.”

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the appendices, and the documents summarized and described herein. Investors should fully review the entire Official Statement. All references in this Official Statement to, or summaries of, the Bond Ordinance or any other document or official act are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Bond Ordinance. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the appendices. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the owners of the Bonds in a Continuing Disclosure Certificate (the “**Disclosure Certificate**”) to provide (i) certain financial information and operating data relating to the City (the “**Operating and Financial Data**”) annually and (ii) notices of the occurrence of certain events (the “**Events Notices**”), to the Municipal Securities Rulemaking Board (the “**MSRB**”), through the MSRB’s Electronic Municipal Market Access (“**EMMA**”) website, currently located at <http://emma.msrb.org>. The City’s Disclosure Certificate, which

describes the City’s undertaking to provide the Operating and Financial Data and the Events Notices, is provided in “APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

THE BONDS

General

The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds are dated the date of issuance thereof and will mature on the dates set forth on the inside cover page of this Official Statement. The Bonds will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, as securities depository for the book-entry system of registration for the Bonds. Purchasers of Bonds may be made initially only in book-entry form in any Authorized Denomination. Purchasers of Bonds will not receive certificates representing their interests in Bonds so purchased. See “APPENDIX G – BOOK-ENTRY SYSTEM OF REGISTRATION” in this section. The principal of the Bonds is payable to the registered holders thereof upon presentation and surrender of the Bonds at the designated office of U.S. Bank Trust Company National Association, Nashville, Tennessee, as paying agent (the “Paying Agent”).

Method of Payment

Interest on the Bonds is payable semiannually on each March 1 and September 1 (each an “Interest Payment Date”), commencing [_____, 1, 20___], by check or draft mailed by first class mail to the registered owners at the address shown on the registration books kept by the hereinafter described Bond Registrar on the 15th day of the month next preceding each Interest Payment Date (the “Record Date”); provided, however, that interest on the Bonds, for so long as such Bonds are registered in the book-entry system of DTC, shall be paid by wire transfer in accordance with the requirements of DTC. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Redemption Provisions*

Optional Redemption. The Bonds having stated maturities on or after September 1, 2032, may be redeemed prior to their respective maturities at the option of the City, either in whole or in part on any date, in such order of maturity as shall be selected and specified by the City, not earlier than September 1, 2032 from any moneys available for such purpose as provided in the Bond Ordinance at a redemption price of the par amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption. If less than all of the Bonds of any maturity are to be redeemed, the actual Bonds of such maturity to be redeemed shall be selected by lot or in such manner as may be designated by the City. The Bonds are subject to redemption only in principal amount of \$5,000 or any integral multiple thereof.

Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturing on September 1 in the years 20___, 20___, and 20___ are subject to scheduled mandatory sinking fund redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as the Bond Registrar may determine) on September 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed, plus accrued interest to the sinking fund redemption date:

Series 2024 Bonds Maturing September 1, 20_____

<u>September 1,</u>	<u>Principal Amount</u>
20__	\$ _____
20__ *	_____

*Final Maturity.

Series 2024 Bonds Maturing September 1, 20_____

<u>September 1,</u>	<u>Principal Amount</u>
20__	\$ _____
20__ *	_____

*Final Maturity.

Series 2024 Bonds Maturing September 1, 20_____

<u>September 1,</u>	<u>Principal Amount</u>
20__	\$ _____
20__*	_____

*Final Maturity.

Notice of Redemption. Unless waived by any owner of Bonds to be redeemed, official notice of any redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. The failure of the Bond Registrar to give any such notice or the failure of the owner of the Bond to receive any such notice as so given shall not affect the validity of the proceedings for redemption of any other Bond.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all of the Bonds or portions of the Bonds which are to be redeemed on that date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the municipality shall default to the payment of the redemption price) such Bonds or portions of such Bonds shall cease to bear interest, and the owner of said Bond shall not be entitled to any rights under the Bond Ordinance except the right to receive payment, and said Bond or portion thereof shall not be considered to be outstanding.

Defeasance

The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America (“**Government Obligations**”), (b) certificates of deposit or municipal obligations fully secured by Government Obligations, (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) United States Treasury Securities - State and Local Government Series, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, “**Defeasance Securities**”), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under the Bond Ordinance and shall no longer be deemed to be outstanding under the Bond Ordinance, and the registered owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Bond Ordinance if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

Registration of Transfer and Exchange of Bonds

The Bonds shall be registered as to the payment of principal and interest on registration books kept by U.S. Bank Trust Company National Association, Nashville, Tennessee, as bond registrar (the “**Bond Registrar**”). The Bond Registrar will also serve as authenticating agent (the “**Authenticating Agent**”) for the purpose of authenticating any Bonds issued or surrendered for registration of exchange or transfer or in replacement for Bonds previously issued.

The Bonds may be transferred only on the bond register of the Bond Registrar with respect to the Bonds. No transfer of any Bond shall be permitted except upon registration and surrender of such Bond at the designated corporate trust office of the Bond Registrar in Nashville, Tennessee, with a written assignment signed by the registered owner of such Bond in person or by a duly authorized attorney, in such form and with a guaranty of signature, satisfactory

to the Bond Registrar. The City, its agents and the Bond Registrar may deem and treat the registered owner of any Bonds as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof, the redemption premium, if any, and the interest thereon.

Upon surrender for registration of transfer of any Bond at the designated corporate trust office of the Bond Registrar, the City is required to execute, and the Authenticating Agent will authenticate and deliver to the transferee or transferees a new Bond or Bonds for a like aggregate principal amount and maturity. Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bonds of authorized denominations and of like interest rate and maturity. Every Bond presented or surrendered for registration of transfer or exchange shall (if so required by the City or the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the City and the Bond Registrar duly executed by the owner thereof or his attorney duly authorized in writing. No charge will be made to any Bondholder for the privilege of registration of transfer or exchange, but any Bondholder requesting any such registration of transfer or exchange is required to pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar is not required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the date of such mailing or (ii) to register the transfer of or exchange of any Bond so selected for redemption in whole or in part.

In case any Bond shall become mutilated or be destroyed or lost, the Bond Registrar in its discretion and at the expense of the holder of such Bond cause to be executed and delivered a new Bond of like type, date, number and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the holder paying the reasonable expenses and charges of the City in connection therewith and, in the case of a Bond destroyed or lost, his filing with the City and the Bond Registrar of evidence satisfactory to them that such Bond was destroyed or lost, and of his ownership thereof, and furnishing the City and the Bond Registrar with indemnity satisfactory to them. If any such Bond shall have matured, instead of issuing a new Bond, the City may pay or cause to be paid the same.

PLAN OF FINANCE

The City has identified certain capital improvements that need to be made to its water distribution and sanitary sewer collection systems to meet the needs of current and future customers. The improvements are summarized in the following master plan:

Project No.	Project Name	Construction Costs	Construction Contingency & Engineering @ 25%	Project Total Costs
1	North Trunk San. Sewer (WWTP to Forsyth St.)	\$3,900,000	\$4,875,000	\$4,875,000
2	North Trunk San. Sewer (Forsyth St. to Wash St.)	2,970,000	3,715,000	3,715,000
3A	Richardson Lift Station Upgrade	1,250,000	1,565,000	1,565,000
3B	Richardson Force Main Upgrade	1,000,000	1,250,000	1,250,000
4	North Street San. Sewer to Richardson LS	1,250,000	1,565,000	1,565,000
5	Grove Street San. Sewer to Richardson LS	1,700,000	2,125,000	2,125,000
6A	Sullivan Street San. Sewer to Atlanta Street	1,275,000	1,595,000	1,595,000
6B	Westchester Lift Station Upgrade	1,000,000	1,250,000	1,250,000
6C	Westchester Force Main Upgrade	225,000	285,000	285,000
7A	Metro Lift Station Upgrade	1,000,000	1,250,000	1,250,000
7B	Metro Force Main Upgrade	375,000	470,000	470,000
Totals:		\$15,945,000	\$4,000,000	\$19,945,000

The projects on the master list above were identified as part a four-year capital improvement project that the City initiated in July 2020 to make repairs and improvements to the water distribution and sewer collection systems.

Project No. 1 has been necessitated by a new residential development that will be partially located in unincorporated Lamar County and within the Barnesville city limits. The City has obtained a pricing bid of \$2,510,740.97 (exclusive of contingency and engineering) for Project No. 1 listed above (North Trunk San. Sewer (WWTP to Forsyth St.)). However, updated maps and detailed engineering assessments (including hydraulic modeling for the water and sewer systems) will be required before final design of the proposed improvements can be completed and the capital improvements can begin, which may impact the price of Project No. 1.

The City intends to undertake each subcomponent of the master plan in the chronological order shown above. From the proceeds of the sale of the Bonds, the City has allocated \$8,590,000 in its plan of finance to undertake Project Nos. 1 and 2 described above. To the extent that proceeds of the Bonds remain after the completion of Project Nos. 1 and 2 described above, the City will apply those proceeds to the next project on the list above, in combination with other funds available to the City. The City will use other funds that may be available to it fund other portions of the projects as well, such as CDBG funds, SPLOST funds, and System revenues.

For more information on the capital improvement projects, see “APPENDIX H – ENGINEERING REPORT.”

SOURCES AND USES OF FUNDS

The table on the following page sets forth the estimated sources and uses of the proceeds of the Series 2024 Bonds. See “PLAN OF FINANCE” herein.

Sources of Funds

Principal Amount of Series 2024 Bonds	\$ <u>10,000,000</u> *
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Total Sources of Funds

Uses of Funds

Deposit to Construction Fund
Deposit to Costs of Issuance Account ^(a)

Total Uses of Funds

(a) *Includes bond insurance premium, reserve policy fee, legal, accounting, and municipal advisor fees, initial bond registrar and paying agent fees, escrow agent fees, underwriter’s discount, printing costs, rating agency fees, and miscellaneous expenses of issuance.*

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds shall not be deemed to constitute a debt of the State of Georgia (the “State”) or any political subdivision thereof, including the City, within the meaning of any constitutional or statutory limitation on indebtedness, nor a pledge of the faith and credit of the State or any political subdivision thereof, including the City, nor shall the State or any political subdivision thereof, including the City, be subject to any pecuniary liability thereon. The Bonds shall not be payable from or a charge upon any funds other than the Net Revenues of the System. No holder of any Bond shall ever have the right to compel the exercise of any taxing power of the State or any political subdivision thereof, including the City, to pay the same or the interest thereon nor to enforce the payment thereof against any other property of the State or any political subdivision thereof, including the City, nor shall the Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the State or any political subdivision thereof, including the City.

Pledge of Revenues

Pursuant to the Bond Ordinances, the City is required to deposit all Revenues derived from the System into a Revenue Fund, described hereinafter, and to disburse monthly therefrom, after payment of the reasonable and necessary expenses (other than depreciation) of operating, maintaining and repairing the System and a balance equal to the preceding six months’ aggregate of such expenses to meet the working capital needs of the System, amounts sufficient to pay the principal of and interest on the Series 2020 Bonds, the Bonds, and any Additional Bonds coming

due on the next succeeding Interest Payment Date. In the Bond Ordinances, the City has covenanted that it will maintain rates, tolls, fees, and charges for the services, facilities and commodities furnished by the System as further described below. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant” and “APPENDIX B – COPY OF SUBSTANTIALLY FINAL FORM OF THE BOND ORDINANCE,” “– Revenues and Funds,” and “– Schedule of Rates, Fees and Charges”.

AG Policies

The scheduled payment of principal and interest on the Bonds when due will be guaranteed under the Insurance Policy. For a description of the Insurance Policy and the Bond Insurer, see “BOND INSURANCE” herein. For a form of the Insurance Policy, see “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Payment of principal of and interest on the Bonds will also be secured by a debt service reserve within the Sinking Fund, which is to be held in trust for the owners of all the Bonds, equally and ratably, under the terms of the Bond Ordinance. The Debt Service Reserve Requirement (as defined in the Bond Ordinance) will be fully funded upon the issuance of the Bonds from the purchase of the Reserve Policy.

Rate Covenant

Pursuant to the Bond Ordinances, the City has covenanted and agreed that, as often as it shall appear necessary, the City shall revise the schedule of rates, tolls, fees and charges for the services, facilities and commodities furnished by the System to the extent necessary to produce funds sufficient in each fiscal year to:

- (a) operate, maintain, and repair the System on a sound businesslike basis;
- (b) produce an amount equal to 110% of the amount required to discharge the payment of the principal of and the interest on the Parity Bonds, and any Additional Bonds as the same become due and payable in the then current Sinking Fund Year;
- (c) create and maintain a reserve in the Debt Service Reserve Account in the amount as required in the Bond Ordinances or such larger amount as may be required in any proceedings authorizing such issue or issues of Additional Bonds; and
- (d) create and maintain a reserve for extensions and improvements to the System.

The rates, tolls, fees, and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as nearly as practicable such rates, fees, and charges shall be uniform in application to all users falling within any reasonable class. No free services shall at any time be furnished from the System, and the City will undertake within its health powers and public safety, or such other applicable powers now or hereafter provided by law to require the owners of all improved property abutting any sewerage line to connect with the System. No customer shall be connected to the System or served by the City without a proper meter having been first installed. All services shall be furnished in accordance with rates now or hereafter established, including services furnished to any county, municipal corporation or other public board or body. Notwithstanding the foregoing, the City, in the exercise of its reasonable discretion, shall have the right to furnish free unmetered water to nonprofit bodies or public bodies.

In the event the City fails to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges, in accordance with the provisions of the Bond Ordinances, any bondholder, without regard to whether any default shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the City to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges in accordance with the requirements of the Bond Ordinances or to take any other action permitted by the Bond Ordinances.

Debt Service Account and Debt Service Reserve Account*

The Bond Ordinances require a Sinking Fund and the establishment and maintenance of a Debt Service Account and a Debt Service Reserve Account within the Sinking Fund. After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the Bond Ordinances, there shall be paid into the Debt Service Account, for the purpose of paying the principal of and the interest on the Parity Bonds coming due in the then current Sinking Fund Year (whether by maturity, scheduled mandatory redemption or otherwise, and taking into consideration moneys deposited therein simultaneously with the issuance and delivery of the Bonds and any interest earned on amounts on deposit in the Debt Service Account of the Sinking Fund), the following amounts: (i)

commencing with the month of _____, 202__ and from month to month thereafter, an amount equal to one-____ (1/__) of the interest on the Parity Bonds coming due on _____ 1, 202_, and commencing with the month of _____, 202_ and from month to month thereafter, an amount equal to one-____ (1/__) of the interest on the Parity Bonds coming due on the next succeeding March 1 or September 1, as the case may be, and (ii) commencing with the month of _____, 202_ and from month to month thereafter, an amount equal to one-____ (1/__) of the principal on the Parity Bonds coming due on _____ 1, 202_, and commencing with the month of _____, 202_ and from month to month thereafter, an amount equal to one-twelfth (1/12) of the principal on the Bonds coming due on the next succeeding September 1, such monthly payments to continue from month to month until sufficient funds are on hand in the Sinking Fund to pay all of the outstanding principal of, and premium, if any, the Parity Bonds as the same mature or are acquired by mandatory redemption, and the interest that shall become due and payable thereon.

There shall be deposited in the Debt Service Reserve Account for each series of bonds issued pursuant to the Bond Ordinances, an amount equal to the least of (i) 10% of the outstanding principal amount of the bonds issued, (ii) the maximum annual Principal and Interest Requirement in any Sinking Fund Year, or (iii) 125% of the average annual debt service on the Parity Bonds; provided, however, with respect to Bonds that are variable rate bonds, it shall be assumed that such Bonds bear interest through maturity at that rate which the original purchaser of such Bonds certifies as of the date of issuance thereof would have borne had such Bonds borne a fixed, constant rate of interest. The Debt Service Reserve Account shall be maintained for the purpose and shall be used solely to pay the principal of and interest due in any year as to which there otherwise would be a deficiency in the Debt Service Account. The City will fund the Debt Service Reserve Account with a surety bond or reserve policy for each issue.

Additional Bonds

The City has agreed in the Bond Ordinances that it will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System prior to the lien created for the payment of the Parity Bonds, and any future series of Additional Bonds. Nothing contained therein, however, restricts the issuance of Additional Bonds or obligations from time to time payable from the net revenues of the System and secured by a lien on said revenues which is junior and subordinate to the lien created under the Bond Ordinances. Additional Bonds, ranking as to lien on the Net Revenues of the System on a parity with the Parity Bonds, may be issued under the following conditions:

(a) The payments covenanted to be made into the Sinking Fund, as the same may have been enlarged and extended in any proceedings authorizing the issuance of any Additional Bonds, must be currently being made in the full amount required and said "Debt Service Account" and "Debt Service Reserve Account" held within said Sinking Fund must be at their proper respective balances.

(b) The Net Revenue of the System for a period of twelve (12) consecutive months out of the twenty-four (24) consecutive months preceding the month of adoption of the proceedings authorizing the issuance of such Additional Bonds must have been equal to at least 1.15 times the maximum Debt Service Requirement for any succeeding Sinking Fund Year on the Parity Bonds and any issue or issues of Additional Bonds then outstanding and on the bonds proposed to be issued. In lieu of the foregoing formula, if a new schedule of rates and charges for the services, facilities and commodities furnished by the System shall have been adopted and shall be in effect and an independent and recognized firm of certified public accountants shall certify that had this new rate schedule been in effect during the period described above, the Net Revenues would have been equal to at least 1.15 times the maximum debt service requirement for any succeeding Sinking Fund Year on the Parity Bonds and any Additional Bonds then outstanding and on the bonds proposed to be issued.

(c) An independent and recognized firm of certified public accountants or a municipal advisor or advisory firm registered with the Securities and Exchange Commission shall certify to the City that the requirements of subparagraph (a) above are being complied with and that the requirements of subparagraph (b) above have been met.

(d) Except when bonds are being issued solely for the purpose of refunding outstanding revenue bonds, the Consulting Engineers for the City shall provide the City with a written report recommending the additions, extensions, and improvements to be made to the System and stating that same are feasible, designating in reasonable detail the work and installation proposed to be done and the estimated cost of accomplishing the undertaking. The Consulting Engineers or a municipal advisor or advisory firm

registered with the Securities and Exchange Commission shall set forth in said report the Projected Net Revenues (hereinafter defined) to be derived from the System which will be available for debt service payments over the life of the Parity Bonds and any Additional Bonds therewith then outstanding and the bonds proposed to be issued and shall indicate the projected coverage of such debt service payments in each succeeding Sinking Fund Year. "Projected Net Revenues" in each year for the purpose of this subparagraph (d) shall be estimated gross revenues of the System in each Sinking Fund Year remaining after payment of the estimated costs required or permitted to be paid pursuant to the provisions of Paragraph 1 of Section 502 of the Bond Ordinance for said period.

(e) The City shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings, among other things, the date such Additional Bonds shall bear, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions. The interest and principal on the Additional Bonds of any such issue shall fall due on dates to be established by the City; provided that, if such dates differ from the Parity Bonds, the City shall make certain modifications to the monthly sinking fund payment obligations as necessary to accommodate such difference, including assuring that sinking fund payment obligations are made monthly in approximately equal amounts from a payment date respecting principal and interest, respectively, to the next such applicable payment date respecting such Additional Bonds, but, as to principal, not necessarily in each year or in equal installments; provided that if such Additional Bonds shall bear interest at a variable rate, the City may, by supplemental ordinance, designate such other interest payment dates or record dates with respect to such Additional Bonds as may be appropriate. Any such proceeding or proceedings shall require the City to increase the monthly payments then being made into the Sinking Fund to the extent necessary to pay the principal of and the interest on the Parity Bonds and on all such Additional Bonds therewith then outstanding and on the bonds proposed to be issued as same become due and payable, either at maturity or by proceedings for mandatory redemption, in the then current Sinking Fund Year, and to deposit into the Debt Service Reserve Account, as a condition to the issuance of such Additional Bonds, either a surety bond or letter of credit that complies with the terms of the Bond Ordinances or cash in an amount equal to the Debt Service Reserve Requirement (taking into account the bonds being issued), and to maintain the Debt Service Reserve Account in such amount. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Bond Ordinances.

(f) Such Additional Bonds or obligations and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(g) In the event that any such Additional Bonds bear interest at a rate other than a fixed rate of interest per annum, the proceedings under which such Additional Bonds are issued shall provide a "cap" or a maximum rate of interest per annum which such Additional Bonds may bear, and in the event that the City enters into a contract with a bank or other financial institution (a "**Liquidity Provider**") to provide liquidity for such Additional Bonds, (i) the interest rate payable to the Liquidity Provider must be specified at the time of issuance of such Additional Bonds, (ii) any acceleration of principal payments due to the Liquidity Provider or any interest due in excess of the interest payable on such Additional Bonds must be subordinate to the payment of debt service on the Parity Bonds outstanding under the Bond Ordinances, and (iii) the Liquidity Provider must be rated in either of the two highest short-term debt rating categories of the applicable rating agency or agencies.

RISK FACTORS

Prospective purchasers of the Bonds should be aware that investment in the Bonds may entail some degree of risk. Each prospective investor in the Bonds is encouraged to read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds and which could also affect the market price of the Bonds to an extent that cannot be determined. This discussion of risk factors is not, and is not intended to be, exhaustive.

Special, Limited Obligation

The obligation of the City to pay debt service on the Bonds is a special, limited obligation of the City. *The Bonds are not general obligations of the City and the full faith and credit, and taxing power of the City are not pledged to pay debt service on the Bonds. The City does not have the authority to levy ad valorem property taxes in order to pay debt service on the Bonds.* As further described elsewhere herein, debt service on the Bonds is payable solely

from and secured by a first charge and lien upon the Net Revenues of the System ranking on a parity of lien with the Series 2020 Bonds as described herein. While it is believed that the Net Revenues of the System will be sufficient to pay operating and maintenance costs of the System as well as debt service on the Parity Bonds when due, a number of factors described below may affect the receipt of sufficient Net Revenues from the System for such purposes, which may impair the ability of the City to make timely debt service payments on the Bonds.

General Factors that May Affect Sufficiency of Revenues

As stated above, the City is obligated to pay debt service on the Bonds solely from Net Revenues generated by the operation of the System ranking on a parity of lien with the Series 2020 Bonds. A number of factors may have an adverse effect on the receipt of money in an amount sufficient to pay operating and maintenance expenses of the System as well as debt service on the Bonds. These include potential adverse changes in the economic condition of the System, including potential decreases in population that may arise from decisions by employers located in and around the City to relocate their operations elsewhere; potential unemployment at a level that would preclude residents of the City from paying sufficient user fees in order to support the operations of the System and the payment of debt service on the Bonds; and other factors such as weather conditions that could result in a reduction in the demand for services.

Unforeseen Problems with the System

Payment of principal of and interest on the Bonds is dependent to a considerable degree upon the continued operation of the System for the purposes for which it was designed. While the City believes that the System is designed and constructed in such a manner as to permit its continued operation without requiring unreasonable costs for maintenance or repairs and has provided under the terms of the Bond Ordinance for the creation and maintenance of funds in amounts which it believes to be sufficient to provide for the necessary repairs and maintenance of the System, there can be no assurance that such amounts will, in fact, be sufficient to ensure the ongoing operation of the System. Any material interruption of the operation of the System may have an adverse effect on the ability of the City to collect fees from users of the System and could, in turn, have a materially adverse effect on the ability of the City to make timely payment of debt service on the Bonds.

Water Quality, Environmental and Other Regulatory Requirements

General. In operating the System, the City is subject to various environmental regulations that could subject the City to increased operating costs or capital expenditures. Such increased costs could reduce the amount of the applicable Net Revenues available to pay debt service on the Bonds.

Water System. Public drinking water systems like the System are regulated by the Environmental Protection Agency (the “EPA”); the Environmental Protection Division of the Georgia Department of Natural Resources (the “EPD”) has the authority to enforce drinking water quality standards. Water quality standards imposed by the Federal government or the State may affect the water available to the City and implementation of those standards or enforcement by the EPD could result in increased costs associated with water treatment operations of the City. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service could negatively impact Net Revenues.

Under the federal Safe Drinking Water Act, the EPA has the authority to set enforceable National Primary Drinking Water Regulations (“NPDWRs”) for drinking water contaminants and require monitoring of public water systems. On April 10, 2024, the EPA finalized an NPDWR establishing legally enforceable levels for six “per- and polyfluoroalkyl substances” (“PFAS”) in drinking water. The NPDWR also requires public water systems to perform initial monitoring for PFAS by April 26, 2027, and thereafter continue with ongoing compliance monitoring. By April 26, 2029, public water systems must implement solutions that reduce PFAS below the required limits set forth in the NPDWR.

The System is subject to the NPDWR. Accordingly, the City has begun the initial monitoring of its drinking water as required by the NPDWR. In connection with this initial monitoring, a limited number of PFAS have been detected in certain of the City’s water purchases from an adjacent provider. The area affected is small (less than 40 customers) and is not blended with City water supply. Based on initial monitoring results, the City and City’s water purchases appear to be below regulatory limits as currently set forth by the EPA compliance monitoring guidance.

Should future monitoring results exceed the regulatory limits set forth in the NPDWR, the City will eliminate water purchases from sources that have PFAS detections and serve those customers affected with an alternate water supply.

Maintenance of Credit Rating

The Bonds will be rated as to their creditworthiness by S&P Global Ratings (“**S&P**” or the “**Rating Agency**”). No assurance can be given that the Bonds will maintain its original rating from the Rating Agency. If a rating on the Bonds decreases, the Bonds may lack liquidity in the secondary market in comparison to other municipal bonds. Adverse developments with respect to the financial condition of the System may have an unfavorable effect upon a holder’s ability to sell the holder’s Bonds or the bid and ask prices for the Bonds. See “**RATING**” in this Official Statement.

Cybersecurity

The City’s services and systems may be critical to operations or involve the storage, processing and transmission of sensitive data, including valuable property tax, other proprietary or confidential data, regulated data, and personal information of employees, taxpayers, and others. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of the City’s or other third-party data or systems; theft of sensitive, regulated, or confidential data including personal information; the loss of access to critical data or systems; service or system disruptions or denials of service. A potentially successful cyberattack on the City’s operations could also disrupt the delivery of City services and City operations. While the City employs professional information technology professionals and utilizes operational safeguards that are tested periodically, no assurance can be given that such measures will ensure that the City is protected against all cybersecurity threats or attacks.

Economy

A combination of economic, climactic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced revenues and/or tax collections and/or increased demands upon the City.

Secondary Markets and Prices

Neither the City nor the underwriter will be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The foregoing is intended only as a summary of certain investment considerations attendant to an investment in the Bonds. It is NOT an exhaustive list of all possible factors that could adversely impact the ability of the City to make payments on the Bonds. In order for potential investors to identify investment considerations and make an informed decision with respect to the Bonds, potential investors in the Bonds should be thoroughly familiar with this entire Official Statement and the appendices.

THE SYSTEM

Water System

The water distribution system serves approximately 4,300 water customers. The City has approximately 73 miles of water distribution main. The system varies substantially in age because it is continually being expanded and upgraded; however, the distribution system is currently in good condition.

The City owns and operates three water storage tanks aggregating 4 million gallons (“**MG**”) in ground storage on Hog Mountain northeast of the City and a 500,000 gallon storage tank in the Industrial Park. The Industrial Park consists of approximately 500 acres on which are located 7 industries. The City owns approximately 180 acres of undeveloped property in the Industrial Park.

The City owns and operates two water treatment plants with a total rated capacity of 6 million gallons per day (“**MGD**”).

The Trident MicroFloc Plant was constructed in 1991 and consists of two treatment trains of 2 MGD for a total capacity for the plant of 4 MGD. Each train uses a beaded media to filter floc before entering the sand and anthracite coal filter. This plant had substantial rehab work performed in 2009. This plant, rated at 4 MGD, provides above average water supply needs for a municipality of the City’s size.

The Conventional Plant adds another 2 MGD to make the City’s overall capacity 6 MGD. The Conventional Plant, constructed in 1964 and upgraded in 1974, now consists of 4 Sedimentation basins and 4 filters. Floc is allowed to settle in these basins prior to being filtered through the sand and anthracite coal filter. Each sand and anthracite filter was rehabilitated in 2020.

Most of the System is based on gravity flow. The City reviews the System’s distribution network at regular intervals and pipe replacement is a regular part of this process. In addition, the City is in the planning phases of implementing a large-scale meter change out program that would replace older residential meters in the system that are past their useful life. This program will complement the City’s small-scale efforts since 2020 of changing out meters during service or maintenance calls.

Raw Water Supply

Water is withdrawn from the Eady Creek Reservoir, which is a surface water lake located approximately four miles northeast of the City. The reservoir encompasses 160 acres and meets the current 1.8 MGD average daily demand and the projected future average daily demand of 2.0 MGD. Water is pumped via two 12” service mains to the City’s water treatment plant on State Route 36, just north of the City limits.

Water system usage and customers served for the last five fiscal years ended September 30 are shown below.

Water Pumped				
<u>Year</u>	<u>Annual (MG)</u>	<u>Peak Day (MGD)</u>	<u>Water Sold (MG)</u>	<u>Customers (end of year)</u>
2019	665	3.00	352	4,274
2020	707	3.00	322	4,378
2021	662	3.00	355	4,472
2022	690	3.40	365	4,618
2023	692	3.57	378	4,672

Source: City of Barnesville.

On August 19, 1996, the City contracted with the City of Milner to operate the City of Milner’s water system and supply water to the system on an exclusive and wholesale basis until July 1, 2046 (the “**Milner Water Agreement**”). Under the Milner Water Agreement, the City provides repairs and maintenance of the City of Milner’s water system, meter reading and customer billing, and water supply. The City bills the City of Milner monthly based upon the number of gallons of water used. The City charges the City of Milner \$3.18 per 1,000 gallons. The City is in negotiations with the City of Milner to revise the rates. The Milner Water Agreement provides that the rates may be increased at the end of every one-year period, provided that the City of Milner will not pay more than the residents of the City of Barnesville for the same amount of water. The City of Milner has approximately 725 water users and they are charged for water at rates set by the City of Milner. The Milner Water Agreement renews automatically on July 1, 2046, unless either party provides written notice of non-renewal 30 days prior to such date.

Largest Users of Water System

The largest users of the System represent a mix between commercial customers, institutions, and industry. The largest water and sewerage customers for the fiscal year ending September 30, 2023, are shown below.

	<u>Customer</u>	<u>MG</u>	<u>Revenue</u>
1.	Piedmont Green Power	43.327	\$337,914
2.	City of Milner	38.107	118,985
3.	Gordon State College	20.004	150,205
4.	Jordan Lumber	13.060	97,321
5.	Continental Tire	7.279	53,727
6.	Pineview Apartments	4.953	36,859
7.	Piedmont Development	4.462	33,138
8.	Lamar County Board of Education	4.436	30,447
9.	Ingles	3.619	26,924
10.	Grain Craft	<u>3.363</u>	<u>24,951</u>
	Total	142.610	\$910,470

Source: City of Barnesville.

Sewerage System

In 2014, the City built a new wastewater treatment plant that was designed and is permitted for a capacity of 3.0 MGD. Current daily sewerage flows at the plant are 1.1 MGD. The City's former wastewater treatment plant was originally constructed in 1959 and has been decommissioned. The City currently has no plans to rehabilitate, repurpose, or sell the old treatment plant.

The collection system serves approximately 2,500 users within the City and no rural users outside of the City. The total population in the City has access to sewer service. The City has an ongoing program to correct leaks due to inflow from storm water drainage and infiltration from sub-surface sources. This program utilizes the City's sewer camera and flow monitoring equipment to identify problem areas and assist with decision making to ensure proposed projects are necessary and contribute to the long-term goals of the City. This program is reducing excess flow to the sewage treatment plant during rainy periods, thereby reducing volume of flow treated and related operating costs.

Sewerage system usage and customers served for the five years ended September 30, 2023, are shown below.

<u>Year</u>	<u>Average Annual Flow (MGD)</u>	<u>Customers</u>
2019	1.10	2,435
2020	1.20	2,439
2021	1.10	2,436
2022	1.00	2,482
2023	1.10	2,479

Source: City of Barnesville.

On February 11, 2002, the City contracted with the City of Milner to accept and treat the City of Milner's sewage on a wholesale basis until June 30, 2042 (the "**Milner Sewer Agreement**"). Under the Milner Sewer Agreement, the City has agreed to (1) accept all sewage discharge from the City of Milner's sewerage system, (2) calibrate the meter at the point of delivery at the request of Milner, (3) read the meter at the point of delivery on a monthly basis and submit to Milner an itemized statement of the charges for treatment of the sewage received from Milner, (4) provide customer billing for the City of Milner's sewage customers. The City of Milner receives a monthly bill based upon the number of gallons of sewage accepted. The City guarantees that its sewage system shall accept and accommodate 100,000 gallons of sewage per day from the City of Milner. The City charges the City of Milner \$3.18 per 1,000 gallons of sewage. Effective October 1, 2024, the City will charge the City of Milner \$3.46 per 1,000 gallons of sewage. There are approximately 450 sewer users in the City of Milner and they are charged at rates set by the City of Milner. The City is currently in negotiations with the City of Milner concerning rates.

Largest Users of Sewer System

	<u>Customer</u>	<u>MG</u>	<u>Revenue</u>
1.	City of Milner	33.407	\$104,230
2.	Gordon State College	18.168	136,790
3.	Continental Tire	7.279	53,937
4.	Pineview Apartments	4.953	36,950
5.	Piedmont Development	4.462	33,307
6.	Ingles	3.619	27,261
7.	Heritage Inn	3.030	22,606
8.	Lamar County Board of Education	3.144	32,923
9.	Lamar County Board of Commissioners	1.619	13,511
10.	Hickman-Laundromat	<u>1.451</u>	<u>10,842</u>
	Total	81.132	\$472,357

Source: City of Barnesville.

The customers shown in the Largest Users of Water System table and the Largest Users of Sewer System table above accounted for 31% of the water and sewer portions of the System revenues for the year ending September 30, 2023.

Water and Sewer Fees, Charges, and Rates

The tables below set forth water and sewer fees, charges, and rates effective from October 1, 2023, to the present time:

Water Meter <u>Size</u>	<u>Meter and Tap Installation Fees*</u>			Incidentals (15%)	<u>Total</u>
	<u>Labor</u>	<u>Equipment</u>	<u>Meter</u>		
¾"	\$310.00	\$600.00	\$210.00	\$430.00	\$1,550.00
1"	310.00	600.00	290.00	550.00	1,750.00
1 ½"	-	-	-	-	-
2"	310.00	600.00	1,825.00	2,115.00	4,850.00
3"	525.00	600.00	4,575.00	900.00	6,600.00
4"	***Market Pricing on taps 4" and larger***				
6"					
8"					

<u>Sewer Size</u>	<u>Labor</u>	<u>Equipment</u>	Incidentals (15%)	<u>Total</u>
4"	***Market Pricing on taps 4" and larger***			
6"			-	
8"			-	

*Meter installation and sewer connection costs based on the average labor, administration, and equipment costs. For situations where the water or sewer tap has been installed by the builder or developer, the fee for inspection of the connection will be \$275 per water meter and \$100 per sewer tap.

Source: City of Barnesville.

Water & Sewer Rate Structures*

(Rates shown are per 1,000 gallons used)

	<u>EFFECTIVE</u> <u>November 1, 2012</u>	<u>EFFECTIVE</u> <u>October 1, 2023</u>	<u>EFFECTIVE</u> <u>October 1, 2024</u>
<u>Retail Water Rate Structure</u>			
Base Rate Inside City	\$10.00	\$10.82	\$11.76
Base Rate Outside City	16.00	17.65	19.18
0-2,000	0.00	0.00	0.00
2,000-4,999	4.80	5.40	5.87
5,000-9,999	5.80	6.53	7.09
10,000 and over	6.75	7.60	8.26
<u>Retail Sewer Rate Structure</u>			
Base Rate	\$16.60	\$17.97	\$19.52
0-2,000	0.00	0.00	0.00
2,000-4,999	4.80	5.40	5.87
5,000-9,999	5.80	6.53	7.09
10,000 and over	6.75	7.60	8.26
<u>Wholesale Water Rate</u>	\$2.83	\$3.18	\$3.46
<u>Wholesale Sewer</u>	2.83	3.18	3.46
<u>Hydrant Sales</u>	6.75	7.60	8.26
<u>Irrigation Meter</u>	6.75	7.60	8.26
ALL CONSUMPTION			
Base Rate Inside City	\$10.00	\$10.82	\$11.76
Base Rate Outside City	16.30	17.65	19.18

*Base Rates includes the first 2,000 gallons.
Source: City of Barnesville.

Rate Setting Process. Each year management reviews and evaluates the water and sewer rates as part of the budgetary process. The City Manager is authorized to approve rate increases of two percent (2%) or less per year. If rate increases of more than two percent (2%) are required, the proposed ordinance(s) is submitted to the Mayor and Council. Two separate readings of the ordinance are required before approval.

Billing and Collection Process. The City reads each meter monthly, and bills are generated by the Utility Billing Department. The payment is due upon receipt of the bills and become past due after 15 days from the billing date. Delinquent accounts are then disconnected from service after 10 additional days. Currently, the Utility Billing Department consists of one billing clerk and two meter readers. The billing clerk performs routine clerical, administrative, and data processing work in the billing of utility and other public services. The meter readers perform semi-skilled utility work in the reading and operation of utility meters.

Water and Sewer Department. The Water and Sewer Department plans, constructs, operates, repairs, maintains and performs the replacement of equipment within the System and associated facilities. The Water and Sewer department consists of a water/sewer superintendent, a water/sewer supervisor, a crew leader, two equipment operators, and two water/sewer construction workers.

In September 2012, the City and ESG Operations, Inc. (“ESG”), entered into an Agreement for Operations, Maintenance and Management Services (the “**System Operating Agreement**”). Under the terms of the System Operating Agreement, ESG must provide full-service management, operation, and maintenance of the System’s water and wastewater plants and related facilities and equipment on a 24-hour, 7 days a week basis, and in accordance with all applicable state and federal laws, regulations, and permits. At this time, the staffing level provided by ESG is approximately five full-time employees or equivalent. The System Operating Agreement further provides that the City remains responsible for paying capital expenditures and certain other costs. The annual base fee that the City must pay ESG under the System Operating Agreement is negotiated and agreed to each year not less than three (3) months

prior to the beginning of the next contract year. The current base fee that the City pays ESG is \$1,156,992, or \$96,416 monthly. The System Operating Agreement is currently set to expire on October 1, 2024.

Capacity Recovery Fee – Residential Land Uses

Use	EDU*	Unit	Cost Per EDU Water Only	Cost Per EDU Sewer only	Cost Per EDU Water & Sewer Combined
<u>City of Barnesville Users</u>					
Residential Land Use	\$1,000	per dwelling	\$1,160	\$3,190	\$4,350
<u>City of Milner Users</u>					
Residential Land Use	1,000	per dwelling	600	1,400	2,000

* Equivalent Dwelling Unit.

For non-residential land uses, the estimated daily usage will be calculated on a case-by-case basis at the time of meter installation or sewer tap. The estimated daily usage (e.g., 250 gallons per day) will be based on historic data (from comparable land uses) or by actual use data for similar land uses, which may be provided by the fee payer. The sewer capacity recovery fee calculation is based on the same quantity as used for the water calculation. In situations where historic or contemporary data is limited to a degree that it is questionable, the City’s registered professional engineer shall make the determination, which determination is final and not subject to review.

Environmental Matters

The City’s operations of the water treatment and distribution system operated are subject to the regulations of the EPD. Wastewater operations are subject to the regulations imposed by the federal Water Pollution Control Act, as amended (the “**Clean Water Act**”). The regulatory requirements are administered by the EPA through the EPD. The table that follows provides information about the permits under which the Authority currently operates.

<u>Permit Number</u>	<u>Purpose</u>	<u>Issued</u>	<u>Expiration</u>
CS1710000	Public Water System	March 10, 2020	March 10, 2030
GA0021041*	Wastewater Treatment Facility	February 13, 2018	February 28, 2023

*Currently awaiting approval from the Environmental Protection Division.
Source: City of Barnesville.

The City is not aware of any regulatory or enforcement proceedings pending or threatened against the City or the System.

Current and Future Capital Outlay and Debt Plans

The City has identified certain capital improvements that need to be made to its water distribution and sanitary sewer collection systems to meet the needs of current and future customers. In addition to the Bonds, the City currently plans to issue additional bonds in 2026 to fund the additional capital improvements that need to be made to the System. See “PLAN OF FINANCE” herein.

FINANCIAL INFORMATION CONCERNING THE SYSTEM

Five-Year Operating History

The City maintains all of its funds and accounts relating to the System separate from other City funds. The System is accounted for as an Enterprise Fund of the City. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The System is accounted for using the accrual basis of accounting. System revenues are recorded when earned, and its expenses are recorded when incurred.

The table on the following pages sets forth a historical, comparative summary of the revenues and expenses of the System for its past five fiscal years. Information in the table has been extracted from audited financial statements of the City for the fiscal years ended September 30, 2019, through 2023 and from unaudited interim financial statements of the System for the nine-month periods ended June 30, 2023 and 2024. The audited financial statements for the System and their accompanying notes for fiscal year ended September 30, 2023, are included in “APPENDIX C” to this Official Statement. Although the information for fiscal years ended September 30, 2019, through 2023 were taken from audited financial statements, no representation is made that the information is complete from year to year, or that the information as shown, taken by itself, presents fairly the results of operation of the System for the fiscal years shown. For more complete information, reference is made to the audited financial statements for each of such fiscal years, copies of which are available from the City upon request. The unaudited interim financial statements were prepared by City staff. See “EXPERTS” herein.

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Summary of System Revenues and Expenses

	Fiscal Years Ended September 30				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>OPERATING REVENUES</u>					
Charges for Service	\$3,744,846	\$3,728,313	\$4,250,958	\$4,417,580	\$4,523,564
Licenses and Permits	-	-	-	-	-
Other Services	-	130,730	169,904	190,023	263,926
Miscellaneous	<u>155,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	3,900,649	3,859,043	4,420,862	4,607,603	4,787,490
<u>OPERATING EXPENSES</u>					
Personal Services	487,506	557,246	593,537	725,826	1,007,451
Contractual Services	977,459	1,636,235	1,179,445	1,650,796	442,738
Purchased Power	-	-	-	-	-
Supplies and Other Services	391,847	228,139	306,716	342,538	307,896
Utilities	2,648	-	-	-	-
Miscellaneous	-	7,586	-	56,834	1,101,896
Landfill Expenses	-	-	-	-	-
Depreciation	<u>842,301</u>	<u>876,952</u>	<u>867,290</u>	<u>966,967</u>	<u>1,015,977</u>
Total Operating Expenditures	2,701,761	3,306,158	2,946,988	3,742,961	3,875,960
OPERATING INCOME (LOSS)	1,198,888	552,885	1,473,874	864,642	911,530
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Interest Revenue	65,292	-	-	-	-
Interest Expense	(905,638)	(967,954)	(519,978)	(588,647)	(585,343)
Gain on Disposal of Capital Assets	-	-	-	-	-
Intergovernmental Grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-operating Revenues (Expenses)	(840,346)	(967,954)	(519,978)	(588,647)	(585,343)
Net Income (loss) before outflows, transfers, and capital contributions	<u>358,542</u>	<u>(415,069)</u>	<u>953,896</u>	<u>275,995</u>	<u>-</u>
Capital Contributions	-	-	-	67,300	783,937
Transfers In (Out)	-	204,324	468,150	(65,751)	(418,425)
Change in Net Position	358,542	(210,745)	1,422,046	277,544	691,699
Net Assets – Beginning	18,589,738	7,589,763	7,379,018	8,316,985	8,594,529
Restatement	<u>(754,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets – Ending	<u>\$18,193,534</u>	<u>\$7,379,018</u>	<u>\$8,801,064</u>	<u>\$8,594,529</u>	<u>\$9,286,228</u>

Summary of System Revenues and Expenses

	Nine-Month Periods Ended	
	<u>June 30 (Unaudited)</u>	
	<u>2023</u>	<u>2024</u>
<u>OPERATING REVENUES</u>		
Charges for Service	\$3,123,210	\$3,327,037
Licenses and Permits	-	-
Other Services	185,327	231,587
Miscellaneous	<u>-</u>	<u>-</u>
Total Operating Revenues	3,308,537	3,558,624
 <u>OPERATING EXPENSES</u>		
Personal Services	724,998	739,427
Contractual Services	295,056	371,863
Purchased Power	-	-
Supplies and Other Services	225,557	310,015
Utilities	-	-
Miscellaneous	826,424	975,572
Landfill Expenses	-	-
Depreciation	<u>761,983</u>	<u>761,983</u>
Total Operating Expenditures	2,834,018	3,158,860
 OPERATING INCOME (LOSS)	 474,519	 399,764
 <u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	-	-
Interest Expense	(359,156)	(582,298)
Gain on Disposal of Capital Assets	-	-
Intergovernmental Grant	<u>-</u>	<u>138,775</u>
Total Non-operating Revenues (Expenses)	(359,156)	(443,523)
Net Income (loss) before outflows, transfers, and capital contributions	<u>115,363</u>	<u>(43,759)</u>
Capital Contributions	-	305,331
Transfers In (Out)	(162,798)	-
Change in Net Position	278,161	122,797
Net Assets – Beginning	8,594,529	9,286,228
Restatement	<u>-</u>	<u>-</u>
Net Assets – Ending	<u>\$8,872,690</u>	<u>\$9,409,025</u>

Management’s Discussion and Analysis of Financial Condition and Results of Operations

During the past five fiscal years (2019-2023), the System’s revenue increased by 22.74%; operating expenses increased by 43.46%; and operating income decreased by approximately 23.97%.

In the same five-year period, the debt service coverage ratio for System bonded debt increased from 1.67x to 1.85x, and the debt service coverage ratio for all System debt increased from 1.35x to 1.44x. The System’s fund cash and cash equivalents increased from \$1,515,310 to \$2,590,618, average days cash on hand increased from 323 days to 508 days, and unrestricted net position decreased from \$3,684,693 to \$3,477,536. In large part, the System’s fund cash increased over this five-year period due to the City’s efforts to reduce spending and have more cash on hand for system improvements and maintenance.

The City believes that the System’s financials indicate that overall System fundamentals are strong and stable.

The City Council of the City authorized an 8.65% water and sewerage rate increase in fiscal year 2024, an 8% rate increase for fiscal year 2025, a 7.35% rate increase for fiscal year 2026, and a 4% increase for fiscal year 2027. The City Manager has the authority to increase water and sewer rates by up to 2% per year after fiscal year 2027, should the need arise. If an increase in excess of 2% is needed, city council approval will be required.

Significant Accounting Policies

Significant Accounting Policies of the City are set forth in the notes to the audited financial statements attached as “APPENDIX C” to this Official Statement.

Investments

Pursuant to the provisions of the Bond Ordinances, moneys in the Debt Service Account and the Debt Service Reserve Account of the Sinking Fund not immediately required to pay the principal and interest due on September 1 or March 1 in any year shall be held, managed, invested and reinvested by the Sinking Fund Depository in Permitted Investments as defined under the caption “APPENDIX B – COPY OF SUBSTANTIALLY FINAL FORM OF THE BOND ORDINANCE” herein as directed by the City. The Bond Ordinances provide that any such Government Obligations shall mature no later than the date or dates on which moneys held for the credit of the pertinent account shall be required for the purposes intended, and that the moneys in the Debt Service Account and the Debt Service Reserve Account of the Sinking Fund and all securities held in and for the Debt Service Account and the Debt Service Reserve Account, and all income and increments therefrom are pledged to and charged to the payment of the principal of, redemption premium, if any, and interest on the Parity Bonds and any Additional Bonds issued under the terms of the Bond Ordinances.

The Bond Ordinances further provide that moneys in the Renewal and Extension Fund not immediately needed may, in the discretion of the City, be invested in Permitted Investments as defined under the caption “APPENDIX B – COPY OF SUBSTANTIALLY FINAL FORM OF THE BOND ORDINANCE” herein as directed by the City. Any such Permitted Investments shall mature no later than the date or dates on which moneys held for the credit of the pertinent fund shall be required for the purposes intended. Such securities so purchased shall be placed with the Depository of the Revenue Fund or the Renewal and Extension Fund in trust and held by it until paid at maturity or sold, and all income or increments therefrom shall be credited to such fund.

Historical Debt Service Coverage

The following table sets forth the historical long-term debt service coverage for the System for the last five fiscal years. Such information should be considered in conjunction with the information concerning the System contained elsewhere in this Official Statement.

	Years Ended September 30				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Operating Revenues	\$3,900,649	\$3,859,043	\$4,420,862	\$4,607,603	\$4,787,490
Total Operating Expenses	(1,859,460)	(2,429,206)	(2,079,698)	(2,775,994)	(2,859,983)
Less Depreciation					
Interest Income	<u>65,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Historical Net Revenue Available for Debt Service	2,106,481	1,429,837	2,341,164	1,831,609	1,927,507
Series 2011A Bonds	1,043,531	1,045,281	375,866	-	-
Series 2011C Bonds	217,994	215,594	66,597	-	-
Series 2020A Bonds	-	-	630,721	853,626	856,312
Series 2020B Bonds	-	-	142,875	184,300	183,669
GEFA Loan 99-01P	173,296	173,296	173,296	173,296	173,296
GEFA Loan 08-003P	<u>121,694</u>	<u>121,694</u>	<u>121,694</u>	<u>121,694</u>	<u>121,694</u>
Historical Debt Service	\$1,556,515	\$1,555,865	\$1,511,049	\$1,332,916	\$1,334,971
Debt Service Coverage Ratio, All Debt	1.35x	0.92x	1.55x	1.37x	1.44x
Debt Service Coverage Ratio, Bond Debt	1.67x	1.13x	1.93x	1.76x	1.85x

Source: City of Barnesville

Forecasted Debt Service Coverage

The following table sets forth the System's projected proforma debt service coverage ratios for the next five fiscal years based upon assumptions and estimates concerning future events and circumstances which are believed to be reasonable.

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	Years Ended September 30				
	<u>2024</u> ²	<u>2025</u>	<u>2026</u> ³	<u>2027</u>	<u>2028</u>
Total Operating Revenues	\$4,931,115	\$5,419,295	\$5,974,773	\$6,548,351	\$6,957,623
Total Operating Expenses	(3,031,582)	(3,213,477)	(3,406,286)	(3,610,663)	(3,827,302)
Less Depreciation					
Interest Income	_____ -	_____ -	_____ -	_____ -	_____ -
Forecasted Net Revenue Available for Debt Service	\$1,899,533	\$2,205,818	\$2,568,487	\$2,937,688	\$3,130,321
Series 2011A Bonds	-	-	-	-	-
Series 2011C Bonds	-	-	-	-	-
Series 2020A Bonds	858,410	854,571	855,139	854,543	1,028,472
Series 2020B Bonds	182,888	186,867	180,633	184,164	182,515
Series 2024 Bonds	-	590,817	592,050	588,550	589,800
Series 2026 Bonds	-	-	-	587,013	587,900
GEFA Loan 99-01P	173,296	173,296	173,296	173,296	-
GEFA Loan 08-003P	<u>121,694</u>	<u>121,694</u>	<u>121,694</u>	<u>121,694</u>	<u>121,694</u>
Total Debt Service¹	1,336,288	1,927,245	1,922,812	2,509,260	2,510,381
Forecasted Debt Service Coverage Ratio, All Debt	1.42x	1.14x	1.34x	1.17x	1.25x
Forecasted Debt Service Coverage Ratio, Bond Debt	1.82x	1.35x	1.58x	1.33x	1.31x

Source: City of Barnesville

¹ THE FINANCIAL FORECAST ABOVE IS BASED SOLELY UPON ASSUMPTIONS MADE BY THE CITY, INCLUDING, WITHOUT LIMITATION, ASSUMPTIONS AS TO RATES FOR WATER AND SEWERAGE SERVICE, STABILITY AND GROWTH OF THE CUSTOMER BASE, AND OPERATING EXPENSES. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH SUCH ASSUMPTIONS, THAT UNCONTROLLABLE FACTORS WILL NOT AFFECT SUCH ASSUMPTIONS, OR THAT THE FORECASTED RESULTS WILL BE ACHIEVED. THE ACHIEVEMENT OF THE FINANCIAL FORECAST WILL BE AFFECTED BY ECONOMIC CONDITIONS AND OTHER UNCONTROLLABLE FACTS AND IS DEPENDENT UPON THE OCCURRENCE OF FUTURE EVENTS WHICH CANNOT BE ASSURED. THUS, THE ACTUAL RESULTS ACHIEVED MAY VARY FROM THOSE FORECAST, AND SUCH VARIATIONS COULD HAVE AN ADVERSE EFFECT UPON THE CITY'S NET REVENUES AVAILABLE FOR DEBT SERVICE.

² Based on assumed terms of (1) \$10,000,000 par amount of bonds, (2) 30 year repayment term, (3) first debt service payment in calendar year 2025, and (4) an assumed true interest costs of 4.01%.

³ Based on assumed terms of (1) \$10,000,000 par amount of bonds, (2) 30 year repayment term, (3) first debt service payment in calendar year 2027, and (4) an assumed true interest costs of 4.11%.

Operating Budget

On September 7, 2023, the City Council approved the System budget set forth below for the year ending September 30, 2024. The staff of the System uses the accrual basis of accounting in its annual operating budget for the System, which is consistent with the basis of accounting used in the System's financial statements. This budget is based upon certain assumptions and estimates of the staff of the System regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management and contractors of the System of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Difference</u>
Water & Sewer	\$4,365,000	\$1,828,985	\$2,536,015
Water Treatment	-	1,924,700	(1,924,700)
Sewer Treatment	-	611,315	(611,315)
Transfers to General Fund	-	-	-
Total Fund	\$4,365,000	\$4,365,000	\$0

Source: City of Barnesville.

Statement of Net Assets

The table on the following page sets forth the historical statement of net assets of the System for the past five fiscal years.

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	Years Ended September 30				
	2019	2020	2021	2022	2023
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$1,515,310	\$2,198,982	\$2,863,239	\$3,391,482	\$2,590,618
Investments	131,781	-	-	-	-
Restricted Assets, Cash	-	2,764,595	926,219	933,519	1,388,615
Receivable-Accounts	229,544	1,362,789	1,478,919	1,145,633	1,036,255
Other Receivable	1,088,298	-	-	-	-
Due from other funds	-	379,077	555,199	-	-
Inventories of Supplies at Cost	<u>86,216</u>	<u>69,410</u>	<u>76,131</u>	<u>84,989</u>	<u>92,505</u>
Total Current Assets	3,051,149	6,774,853	5,899,707	5,555,623	5,107,993
Non-Current Assets					
Restricted Assets					
Investments	2,530,997	-	-	-	-
Interfund	763,072	-	-	-	-
Property					
Water and Sewerage Systems, Net Land	37,647,986	-	-	-	-
Industrial Facilities, Net Land	427,488	-	-	-	-
Net Pension Asset	-	-	-	40,460	-
Capital Assets:					
Nondepreciable	-	596,432	596,432	596,432	735,546
Depreciable, net of accumulated depreciation	<u>-</u>	<u>25,802,138</u>	<u>25,759,006</u>	<u>25,032,893</u>	<u>25,262,759</u>
Total Non-Current Assets	41,369,543	26,398,570	26,355,438	25,669,785	25,998,305
TOTAL ASSETS	<u>\$44,420,692</u>	<u>\$33,173,423</u>	<u>\$32,255,145</u>	<u>\$31,225,408</u>	<u>\$31,106,298</u>
Deferred Outflows of Resources					
Pension Contributions, Current FY	\$19,066	\$78,213	\$67,540	\$71,668	\$267,555
Deferred Charges on Refundings	<u>-</u>	<u>-</u>	<u>1,018,036</u>	<u>977,314</u>	<u>977,314</u>
Total Deferred Outflows of Resources	19,066	78,213	1,085,576	1,048,982	1,244,869
LIABILITIES					
Current Liabilities					
Accounts Payable	8,117	38,250	12,437	96,439	8,769
Accrued Liabilities	-	42,724	50,195	46,824	47,133
Current Portion of Bonds Payable	365,000	340,000	490,000	495,000	500,000
Current Portion of Notes Payable	294,990	294,989	294,989	294,989	294,989
Accrued Interest Payable	74,656	-	-	-	-
Customer Deposits Payable	-	13,550	13,550	13,550	13,550
Due to other Funds	<u>-</u>	<u>-</u>	<u>156,133</u>	<u>-</u>	<u>20,104</u>
Total Current Liabilities	742,763	729,513	1,017,304	946,802	884,545
Non-Current Liabilities					
Bonds Payable	22,605,000	21,600,000	21,110,000	20,615,000	20,115,000
Deposits-Utilities	13,550	-	-	-	-
Due to Other Funds	-	-	-	-	-
Notes Payable, Net of Current Position	2,757,985	2,530,520	2,235,531	1,940,542	1,645,553
Net Pension Liability	<u>65,073</u>	<u>168,190</u>	<u>157,117</u>	<u>-</u>	<u>361,913</u>
Total Non-Current Liabilities	25,441,608	24,298,710	23,502,648	22,555,542	22,122,466
TOTAL LIABILITIES	<u>\$26,184,371</u>	<u>\$25,028,223</u>	<u>\$24,519,952</u>	<u>\$23,502,344</u>	<u>\$23,007,011</u>

Deferred Inflows of Resources					
Cost Related to Pension	\$61,854	\$12,779	\$19,705	\$177,517	\$57,928
Deferred charging on refunding	<u>-</u>	<u>831,616</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	61,854	844,395	19,705	177,517	57,928
NET POSITION					
Net Investment in Capital Assets	11,977,843	1,633,061	3,242,954	3,261,108	4,420,077
Restricted For:					
Plant Construction	-	-	-	-	-
Debt Retirement	1,598,302	-	-	-	1,388,615
Operating Reserves	932,695	-	-	-	-
Unrestricted	<u>3,684,693¹</u>	<u>5,745,957</u>	<u>5,558,110</u>	<u>5,333,421</u>	<u>3,477,536</u>
TOTAL NET POSITION	<u>\$18,193,533</u>	<u>\$7,379,018</u>	<u>\$8,801,064</u>	<u>\$8,594,529</u>	<u>\$9,286,228</u>

Source: City of Barnesville.

¹ Restated.

System Debt

As of the date of this Official Statement, the System's debt consists of the Series 2020 Bonds and two Georgia Environmental Finance Authority loans (the "GEFA Loans") as shown below. Assuming the Bonds are issued, the GEFA Loans and the Series 2020 Bonds will be outstanding, in addition to the Bonds.

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Name/Purpose</u>	<u>Final Maturity</u>	<u>Estimated Principal Amount Outstanding as of September 1, 2024</u>
11/17/2020	\$18,585,000	Series 2020A Bonds / Water and Sewerage Refunding and Improvements	9/1/2046	\$17,155,000
11/17/2020	3,355,000	Series 2020B Bonds / Water and Sewerage Refunding and Improvements	9/1/2046	2,960,000
1/1/2014	2,433,874	GEFA Loan DW-08-003P / Water and Sewerage Improvement	12/1/2033	1,125,667
6/30/2007	3,465,911	GEFA Loan DW-99-01P / Water and Sewerage Improvement	7/1/2027	519,885

¹ The GEFA Loans are unsecured obligations of the City paid with System revenues. The interest rate on the GEFA Loans is zero percent (0%).

Debt Service Requirements

Following are the principal and interest payment requirements with respect to the Bonds for the annual periods shown below. For purposes of calculating the principal payable in any annual period, the relevant maturity or mandatory redemption amount is used.

Series 2024 Bonds

Year Ending September 1	Principal	Interest ¹	Total Debt Service Requirements ²	Series 2020A and Series 2020B Debt Service Requirements ³	Combined Debt Service Requirements ⁴
2025	\$	\$	\$	\$1,041,438.10	\$
2026				1,035,772.00	
2027				1,038,707.06	
2028				1,210,987.22	
2029				1,213,595.36	
2030				1,210,226.06	
2031				1,215,588.46	
2032				1,214,804.26	
2033				1,317,945.10	
2034				1,332,531.36	
2035				1,335,391.06	
2036				1,336,707.50	
2037				1,333,627.52	
2038				1,334,816.26	
2039				1,330,127.50	
2040				1,328,667.50	
2041				1,336,300.02	
2042				1,332,722.50	
2043				1,331,527.52	
2044				1,329,221.26	
2045				1,335,803.76	
2046				<u>1,330,957.52</u>	
Total	\$	\$	\$	\$27,827,464.90	\$

¹ Includes the Series 2024 Bonds.

² Includes the Series 2024 Bonds.

³ Includes the principal and interest of the Series 2020A and Series 2020B Bonds and excludes the refunded Bonds.

⁴ Includes the Series 2020 Bonds and the Series 2024 Bonds.

Following are the principal payment requirements with respect to the GEFA Loans for the annual periods shown below. The interest rate on the GEFA loans is zero percent (0%).

Year Ending September 1	GEFA Loan DW-99-01P ¹	GEFA Loan DW-08-003P ²	Combined
2025	\$173,296	\$121,694	\$294,990
2026	173,296	121,694	294,990
2027	173,296	121,694	294,990
2028	-	121,694	121,694
2029	-	121,694	121,694
2030	-	121,694	121,694
2031	-	121,694	121,694
2032	-	121,694	121,694
2033	-	121,694	121,694
2034	-	<u>30,423</u>	<u>30,423</u>
Total	<u>\$519,885</u>	<u>\$1,125,667</u>	<u>\$1,645,552</u>

¹ Annual principal amounts on GEFA Loan DW-99-01P are payable in quarterly installments.

² Annual principal amounts on GEFA Loan DW-08-003P are payable in monthly installments.

LITIGATION

The City, like other similar governmental bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of the litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position of the City.

There is no controversy or litigation pending, or to the knowledge of the City threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Bonds or the collection, payment, or receipt of the revenues pledged or to be pledged to pay the principal of, premium, if any, and interest on the Bonds or in any way contesting or affecting the validity of the Bonds or the Bond Ordinance, the power to collect, pay or receive the moneys with which to pay the Bonds, or the organization or powers of the City, including the power to operate the System and to collect revenues therefrom.

VALIDATION AND APPROVAL OF LEGAL PROCEEDINGS

As required by the laws of the State of Georgia, the City will cause proceedings to be instituted to validate the Bonds. The issuance of the Bonds is contingent upon an order by the Superior Court of Lamar County, Georgia validating the Bonds and the security therefor. Under the applicable laws of the State of Georgia, any citizen of the State of Georgia residing in the City has the opportunity to intervene and become a party to the validation proceeding. A final validation order will be received from the Superior Court of Lamar County prior to the issuance of the Bonds.

The issuance and delivery of the Bonds by the City are subject to the approving legal opinion of Butler Snow LLP. Copies of such opinion will be available at the time of the delivery of the Bonds and will be printed on the Bonds. A copy of the proposed opinion is attached to this Official Statement as "APPENDIX E." Certain other legal matters will be passed upon by Beck, Owen & Murray, counsel to the City. Butler Snow LLP is also serving as disclosure counsel to the City.

FEDERAL TAX MATTERS

General Matters

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2024 Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Code, as amended to the date of delivery of the Series 2024 Bonds, and interest on the Series 2024 Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion described above assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2024 Bonds. Failure to comply with such requirements could cause interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. The City will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2024 Bonds.

The City intends to designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

The accrual or receipt of interest on the Series 2024 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2024 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2024 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be

deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2024 Bonds.

Original Issue Premium*

The Series 2024 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “**Premium Bonds**”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2024 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2024 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding, or selling federally tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “FEDERAL TAX MATTERS” and “STATE TAX MATTERS” below or adversely affect the market value of the Series 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2024 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives, or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2024 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2024 BONDS.

STATE TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, interest on the Series 2024 Bonds is exempt from all present state income taxation within the State. Interest on the Series 2024 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Purchasers of the Series 2024 Bonds should consult their tax advisors as to the taxable status of the Series 2024 Bonds in a particular state or local jurisdiction other than Georgia.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG).

Current Financial Strength Ratings

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG’s financial strength rating of “AA” (stable outlook).

On August 1, 2024, S&P stated that following the Merger, there is no change in AG’s financial strength rating of “AA” (stable outlook).

On October 20, 2023, KBRA announced it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook). On August 1, 2024, KBRA commented that, following the closing of the Merger, AG’s insurance financial strength rating of “AA+” (stable outlook) remains unchanged.

AG can give no assurance as to any further ratings action that S&P, Moody’s and/or KBRA may take. For more information regarding AG’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG, AGM and Pro Forma Combined AG

	<u>As of June 30, 2024</u> <u>(dollars in millions)</u>		
	AG (Actual)	AGM (Actual)	AG (Pro Forma Combined)
Policyholder’s surplus	\$1,649	\$2,599	\$3,960 ¹
Contingency reserve	421	910	1,331
Net unearned premium reserves and net deferred ceding commission income	355	2,078 ²	2,433 ²

¹ Net of intercompany eliminations.

² Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM or pro forma combined AG, as applicable, and (ii) the net unearned premium reserves and net deferred ceding commissions of Assured Guaranty UK Limited (“AGUK”) and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA (“AGE”).

The policyholders’ surplus, contingency reserves, and net unearned premium reserves and net deferred ceding commission income of AG, AGM, and the pro forma combined AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AG and AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024).

All information relating to AG and AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG and AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Inc.” or included in a document incorporated by reference herein (collectively, the “AG Information”) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any

AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE”.

RATINGS

S&P, 55 Water Street, New York, New York, is expected to assign the rating of “AA” (stable outlook) to the Bonds based upon the issuance of the Insurance Policy by the Bond Insurer at the time of delivery of the Bonds. S&P has assigned the rating of “A” (stable outlook) to the Bonds without regard to the issuance of the Insurance Policy by the Bond Insurer. The ratings reflect only the opinion of S&P. Any explanation of the significance of the ratings may be obtained only from S&P.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The City has retained Crews & Associates, Inc., Atlanta, Georgia (“**Financial Advisor**”) as municipal advisor in connection with matters relating to the planning, structuring and issuance of the Bonds. In that capacity, the Financial Advisor has assisted in the preparation and review of this Official Statement; however, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

EXPERTS

The financial statements for the City included in “APPENDIX C” of this Official Statement have been audited by Mauldin & Jenkins, LLC, Macon, Georgia, certified public accountants, to the extent and for the periods indicated in their report. The financial statements have been included without the review of the auditor.

UNDERWRITING

[] (the “**Underwriter**”) has agreed to purchase the Bonds pursuant to a Bond Purchase Agreement entered into between the County and the Underwriter. The price and other terms regarding underwriting of the Bonds were established through negotiation. The Underwriter has agreed to purchase the Bonds, subject to certain conditions set forth in the Bond Purchase Agreement, at a purchase price of \$ _____, which represents the par amount of the Bonds of \$ _____, less underwriter’s discount of \$ _____. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter intends to offer the Bonds to the public initially at the offering prices shown on the cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers at prices lower than the public offering.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights and obligations of the holders thereof. The information contained in this Official Statement has been compiled from official and other sources believed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of

the estimates will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The Appendices are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the City.

CITY OF BARNESVILLE, GEORGIA

By: ***PRELIMINARY OFFICIAL STATEMENT***

Kelly G. Hughes, Mayor

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APPENDIX A
BARNESVILLE GENERAL INFORMATION

Introduction

The City of Barnesville (the “City”) is the county seat and the largest incorporated city in Lamar County, Georgia (the “County”). The City is located at the approximate geographical center of the County and is approximately 50 miles south/southeast of Atlanta and approximately 35 miles northwest of Macon.

The City was founded in 1820 and was incorporated in 1854. The County was created in 1920 from territory formerly in Monroe and Pike County.

Population

The population trends for the City and the County are shown below:

<u>Year</u>	<u>Barnesville</u>	<u>Barnesville Median Age</u>	<u>Lamar County</u>	<u>Lamar County Median Age</u>
1990	4,747	-	13,380	-
2000	5,872	32.1	15,912	35.7
2010	6,725	31.4	18,311	37.7
2020	6,292	32.6	18,500	40.2
2021	6,335	28.4	18,482	38.1
2022	6,200	27.7	18,676	37.6

Source: U.S. Census Bureau; American Community Survey 5-Year Estimates.

Population by Age

The following table presents estimated population percentages by age for the City and the County for 2022:

<u>Barnesville</u>			
<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
28.70%	39.90%	18.20%	13.20%
<u>Lamar County</u>			
<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
25.90%	31.60%	25.10%	17.50%

Source: U.S. Bureau of Census, American Community Survey 5-year estimates.

Level of Education

The following table presents the level of education for the City and County for 2022:

	<u>Barnesville</u>	<u>Lamar County</u>
Not Completing High School	11.40%	10.50%
High School Graduate	41.00	35.90
Some College, No Degree	24.70	27.30
Associate Degree	7.40	8.80
Bachelor’s Degree	8.60	9.10
Graduate or Professional Degree	6.80	8.30
Percent High School Graduate or Higher	88.50%	89.40%

Source: U.S. Bureau of Census, American Community Survey 5-year estimates; Population Age 25 and older.

Form of Government

The City has an elected mayor and five council members who are elected for four-years staggered terms. The City Manager oversees the daily operations of the administrative, police, fire, streets, cemetery, sanitation, recreation, electrical, water and sewer divisions of City government.

The names of the Mayor and the members of the Council of the City, the expiration of their terms of office and their occupations are listed below:

<u>Name</u>	<u>Term Expires</u>	<u>Occupation</u>
Kelly G. Hughes, Mayor	December 31, 2027	Mayor
Joseph Sims, Mayor Pro Tem, Ward 4	December 31, 2025	Business Person
William Claxton, Councilmember, Ward 1	December 31, 2025	Sales Manager
Christopher Hightower, Councilmember, Ward 2	December 31, 2025	Teacher/Educator
Sammie D. Shropshire, Councilmember, Ward 3	December 31, 2027	Business Person
Cecil "Butch" McDaniel, Councilmember, Ward 5	December 31, 2025	Business Person

Source: City of Barnesville

The day to day operations of the City are managed by Tammy York, Acting City Manager. She has been serving as Acting City Manager for the City since 2024, and has been serving as Chief Financial Officer within the City since 2018. Mrs. York has worked in the Accounting Department since 2005. The City Manager is appointed by the City Council of Barnesville and serves at its pleasure.

The City has 57 full-time employees, none of whom are represented by independent collective bargaining agencies.

Per Capita Income

The following chart sets forth the per capita income for the County, the State and the United States for the past five years.

<u>Year</u>	<u>Lamar County</u>	<u>State</u>	<u>United States</u>
2018	\$34,044	\$46,626	\$53,309
2019	35,744	48,535	55,547
2020	38,930	51,469	59,153
2021	43,371	56,184	64,430
2022	43,734	56,589	65,470

Source: U.S. Department of Commerce – Bureau of Economic Analysis.

Banking Deposits

Set forth below is banking deposit data for the County:

<u>Year</u>	<u>Number of Banking Institutions¹</u>	<u>Total Deposits in Financial Institutions (\$000)²</u>
2019	2	\$209,115
2020	2	236,519
2021	2	300,233
2022	2	333,567
2023	2	311,693

¹ Number of Banking Institutions inside of market as of June 30 of each year.

² Total Deposits in Financial Institutions inside of market as of June 30 of each year.

Sources: Georgia Department of Banking and Finance

Median Home Value

The following table shows the median home value for the County, the City, the State, and the United States the years 2018 through 2022.

<u>Year</u>	<u>Lamar County</u>	<u>Barnesville</u>	<u>State</u>	<u>United States</u>
2018	\$134,500	\$116,800	\$166,800	\$204,900
2019	145,600	151,800	176,000	217,500
2020	145,800	157,100	190,200	229,800
2021	156,800	159,300	206,700	244,900
2022	177,000	157,800	245,900	281,900

Source: U.S. Bureau of Census, American Community Survey 5-year estimates.

Employment

The County economy is diversified, with manufacturing, services, and retail trade accounting for over 70% of total employment. The tables below show the average monthly employment composition of workers covered by workmen's compensation insurance for the County for the fourth quarter of 2023 and the State for 2023.

	<u>Lamar County</u>	<u>Georgia</u>
Agriculture, Forestry, Fishing & Hunting	1.6%	0.5%
Mining	*	0.1
Manufacturing	24.2	8.8
Construction	4.1	4.6
Utilities	2.2	0.4
Transportation & Warehousing	0.4	5.6
Wholesale Trade	*	4.7
Retail Trade	10.9	10.7
Accommodation & Food Service	5.1	9.3
Healthcare & Social Assistance	6.6	11.4
Finance & Insurance	2.5	3.9
Service – Providing	46.2	71.5
Unclassified	0.3	0.7
Total – Private Sector	76.6	86.2
Total – Government	<u>23.4</u>	<u>13.8</u>
Total – All Industries	100.0%	100.0%

Source: U.S. and Georgia Departments of Labor.

*Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding. All data represent the 4th Quarter of 2023.

Unemployment Rates

The following table shows a comparison of the unemployment rates in the County, the State, and the United States for each of the past five years.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Labor Force	8,235	7,989	8,228	8,370	8,505
County Unemployment Rate	4.0%	6.3%	4.2%	3.4%	3.4%
State Unemployment Rate	3.6%	6.5%	3.9%	3.1%	3.2%
United States Unemployment Rate	3.7%	8.1%	5.3%	3.6%	3.6%

Source: Georgia Department of Labor; United States Department of Labor, Bureau of Statistics.

Largest Private Employers

The following table shows the ten largest private employers in the City for the year ended September 30, 2023.

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Jordan Lumber	Wood Products	187
Ingles	Grocery Store	93
Coastal Home Care	Home Care Service	82
Heritage Inn	Nursing Home	74
McDonalds	Fast Food	40
Giant Mart	Grocery Store	39
Zaxbys	Fast Food	35
Jacks	Fast Food	32
United Bank	Bank	30
Piedmont Green Power	Power Plant	27

Source: City of Barnesville

Largest Public Employers

The following table shows the ten largest public employers in the City for the year ended September 30, 2023.

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Lamar County Board of Education	Education	396
Gordon State College	Education	209
Lamar County	Government	170
City of Barnesville	Government	63
DFACS	Government	22
US Post Office	Government	20
Lamar County Counseling Center	Mental Health	11
Lamar County Health Department	Government/Health	8
Barnesville Housing Authority	Housing Authority	7
Pike Lamar Services	Disability Services/Support	5

Source: City of Barnesville.

Category of Land Use

Set forth below are the percentages of land use for various purposes within the City for the last five calendar years, computed based upon the assessed values of the various categories for ad valorem property tax purposes.

<u>Year</u>	<u>Category of Land Use</u>				
	<u>Residential</u>	<u>Agricultural</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other</u>
2019	42.42%	0.12%	29.07%	25.83%	2.57%
2020	42.28	0.11	30.49	23.65	3.46
2021	45.93	0.13	29.59	21.16	3.32
2022	52.06	0.17	26.78	18.10	2.88
2023	54.80	0.19	26.34	15.93	2.73

Source: Georgia Department of Revenue: Tax Digest Consolidated Summary.

Special Purpose Local Option Sales Tax

The City’s special purpose local option sales tax has generated the amounts in the table below over the last five calendar years and the first 8 months of the 2024 calendar year. Special purpose local option sales tax dollars are neither pledged to the repayment of the Bonds nor are special purpose local option sales tax dollars security for the Bonds. Special purpose local option sales tax dollars may be available to the City to fund a portion of the capital improvements described in the section titled “PLAN OF FINANCE.”

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024¹</u>
\$760,920	\$827,118	\$987,077	\$1,156,539	\$1,097,096	\$775,104

¹ As of August 31, 2024 (eight months of collections).
Source: State of Georgia Department of Revenue.

Building Permits

The dollar value of building permits issued within the City for the years ended September 30, 2019, through September 30, 2023 are shown in the following table:

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Total</u>
2019	\$6,179	\$4,370	\$10,549
2020	9,984	17,893	27,877
2021	179,318	4,045	183,363
2022	9,757	43,856	53,613
2023	6,880	33,059	39,939

Source: City of Barnesville

The number of building permits issued within the City for calendar years 2019 to 2023 are shown in the following table:

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Total</u>
2019	30	28	58
2020	65	20	85
2021	76	10	86
2022	192	9	201
2023	62	19	81

Source: City of Barnesville

Health Facilities

The area is served by 13 medical doctors and 2 dentists. One nursing home with a total of 117 beds and one assisted living facility with 34 beds are located in the County, and several major medical acute care facilities are located nearby in the Atlanta area.

Education

Public educational facilities are provided by the Lamar County School District (the “**District**”), which operates four schools staffed by 330 teachers serving approximately 2,870 students. The current student-teacher ratio is 10 to 1. The enrollment as of July 22, 2024, was 3,013.

There are three private schools in the County.

Vocational educational facilities are available in Upson and Spalding County. Higher educational facilities are available at Gordon College inside the City limits, as well as the 19 colleges and universities in the nearby Atlanta area.

Commercial Services

Communications: The newspaper of highest daily circulation is the Griffin Daily News. There is one weekly newspaper, and there are 2 online newspapers, www.barnesville.com and www.barnesvilledispatch.com, in the County.

Ten television channels can be received in the County and cable television service is available. One local FM radio station operates within the County.

Financial: There is one local bank within the County with total assets in excess of \$1 billion.

Public Accommodations: There are 20 restaurants and 2 motels within the County, together with numerous meeting facilities.

Municipal Services

The City has 5 full-time fire personnel and 8 volunteer fire personnel operating 24 hours a day. The fire insurance classification is 4 for the City and 9 for the County.

Police services are provided within the City limits by 18 full-time police personnel.

The City provides weekly household garbage and weekly rubbish pickup service to residential households and commercial customers.

The City has a zoning ordinance and subdivision design standards (Southern Building Code). A full-time code enforcement officer/building inspector is employed by the City.

Transportation

Interstate Highway 75, U.S. Highway 41, and State highways 18 and 36 serve the City and the County. Several freight carriers provide service to the area.

Local rail service is provided by both Norfolk Southern and CSX to the City, while piggyback service through CSX is available in Atlanta.

Easy access to commercial air service is available in Atlanta at Hartsfield-Jackson Atlanta International Airport.

Utilities

Electric, water and sewerage services are provided both inside and to certain areas outside the City by the City. The City is a member of the Municipal Electric Authority of Georgia. Natural gas is provided to the City by Georgia Natural Gas and is available in industrial quantities on both a firm and an interruptible basis. Local telephone service is provided by AT&T.

Pensions

On September 19, 1977, the City passed an ordinance whereby it adopted a defined benefit pension plan that covers officials and employees with one or more years of service. The plan benefit provisions are established and may be amended under the authority of the City Council. The City contributes to the Georgia Municipal Employees 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. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. City employees are not required to contribute to GMEBS. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 9.00% of annual covered payroll. The contribution requirements of plan members are established and may be amended by the GMEBS Board of Trustees. The City's contributions to GMEBS and the required contributions for the past five years are as follows:

<u>Fiscal Year</u>	<u>City's Contributions</u>	<u>Required Contributions</u>
2019	\$241,038	\$241,038
2020	241,037	241,037
2021	270,762	270,762
2022	293,941	293,941
2023	273,901	273,901

Source: City of Barnesville

The City's proportionate share of the pension costs and the City's net pension liability for GMEBS for the past five years are as follows:

<u>Year</u>	Proportionate Share of <u>Pension Costs</u>	Net Pension <u>Liability</u>
2019	10.03%	\$701,947
2020	7.70	1,518,781
2021	8.90	1,237,435
2022	10.00	(307,493)
2023	9.00	2,122,034

Source: City of Barnesville

For more information regarding pensions see refer to “Note 7, Defined Benefit Pension Plan and Required Supplementary Information” of the City’s Financial Statements for the fiscal year ended September 30, 2023, a copy of which is included as “APPENDIX C” of this Official Statement.

Other Postemployment Benefits

The City does not provide other postemployment benefits to its employees.

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APPENDIX B

COPY OF SUBSTANTIALLY FINAL FORM OF THE BOND ORDINANCE

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CITY OF BARNESVILLE
BOND ORDINANCE NO. ____

A BOND ORDINANCE OF THE COUNCIL OF THE CITY OF BARNESVILLE, GEORGIA, PROVIDING FOR THE ISSUANCE OF \$10,000,000* IN AGGREGATE PRINCIPAL AMOUNT OF ITS WATER AND SEWERAGE REVENUE BONDS, SERIES 2024 (THE “**SERIES 2024 BONDS**”), AND THE PROCEEDS OF THE SERIES 2024 BONDS WILL BE APPLIED TO (I) PAY ALL OR A PORTION OF THE COSTS OF ACQUIRING OR CONSTRUCTING, OR BOTH, CAPITAL IMPROVEMENTS TO THE CITY’S WATER DISTRIBUTION SYSTEM OR SANITARY SEWER COLLECTION SYSTEM, OR BOTH (COLLECTIVELY, THE “**PROJECTS**”), (II) PAY THE COST OF A MUNICIPAL BOND INSURANCE POLICY (THE “**INSURANCE POLICY**”) AND A DEBT SERVICE RESERVE INSURANCE POLICY (“**RESERVE POLICY**”) FOR THE BONDS, EACH TO BE ISSUED BY ASSURED GUARANTY INC. (“**AG**” OR THE “**BOND INSURER**”) CONCURRENTLY WITH THE DELIVERY OF THE BONDS; AND (III) PAY THE COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS, AND THE SERIES 2024 BONDS ISSUED HEREUNDER SHALL BE PAYABLE SOLELY FROM THE REVENUES OF THE EXISTING WATER AND SEWERAGE SYSTEM OF THE CITY, AS HEREAFTER ADDED TO, EXTENDED AND IMPROVED; THE ISSUANCE OF ADDITIONAL PARITY BONDS UNDER CERTAIN TERMS AND CONDITIONS; THE ESTABLISHMENT OF RATES, FEES AND CHARGES FOR THE SERVICES, FACILITIES AND COMMODITIES TO BE FURNISHED BY SAID WATER AND SEWERAGE SYSTEM; THE CREATION AND MAINTENANCE OF CERTAIN FUNDS; THE CREATION OF REMEDIES OF THE HOLDERS OF THE BONDS ISSUED HEREUNDER; THE AUTHORIZATION OF AN ESCROW DEPOSIT AGREEMENT FOR ISSUANCE OF BONDS; THE AUTHORIZATION OF A BOND PURCHASE AGREEMENT FOR THE SERIES 2024 BONDS; THE APPROVAL OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE SERIES 2024 BONDS; AND FOR OTHER RELATED PURPOSES.

Adopted on _____, 2024

*Preliminary; subject to change.

WHEREAS, the City of Barnesville, a legally created and existing municipal corporation of the State of Georgia (the “**City**”), is authorized to own, operate and maintain, and now owns, operates and maintains a water and sewerage system (said system as it now exists and as it may be hereafter added to, extended and improved being hereinafter referred to as the “**System**”), for the purpose of providing water and sewerage services and facilities for the use, protection, health and well-being of its citizenry; and

WHEREAS, under and by virtue of the authority of the Revenue Bond Law (O.C.G.A. Sections 36-82-60, et seq.), as amended, the City is authorized to own, operate and maintain the System for its own use, and for the use of the public; to prescribe, revise and collect rates, fees, tolls or charges for the services, facilities or commodities furnished by the System; and, in anticipation of the collection of revenues therefrom, to issue revenue bonds to finance, in whole or in part, the cost of adding to, extending and improving the System, and the cost of refunding or refinancing outstanding revenue bonds payable from the revenues of the System; and

WHEREAS, on November 17, 2020 the City issued (i) \$18,585,000 in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Taxable Series 2020A (the “**Series 2020A Bonds**”); and (ii) \$3,355,000 in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Taxable Series 2020B (the “**Series 2020B Bonds**” and together with the Series 2020A Bonds, the “**Series 2020 Bonds**”) under the terms of a Bond Ordinance adopted by the Council of the City on October 29, 2020 (the “**2020 Bond Ordinance**”); and WHEREAS, the City has determined to issue \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**”), the proceeds of which, together with other moneys available or to be made available to the City, will be applied to (i) pay all or a portion of the costs of acquiring or constructing, or both, capital improvements to the City’s water distribution system or sanitary sewer collection system, or both (collectively, the “**Projects**”), (ii) pay the cost of a municipal bond insurance policy (the “**Insurance Policy**”) and a debt service reserve insurance policy (“**Reserve Policy**”) for the Bonds, each to be issued by Assured Guaranty Inc. (“**AG**” or the “**Bond Insurer**”) concurrently with the delivery of the Bonds; and (iii) pay the costs associated with the issuance of the Bonds, under the terms of this Bond Ordinance; and

WHEREAS, it is anticipated that additional demands will be made from time to time for additions, extensions and improvements to the System and in order to meet these needs, provision should be made for the issuance of additional bonds for such purpose, said bonds to stand on a parity with and be of equal dignity as to lien on the Net Revenues of the System securing the payment of the Series 2020 Bonds and the Series 2024 Bonds hereinafter authorized to be issued or rank as to lien on the Net Revenues of the System junior and subordinate to the Series 2020 Bonds and the Series 2024 Bonds hereinafter authorized to be issued;

NOW, THEREFORE, the COUNCIL OF THE CITY OF BARNESVILLE HEREBY ORDAINS, and it is HERE ORDAINED, by authority of the same as follows:

ARTICLE I

DEFINITIONS

In addition to the terms hereinabove defined, whenever the following terms are used in this Bond Ordinance, the same, unless the context shall clearly indicate another or different meaning or intent, shall be construed or used and are intended to have the meaning as follows:

“2020 Bond Ordinance” means the bond ordinance adopted by the governing body of the City on September 29, 2020 and as amended and restated on October 29, 2020, under which the Series 2020 Bonds were issued.

“Additional Bonds” means any revenue bonds of the City ranking on a parity with the Series 2020 Bonds and the Series 2024 Bonds, which may hereafter be issued pursuant to Section 5.8 hereof.

“Authorized Officer of the City” means the officer or officers designated by the City as such to the Depository or Depositories of any funds held under this Bond Ordinance.

“Beneficial Owner” means the owners of a beneficial interest in Series 2024 Bonds registered in the Book-Entry Form.

“Bond Ordinance” means this bond ordinance, and as the same may be amended, restated and supplemented from time to time.

“Bond Registrar” means the commercial bank or trust company, its successors and assigns, appointed by the City to maintain, in accordance with the provisions of this Bond Ordinance and any supplemental ordinance, the registration books of the City for any series of Bonds secured by this Bond Ordinance.

“Bondholder” and **“bondholder”** means the registered owner of any of the outstanding Bonds.

“Bonds” means the Series 2020 Bonds, any revenue bonds authorized by and issued pursuant to this Bond Ordinance, including the Series 2024 Bonds, and any Additional Bonds of the City issued pursuant to the 2020 Bond Ordinance or this Bond Ordinance.

“Book-Entry Form” or **“Book-Entry System”** means, with respect to the Series 2024 Bonds, a form or system, as applicable, under which (i) the ownership of Beneficial Interests in the Bonds may be transferred only through book-entry and (ii) physical Series 2024 Bonds in fully registered form are registered only in the name of a Securities Depository or a Securities Depository nominee, with the physical Bonds in the custody of a Securities Depository or a Securities Depository nominee.

“City” means the City of Barnesville, a municipal corporation of the State of Georgia.

“Construction Fund” means the City of Barnesville Construction Fund created in Section 4.2 of the 2020 Bond Ordinance.

“Construction Fund Depository” means initially United Bank Corporation, Barnesville, Georgia, its successors and assigns, or any successor depository for the Construction Fund hereafter appointed by the City; provided, however, the Construction Fund Depository shall at all times be a commercial bank.

“Consulting Engineer” means such engineer, engineers or engineering firm that might hereafter be employed by the City in relation to the supervision of the additions, extensions and improvements to be made to the System and in relation to the services to be rendered as contemplated by this Bond Ordinance or any supplemental ordinance.

“Debt Service Reserve Requirement” means, as of any date of calculation, an amount not less than the least of (a) 10% of the Outstanding principal amount of the Bonds, (b) the maximum annual principal of and interest on the Bonds payable in any Sinking Fund Year, or (c) 125% of average annual debt service on the Bonds; provided, however, with respect to Bonds that are variable rate bonds it shall be assumed that such Bonds bear interest through maturity at that rate which the original purchaser of such Bonds certifies as of the date of issuance thereof would have borne had such Bonds borne a fixed, constant rate of interest.

“Defeasance Securities” is defined in Section 2.9 of this Bond Ordinance.

“Fiscal Year” means the period commencing on the 1st day of October in each year and extending through the 30th day of September of the next succeeding year, or such other period as shall hereafter be adopted by the City as herein provided.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2024 Bonds when due.

“Insurer” means Assured Guaranty Inc., a Maryland corporation, or any successor thereto or assignee thereof.

“Interest Payment Date” means March 1 and September 1 of each year, except that with respect to any series of Additional Bonds that bear interest at a variable rate, the City may provide in a supplemental ordinance for any other interest payment dates as it deems appropriate.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer issue ratings on obligations of a type similar to the Bonds, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P) designated by the City.

“Net Revenues” means all revenues arising from the City’s ownership and operation of the System and properties in connection therewith as it now exists and as it may hereafter be added to, extended or improved remaining in the Revenue Fund after the payment in each month of all reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, the cost of purchased water, including hedging costs associated with such purchases, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose

of operating, maintaining and repairing the System in accordance with sound business practices, but before making provision for depreciation coming due in such month (the “**Operating Expenses**”) and the retention of a balance equal to the preceding six months’ Operating Expenses to meet the working capital needs of the System.

“**Paying Agent**” means the commercial bank or banks or trust company, its successors and assigns, appointed by the City to serve as paying agent, in accordance with the terms of this Bond Ordinance and any supplemental ordinance, for any series of Bonds secured by this Bond Ordinance.

“**Permitted Investments**” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the City funds:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(b) bonds or obligations of the State of Georgia, or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any of the proceeds of the Certificates. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state

building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations referred to in paragraph (c) above, obligations of the agencies of the United States government referred to in paragraph (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

- (i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) above and repurchase agreements fully collateralized by any such obligations;
- (ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;
- (iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and
- (iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(h) repurchase agreements with respect to the foregoing investments consented to by the Insurer, if applicable; and

- (i) any other investments authorized by the laws of the State of Georgia.

“Person” means natural persons, firms, associations, corporations and public bodies.

“Principal and Interest Requirements” means the amounts required in each Sinking Fund Year to pay the principal (whether at maturity or by scheduled mandatory redemption) of and interest on the Series 2024 Bonds and any Additional Bonds hereafter issued as the same become due and payable.

“Record Date” means (a) with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, and (b) with respect to any date of redemption, the fifteenth (15th) day (whether or not a business day) next preceding such date of redemption; provided, that with respect to any Additional Bonds bearing interest at a variable rate, the Issuer may designate any other or additional record dates as it may deem appropriate.

“Renewal and Extension Fund” means the City of Barnesville Renewal and Extension Fund created in Section 5.2, Paragraph 3 of this Bond Ordinance.

“Renewal and Extension Fund Depository” means initially United Bank Corporation, Barnesville, Georgia, its successors and assigns, or any successor depository for the Renewal and Extension Fund hereafter appointed by the City; provided, however, the Renewal and Extension Fund Depository shall at all times be a commercial bank.

“Reserve Account” means the Debt Service Reserve Account created in Section 5.2, Paragraph 2 of this Bond Ordinance and held within the Sinking Fund.

“Revenue Bond Law” means the Revenue Bond Law (O.C.G.A. Sections 36-82-60 through 36- 82-85), as same may hereafter be amended from time to time.

“Revenue Fund” means the City of Barnesville Revenue Fund created in Section 5.2 of this Bond Ordinance.

“Revenue Fund Depository” means initially United Bank Corporation, Barnesville, Georgia, its successors and assigns, or any successor depository for the Revenue Fund hereafter appointed by the City; provided, however, the Revenue Fund Depository shall at all times be a commercial bank.

“Reserve Policy” means the debt service reserve insurance policy issued by the Insurer and deposited in the Debt Service Reserve Account for the Series 2024 Bonds.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer issue ratings on obligations of a type similar to the Bonds, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by City.

“Securities Depository” means any Securities Depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17(a) of the Securities Exchange Act of 1934, operating and maintaining with its Participants or otherwise, a Book-Entry System to record ownership of Beneficial Interests in applicable Bonds issued in Book-Entry Form and to effect transfers of Bonds in Book-Entry Form, and means, initially, The Depository Trust Company, New York, New York.

“Series 2020 Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020A Bonds” means the City’s Water and Sewerage Revenue Refunding Bonds, Taxable Series 2020A authorized and issued under the 2020 Bond Ordinance.

“Series 2020B Bonds” means the City’s Water and Sewerage Revenue Refunding Bonds, Taxable Series 2020B authorized and issued under the 2020 Bond Ordinance.

“Series 2024 Bonds” means the City’s Water and Sewerage Revenue Bonds, Series 2024 described as authorized in Section 2.1 hereof.

“Sinking Fund” means the City of Barnesville Sinking Fund created in Section 5.2, Paragraph 2 of the Series 2020 Bonds Ordinance.

“Sinking Fund Depository” means initially United Bank Corporation, Barnesville, Georgia, its successors and assigns, or any successor depository for the Sinking Fund hereafter appointed by the City; provided, however, the Sinking Fund Depository shall at all times be a commercial bank or trust company.

“Sinking Fund Year” means the period commencing on the 2nd day of September in each year and extending through the 1st day of September in the next year.

“System” means the City’s water and sewerage system, as now exists and as may hereafter be added to, extended and improved.

Whenever used in this Bond Ordinance, the singular shall include the plural and the plural shall include the singular, unless the context otherwise indicates.

ARTICLE II

AUTHORIZATION FOR AND REGISTRATION OF BONDS

Section 2.1 Authorization. Under the authority of the Revenue Bond Law, there be and there is hereby authorized to be issued:

(i) \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**”), the proceeds of which, together with other moneys available or to be made available to the City, will be applied as provided in the recitals of this Bond Ordinance.

The Series 2024 Bonds shall be payable solely from the Sinking Fund created under the 2020 Bond Ordinance and all of the covenants, agreements, and provisions of this Bond Ordinance shall be for the equal and proportionate benefit and security of all owners of the Series 2020 Bonds, the Series 2024 Bonds issued hereunder, and any Additional Bonds hereafter issued.

Section 2.2 Terms of Series 2024 Bonds. The Series 2024 Bonds shall be dated the date of authentication thereof, shall be in the form of fully registered bonds without coupons, shall be in the denomination of \$5,000 or any integral thereof, shall be in Book-Entry Form, shall be transferable to subsequent owners as hereinafter provided, shall be numbered R-1 upward, shall bear interest from their date of issuance at a rate not to exceed ____% per annum (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on September 1, 2025, and semiannually thereafter on the 1st days of March and September in each year and maturing as to principal (or being subject to mandatory redemption) on September 1st in each year; provided, however, the final maturity date shall be no later than September 1, 2054. The maximum annual principal and interest payable on the Series 2024 Bonds shall be \$_____.

The Series 2024 Bonds shall bear interest at the respective rates set out below, and shall mature as to principal in the years and aggregate principal amounts as follows:

Year	Interest Rate	Principal Amount Maturing
09/01/20____		

\$_____ Term Bond due September 1, 20____, Interest Rate _____%

\$_____ Term Bond due September 1, 20____, Interest Rate _____%

\$_____ Term Bond due September 1, 20____, Interest Rate _____%

Section 2.3 Medium and Places of Payment. The principal amount of the Series 2024 Bonds shall be payable at maturity, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank Trust Company National Association, Nashville, Tennessee, Paying Agent, and payments of interest on the Series 2024 Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar on the Record Date and such payments of interest shall be mailed to the registered owner at the address shown on the bond registration book. Both the principal of and interest on the Series 2024 Bonds shall be payable in lawful money of the United States of America.

Bonds may be issued in the form of a single bond for the entire principal of each maturity and registered in the name of the Securities Depository or the Securities Depository nominee, and ownership of any such Bonds (“**Book-Entry Bonds**”) shall be maintained in Book-Entry Form by the Securities Depository for the account of the Beneficial Owners thereof. Book-Entry Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except otherwise provided, Book-Entry Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository nominee, or to a successor Securities Depository or Securities Depository nominee selected or approved by the City. The Person in whose name any Book-Entry Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Book-Entry Bond shall be made only to or upon the order of the registered owner thereof or the registered owner’s legal representative.

So long as any Book-Entry Bonds are registered in Book-Entry Form, the City and the Paying Agent may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Book-Entry Bonds for all purposes whatsoever, including without limitation:

- (i) the payment of principal, premium, if any, and interest on such Book-Entry Bonds;
- (ii) giving notices of redemption and other matters with respect to such Book-Entry Bonds;
- (iii) registering transfers with respect to such series of Book-Entry Bonds;
- (iv) the selection of Book-Entry Bonds for redemption; and

(v) for purposes of obtaining consents under this Bond Ordinance respecting such Book-Entry Bonds.

If at any time the Securities Depository notifies the City that it is unwilling or unable to continue as Securities Depository with respect to the Book-Entry Bonds, or if any time the Securities Depository shall not longer be registered or in good standing under the Securities Exchange Act of 1934 or other applicable statute or regulation and a successor Securities Depository is not appointed by the City within 90 days after the City receives notice of such condition, then this Section 2.4 shall no longer be applicable and the City shall execute and the Authenticating Agent shall authenticate and deliver certificates representing the Book-Entry Bonds to the Beneficial Owners. Any certificate representing Book-Entry Bond issued pursuant to this Section 2.4 shall be registered in such names and in denominations of \$5,000 or any integral multiple thereof as the Securities Depository shall request.

The City and the Paying Agent shall not have any responsibility or obligation to any Securities Depository or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by the Securities Depository or any Securities Depository participant; (iii) the payment by the Securities Depository or any Securities Depository participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Book-Entry Bonds; (iv) the delivery or timeliness of delivery by the Securities Depository or any Securities Depository participant of any notice due to any Beneficial Owner which is required or permitted under the terms of this Bond Ordinance to given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Book-Entry Bonds; or (vi) any consent given or other action taken by the Securities Depository, or its nominee, as owner.

So long as the Book-Entry System of evidence of transfer of ownership of all Book-Entry Bonds is maintained in accordance herewith, the provisions of this Bond Ordinance relating to the delivery of physical bond certificate shall be deemed to give full effect to such Book-Entry System.

Payment of principal, premium, if any, and interest on Bonds not existing in Book-Entry Form shall be made as provided in such Bonds.

Section 2.4 Execution: Form of Series 2024 Bonds. The Series 2024 Bonds shall be executed by use of the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk and Treasurer of the City and a manual or facsimile of the official seal of the City shall be impressed or imprinted thereon, and the Series 2024 Bonds shall be impressed or authenticated by the manual signature of a duly authorized signatory of the Bond Registrar. The validation certificate to be printed on the Series 2024 Bonds shall be executed by use of the manual or facsimile signature of the Clerk of the Superior Court of Lamar County and a manual impression or facsimile of the official seal of said court shall be impressed or imprinted thereon. In case any officer whose signature shall appear on the Series 2024 Bonds shall cease to be such officer before delivery of the Series 2024 Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Each of the Series 2024 Bonds shall be registered on the books of registration relating thereto kept by U.S. Bank Trust Company National Association, Nashville, Tennessee, which is

hereby designated as Paying Agent and Bond Registrar for the Series 2024 Bonds. The Series 2024 Bonds, the certificate of authentication and registration, form of assignment and the certificate of validation to be endorsed upon the Series 2024 Bonds, shall be in substantially the forms attached hereto as Schedule 2, with such variations, omissions and insertions as are required or permitted by this Bond Ordinance.

Section 2.5 Required Authentication; Proof of Ownership. Only those Series 2024 Bonds which shall have endorsed thereon a certificate of authentication and registration substantially in the form hereinbefore set forth, duly executed by the manual signature of an authorized signatory of the Bond Registrar, shall be entitled to any benefit or security under this Bond Ordinance, and such certificate upon any of the Series 2024 Bonds when duly executed shall be conclusive evidence that such Series 2024 has been duly authenticated, registered and delivered. It shall not be necessary that the same signatory of the Bond Registrar sign the certificate of authentication and registration on all of the Series 2024 Bonds that may be issued hereunder at any one time. The person in whose name any Series 2024 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the payment of the principal amount, interest and premium, if any, shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Bond, including redemption premium, if any, and the interest thereon to the extent of the sums so paid.

Section 2.6 Bond Registrar; Transfer and Exchange. The Bond Registrar shall keep the bond registration book for the registration of the Series 2024 Bonds and for the registration of transfers of the Series 2024 Bonds as herein provided. The transfer of any Series 2024 Bond shall be registered upon the bond registration book upon the surrender and presentation of the Series 2024 Bond to the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or attorney authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Series 2024 Bond or Series 2024 Bonds so surrendered, a new Series 2024 Bond or Series 2024 Bonds registered in the name of the transferee, of any denomination or denominations authorized by this Bond Ordinance, and in an aggregate principal amount equal to the aggregate principal amount of the Series 2024 Bonds so surrendered and of the same maturity. Any Series 2024 Bond, upon presentation and surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or duly authorized attorney, in such form as may be satisfactory to the Bond Registrar, may be exchanged, at the option of the registered owner, for an aggregate principal amount of Series 2024 Bonds of the same maturity equal to the principal amount of the Series 2024 Bond so surrendered and of any authorized denomination or denominations. The Bond Registrar may make a charge for every exchange or registration of transfer of the Series 2024 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to the owner for the privilege of transferring or exchanging the Series 2024 Bonds under this Bond Ordinance.

Section 2.7 Lost, Destroyed, Mutilated Bonds. If any Series 2024 Bond shall become mutilated, the Bond Registrar in its discretion and at the expense of the owner of such Series 2024 Bond shall authenticate and deliver a new Series 2024 Bond of like tenor registered in the name of the owner in exchange and substitution for such mutilated Series 2024 Bond. If any Series 2024

Bond shall become lost, destroyed or wrongfully taken, evidence of such loss, destruction or wrongful taking within a reasonable time thereafter may be submitted to the City and if such evidence shall be satisfactory and indemnity of a character and in an amount satisfactory shall be given, then the City at the expense of the owner shall cause a new Series 2024 Bond of like tenor registered in the name of the owner to be authenticated by the Bond Registrar and delivered to the registered owner.

Section 2.8 **Blank Bonds.** The City shall make all necessary and proper provisions for the transfer and exchange of the Series 2024 Bonds by the Bond Registrar and, if the Bonds shall at any time cease to be in Book-Entry Form as provided in Section 2.4 hereof, the City shall deliver or cause to be delivered to the Bond Registrar a sufficient quantity of blank Series 2024 Bonds duly executed on behalf of the City, together with the certificate of validation pertaining thereto duly executed by the Clerk of the Superior Court of Lamar County, as herein provided, in order that the Bond Registrar shall at all times be able to register and authenticate the Series 2024 Bonds at the earliest practicable time in accordance with the provisions of this Bond Ordinance. All Series 2024 Bonds surrendered in any such exchange or registration of transfer shall be forthwith cancelled by the Bond Registrar and a record thereof duly entered in the permanent records pertaining to the Series 2024 Bonds maintained by the Bond Registrar.

Section 2.9 **Defeasance.** The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America (“**Government Obligations**”), (b) certificates of deposit or municipal obligations fully secured by Government Obligations, (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) United States Treasury Securities - State and Local Government Series, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, “**Defeasance Securities**”), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under the Bond Ordinance and shall no longer be deemed to be outstanding under the Bond Ordinance, and the registered owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Bond Ordinance if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

Section 2.10 Series 2024 Bonds are “Additional Bonds”. The Series 2024 Bonds are being issued as “Additional Bonds” as that phrase is defined under the 2020 Bond Ordinance, the City having met, or will meet prior to the final issuance of the Series 2024 Bonds, the conditions set forth in Section 5.8 of the 2020 Bond Ordinance, as follows:

(a) The payments covenanted to be made into the Sinking Fund, as the same are being enlarged and extended under this Bond Ordinance, are currently being made in the full amount required and said “Debt Service Account” and “Debt Service Reserve Account” held within said Sinking Fund are at their proper respective balances.

(b) A new schedule of rates and charges for the services, facilities, and commodities furnished by the System was adopted on August 5, 2024 and shall take effect on October 1, 2024 (prior to the issuance of the Series 2024 Bonds) and Mauldin & Jenkins, LLP, an independent and recognized firm of certified public accountants, shall certify that had this new rate schedule been in effect during a period of twelve (12) consecutive months out of the twenty-four (24) consecutive months preceding the adoption of this Bond Ordinance, the Net Revenues would have been equal to at least 1.15 times the maximum debt service requirement for any succeeding Sinking Fund Year on the Series 2020 Bonds and the Series 2024 Bonds.

(c) Crews & Associates, Inc., a municipal advisor registered with the Securities and Exchange Commission, shall certify to the City that the requirements of subparagraph (a) above are being complied with and that the requirements of subparagraph (b) above have been met.

(d) The Consulting Engineers for the City shall provide the City with a written report recommending the additions, extensions, and improvements to be made to the System and stating that same are feasible, designating in reasonable detail the work and installation proposed to be done and the estimated cost of accomplishing the undertaking. The Consulting Engineers or a municipal advisor or advisory firm registered with the Securities and Exchange Commission shall set forth in said report the Projected Net Revenues (hereinafter defined) to be derived from the System which will be available for debt service payments over the life of the Series 2020 Bonds and the Series 2024 Bonds and shall indicate the projected coverage of such debt service payments in each succeeding Sinking Fund Year. “Projected Net Revenues” in each year for the purpose of this subparagraph (d) shall be estimated gross revenues of the System in each Sinking Fund Year remaining after payment of the estimated costs required or permitted to be paid pursuant to the provisions of Paragraph 1 of Section 5.2 for said period.

(e) The City shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings, among other things, the date such Additional Bonds shall bear, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions. The interest and principal on the Additional Bonds of any such issue shall fall due on dates to be established by the City; provided that, if such dates differ from the Series 2024 Bonds, the City shall make certain modifications to the monthly sinking fund payment obligations as necessary to accommodate such difference, including assuring that sinking fund payment obligations are made monthly in approximately equal amounts from a payment date respecting principal and interest, respectively, to the next such applicable payment date respecting such Additional Bonds, but, as to principal, not necessarily in each year or in equal installments; provided that if such Additional

Bonds shall bear interest at a variable rate, the City may, by supplemental ordinance, designate such other interest payment dates or record dates with respect to such Additional Bonds as may be appropriate. Any such proceeding or proceedings shall require the City to increase the monthly payments then being made into the Sinking Fund to the extent necessary to pay the principal of and the interest on the Series 2020 Bonds, the Series 2024 Bonds, and on all such Additional Bonds therewith then outstanding and on the Bonds proposed to be issued as same become due and payable, either at maturity or by proceedings for mandatory redemption, in the then current Sinking Fund Year, and to deposit into the Debt Service Reserve Account, as a condition to the issuance of such Additional Bonds, either a surety bond or letter of credit that complies with the terms of this Bond Ordinance or cash in an amount equal to the Debt Service Reserve Requirement (taking into account the Bonds being issued), and to maintain the Debt Service Reserve Account in such amount. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Bond Ordinance.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.1 **Optional Redemption of Series 2024 Bonds.** The Series 2024 Bonds shall be subject to optional redemption as set forth in Schedule 1 to this Bond Ordinance and hereby incorporated herein by reference.

If the Series 2024 Bonds are called for optional redemption in part, then any Series 2024 Bonds so called for redemption shall be called in such order of maturity as the City shall select and specify and if less than a full maturity by lot in such manner as may be designated by the Bond Registrar. The Bonds are subject to redemption only in principal amounts of \$5,000 or any integral multiple thereof.

Section 3.2 **Mandatory Sinking Fund Redemption.** The Series 2024 Bonds shall be subject to mandatory redemption as set forth in Schedule 1 to this Bond Ordinance and hereby incorporated herein by reference.

At the option of the City to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may (a) deliver to the Bond Registrar for cancellation such Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Bonds which prior to said date have been redeemed (otherwise then through mandatory redemption) and canceled by the Bond Registrar and not theretofore applied as a credit against any mandatory redemption. Each such Bonds so delivered or previously redeemed must have a maturity date corresponding to the maturity date of the Bonds then being mandatorily redeemed and shall be credited by the Bond Registrar and Paying Agent as 100% of the principal amount thereof on the obligation of the City on such mandatory redemption date.

Section 3.3 **Notice of Redemption.** Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds being redeemed (in whole or in part) at the address shown on the bond register on the Record Date for such payment or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the identification and CUSIP number (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) any conditions upon which the redemption is predicated, (v) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date and (vi) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent. The failure of the Bond Registrar to give any such notice to a particular owner of a Bond (or any defect in such notice) or the failure of the owner of any Bond to receive any such notice as so given shall not affect the validity of the proceedings for the redemption of any other Bond as to which proper notice is given.

Prior to giving any such notice of redemption, the City shall give the Bond Registrar 45 days' notice of its intent to redeem, unless waived by the Bond Registrar, and shall deposit with the Paying Agent on or before the date of redemption an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest, and the owner of said Bonds shall not be entitled to any rights under the Bond Ordinance except the right to receive payment, and said Bond or portion thereof shall not be considered to be outstanding. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be redeemed by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new fully registered Bond or Bonds of the same series, interest rate and maturity in the denominations of \$5,000 or any integral multiple thereof in the aggregate principal amount equal to the unpaid or unredeemed portion of such Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

ARTICLE IV

CUSTODY AND APPLICATION OF PROCEEDS; CONSTRUCTION FUND

The City covenants and agrees:

Section 4.1 **Application of Series 2024 Bond Proceeds.** The proceeds of the Series 2024 Bonds shall be applied as set forth in Schedule 1 to this Bond Ordinance and hereby incorporated herein by reference.

Section 4.2 **Construction Fund.**

(a) A special fund was created under the 2020 Bond Ordinance and designated “City of Barnesville Water and Sewerage System Construction Fund” (the “**Construction Fund**”). There are hereby created and established within the Construction Fund two subaccounts, designated “City of Barnesville Water and Sewerage System Series 2024 Costs of Issuance Subaccount” (the “**2024 Costs of Issuance Account**”) and “City of Barnesville Water and Sewerage System Series 2024 Construction Subaccount” (the “**2024 Construction Subaccount**”) for the credit of which there shall be deposited with United Bank Corporation, Barnesville, Georgia (the “**Construction Fund Depository**”) the proceeds derived from the sale of the Series 2024 Bonds in compliance with the provisions of Section 4.1, and any other funds acquired for this purpose by gift, donation, grant or otherwise. Subaccounts of the Construction Fund shall be established for future projects of the City to be financed from the proceeds of Additional Bonds. Withdrawals from the 2024 Costs of Issuance Account may be made for the purpose of paying the costs of issuance of the Bonds. Withdrawals from the 2024 Construction Subaccount may be made for the purpose of paying the costs of the Project.

(b) The moneys in the Construction Fund shall be held by the Construction Fund Depository and withdrawn and applied substantially in accordance with the provisions and restrictions set forth in this Article, and the City will not cause or permit to be paid from the Construction Fund any sums except substantially in accordance with such provisions and restrictions. Provided, however, that any money in the Construction Fund not needed at the time for the payment of current obligations during the course of the acquisition, construction, and equipping of the Projects, upon direction of an Authorized Officer of the City, may be invested and reinvested by the Construction Fund Depository in Permitted Investments. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for payments to be made from the Construction Fund, and shall be held by the Construction Fund Depository for the account of the Construction Fund until maturity or until sold, and at maturity or upon such sale the proceeds received therefrom, including premium, if any, shall be immediately deposited by said Depository in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided or permitted. Provided, further, however, that any moneys in the Construction Fund not needed for the payment of costs of issuance within six months shall be directed to the Sinking Fund.

(c) All payments from the Construction Fund shall be made by wire transfer, but before any such transfer is made, there shall be filed with the Construction Fund Depository a requisition

for such payment, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due.

Section 4.3 Disbursements for Acquisition, Construction, and Equipping of the Projects. From and after the initial disbursements from the 2024 Construction Subaccount as approved by Authorized Officer of the City, the City will proceed with due diligence to complete the acquisition, construction, and equipping of the Projects, including the acquisition of property, rights-of-ways and easements, as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy, and similar acts beyond the reasonable control of the City, only, excepted. The City will promptly pay all expenses incurred in and about such acquisition, construction, and equipping of the Projects, and shall make disbursements from the appropriate fund or account within the Construction Fund.

Section 4.4 Balance of Bond Proceeds. When the Projects shall have been completed, an Authorized Officer of the City shall file with the Bond Registrar and Paying Agent and the Construction Fund Depository a certificate of completion, and should there then be remaining any balance of the proceeds from the sale of the Series 2024 Bonds, such balance, at the option of the City, may be used to pay for additional improvements, equipment, or other facilities relating to the Projects or be deposited in the Sinking Fund and used, to the extent practicable and feasible, for the purchase and retirement of Bonds.

ARTICLE V

REVENUES AND FUNDS

The City covenants and agrees:

Section 5.1 **Fiscal Year**. The System is now being and will continue to be operated on a Fiscal Year beginning on October 1 of each calendar year and continuing through September 30 of the next succeeding calendar year; however, should it be deemed advisable at some later date to change the Fiscal Year basis, same may be done by the adoption of proper proceedings to that effect.

Section 5.2 **Revenue Fund**. So long as Bonds shall remain outstanding, all revenues arising from the ownership or operation of the System and properties in connection therewith as it now exists and as it may hereafter be added to, extended, or improved shall be collected by the City or by its agents or employees and deposited promptly with the depository to the credit of a special fund, which was created under the 2020 Bond Ordinance and designated as “City of Barnesville Water and Sewerage System Revenue Fund” (the “**Revenue Fund**”), and the City shall continue to maintain the Revenue Fund separate and apart from its other funds so long as the Bonds and any future issue or issues of Additional Bonds therewith hereafter issued are outstanding. Said revenues shall be disbursed from the Revenue Fund to the extent and in the following manner and order.

1. **Costs of System**. There shall first be paid from the Revenue Fund in each month all reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, the cost of purchased water, including hedging costs associated with such purchases, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation coming due in such month (the “**Operating Expenses**”), and then there shall be retained in the Revenue Fund a balance equal to the preceding six months’ aggregate Operating Expenses to meet the working capital needs of the System.

The Net Revenues of the System remaining in the Revenue Fund after the payment of the sums required or permitted to be paid or retained under the provisions of this paragraph 1 are hereby pledged to the payment of the principal of and the interest on, and the redemption premium, if any, on all the Bonds issued hereunder, including any Additional Bonds. Said Net Revenues so pledged shall immediately be subject to a lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the City and against all parties having claims of any kinds against the City, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

2. **Sinking Fund**. After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of paragraph 1 above, there shall next be

paid from the Revenue Fund into the special fund that was created under the 2020 Bond Ordinance and designated as “City of Barnesville Water and Sewerage System Sinking Fund” (the “**Sinking Fund**”) the following:

(a) Into the Debt Service Account within the Sinking Fund created under the 2020 Bond Ordinance for the purpose of paying the principal of and interest on the Bonds (consisting of the Series 2020 Bonds and the Series 2024 Bonds) coming due in the then current Sinking Fund Year, whether by maturity, mandatory redemption, or otherwise, and taking into consideration moneys deposited therein simultaneously with the issuance and delivery of the Series 2024 Bonds and any interest earned on amounts on deposit in the Debt Service Account, amounts which will equal the following amounts: (i) commencing with the month of June, 2025 and from month to month thereafter, an amount equal to one-third (1/3) of the interest on the Series 2024 Bonds coming due on September 1, 2025, and commencing with the month of September, 2025 and from month to month thereafter, an amount equal to one-sixth (1/6) of the interest on the Series 2024 Bonds coming due on the next succeeding March 1 or September 1, as the case may be, and (ii) commencing with the month of June, 2025 and from month to month thereafter, an amount equal to one-third (1/3) of the principal on the Series 2024 Bonds coming due on September 1, 2025, and commencing with the month of September, 2025 and from month to month thereafter, an amount equal to one-twelfth (1/12) of the principal on the Series 2024 Bonds coming due on the next succeeding September 1, such monthly payments to continue from month to month until sufficient funds are on hand in the Sinking Fund to pay all of the outstanding principal of, and premium, if any, the Bonds as the same mature or are acquired by mandatory redemption, and the interest that shall become due and payable thereon.

(b) After making the payments required to comply with subparagraph (a) above, there shall next be paid into said Debt Service Reserve Account such amounts as may be required to maintain such account in an amount equal to the Debt Service Reserve Requirement. The Debt Service Reserve Account shall be maintained for the purpose of paying the principal of and interest on the Series 2020 Bonds and the Series 2024 Bonds coming due in any year as to which there would otherwise be a default, and if money is taken from the Debt Service Reserve Account for the payment of such principal and interest, the money so taken shall be replaced in the Debt Service Reserve Account from the first moneys in the Revenue Fund thereafter available and not required to be used for maintenance and operation charges and not required to be paid into the Debt Service Account as hereinabove provided in subparagraph (a).

(c) All sums required to be deposited to comply with the provisions of subparagraphs (a) and (b) above shall be paid on or before the 25th day of the month in which the payment is due, and if, in any month, for any reason, the full amount herein required to be paid in such month shall not be paid into the Sinking Fund, any deficiency shall be added to and shall become a part of the amount required to be paid into the Sinking Fund in the next succeeding month; provided, however, the City covenants and agrees that in the event it hereafter elects to issue Additional

Bonds, pursuant to the provisions of this Bond Ordinance, the above stated payments into the Sinking Fund will be increased to the extent necessary to pay the principal of and interest on the Series 2020 Bonds, the Series 2024 Bonds and on any Additional Bonds therewith then outstanding and on the Bonds proposed to be issued coming due, either at maturity or by proceedings for mandatory redemption, in the then current Sinking Fund Year and to create within five (5) years from the date of the Bonds to be issued and thereafter maintain a reserve for that purpose in an amount at least equal to the highest combined principal and interest requirements coming due in any succeeding Sinking Fund Year on the then outstanding Series 2020 Bonds, the Series 2024 Bonds, any outstanding Additional Bonds, and on the Bonds proposed to be issued.

It is expressly provided, however, that if on the 2nd day of September in any year there are on deposit in the Debt Service Reserve Account moneys and securities (such securities to be valued at the lower of their market value or face amount, plus accrued interest thereon to September 2) the aggregate amount of which is in excess of the Debt Service Reserve Requirement such excess shall be withdrawn from the Debt Service Reserve Account and immediately deposited into the Revenue Fund. Any moneys in the Debt Service Account on such date shall be immediately withdrawn therefrom and deposited into said Revenue Fund. The calculation and determination of such excess amounts in accordance with this provision shall be the responsibility of an Authorized Officer of the City and Authorized Officer shall notify the Sinking Fund Depository and make or cause to be made any transfer of funds required pursuant to the provisions of this subparagraph. The Sinking Fund Depository shall be entitled to rely on such calculation and determination by the City.

3. Renewal and Extensions Fund. After there have been paid from, or retained in, the Revenue Fund in each month the sums required or permitted to be paid or retained under the provisions of Paragraphs 1 and 2 of this Section, there shall next be paid from the Revenue Fund into a special fund which was created under the 2020 Bond Ordinance and designated as “City of Barnesville Water and Sewerage System Renewal and Extension Fund” (hereinafter sometimes referred to as “**Renewal and Extension Fund**”), all of the moneys then remaining in the Revenue Fund. Expenditures shall be made from the Renewal and Extension Fund only for the purpose of: (a) in case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency; (b) making replacements, additions, extensions and improvements and acquiring equipment and paying the cost of any engineering studies, surveys or plans and specifications pertaining to the future development or expansion of the System deemed to be reasonable and to the best interest of the City and the Bondholders; (c) payment of the charges of United Bank Corporation, Barnesville, Georgia (the “**Renewal and Extension Fund Depository**”) for investment services; (d) funding any reserve fund established in connection with the issuance of Additional Bonds or paying the premium on any surety bond issued to fund any reserve fund established in connection with the issuance of Additional Bonds; (e) paying principal of and interest on any revenue bonds then

outstanding and falling due at any time for the payment of which money is not available in the sinking fund securing the payment of same and the interest thereon; or (f) after any uses set forth in (a) through (e) above at the end of each month, making transfers to the City's General Fund in accordance with its customary procedures; provided, however, that no such transfers to the City's General Fund are permitted unless, immediately after any such transfer, (y) the aggregate balance in (i) the Revenue Fund being retained respecting aggregate Operating Expenses as provided in Paragraph 1 of this Section and (ii) the Renewal and Extension Fund shall equal or exceed the preceding nine months' aggregate Operating Expenses to meet the working capital needs of the System, and (z) the Net Revenues of the System for the preceding Fiscal Year were equal to at least 1.75 times the maximum debt service requirement for any succeeding Sinking Fund Year on the Series 2020 Bonds, the Series 2024 Bonds, and any other issue or issues of Additional Bonds then outstanding.

It is expressly provided, however, that should Bonds be hereafter issued ranking as to lien on the revenues of the System junior and subordinate to the lien securing the payment of the Series 2020 Bonds, the Series 2024 Bonds authorized to be issued hereunder, including any issue or issues of Additional Bonds hereafter issued, then such payments into the Renewal and Extension Fund as provided in Paragraph 3 of this Section may be suspended and such moneys shall be available to the extent necessary to pay the principal of and interest on such junior lien Bonds and to create and maintain a reasonable reserve therefor and such moneys may be allocated and pledged for that purpose.

The City may at any time fulfill any portion of its obligation to fund the Debt Service Reserve Account by depositing in the Debt Service Reserve Account an irrevocable surety bond payable on any interest or principal payment date in an amount equal to any portion of the reserve requirement then required to be maintained within the Debt Service Reserve Account. Before any such surety bond is substituted for cash or deposited in lieu of cash within the Debt Service Reserve Account, there shall be filed with the City and the Sinking Fund Depository (i) an opinion of nationally recognized bond counsel to the effect that such substitution will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (ii) a certificate of Moody's or S&P, whichever rating agency maintains a rating on the outstanding Bonds, to the effect that (a) if the issuer(s) of the surety bond were insuring payment of principal and interest on the Bonds to which the Debt Service Reserve Account relates, such Bonds would receive either of the two highest long-term debt rating categories of the applicable rating agency or agencies and (b) that the substitution of such surety bond for cash within the Debt Service Reserve Account will not, in and of itself, result in a reduction of the ratings issued for the Series 2020 Bonds, the Series 2024 Bonds, or any Additional Bonds outstanding, and (iii) a copy of the surety bond issued to fulfill the City's obligation to fund the Debt Service Reserve Account together with an opinion of counsel satisfactory to the Sinking Fund Depository to the effect that the surety bond is valid and enforceable in accordance with its terms. Each such surety bond shall be unconditional and irrevocable and shall provide liquidity for the life of the Bonds with respect to which the surety bond is purchased and, if the surety bond is purchased with respect to more than one issue of Bonds hereunder, then for the term of the Bonds for which it was purchased. So long as the balance of the Debt Service Reserve Account equals the highest combined principal and interest requirements coming due in any succeeding Sinking Fund Year on the Series 2020 Bonds, the Series 2024 Bonds, and any Additional Bonds, any reimbursement agreement entered

into between the City and the issuer of any such surety bond may provide that the City will be obligated to repay such issuer an amount equal to any drawdown on the surety bond plus a market rate of interest over a specified period of time not to exceed three years but such obligation shall be junior and subordinate in right of payment to all outstanding Bonds.

Section 5.3 Schedule of Rates, Fees and Charges. The City has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System and as often as it shall appear necessary the City shall revise and adjust such schedule of rates, tolls, fees and charges for either water or sewerage services and facilities, or all of them, to the extent necessary to produce funds sufficient to:

- (a) operate, maintain and repair the System on a sound businesslike basis;
- (b) produce an amount equal to 110% of the amount required to discharge the payment of the principal of and the interest on the Series 2020 Bonds, the Series 2024 Bonds, and any Additional Bonds as they same become due and payable in the then current Sinking Fund Year;
- (c) create and maintain a reserve in the Debt Service Reserve Account in the amount as required in the 2020 Bond Ordinance, herein, or such larger amount as may be required in any proceedings authorizing any such issue or issues of Additional Bonds; and
- (d) create and maintain a reserve for extensions and improvements to the System.

The rates, tolls, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as nearly as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. No free services shall at any time be furnished from the System and it will undertake within its health powers or such other applicable powers now or hereafter provided by law to require the owners of all improved property abutting any sewerage line to connect with the System. No customer shall be connected to the System or served by the City without a proper meter having been first installed (sewer service is not metered, and therefore only water service customers shall have a meter installed). All services shall be furnished in accordance with rates now or hereafter established, including services furnished to any county, municipal corporation or other public board or body. Notwithstanding the above limitation in this paragraph, the City in the exercise of its reasonable discretion shall have the right to furnish free unmetered water to nonprofit bodies or public bodies.

In the event the City shall fail to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges, in accordance with the provisions of this Section, any bondholder without regard to whether any default, as defined in Article VIII of this Bond Ordinance, shall have occurred, may institute and prosecute in any court of competent jurisdiction, an appropriate action to compel the City to adopt a schedule or schedule of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges in accordance with the requirements of this Section.

Section 5.4 **Transfer from Revenue Fund.** All transfers from the Revenue Fund and all payments from said Revenue Fund shall be made by checks or wire transfers authorized by the proper officers of the City duly authorized for such purpose.

Section 5.5 **Sinking Fund Depository.** That the Sinking Fund herein provided shall be kept as a trust account separate from other deposits of the City, said bank to be designated as “Sinking Fund Depository,” and is hereinafter named in Article VI hereof and it shall comply with all of the applicable provisions of this Bond Ordinance.

Section 5.6 **Sinking Fund Disbursements.** Subject to the terms and conditions set forth in the 2020 Bond Ordinance and this Bond Ordinance, moneys in the Sinking Fund shall be disbursed for (a) the payment of the interest on the Series 2020 Bonds secured by the 2020 Bond Ordinance and the Series 2024 Bonds secured hereby as such interest becomes due and payable; (b) the payment of the principal of the Series 2020 Bonds secured by the 2020 Bond Ordinance and the Series 2024 Bonds secured hereby as same becomes due and payable, either at maturity or by proceedings for mandatory redemption; (c) the optional redemption of the Series 2020 Bonds secured by the 2020 Bond Ordinance and the Series 2024 Bonds secured hereby before maturity at the price and under the conditions provided therefor in Article III hereof; (d) upon notice by the City, the purchase of Series 2020 Bonds or Series 2024 Bonds in the open market; provided, however, the price paid shall not exceed the authorized call price; (e) the transfer of excess moneys, if any, in the Sinking Fund (as described in the second paragraph of subparagraph (c) of Section 5.2) to the Revenue Fund; (f) the payment of fees and charges of the Paying Agent for paying the Series 2020 Bonds and the Series 2024 Bonds and interest thereon and the charges for the registration of the Series 2020 Bonds and the Series 2024 Bonds secured hereby and their transfer or exchange in accordance with the terms thereof; and (g) the payment of any charges for investment services.

Moneys in the Debt Service Account of the Sinking Fund not immediately required to pay the principal and interest falling due on September 1, and not immediately required to pay the interest falling due on March 1 in any year shall be invested and reinvested by the Sinking Fund Depository in such Permitted Investments as directed by the City, or if the City shall fail to so direct, shall remain uninvested. Any such Permitted Investments shall mature no later than the date or dates on which moneys held for the credit of the Debt Service Account of the Sinking Fund shall be required for the purposes intended. Moneys in the Debt Service Reserve Account of the Sinking Fund shall be invested and reinvested in those Permitted Investments set forth in subparagraphs (A) and (B) of the definition of Permitted Investments in this Bond Ordinance maturing no later than the date or dates on which moneys held for the credit of the Debt Service Reserve Account of the Sinking Fund shall be required for the purposes intended; provided, however, moneys in the Debt Service Reserve Account of the Sinking Fund may be invested in Permitted Investments maturing the earlier of (i) the final maturity of the Bonds or (ii) seven years from the date such investment is made; provided, further, that any such Permitted Investments in the Debt Service Reserve Account may have a final maturity not later than the final maturity of the Bonds if the City has an irrevocable contractual right to sell such security to a third party at the par value thereof at any time principal and interest on the Bonds shall come due as to which there would otherwise be a deficiency in the Debt Service Account of the Sinking Fund. Any such Permitted Investments shall be held by the Sinking Fund Depository in trust until paid at maturity or sold, and all income or increments therefrom shall be immediately deposited to the credit of the

Sinking Fund. The moneys in the Sinking Fund and all securities held in and for said Sinking Fund, and all income and increments therefrom are hereby pledged to and charged with the payments mentioned in this Section.

Section 5.7 Investment of Moneys in the Renewal and Extension Fund. Moneys in the Renewal and Extension Fund, not immediately needed for the purposes set forth in Paragraph 3 of Section 5.2 may be invested in Permitted Investments as directed by the City. Any such securities so purchased shall be held by the Renewal and Extension Fund Depository in trust until paid at maturity or sold, and all income or increments therefrom shall be immediately deposited to the credit of the Renewal and Extension Fund. The moneys in the Renewal and Extension Fund and all securities held in and for the Renewal and Extension Fund, and all income and increments therefrom are hereby pledged to and charged with the payments set forth in Section 5.2.

Section 5.8 Additional Bonds. The City covenants that no other bonds or obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Net Revenues of the System prior to the lien created for the payment of the Series 2020 Bonds, the Series 2024 Bonds, and any future issue or issues of Additional Bonds herein authorized to be issued. Nothing contained herein, however, restricts the issuance of Additional Bonds or obligations from time to time payable from the Net Revenues of the System and secured by a lien on the Net Revenues junior and subordinate to the lien herein created.

It is expressly provided, however, that Additional Bonds or obligations may be issued, from time to time, ranking as to lien on the Net Revenues of the System on a parity with the Series 2020 Bonds and the Series 2024 Bonds, provided the following conditions are met:

(f) The payments covenanted to be made into the Sinking Fund, as the same may have been enlarged and extended in any proceedings authorizing the issuance of any Additional Bonds, must be currently being made in the full amount required and said “Debt Service Account” and “Debt Service Reserve Account” held within said Sinking Fund must be at their proper respective balances.

(g) The Net Revenues of the System for a period of twelve (12) consecutive months out of the twenty-four (24) consecutive months preceding the month of adoption of the proceedings authorizing the issuance of such Additional Bonds must have been equal to at least 1.15 times the maximum debt service requirement for any succeeding Sinking Fund Year on the Series 2020 Bonds, the Series 2024 Bonds, and any other issue or issues of Additional Bonds then outstanding and on the Bonds proposed to be issued, or in lieu of the foregoing formula, if a new schedule of rates and charges for the services, facilities and commodities furnished by the System shall have been adopted and shall be in effect and an independent and recognized firm of certified public accountants shall certify that had this new rate schedule been in effect during the period described above, the Net Revenues would have been equal to at least 1.15 times the maximum debt service requirement for any succeeding Sinking Fund Year on the Series 2020 Bonds, the Series 2024 Bonds, and any Additional Bonds then outstanding and on the Bonds proposed to be issued.

(h) An independent and recognized firm of certified public accountants or a municipal advisor or advisory firm registered with the Securities and Exchange Commission shall certify to the City that the requirements of subparagraph (a) above are being complied with and that the requirements of subparagraph (b) above have been met.

(i) Except when Bonds are being issued solely for the purpose of refunding outstanding revenue bonds, the Consulting Engineers for the City shall provide the City with a written report recommending the additions, extensions and improvements to be made to the System and stating that same are feasible, designating in reasonable detail the work and installation proposed to be done and the estimated cost of accomplishing the undertaking. The Consulting Engineers or a municipal advisor or advisory firm registered with the Securities and Exchange Commission shall set forth in said report the Projected Net Revenues (hereinafter defined) to be derived from the System which will be available for debt service payments over the life of the Series 2020 Bonds, the Series 2024 Bonds, and any Additional Bonds therewith then outstanding and the Bonds proposed to be issued and shall indicate the projected coverage of such debt service payments in each succeeding Sinking Fund Year. "Projected Net Revenues" in each year for the purpose of this subparagraph (d) shall be estimated gross revenues of the System in each Sinking Fund Year remaining after payment of the estimated costs required or permitted to be paid pursuant to the provisions of Paragraph 1 of Section 5.2 for said period.

(j) The City shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings, among other things, the date such Additional Bonds shall bear, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions. The interest and principal on the Additional Bonds of any such issue shall fall due on dates to be established by the City; provided that, if such dates differ from the Series 2024 Bonds, the City shall make certain modifications to the monthly sinking fund payment obligations as necessary to accommodate such difference, including assuring that sinking fund payment obligations are made monthly in approximately equal amounts from a payment date respecting principal and interest, respectively, to the next such applicable payment date respecting such Additional Bonds, but, as to principal, not necessarily in each year or in equal installments; provided that if such Additional Bonds shall bear interest at a variable rate, the City may, by supplemental ordinance, designate such other interest payment dates or record dates with respect to such Additional Bonds as may be appropriate. Any such proceeding or proceedings shall require the City to increase the monthly payments then being made into the Sinking Fund to the extent necessary to pay the principal of and the interest on the Series 2020 Bonds, the Series 2024 Bonds, and on all such Additional Bonds therewith then outstanding and on the Bonds proposed to be issued as same become due and payable, either at maturity or by proceedings for mandatory redemption, in the then current Sinking Fund Year, and to deposit into the Debt Service Reserve Account, as a condition to the issuance of such Additional Bonds, either a surety bond or letter of credit that complies with the terms of this Bond Ordinance or cash in an amount equal to the Debt Service Reserve Requirement (taking into account the Bonds being issued), and to

maintain the Debt Service Reserve Account in such amount. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Bond Ordinance.

(k) Such Additional Bonds or obligations and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(l) In the event that any such Additional Bonds bear interest at a rate other than a fixed rate of interest per annum, the proceedings under which such Additional Bonds are issued shall provide a “cap” or a maximum rate of interest per annum which such Additional Bonds may bear, and in the event that the City enters into a contract with a bank or other financial institution (a “**Liquidity Provider**”) to provide liquidity for such Additional Bonds, (i) the interest rate payable to the Liquidity Provider must be specified at the time of issuance of such Additional Bonds, (ii) any acceleration of principal payments due to the Liquidity Provider or any interest due in excess of the interest payable on such Additional Bonds must be subordinate to the payment of debt service on Bonds outstanding, and (iii) the Liquidity Provider must be rated in either of the two highest short-term debt rating categories of the applicable rating agency or agencies.

Section 5.9 Cancellation and Destruction. All Bonds paid, purchased, or redeemed, either at or before maturity, shall be cancelled and destroyed and such Bonds shall not be reissued. A record of such destruction shall be made and preserved in the permanent records of the Bond Registrar pertaining to such Bonds and in the permanent records of the City.

Section 5.10 Discharge of Lien and Security Interests.

If the City shall pay or cause to be paid the principal of, and the interest on the Bonds at the times and in the manner stipulated therein and herein, and if the City shall keep, perform, and observe all and singular the agreements in the Bonds and herein expressed as to be kept, performed and observed by it or on its part, then the lien hereof, these presents shall cease, determine and be discharged, and thereupon the Paying Agent, upon receipt by the Paying Agent of an opinion of bond counsel stating that in the opinion of the signer all conditions precedent to the satisfaction and discharge of this Bond Ordinance have been complied with (the “**Bond Counsel Opinion**”), shall cancel and discharge this Bond Ordinance, and shall execute and deliver to the City such instruments in writing as shall be required to cancel and discharge this Bond Ordinance; provided, however, such cancellation and discharge of the Bond Ordinance shall not terminate the powers and rights granted to the Paying Agent with respect to the payment, registration of transfer and exchange of the Bonds.

Section 5.11 Provision for Payment of Bonds.

Bonds shall be deemed to have been paid within the meaning of Section 5.10 hereof if:

(a) there shall have been irrevocably deposited in a special escrow account noncallable, nonprepayable Permitted Investments as defined in subparagraph (c) of the definition of Permitted Investments herein having such maturities and Interest Payment Dates and bearing such interest as will, in the opinion of an independent certified public accounting firm of national

reputation, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), be sufficient, together with any moneys of the City deposited in such special escrow account and lawfully available for such purpose, for the payment of their respective maturities, sinking fund redemption dates or optional redemption dates (if such Bonds are to be redeemed prior to maturity) of the principal thereof, premium, if any, and the interest to accrue thereon to such maturity or redemption dates, as the case may be;

(b) there shall have been paid to the Paying Agent, or provisions made therefor to the satisfaction of the Paying Agent, all Paying Agent's fees and expenses due or to become due in connection with the payment or redemption of the Bonds or there shall be sufficient moneys in said special account to make said payments; and

(c) if any Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Paying Agent in form satisfactory to the Paying Agent irrevocable instructions to redeem such Bonds on such date and either evidence satisfactory to the Paying Agent that all redemption notices required by this Bond Ordinance have been given or irrevocable power authorizing the Paying Agent to give such redemption notices.

ARTICLE VI

DEPOSITORIES OF MONEYS AND SECURITIES FOR DEPOSIT

The City covenants and agrees:

Section 6.1 **Depository; Sinking Fund Depository; Security for Deposits.**

(a) Except as otherwise provided in this Bond Ordinance, all moneys received by the City under the terms hereof shall, subject to the giving of security as hereinafter provided, be deposited with the proper Depository or with the Sinking Fund Depository in the name of the City. All moneys deposited under the provisions hereof shall be deposited in banks insured by the Federal Deposit Insurance Corporation and such moneys shall be applied in accordance with the terms and for the purposes set forth in this Bond Ordinance and shall not be subject to lien or attachment or any type of security interest by any creditor of the City.

(b) No moneys belonging to any of the funds created hereunder shall be deposited or remain on deposit with the Depository and/or Sinking Fund Depository in an amount in excess of the amount guaranteed by the Federal Deposit Insurance Corporation, unless such institution shall have pledged for the benefit of the City and the owners of the Bonds as collateral security for the moneys deposited direct obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System and having a market value (exclusive of accrued interest) at least equal to the amount of such deposits.

Section 6.2 **Appointment of Depositories.** United Bank Corporation, Barnesville, Georgia is hereby designated as the Construction Fund Depository, the Revenue Fund Depository, the Renewal and Extension Fund Depository, and the Sinking Fund Depository. Pursuant to Section 2.4 of this Bond Ordinance, U.S. Bank Trust Company National Association, Nashville, Tennessee, is designated as Paying Agent and Bond Registrar for the Series 2024 Bonds.

The City may, from time to time, designate a successor Sinking Fund Depository; provided said Depository complies with all of the provisions of this Article and the applicable provisions of this Bond Ordinance, and the City may, from time to time, designate a successor Depository or Depositories of any or all of said funds, provided said successor Depository or Depositories complies or comply with all of the provisions of this Article and the applicable provisions of this Bond Ordinance.

In the event the Sinking Fund Depository and the Paying Agent for all issues of Additional Bonds then outstanding is the same bank acting in both capacities, then the Sinking Fund Depository shall, without any further direction on the part of or any further authorization from the City, use and disburse the moneys in the Sinking Fund as provided in this Bond Ordinance; except that, it: as provided under Article III of this Bond Ordinance, it redeems or buys any Series 2024 Bonds issued hereunder with moneys in the Sinking Fund, then proper authorization and direction from the governing body of the City shall be furnished for such use and disbursement of said moneys.

ARTICLE VII

PARTICULAR COVENANTS

The City covenants:

Section 7.1 **Payment.** The City shall promptly pay the principal of, and interest on, every Series 2024 Bond issued hereunder and secured hereby at the place, on the dates and in the manner herein and in the Series 2024 Bonds specified, and any premium required for the redemption of the Series 2024 Bonds, according to the true intent and meaning thereof. The principal, interest and premiums, if any, and the charges of the Paying Agent and Bond Registrar are payable solely out of the revenues of the System, which revenues and payments are hereby pledged to the payment thereof in the manner and to the extent hereinbefore particularly specified, and nothing herein or in the Series 2024 Bonds shall be construed as an obligation of the City to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, except from the revenues of the System and no Bondholder shall ever have any recourse to the power of taxation.

Section 7.2 **Rules and Regulations.** The City has and shall continue to enforce reasonable rules and regulations governing the System and the operation thereof, and that all compensation, salaries, fees and wages paid by it in connection with the operation, repair and maintenance of the System will be reasonable, and that no more persons will be employed by it than are necessary, and that it will operate same in an efficient and economical manner, and will at all times maintain the same in good repair and in sound operating condition, and will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such undertaking and enterprise. The City will also cause to be bonded its officials, employees or agents handling funds of the System, same to be in such amount or amounts as may be considered adequate for its protection.

Section 7.3 **Ten Percent (10%) Retention.** Subject to the provisions of Section 13-10-2 of the Official Code of Georgia Annotated, as amended, any contract relating to the installation, extension, improvement, maintenance, or repair of the System shall provide for the retention of ten percent (10%) of the gross value of the completed work; provided, however, that no amounts shall be retained on estimates or progress payments submitted after fifty percent (50%) of the work has been completed, if, in the opinion of the City, such work is satisfactory and has been completed on schedule. If, after discontinuing the retention, the City determines that the work is unsatisfactory or has fallen behind schedule, the ten percent (10%) retention may be resumed. Nothing herein contained shall affect the retained amounts on the first fifty percent (50%) of the work which shall continue to be held to ensure satisfactory completion of the work. Final payment shall be made after certification by the Consulting Engineers that the work has been satisfactorily completed and is accepted in accordance with the contract and plans and specifications pertaining thereto.

Section 7.4 **Liens.** The City shall not create or suffer to be created, in the operation and maintenance of the System, any lien, security interest or charge thereon, or any part thereof, or upon the revenues derived therefrom, ranking equally with or prior to the lien and charge

authorized in the 2020 Bond Ordinance or in this Bond Ordinance upon such revenues, and that it will pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge, within sixty (60) days after the same shall occur, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon such System, or any part thereof, or upon the revenues derived therefrom; provided, however, that nothing contained in this Section shall require the City to pay, or cause to be discharged, or make provision for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 7.5 Insurance. The City shall procure and maintain or cause to be procured and maintained so long as the Series 2024 Bonds and any Additional Bonds therewith are outstanding: (a) fire and extended coverage insurance on the insurable portions of the System in a responsible insurance company or companies authorized and qualified to do business under the laws of the State of Georgia. Coverage by such insurance shall be maintained in amounts not less than eighty percent (80%) of the full insurable value; (b) public liability insurance relating to the operation of the System within the limits of not less than \$100,000 for inquiry to or death of one individual, \$500,000 for injury or death growing out of any one accident and \$50,000 property damage insurance for any one accident; (c) vehicular public liability insurance on any vehicle owned by the City and used in the operation of the System within the limits of not less than \$100,000 for injury to or death of one individual, \$500,000 for injury or death growing out of any one accident and \$50,000 property damage insurance for any one accident. The proceeds of such fire and extended coverage policies are pledged as security for the Series 2024 Bonds, but shall be available for and shall, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property. In the event the proceeds of such policies are not used for that purpose, then same shall be deposited in the Renewal and Extension Fund. All insurance policies shall be open to the inspection of the Bondholders or their duly authorized Representatives at all reasonable times.

Section 7.6 Records and Accounts. The City shall and will keep the funds and accounts of the System separate from all other funds and accounts of the City, or any of its departments, and no payment will be made from the revenues derived from the System which is not properly payable from such revenues, and that it will keep accurate records and accounts of all items of cost and all expenditures relating to the System, and of the revenues collected and the application thereof, and of the number of customers, and that it will keep said records and accounts with respect to the physical properties in such manner that it will be possible at all times to identify both the amounts and the items of all additions and retirements. Such records and accounts shall be open to the inspection of all interested persons.

Section 7.7 Annual Audit. In the month immediately following the end of each Fiscal Year, or as soon thereafter as practicable, the City shall cause an annual audit to be made of the books and accounts pertaining to the System by an independent and recognized firm of certified public accountants of suitable experience and responsibility, to be chosen by the governing body of the City. The annual audit shall include, among others, a statement of the income and expenses and a balance sheet, both in reasonable detail, a list of insurance policies paid for and in force respecting the System and its operation, comments by the auditor respecting compliance by the City with the provisions of this Bond Ordinance and that it is complying therewith or point out where, if any, the City is not in compliance therewith.

Section 7.8 Sale of Assets. So long as any of the Series 2024 Bonds shall be outstanding, the City shall not encumber the System or any part thereof, and it will not sell or otherwise dispose of the System or any integral part thereof, except it may sell such System as a whole, or substantially as a whole, if the proceeds of such sale be at least sufficient to provide for the payment of the Series 2024 Bonds authorized under and secured by this Bond Ordinance and any interest accrued or to accrue thereon, and that the proceeds of any such sale shall be deposited with the Sinking Fund Depository in trust and applied by it to the extent necessary to purchase or redeem the Series 2024 Bonds. Nothing contained herein, however, shall preclude sale of a part of the System where the sale would not, in any way, adversely affect the revenues of the System, and provided further that the proceeds from such sale are used for extensions and improvements to the System, or deposited with the Sinking Fund Depository in trust and applied toward the purchase or redemption of the Series 2024 Bonds.

The City shall not create, or permit to be created, any charge, lien or encumbrance or any security interest in or on the revenues of the System, as it now exists and as it will hereafter be extended and improved, ranking prior to the lien on said revenues created to secure payment of the Series 2020 Bonds and the Series 2024 Bonds, or ranking equally with said charge or lien of the Series 2020 Bonds and the Series 2024 Bonds, except that it may issue Additional Bonds standing on a parity therewith in accordance with the provisions of the 2020 Bond Ordinance and this Bond Ordinance.

Section 7.9 Certificate as to Use of Proceeds. The Mayor and the Clerk and Treasurer of the City are hereby authorized and directed to execute, for and on behalf of the City, a certification, based upon facts, estimates and circumstances, as to the reasonable expectations regarding the amount, expenditure and use of the proceeds derived from the sale of the Series 2024 Bonds, as well as such other documents as may be necessary or desirable in connection with the issuance and delivery of the Series 2024 Bonds.

Section 7.10 Tax Covenants. In order to maintain the exclusion from federal gross income of interest on the Series 2024 Bonds, the City covenants to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2024 Bonds. In furtherance of this covenant, for the benefit of the holders of the Series 2024 Bonds, the City agrees to comply with the provisions of a Tax Regulatory Agreement and Non-Arbitrage Certificate to be executed by the City and delivered concurrently with the issuance and delivery of the Series 2024 Bonds.

Section 7.11 Compliance with Continuing Disclosure Certificate. The City hereby covenants for the benefit of the owners of the Series 2024 Bonds and the underwriter to comply with its obligations under its Continuing Disclosure Certificate for the Series 2024 Bonds. A breach of this covenant shall not be deemed to be an event of default hereunder, and the sole remedy under this Bond Ordinance shall be an action to compel performance.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1 **Events of Default.** Each of the following events is hereby defined as and declared to be an “Event of Default” under this Bond Ordinance:

(a) Payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, at its maturity or by proceedings for mandatory redemption or optional redemption; or

(b) Payment of any installment of interest shall not be made when the same becomes due and payable, or within thirty (30) days thereafter; or

(c) The City shall, for any reason, be rendered incapable of fulfilling its obligations hereunder; or

(d) An order or decree shall be entered, with the consent or acquiescence of the City, appointing a Receiver (as defined in the Revenue Bond Law), or Receivers, of the System, or of the revenues thereof, or any proceedings shall be instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of the revenues of the System, or if such order or decree, having been entered without the consent and acquiescence of the City, shall not be vacated or discharged or stayed on appeal within-sixty (60) days after entry thereof, or if such proceeding, having been instituted without the consent or acquiescence of the City, shall not be withdrawn, or any orders entered shall not be vacated, discharged or stayed on appeal, within sixty (60) days after the institution of such proceedings, or the entry of such orders; or

(e) The City shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in this Bond Ordinance, on the part of the City to be performed, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring same to be remedied, shall have been given to the City by any Bondholder.

Section 8.2 **Acceleration.** Upon the happening and continuance of any Event of Default specified in Section 8.1, then and in every such case the owners of not less than fifty-five percent (55%) in the principal amount of the Bonds then outstanding may, by a notice in writing to the City, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Bonds or herein contained to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest, if any, upon the Bonds then outstanding, and all other indebtedness secured hereby, except the principal of any Bonds not then due by their terms, and the interest accrued on such Bonds since the last Interest Payment Date, shall have been paid, or shall have been provided for any deposit with the Paying Agent for such Bonds of a sum sufficient

to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the Bonds, or herein contained, shall be made good, or, provisions therefor satisfactory to such Bondholders shall have been made, then and in every such case the owners of not less than fifty-five percent (55%) in principal amount of the Bonds then outstanding may, by written notice to the City, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to, or affect, any subsequent default or impair any right consequent thereto.

Section 8.3 Remedies. Upon the happening and continuance of any Event of Default, as provided in Section 8.1, then and in every such case any Bondholder may proceed, subject to the provisions of Section 8.5, to protect and enforce the rights of the Bondholders hereunder by a suit, action or special proceedings in equity, or at law, either for the appointment of a Receiver of the System as authorized by the Revenue Bond Law, or for the special performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Section 8.4 Restoration. In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondholder, then and in every such case the City and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondholders shall continue as though no such proceedings had been taken.

Section 8.5 Equal Benefit. No one, or more, owners of the Bonds secured hereby shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

Section 8.6 Nonexclusively of Remedies. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 8.7 No Waiver. No delay or omission of any Bondholder to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein and every power and remedy given by this Article to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IX

SUPPLEMENTAL PROCEEDINGS

Section 9.1 Adoption of Supplemental Proceedings. The City may, from time to time and at any time, adopt such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Bond Ordinance or in any supplemental ordinance or in the Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued hereunder; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; and (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental ordinance. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Section 9.2 Notice. After any supplemental ordinance requiring the consent of the Bondholders shall have been adopted, the City shall cause a notice of the adoption of such ordinance to be mailed, postage prepaid, to all registered owners of Bonds appearing on the bond registration book kept by the Bond Registrar and a copy of such supplemental ordinance shall be mailed, postage prepaid, to the Designated Representatives of the original purchaser of any Bonds.

Section 9.3 Incorporation. Any supplemental ordinance adopted and becoming effective in accordance with the provisions of this Article shall thereafter form a part of this Bond Ordinance and all conditions of this Bond Ordinance for any and all purposes, and shall be effective as to all owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Whenever referred to herein as “supplemental ordinance” same shall be construed to mean such action as shall be taken by the City, as may be required to comply with the law then in force and effect.

Section 9.4 Effect on Additional Bonds. In the event of the issuance of any Bonds ranking *pari passu* with the Series 2020 Bonds and the Series 2024 Bonds, then the provisions of this Article shall likewise be applicable in all respects to any such proceedings so authorizing such Additional Bonds and in any supplemental ordinance amending such proceedings and the notice of such supplemental ordinance shall be given such parity Bondholders and any such modification and amendment shall apply to any such Additional Bonds and the owners of such Additional Bonds.

Section 9.5 Proof of Ownership. Any request, waiver, direction, consent or other instrument required by this Bond Ordinance to be signed or executed by Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the written appointment of such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Bond Ordinance and shall be conclusive in favor of the City with regard to any action taken under such instrument:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds or any issue of Additional Bonds therewith shall be determined and proved by reference to the bond registration book kept by the Bond Registrar for such issue or issues of Bonds and the City may conclusively assume that such ownership continues until written notice to the contrary is served upon it.

Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the City in pursuant of such request or consent.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1 Severability. In case any one or more of the provisions of this Bond Ordinance, or the Bonds issued hereunder, shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Bond Ordinance or the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 10.2 Contract.

(a) The provisions of this Bond Ordinance shall constitute a contract by and between the City and the owners of the Series 2024 Bonds authorized to be issued hereunder and the owners of any Additional Bonds subsequently issued by the City, and after the issuance of the Series 2024 Bonds this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interest of the owners of the Bonds, nor shall the City pass any proceedings in any way adversely affecting the rights of such owners, so long as any of the Bonds authorized by this Bond Ordinance, or the interest thereon, shall remain unpaid; provided, however, that this covenant shall not be construed as prohibiting modifications hereof or amendments hereto to the extent and in the manner as provided in Article X hereof.

(b) The provisions of this Bond Ordinance and every appropriate sentence hereof shall be construed as including and as being applicable to any Additional Bonds issued by the City, as well as to the Series 2024 Bonds, and any Additional Bonds issued by the City shall be treated for all intents and purposes, unless otherwise specifically stated, just as if they had been issued together with the Series 2024 Bonds and pursuant to the terms of this Bond Ordinance.

(c) Any subsequent proceedings authorizing the issuance of Additional Bonds issued by the City as provided in this Bond Ordinance shall in nowise conflict with the terms and conditions of this Bond Ordinance, but shall, for all legal purposes, reaffirm all of the applicable covenants, agreements and provisions of this Bond Ordinance for the equal protection and benefit of all Bondholders.

Section 10.3 Validation. The Series 2024 Bonds herein authorized shall be validated in the manner provided by law, and to that end, notice of the adoption of this Bond Ordinance and a copy thereof shall be served upon the District Attorney of the Towaliga Judicial Circuit, in order that proceedings for the above purpose be instituted in the Superior Court of Lamar County.

Section 10.4 Repealer. Any and all ordinances or parts of ordinances in conflict with this Bond Ordinance this day adopted be and the same are hereby repealed, and this Bond Ordinance shall be in full force and effect from and after its adoption.

Section 10.5 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of payment of the principal of or interest on the Bonds or the date fixed for redemption of any Bonds shall be in the City of payment a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of such principal or interest need not be made on such date but may be made on the next succeeding business date with

the same force and effect as if made on the date of stated maturity or the date fixed for redemption, and no interest shall accrue for the period after such date; provided, however, that the City may, in connection with the issuance of any Additional Bonds bearing interest at a variable rate, provide that interest shall accrue for any such period.

Section 10.6 Approval of Purchase Agreement. The execution, delivery and performance of the Bond Purchase Agreement providing for the sale of the Series 2024 Bonds, by and between the City and [_____], as underwriter, is hereby authorized. The form of the Bond Purchase Agreement is attached hereto as Exhibit A, subject to minor changes, insertions or omissions as may be approved by the Mayor of the City (the “**Mayor**”) and the execution of the Bond Purchase Agreement by the Mayor as hereby authorized shall be conclusive evidence of any such approval.

Section 10.7 Approval of Preliminary Official Statement and Official Statement. The use and distribution of the Preliminary Official Statement, substantially in the form presented at this meeting and on file with the Clerk of the City are hereby approved and ratified. The Mayor is hereby authorized to execute and deliver the Official Statement on behalf of the City. The Official Statement shall be in substantially the form as the Preliminary Official Statement, with such changes, insertions or omissions as may be approved by the Mayor, and the execution of said Official Statement by the Mayor as hereby authorized shall be conclusive evidence of any such approval. The Mayor, or in his absence or incapacity, the Mayor Pro Tem, Clerk or any other officer of the City, is hereby authorized to execute and deliver on behalf of the City an agreement or undertaking to comply with the rules and regulations of the Securities and Exchange Commission (the “**SEC**”) relating to the Series 2024 Bonds, including, without limitation, any agreement or undertaking with respect to continuing disclosure by the City to enable the purchasers of the Series 2024 Bonds to comply with Rule 15c2-12. The execution and delivery of all such documents or certificates as may be reasonably requested of the City to “deem final” the Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 are hereby ratified and approved.

Section 10.8 Approval of Continuing Disclosure Certificate. The Continuing Disclosure Certificate is hereby authorized and approved. The Continuing Disclosure Certificate shall be in substantially the form as set forth as an appendix to the Preliminary Official Statement, subject to changes, insertions and omissions as may be approved by the Mayor, and the execution of the Continuing Disclosure Certificate by the Mayor as herein authorized shall be conclusive evidence of any such approval.

Section 10.9 Provisions Relating to Insurance. The City hereby accepts and approves the Municipal Bond Insurance Commitment, dated October 9, 2024 from AG, in the form attached hereto as Exhibit B, to provide the Insurance Policy for the Series 2024 Bonds and the Municipal Bond Debt Service Reserve Commitment, dated October 9, 2024, from AG, in the form attached hereto as Exhibit C, to provide the Reserve Policy in satisfaction of the debt service reserve requirement for the Series 2024 Bonds. Notwithstanding anything to the contrary in this Bond Ordinance, the provisions set forth in Exhibit D regarding the Bond Insurance Policy and in Exhibit E regarding the Reserve Policy shall govern so long as the Series 2024 Bonds remain outstanding.

Section 10.10 Applicable Provisions of Law. This Bond Ordinance shall be governed by and construed and enforced in accordance with the laws of the State of Georgia.

Section 10.11 No Individual Responsibility of Mayor or City Council Members. No stipulations, obligations or agreements of any member or of any officer of the City shall be deemed to be stipulations, obligations or agreements of any such member or officer in his individual capacity.

Section 10.12 Execution by Mayor. Notwithstanding anything in this Bond Ordinance to the contrary, in the absence or incapacity of the Mayor, the Vice Mayor is hereby authorized to execute and deliver on behalf of the City any document or certificate requiring execution by the Mayor.

Section 10.13 Ratification and General Authority. All acts heretofore or taken by any officer of the City in connection with the issuance of the Bonds are hereby ratified and approved. Any officer of the City is hereby authorized to do any and all things, including, but not limited to, making covenants on behalf of the City and to execute any, and all certificates and documents necessary to issue the Bonds and to carry out the transactions contemplated by this Bond Ordinance, the Preliminary Official Statement, or the Official Statement, including but not limited to a tax and non-arbitrage certificate, purchasing, or causing to be purchased through an underwriter, financial advisor or bond counsel, and investments for amounts in funds hereunder or under the Escrow Deposit Agreement.

This Bond Ordinance shall take effect immediately upon its adoption.

CITY OF BARNESVILLE, GEORGIA

By: _____
Kelly G. Hughes, Mayor

**SCHEDULE 1
TO THE BOND ORDINANCE**

Optional Redemption

The Series 2024 Bonds issued hereunder having stated maturities on or after September 1, 20____, may be redeemed at the option of the City either in whole or in part (in such order of maturity as the City shall select and specify), on any date not earlier than September 1, 20____, from any moneys available for such purpose and not required for paying the principal of and interest on the Series 2024 Bonds coming due, whether at maturity or by proceedings for mandatory redemption, in the then current Sinking Fund Year and the maintenance therein of a reserve in an amount equal to the highest combined principal and interest requirements on the Series 2024 Bonds coming due in any succeeding Sinking Fund Year, by payment of the principal amount thereof plus accrued interest thereon to the date of redemption at the redemption price of 100% the principal amount thereof, together with accrued interest to redemption date.

Mandatory Sinking Fund Redemption

The Series 2024 Bonds maturing on September 1, 20____ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on September 1 of the years set forth below:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
------------------------------------	-----------------------------

The Series 2024 Bonds maturing on September 1, 20____ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on September 1 of the years set forth below:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
------------------------------------	-----------------------------

The Series 2024 Bonds maturing on September 1, 20__ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on September 1 of the years set forth below:

September 1 Principal
of the Year Amount

Application of Series 2024 Bond Proceeds

From the proceeds derived from the sale of the Series 2024 Bonds (net of underwriter's discount and original issue discount, if any), the following payments shall be made, simultaneously with the issuance and delivery of the Series 2024 Bonds, to the extent and in the manner herein set forth:

(a) Approximately \$_____ shall be deposited into the 2024 Costs of Issuance Account of the Construction Fund created in Section 4.2(a) hereof; and

(b) The balance of the proceeds derived from the sale of the Series 2024 Bonds shall be deposited into the 2024 Construction Subaccount of the Construction Fund created in Section 4.2(a) hereof.

**SCHEDULE 2
TO THE BOND ORDINANCE**

[FORM OF SERIES 2024 BOND]

Unless this Series 2024 Bond is presented by an authorized representative of DTC to the Bond Registrar for registration of transfer, exchange, or payment, with respect to any Series 2024 Bond issued that is registered in the name of CEDE & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to CEDE & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, CEDE & Co., has an interest herein. Each Series 2024 Bond certificate will remain in the Paying Agent’s custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and DTC - FAST Agreement.

UNITED STATES OF AMERICA

STATE OF GEORGIA

CITY OF BARNESVILLE, GEORGIA
WATER AND SEWERAGE REVENUE BONDS,
SERIES 2024

No. R- \$ _____

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP:</u>
_____ %	_____ 1, 20__		

Registered Owner: Cede & Co.

Principal Amount: _____

FOR VALUE RECEIVED, the City of Barnesville, Georgia (the “**City**”), a municipal corporation of the State of Georgia, hereby promises to pay solely from the special fund provided therefor, as hereinafter set forth, to the registered owner hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America on the date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company National Association (the “**Paying Agent**”), Nashville, Tennessee, Paying Agent and Bond Registrar, and to pay to the registered owner hereof solely from said special fund interest on the principal amount from date hereof or from the most recent Interest Payment Date to which interest has been paid, at the rate per annum specified above, on September 1, 20__ and semiannually thereafter on the 1st days of March and September in each year (each an “**Interest Payment Date**”), until payment of the principal amount hereof. Payments of interest on this Series 2024 Bond shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on the fifteenth day of the calendar month next preceding each Interest

Payment Date and such interest payments shall be mailed to the registered owner at the address shown on the bond registration book.

This Series 2024 Bond is one of a duly authorized issue of City of Barnesville, Georgia Water and Sewerage Revenue Bonds, Series 2024, in the aggregate principal amount of \$10,000,000*, of like tenor, except as to numbers, denominations, interest rates, dates of maturity and redemption provisions (the “**Series 2024 Bonds**”) issued for the purpose of providing funds, together with other moneys available or to be made available to the City, to (a) pay all or a portion of the costs of acquiring or constructing, or both, capital improvements to the City’s water distribution system or sanitary sewer collection system, or both (collectively, the “**Projects**”), (b) pay the cost of a municipal bond insurance policy (the “**Insurance Policy**”) and a debt service reserve insurance policy (“**Reserve Policy**”) for the Series 2024 Bonds, each to be issued by Assured Guaranty Inc. (“**AG**” or the “**Bond Insurer**”) concurrently with the delivery of the Series 2024 Bonds; and (c) pay the costs associated with the issuance of the Series 2024 Bonds, and is issued under authority of the Revenue Bond Law of Georgia (O.C.G.A. Section 36- 82-60, et seq., as amended), and was duly authorized by a Bond Ordinance of the City adopted on the _____, 2024 (the “**Bond Ordinance**”). Capitalized terms used herein, but not defined shall have the meaning set forth in the Bond Ordinance. The Series 2024 Bonds, which will rank on a parity with the City’s previously issued Water and Sewerage Revenue Refunding Bonds, Taxable Series 2020A and Taxable Series 2020B (collectively, the “**Series 2020 Bonds**,” and, together with the Series 2024 Bonds, the “**Bonds**”) as to lien on the net revenues of the System, and may issue, under certain terms and conditions as provided in the Bond Ordinance, additional revenue bonds or obligations, and if issued such additional bonds or obligations will rank on a parity with the Bonds as to lien on the net revenues of the System. Reference to the Bond Ordinance is hereby made for a complete description of the fund charged with, and pledged to, the payment of the principal of and the interest on the Bonds, the nature and extent of the security, a statement of rights, duties and obligations of the City, the rights of the owners of the Bonds, and the terms and conditions under which additional bonds may be issued, to all the provisions of which the owner hereof, by the acceptance of this Series 2024 Bond, assents.

AG has delivered its Insurance Policy with respect to the scheduled payments due of principal of and interest on this Bond to the Paying Agent or its successor, as paying agent for the Bonds. Said Insurance Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AG or the Paying Agent. All payments required to be made under the Insurance Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AG as more fully set forth in the Insurance Policy.

This Series 2024 Bond is transferable only upon the bond registration book kept for that purpose at the principal corporate trust office of the Bond Registrar by the registered owner hereof in person, or by an attorney duly authorized in writing, upon the surrender and presentation to the Bond Registrar of this Series 2024 Bond duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or attorney duly authorized in writing, and thereupon a new registered bond, in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor.

The Series 2024 Bonds are issuable in the form of registered bonds in the denomination of \$5,000 or any integral multiple thereof and are exchangeable at the principal corporate trust office of the Bond Registrar in the manner, subject to the conditions and upon payment of charges, if any, provided in the Bond Ordinance.

The Bond Ordinance provides, among other things, for prescribing and revising rates and collecting fees and charges for the services, facilities and commodities furnished by the System, as it now exists and as it may hereafter be added to, extended, improved and equipped to the extent necessary to produce revenues sufficient to pay the reasonable and necessary costs of operating and maintaining the System, including contractual obligations incurred pertaining to the operation of the System, to pay into a special fund designated "City of Barnesville Sinking Fund" the amounts required to pay the principal of and the interest on the Bonds and any other bonds hereafter issued on a parity therewith as the same become due and payable, either at maturity or by proceedings for mandatory redemption, and to create and maintain a reserve therein for that purpose, as well as to create and maintain a reserve for extensions and improvements to the System.

This Series 2024 Bond shall not be deemed to constitute a debt of the State of Georgia or the City of Barnesville nor a pledge of the faith and credit of said State or City, nor shall the State or City be subject to any pecuniary liability hereon. This Series 2024 Bond shall not be payable from, nor a charge upon, any funds other than the revenues pledged to the payment hereof, and is payable solely from the special fund provided therefor from the revenues of the System, including all future additions thereto and any other moneys deposited therein. No owner of this Series 2024 Bond shall ever have the right to compel the exercise of the taxing power of the State or City to pay the same, or the interest hereon, or to enforce payment hereof against any other property of the City, nor shall this Series 2024 Bond constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the City other than the revenues pledged to the payment hereof.

To the extent and in the manner permitted by the Bond Ordinance, modifications, alterations, amendments, additions and rescissions of the provisions of the Bond Ordinance, or of any ordinance supplemental thereto or of the Series 2024 Bonds, may be made by the City with the consent of the owners of at least a majority in aggregate principal amount of the Series 2024 Bonds then outstanding, including any parity obligations therewith then outstanding, and without the necessity for notation hereon of reference thereto.

The Series 2024 Bonds having stated maturities on or after September 1, 20___, may be redeemed prior to their respective maturities at the option of the City, either in whole on any date or in part on any Interest Payment Date, in such order of maturity as shall be selected and specified by the City, in any year not earlier than September 1, 20___ from any moneys available for such purpose as provided in the Bond Ordinance at a redemption price of the par amount of the Series 2024 Bonds to be redeemed plus accrued interest to the date fixed for redemption. If less than all of the Series 2024 Bonds of any maturity are to be redeemed, the actual Series 2024 Bonds of such maturity to be redeemed shall be selected by lot or in such manner as may be designated by the City. The Series 2024 Bonds are subject to redemption only in principal amount of \$5,000 or any integral multiple thereof.

The Series 2024 Bonds maturing on September 1, 20__ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on September 1 of the years set forth below:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
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The Series 2024 Bonds maturing on September 1, 20__ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on September 1 of the years set forth below:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
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The Series 2024 Bonds maturing on September 1, 20__ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2024 Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on September 1 of the years set forth below:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
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Unless waived by any owner of Series 2024 Bonds to be redeemed, official notice of any redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Series 2024 Bond or Series 2024 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. The failure of the Bond Registrar to give any such notice or the failure of the owner of the Series 2024 Bond to receive any such notice as so given shall not affect the validity of the proceedings for redemption of any other Series 2024 Bond.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all of the Series 2024 Bonds or portions of the Series 2024 Bonds which are to be redeemed on that date. Official notice of redemption having been given as aforesaid, the Series 2024 Bonds or portions of Series 2024 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the municipality shall default to the payment of the redemption price) such Series 2024 Bonds or portions of such Series 2024 Bonds shall cease to bear interest, and the owner of said Series 2024 Bond shall not be entitled to any rights under the Bond Ordinance except the right to receive payment, and said Series 2024 Bond or portion thereof shall not be considered to be outstanding.

This Series 2024 Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.

In case of default, the owner of this Series 2024 Bond shall be entitled to the remedies provided in the Bond Ordinance authorizing its issuance and in said Revenue Bond Law and any amendments thereto.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this Series 2024 Bond have been done, have happened and have been performed in due and legal form as required by law, and that provision has been made for the allocation from the anticipated revenues of the System, as now existent and as hereafter added to, extended, improved and equipped, of amounts sufficient to pay the principal of and the interest on the Series 2024 Bonds as the same mature, or are acquired by mandatory redemption, and to create and maintain a reserve for that purpose, and that said revenues are irrevocably allocated and pledged to the payment of the Series 2024 Bonds and the interest thereon.

This Series 2024 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until this Series 2024 Bond shall have been authenticated and registered upon the bond registration book kept by the Bond Registrar for that purpose, which authentication and registration shall be evidenced by the execution by the manual signature of a duly authorized signatory of the Bond Registrar of the certificate hereon.

[Signature Page Follows]

CERTIFICATE OF AUTHENTICATION

This Series 2024 Bond is one of the Series 2024 Bonds described in the within mentioned Bond Ordinance and is hereby authenticated as of the date of authentication set forth below.

Date of Authentication: November 7, 2024.

U.S. BANK TRUST COMPANY NATIONAL
ASSOCIATION,
as Bond Registrar and Authentication Agent

[FORM] _____
Authorized Signatory

STATE OF GEORGIA)
)
LAMAR COUNTY) VALIDATION CERTIFICATE

The undersigned Clerk of the Superior Court of Lamar County, State of Georgia, HEREBY CERTIFIES that this Series 2024 Bond was validated and confirmed by judgment of the Superior Court of Lamar County, Georgia, on the 30th day of October, 2024, and that no intervention or objection was filed in the proceedings validating same and that no appeal from said judgment of validation has been taken.

WITNESS my facsimile signature and seal of the Superior Court of Lamar County, Georgia.

[Seal]

[FORM] _____
Caleb Tyson, Clerk
Superior Court of Lamar County, Georgia

EXHIBIT A

FORM OF BOND PURCHASE AGREEMENT

\$10,000,000*
CITY OF BARNESVILLE, GEORGIA
WATER AND SEWERAGE REVENUE BONDS,
SERIES 2024

BOND PURCHASE AGREEMENT

City of Barnesville, Georgia
109 Forsyth Street
Barnesville, Georgia 30204

[_____, 2024]

Ladies and Gentlemen:

This is to confirm the agreement by and between the City of Barnesville, Georgia (the “City”), and [_____] (the “Underwriter”) concerning the sale by the City and the purchase by the Underwriter of \$10,000,000* aggregate principal amount of the City’s Water and Sewerage Revenue Bonds, Series 2024 (the “Series 2024 Bonds” or the “Bonds”), dated, maturing and bearing interest at rates as set forth in Exhibit A hereto. This offer is made subject to acceptance by the City prior to 8:00 p.m. EST, on the date hereof. If this offer is not so accepted, it is subject to withdrawal by the Underwriter upon notice to the City at any time prior to acceptance. Capitalized terms used herein but not defined shall have the meanings set forth in the Ordinance or Official Statement referred to below.

1. Purpose of Financing, Security and Authorization. The Series 2024 Bonds are being issued to provide funds to (i) pay all or a portion of the costs of acquiring or constructing, or both, capital improvements to the City’s water distribution system or sanitary sewer collection system, or both (collectively, the “Projects”), (ii) pay the cost of a municipal bond insurance policy (the “Insurance Policy”) and a debt service reserve insurance policy (“Reserve Policy”) for the Bonds, each to be issued by Assured Guaranty Inc. (“AG” or the “Bond Insurer”) concurrently with the delivery of the Bonds; and (iii) pay the costs associated with the issuance of the Bonds. The Net Revenues of the System, as that term is defined in the Ordinance (as hereinafter defined), will be pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds will be issued under and secured by a bond ordinance adopted by the City Council of the City on _____, 2024 (the “Ordinance”), and under the Constitution and statutes of the State of Georgia, including Title 36, Chapter 82, Article 3 of the Official Code of Georgia Annotated, as amended (collectively, the “Act”).

2. Liquidated Damages. If the City accepts this offer and the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by the City at the Closing as herein provided, the parties hereby agree that the damages to the City shall be fixed at two percent (2%) of the aggregate principal amount of the Bonds, and, upon such failure of the Underwriter to accept and pay for the Bonds, the Underwriter shall be obligated to pay to the City such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter. Upon such payment, the obligations of the City to pay fees and expenses of the Underwriter pursuant to Section 11 herein shall be fully released and discharged and the Underwriter shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the City be entitled to

*Preliminary; subject to change.

damages of any nature other than the liquidated damages herein specified, provided that such liquidated damages are paid to the City within fifteen (15) days of the Closing Date as defined below.

3. Representations and Warranties of the City.

The City makes the following representations and warranties, all of which shall survive the delivery of the Bonds:

(a) the Preliminary Official Statement (as defined in Section 4) was, as of its date, other than as modified by the Official Statement (as defined in Section 4), true and correct in all material respects and did not, does not, and will not contain any Prohibited Statement or Omission. For purposes of this Agreement, a “Prohibited Statement or Omission” means “any untrue statement of a material fact or omission of a material fact necessary to make the statements made in such document, in light of the circumstances under which they were made, not misleading.”

(b) the Official Statement was, as of its date, is, and at all times subsequent thereto up to and including the Closing Date, will be, true and correct in all material respects and did not, does not, and will not at any such time contain any Prohibited Statement or Omission. Any amendments or supplements to the Official Statement will not contain any Prohibited Statement or Omission;

(c) the City is a municipality existing and operating under the laws of the State of Georgia;

(d) the City has full legal right, power, and authority under the laws of the State of Georgia, including but not limited to the Act, to issue bonds, such as the Bonds, to pay the Bonds from the revenues of the System, and otherwise to secure the Bonds, in the manner contemplated by the Ordinance and the Official Statement;

(e) the City has and had, as the case may be, full legal right, power and authority (i) to adopt the Ordinance, (ii) to execute and deliver this Bond Purchase Agreement, (iii) to issue, sell and deliver the Bonds to the Underwriter as provided in this Bond Purchase Agreement, and (iv) to carry out and consummate all other transactions contemplated by the aforesaid instruments, and the City will have complied as of the Closing Date with all provisions of applicable law in all matters relating to such transactions;

(f) the City has duly (i) adopted the Ordinance and authorized the execution, delivery and performance of this Bond Purchase Agreement and the Bonds, (ii) authorized or ratified the delivery and distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement, and (iii) authorized the taking of any and all such actions as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments;

(g) the Ordinance constitutes, and this Bond Purchase Agreement when executed and delivered by the parties hereto, will constitute, the legal, valid and binding obligations of the City, and the same are enforceable in accordance with their terms;

(h) the City has complied, or will at the Closing (as hereinafter defined) be in compliance, in all respects, with the Ordinance;

(i) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding obligations of the City enforceable in accordance with their terms and the terms of the Ordinance;

(j) at the Closing, all approvals, consents and orders of and filings with any governmental authority or agency that would constitute a condition precedent to the issuance of the Bonds, or the execution and delivery of or the performance by the City of its obligations under this Bond Purchase Agreement, the Bonds or the Ordinance, will have been obtained or made, and any approvals, consents and orders so received or filings so made will be in full force and effect; provided, however, that no representation is made concerning compliance with the securities or Blue Sky laws of the various states;

(k) the City's adoption of the Ordinance, and the authorization, execution, delivery and performance of this Bond Purchase Agreement and the Bonds and any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement, and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation, breach of, or default under, the Constitution of the State of Georgia, or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the City or its properties or any of the officers of the City as such is subject, and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the City under the terms of the Constitution of the State of Georgia or any law, instrument or agreement;

(l) there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body, other than as described in the Official Statement, pending or, to the best of the City's knowledge, threatened, against or affecting the City or any of the officers of the City in their respective capacities as such (or to the best of the City's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would, in any way, materially adversely affect (i) the transactions contemplated by this Bond Purchase Agreement or by the Official Statement, or (ii) the validity or enforceability of the Bonds, the Ordinance, this Bond Purchase Agreement, or any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, or (iii) the excludability from federal income taxation of the interest on the Bonds;

(m) Unless the Bonds are being issued as taxable securities, the City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds;

(n) the City has not, during the fifteen (15) years immediately preceding the date hereof, been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in default with respect to any bonds, notes or other indebtedness which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest, and, other than the Ordinance, the City has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the revenues or other assets, properties, funds or interests, if any, pledged to the payment of the Bonds pursuant to the Ordinance, that is superior to the lien of the Bonds;

(o) any certificate signed by any official of the City and delivered to the Underwriter in connection with the issuance or sale of the Bonds shall be deemed to be a representation and warranty by the City to the Underwriter as to the statements made therein;

(p) the Official Statement accurately describes in all material respects the City's Continuing Disclosure Certificate for the Bonds (the "**Continuing Disclosure Certificate**"); and

(q) other than as described in the Official Statement, the City has not failed, in the past five years, to comply, in any material respect, with any undertaking entered into by it pursuant to Rule 15c2-12 of the Securities and Exchange Act of 1934 (the "**Rule**").

The representations and warranties set forth in this Bond Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriter, and (ii) payment for the Bonds.

4. Official Statement; Offering by the Underwriter.

(a) Prior to the acceptance hereof, the City has delivered to the Underwriter copies of the City's Preliminary Official Statement dated October 11, 2024 (the "**Preliminary Official Statement**"), and the Preliminary Official Statement was as of its date, "deemed final" by the City for purposes of the Rule.

(b) As soon as possible but in any event no more than seven (7) business days after the time of the City's acceptance hereof, the City shall deliver to the Underwriter as many copies of such Official Statement as the Underwriter notifies the City is required to permit the Underwriter to comply with the requirements of Rule 15c2-12 (which, together with all appendices thereto and all supplements or amendments thereto which are approved by the Underwriter, is herein called the "**Official Statement**").

(c) The City represents and warrants that the information contained in the Preliminary Official Statement and the Official Statement is true and correct and the Preliminary Official Statement and the Official Statement do not contain any Prohibited Statement or Omission. The City authorizes, consents to, and ratifies the use of the Preliminary Official Statement and the Official Statement by the Underwriter in the offering and sale of the Bonds.

(d) The Underwriter agrees to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement, but reserves the right to change such prices or yields as it may deem necessary or desirable in connection with the offering and sale of

the Bonds, and to sell the Bonds to dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices.

(e) The City shall take all actions as it determines reasonable (i) to provide all information reasonably requested by the Underwriter necessary or desirable to register the Bonds under, or comply with, any state Blue Sky laws, provided that in connection therewith, the City shall not be required to file a general consent to service of process in any jurisdiction, and (ii) to ensure that the Official Statement at all times during the initial offering and distribution of the Bonds does not contain any Prohibited Statement or Omission.

(f) If between the date of this Bond Purchase Agreement and the date of the Closing an event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any Prohibited Statement or Omission, the City shall notify the Underwriter and if, in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall, at its own expense (unless such misstatement is a result of information provided by the Underwriter, then at the expense of the Underwriter), supplement or amend the Official Statement in a form and in a manner approved by the Underwriter.

(g) If the Official Statement is supplemented or amended pursuant to subsection (f) of this Section 4, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date of Closing, the City will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any Prohibited Statement or Omission.

(h) If during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (determined as provided in the immediately succeeding sentence) any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any Prohibited Statement or Omission, the City shall notify the Underwriter, and if, in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall at its own expense (unless such misstatement is a result of information provided by the Underwriter, then at the expense of the Underwriter) supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. The end of the underwriting period for the Bonds for the purposes of Rule 15c2-12 shall be the Closing Date.

(i) If the Official Statement is supplemented or amended pursuant to subsection (g) of this Section 4, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds, the City will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any Prohibited Statement or Omission.

5. Validation of Bonds. As required by the Act, the City caused proceedings to be initiated in the Superior Court of Lamar County, Georgia, to validate the Bonds and the security therefor. The final judgment confirming and validating the Bonds and the security is expected to

occur on October 30, 2024. Under State law, the judgment of validation is forever conclusive against the City with respect to such validation of the Bonds and the security therefor.

6. Bond Insurance. S&P Global Ratings (“**S&P**”) is expected to assign the Bonds the rating of “A” based upon a municipal bond insurance policy (the “**Policy**”) to be issued concurrently with the delivery of the Bonds by AG. S&P has assigned the rating of “A” to the Bonds without regard to the issuance of the Policy by AG.

7. Issuance, Sale and Purchase of Bonds. On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the City agrees to issue and sell to the Underwriter, and the Underwriter agrees to purchase from the City, the Bonds at a price of \$_____ (which represents \$_____ par amount of Bonds less \$_____ of Underwriter’s discount).

Having approved the terms of such issuance and sale, the City hereby sells the Bonds to the Underwriter, subject to the terms of this Bond Purchase Agreement. The delivery and sale of the Bonds (the “**Closing**”) will be at the offices of Butler Snow LLP, Bond Counsel, in Macon, Georgia, at 1:00 P.M., EST, on November 7, 2024 or at such other time or such other place or on such other date as the City and the Underwriter may agree upon (the “**Closing Date**”). The Underwriter shall pay for the Bonds by wire transfer in the amount of the purchase price payable to the order of the City.

A single typewritten bond for each maturity of the Bonds shall be delivered by the City, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of The Depository Trust Company. Bond certificates or replacement bonds may be delivered as provided in the Ordinance.

8. Conditions. The Underwriter’s obligations hereunder are subject to:

(a) the accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the City contained herein;

(b) the due performance by the City of its obligations hereunder;

(c) there being no material change in the condition (financial or otherwise) of the City between the most recent dates as to which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(d) delivery of all documentation required by Section 9.

9. Closing Documentation. There shall be delivered to the Underwriter at Closing the following, all dated the Closing Date (other than items (c) and (d)) and in form and substance reasonably satisfactory to the Underwriter and its counsel:

- (a) the Official Statement executed on behalf of the City by the duly authorized official thereof;
- (b) the certificate of the Mayor of the City in substantially the form attached as Exhibit B hereto;
- (c) a certificate from the City with respect to arbitrage;
- (d) a certified copy of the Ordinance;
- (e) a specimen Bond;
- (f) the unqualified approving opinion of Butler Snow LLP, Macon, Georgia, Bond Counsel, in substantially the form set forth in the Official Statement;
- (g) verification from S&P that (i) the Bonds have been rated at least “AA” based upon the “Policy” to be issued by AG, and (ii) the Bonds have been rated at least “A” without regard to the issuance of the Policy by AG;
- (h) such additional legal opinions, certificates, proceedings, instruments, and other documents that the Underwriter or Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy as of the Closing Date of the representations of the City herein, in the Preliminary Official Statement and in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing Date of all agreements then to be satisfied; and
- (i) the Continuing Disclosure Certificate of the City in substantially the form attached to the Official Statement.

10. Termination. The Underwriter may terminate this Bond Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

- (a) legislation is enacted or a bill is filed in either house of the United States Congress or favorably reported out of committee of either house, or a decision by any court of the United States, including the Tax Court, is rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or any branch thereof, including the Internal Revenue Service, or any other governmental agency is made or proposed, with respect to federal taxation upon revenues or other income of the general character derived by the City or upon interest received on obligations of the general character of the Bonds or other action or events shall have transpired that (i) may have the purpose or effect, directly or indirectly, of making interest on the Bonds subject to federal income taxation or (ii) in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds or the market price generally of obligations of the general character of the Bonds;
- (b) any legislation, ordinance, rule or regulation is passed by the legislature or enacted or proposed by any governmental body, department or agency of the State of Georgia or the City or any decision by any court of competent jurisdiction within the State of Georgia is

rendered that, in the reasonable opinion of the Underwriter, materially affects the market price of the Bonds;

(c) any legislation is enacted or a bill is proposed or favorably reported out of a legislative committee, any decision by a court of the United States is rendered or any stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency is made to the effect that obligations of the general character of the Bonds or the Ordinance, in the reasonable opinion of counsel to the Underwriter, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended;

(d) any event shall have occurred or condition shall exist that, in the reasonable opinion of the Underwriter, gives rise to or otherwise creates any Prohibited Statement or Omission in the Official Statement, including without limitation, events or conditions relating to the business and affairs of the City;

(e) in the reasonable opinion of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, has been adversely affected because (i) a general suspension of trading on any national Exchange shall have occurred or additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (ii) a general banking moratorium is established by federal, New York or Georgia authorities, or (iii) the occurrence of any new outbreak of hostilities or any national or international calamity or crises, including a financial crisis, or any escalation of activities involving the military forces of the United States, the effect of which on the financial markets or the government of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or the market price of the Bonds; and

(f) there shall have occurred any downgrade or published information from a rating agency that at the date of this Bond Purchase Agreement has published a rating of the City which action reflects a change, or possible change, including placement on credit watch negative, in the ratings accorded any such obligations of the City.

11. Expenses. All expenses and costs of the City incident to the performance of its obligations in connection with the authorization, issuance, and sale of the Bonds to the Underwriter, including but not limited to: the costs of pre-sale advertising of the Bonds; printing or reproducing the Preliminary Official Statement, the Official Statement, the Ordinance, and all ancillary papers; fees, and expenses of consultants, including fees of the accountants, fees and expenses of counsel to the City and Bond Counsel, rating agency fees, fees and expenses of the municipal advisors, fees and expenses of the paying agent; and the fees and expenses of the Underwriter and of counsel to the Underwriter (if any), shall be paid from the proceeds of the Bonds.

12. Finders. The City and the Underwriter each represent and warrant that no finder or other agent has been employed or consulted by it in connection with this transaction.

13. Notices. Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the City set forth above. Any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the Underwriter, as follows: [_____], [ADDRESS], [CITY], [STATE] [ZIP] (Attention: [_____]).

14. Negotiated Transaction. In as much as this purchase and sale represents a negotiated transaction, the City acknowledges and agrees that: (i) the transaction contemplated by this Bond Purchase Agreement is an arm's length, commercial transaction between the City and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own account; and (iv) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The City further acknowledges and agrees that the Underwriter has not undertaken and does not undertake to provide tax advice relating to the treatment of interest on the Bonds.

15. End of the Underwriting Period. Notwithstanding anything to the contrary herein, for purposes of this Bond Purchase Agreement, the "End of the Underwriting Period" shall mean the earlier of (a) the day of the Closing unless the City has been notified in writing to the contrary by the Underwriter on or prior to the day of the Closing, or (b) the date on which the "End of the Underwriting Period" for the Bonds has occurred under the Rule. The City may request from the Underwriter from time to time, and the Underwriter shall provide to the City upon such request, such information as may be reasonably required by it in order to determine whether the "End of the Underwriting Period" for the Bonds has occurred under the Rule with respect to any unsold balances of Bonds that are held by the Underwriter for sale to the public within the meaning of the Rule. If there remains any unsold balance of Bonds for sale to the public within the meaning of the Rule, then the Underwriter shall promptly notify the City in writing that, in their opinion, the "End of the Underwriting Period" for the Bonds under the Rule has occurred on a date which shall be set forth in such notification. The City shall be entitled to treat as the "End of the Underwriting Period" for the Bonds, the date specified by the Underwriter in such notification.

16. Issue Price. (a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, Underwriter's counsel (if any), counsel to the City, and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices of the Bonds to the public.

(b) The Underwriter has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the specified offering price (the "initial offering price") for each maturity of the Bonds, or at the corresponding yield or yields, set forth in Schedule A to Exhibit C attached hereto. Schedule A to Exhibit C also sets forth, as of the date of this Bond

Purchase Agreement, the maturities, if any, of the Bonds with respect to which less than 10% of the maturity has first been sold to the public at the initial offering price thereof (the “**Undersold Maturities**”). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report promptly to the City the price or prices at which the Underwriter has sold each maturity of Bonds to the public and the corresponding amounts of each maturity sold at each price.

(c) The Underwriter agrees that the restrictions set forth in the next sentence shall apply to the Undersold Maturities, if any; such restrictions shall constitute the “Hold-the-Offering-Price Agreement.” The Underwriter will neither offer nor sell Bonds of an Undersold Maturity to any person at a price that is higher than the respective initial offering price to the public during the period (the “**Holding Period**”) starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at one or more prices that are no higher than the initial offering price to the public.

(d) The Underwriter shall promptly advise the City when the Underwriter has sold 10% of any such maturity to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The Underwriter confirms that any selling group agreement and each retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) comply with the Hold-the-Offering-Price Agreement during the Holding Period for each maturity, and (B) report the prices at which it sells to the public the Bonds of each maturity allotted to it until the Holding Period has been satisfied as to that maturity.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than the Underwriter or a related party,

(2) “Underwriter” includes (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) A purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

17. Continuation of the Agreement. All representations, warranties and agreements hereunder of the City shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive the Closing and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

18. Governing Law. This Bond Purchase Agreement shall be governed by the applicable laws of the State of Georgia.

19. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

20. Effective Date. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

21. Miscellaneous. This Bond Purchase Agreement is made solely for the benefit of and is binding on each of the parties and their respective successors and assigns. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

[Signatures on following pages]

Very truly yours,

[_____]

By: _____

Name: [_____]

Title: [_____]

(Signature Page Bond Purchase Agreement)

Accepted:

CITY OF BARNESVILLE, GEORGIA

By: _____
Kelly G. Hughes, Mayor

(Signature Page Bond Purchase Agreement)

Exhibit A

\$10,000,000*
CITY OF BARNESVILLE, GEORGIA
WATER AND SEWERAGE REVENUE
BONDS, SERIES 2024

The Bonds shall mature on the 1st day of [September] in each of the years and in the principal amounts as follows:

MATURITY SCHEDULE

Year	Interest Rate	Principal Amount Maturing
09/01/20__	%	\$

\$_____ Term Bond due [September 1], 20__, Interest Rate _____%

\$_____ Term Bond due [September 1], 20__, Interest Rate _____%

\$_____ Term Bond due [September 1], 20__, Interest Rate _____%

The Bonds maturing through [September 1, 20__] are not subject to redemption prior to maturity. The Bonds maturing on [September 1, 2032], and thereafter may be redeemed prior to their respective maturities at the option of the City, in whole or in part (maturities to be designated by the City) at any time, beginning [September 1, 20__], at the redemption price of par plus accrued interest to the date of optional redemption as described in the Official Statement relating to the Bonds.

Exhibit B

CERTIFICATE OF CITY

I, Kelly G. Hughes, Mayor of the City of Barnesville, Georgia (the “**City**”), hereby certify on the date hereof, being the date of delivery of and payment for the City of Barnesville, Georgia Water and Sewerage Revenue Bonds, Series 2024 (the “**Bonds**”), that: (a) the representations and warranties of the City contained in the Bond Purchase Agreement dated [_____], 2024 (the “**Purchase Agreement**”) are true and correct in all material respects as of the date of the Closing and all of the obligations required under or specified in the Purchase Agreement to be performed by the City at or prior to the Closing have been performed; (b) the City has complied or is presently in compliance with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Purchase Agreement and the Ordinance at or prior to the Closing; (c) since the respective dates as of which information is given in the Official Statement and except as set forth therein, there has not been any material adverse change in the condition, financial or otherwise, of the City; and (d) the City has no knowledge or reason to believe that the Official Statement as of its date, as of the date hereof or as of the date of Closing, makes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement.

Dated this ____ day of _____, 2024.

CITY OF BARNESVILLE, GEORGIA

By: _____
Kelly G. Hughes, Mayor

Exhibit C

ISSUE PRICE CERTIFICATE

\$10,000,000*

City of Barnesville, Georgia

Water and Sewerage Revenue Bonds, Series 2024

The undersigned, on behalf of [_____] (“**Underwriter**”), and the “**Representative**”, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (October 24, 2024), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Barnesville, Georgia.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 24, 2024.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

4. *Yield.*

(a) The yield on the Bonds has been calculated to be not less than [___%]. The [___] maturities were treated as having been redeemed on the optional redemption date that produces the lowest yield on such maturities.

(b) [For purposes of calculating the yield on the Bonds, fees allocable to the payment for the [bond insurance policy] and/or the [surety bond] provided by Assured Guaranty Inc. (the “Insurance Policies”) in connection with the Bonds have been treated as additional interest on the Bonds. The Representative represents that the fees paid for the Insurance Policies do not exceed a reasonable, arm’s length charge for the transfer of credit risk. The Representative further represents that the present value of the fees paid for the Insurance Policies are less than the present value of the expected interest savings on the issue as a result of the acquisition of the Insurance Policies.]

5. *Weighted Average Maturity.*

The weighted average maturity of the Bonds has been calculated to be [____] years.

6. *Reserve Fund.*

[The sizing of the Reserve Fund in the amount of [\$____] is reasonable was essential in marketing the Bonds at the interest rates at which they were sold, and the absence of the funding of the Reserve Fund would have materially affected in an adverse manner the interest rates at which the Bonds were sold.]

The representations set forth in this certificate are limited to factual matters only. Nothing

in this certificate represents Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance and No Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Butler Snow LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[Signature Page Follows]

[NAME OF UNDERWRITER]

By: _____

Name: _____

Dated: November 7, 2024

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT B

MUNICIPAL BOND INSURANCE COMMITMENT



MUNICIPAL BOND INSURANCE COMMITMENT

ASSURED GUARANTY INC. ("AG") hereby commits to issue its Municipal Bond Insurance Policy (the "Policy") relating to whole maturities of the debt obligations described in Exhibit A attached hereto (the "Bonds"), subject to the terms and conditions set forth in this Municipal Bond Insurance Commitment or added hereto (the "Commitment"). For the avoidance of doubt, each of the Exhibits attached hereto is an integrated part of this Commitment. To keep this Commitment in effect after the Expiration Date set forth in Exhibit A attached hereto, a request for renewal must be submitted to AG prior to such Expiration Date. AG reserves the right to refuse wholly or in part to grant a renewal.

THE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The disclosure document relating to the Bonds (the "Official Statement") shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the "Closing Date").

3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the Issuer or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), the Official Statement, the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AG with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AG.

4. The Bonds shall contain no reference to AG, the Policy or the insurance evidenced thereby except as may be approved by AG. BOND PROOFS SHALL HAVE BEEN APPROVED BY AG PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form provided by AG.

5. The Official Statement shall contain the language provided by AG and only such other references to AG or otherwise as AG shall supply or approve.

6. AG shall be provided with:

(a) Executed copies of all financing documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure and the opinion of counsel to the underwriter(s), shall be addressed to AG or accompanied by a letter of such counsel permitting AG to rely on such opinion as if such opinion were addressed to AG), including, without limitation, the approving opinion of bond counsel. Each of the foregoing shall be in form and substance acceptable to AG. Copies of all drafts of such documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to AG for review and approval. Final drafts of such documents shall be provided to AG at least three (3) business days prior to the issuance of the Policy, unless AG shall agree to some shorter period.

(b) Evidence of wire transfer in federal funds of an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AG have been made prior to the delivery date of the Bonds. Payment of the insurance premium is a condition to release of the Policy by AG.

(c) S&P Global and Moody's Investors Service Inc., if applicable, will separately present bills for their respective fees relating to the Bonds. Payment of such bills by or on behalf of the Issuer should be made directly to such rating agency. Payment of the rating fee is not a condition to release of the Policy by AG.

7. Promptly after the closing of the Bonds, AG shall receive an electronic copy of the final closing transcript of proceedings.

**MUNICIPAL BOND INSURANCE COMMITMENT
TERM SHEET**

Issuer: City of Barnesville, Georgia

Name of Bonds Insured: Water and Sewerage Revenue Bonds, Series 2024

Principal Amount of Bonds Insured: Not to exceed in the aggregate \$10,000,000

Date of Commitment: October 9, 2024 Expiration Date: Friday, December 13, 2024*

Premium: .11% of total debt service on the Bonds Insured

Additional Conditions:

1. The Ordinance, closing documents and amortization schedule for, and final maturity date of, the Bonds shall be acceptable to AG.
2. See attached Exhibit B.
3. AG shall be addressed or entitled to rely upon the following opinions of counsel, which opinions shall include all opinions as are customary for financings of the type contemplated and otherwise shall be in form and content acceptable to AG:
 - a. The unqualified approving opinion and supplemental opinion (but only to the extent such supplemental opinion covers matters beyond customary disclosure and securities laws opinions) of Bond Counsel;
 - b. The opinion of counsel to the Issuer; and
 - c. Any opinion of counsel to any other party, the obligations of which are material to the security for the Bonds

Capitalized terms used in this Commitment and not otherwise defined shall have the meanings assigned to them in the transaction document authorizing the issuance of, and setting forth the terms for, the Bonds described above (the "Ordinance").

ASSURED GUARANTY INC.



Authorized Officer

*To maintain the Commitment in effect until the Expiration Date, AG must receive a duplicate of this Exhibit A executed by an authorized officer of the Issuer on or before the date of pricing the Bonds. This Commitment may be delivered by the exchange of executed signature pages by email with a .pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as the originally signed version of such signature page.

The undersigned, an authorized officer of the Issuer agrees that (i) if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by AG in accordance with the terms of this Commitment; (ii) the Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its

own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AG has not made, and therefore the Issuer is not relying on, any recommendation from AG that the Issuer [Obligor] insure the Bonds or obtain the Policy; it being understood and agreed that communications from AG (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the Issuer acknowledges that AG has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning its future financial strength or the rating of AG's financial strength by the rating agencies; (v) the Issuer acknowledges that the ratings of AG reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AG in its sole discretion; (vii) the Issuer acknowledges that AG undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Bonds; and (viii) the Issuer acknowledges that AG pays rating agencies to rate AG's financial strength, but that such payment is not in exchange for any specific rating or for a rating within any particular range. Notwithstanding anything to the contrary set forth herein, if all or a portion of the Bonds are insured by the Policy, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.

CITY OF BARNESVILLE, GEORGIA

Authorized Officer

**BOND ORDINANCE REQUIREMENTS
FOR MUNICIPAL BOND INSURANCE POLICY**

Exhibit D to the Bond Ordinance shall incorporate the following requirements, the provisions of which shall govern, notwithstanding anything to the contrary set forth in the Bond Ordinance. Defined terms used but not defined herein shall have the meanings set forth in the Bond Ordinance.

(a) As used in this Exhibit D, the following terms shall have the following meanings:

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2024 Bonds when due.

“Insurer” means Assured Guaranty Inc., a Maryland corporation, or any successor thereto or assignee thereof.

“Reserve Policy” means the debt service reserve insurance policy issued by the Insurer and deposited in the Debt Service Reserve Account for the Series 2024 Bonds.

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in substitution of the Reserve Policy or in lieu of a cash deposit into the Debt Service Reserve Account for the Series 2024 Bonds. Notwithstanding anything to the contrary set forth in the Bond Ordinance, amounts on deposit in the Debt Service Reserve Account for the Series 2024 Bonds shall be applied solely to the payment of debt service due on the Series 2024 Bonds.

(c) The Insurer shall be deemed to be the sole Owner of the Series 2024 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2024 Bonds are entitled to take pursuant to the Bond Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Bond Ordinance and each Series 2024 Bond, each Owner of the Series 2024 Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Series 2024 Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Series 2024 Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Series 2024 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Paying Agent acknowledges such appointment, delegation and assignment by each Owner of the Series 2024 Bonds for the Insurer’s benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

(d) The maturity of Series 2024 Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Series 2024 Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the City) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer’s obligations under the Insurance Policy with respect to such Series 2024 Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

- (f) The Insurer is a third party beneficiary of the Bond Ordinance.
- (g) The exercise of any provision of the Bond Ordinance which permits the purchase of Series 2024 Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Series 2024 Bond so purchased is not cancelled upon purchase.
- (h) Any amendment, supplement, modification to, or waiver of, the Bond Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.
- (i) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.
- (j) The rights granted to the Insurer under the Bond Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.
- (k) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Series 2024 Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Series 2024 Bonds, the City shall cause to be delivered to the Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Series 2024 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Series 2024 Bonds are no longer "Outstanding" under the Bond Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Series 2024 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City, the Paying Agent and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow. Series 2024 Bonds shall be deemed "Outstanding" under the Bond Ordinance unless and until they are in fact paid and retired or the above criteria are met.

- (l) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Bond Ordinance and the Series 2024 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the City in accordance with the Bond Ordinance. The Bond Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(m) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Ordinance, moneys sufficient to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2024 Bonds and the amount required to pay principal of the Series 2024 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Series 2024 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2024 Bonds registered to the then current Owner of the Series 2024 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2024 Bond to the Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the City on any Series 2024 Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2024 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners of the Series 2024 Bonds referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners of the Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2024 Bonds under the sections of the Bond Ordinance regarding payment of Series 2024 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Bond Ordinance to the contrary, the City agrees to pay to the Insurer, solely from the Net Revenues of the System (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then-applicable highest rate of interest on the Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The City hereby covenants and agrees that the Insurer Reimbursement Amounts

are secured by a lien on and pledge of the Net Revenues of the System and payable from such Net Revenues of the System on a parity with debt service due on the Series 2024 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. The Paying Agent shall notify the Insurer of any funds remaining in the Policy Payments Account after the Paying Agent has made the payments for which a claim was made to the Owners of the Series 2024 Bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

- (n) The Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2024 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the City to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (o) The City shall pay or reimburse the Insurer, solely from the Net Revenues of the System, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Bond Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Bond Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Ordinance or any other Related Document. Amounts payable by the City hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full. The obligation to reimburse the Insurer shall survive discharge or termination of the Related Documents.
- (p) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the City or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Account for the Series 2024 Bonds to the Debt Service Reserve Requirement.
- (q) The Insurer shall be entitled to pay principal or interest on the Series 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2024 Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.
- (r) Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing):

Assured Guaranty Inc.
1633 Broadway
New York, NY 10019
Attention: Managing Director – Municipal Surveillance
Re: Policy Nos. _____-N (Insurance Policy) and _____-R (Reserve Policy)
Telephone: (212) 974-0100
Email: munidisclosure@agltd.com

In each case in which the notice or other communication refers to a claim on the Insurance Policy, the Reserve Policy or an Event of Default, such notice or other communication shall be marked "URGENT

MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at generalcounsel@agltd.com.

- (s) The Insurer shall be provided with the following information by the City or the Paying Agent, as the case may be:
1. To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within the filing deadline specified in the City's continuing disclosure agreement, covenant or undertaking with respect to the Bonds (together with a certification of the City that it is not aware of any default or Event of Default under the Bond Ordinance), and, upon request, the City's annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
 2. Notice of any draw upon the Debt Service Reserve Account for the Series 2024 Bonds within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Series 2024 Bonds;
 3. Notice of any default or Event of Default under the Bond Ordinance known to the Paying Agent or the City within five (5) Business Days after knowledge thereof;
 4. Prior notice of the advance refunding or redemption of any of the Series 2024 Bonds, including the principal amount, maturities and CUSIP numbers thereof;
 5. Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
 6. Notice of the commencement of any Insolvency Proceeding (as defined in subsection (c) above);
 7. Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2024 Bonds;
 8. A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;
 9. All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents; and
 10. To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a continuing disclosure agreement, covenant or undertaking with respect to the Bonds.
- (t) The Insurer shall have the right to receive such additional information as it may reasonably request.
- (u) The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any Business Day upon reasonable prior notice.
- (v) The City shall notify the Insurer of any known failure of the City to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Bonds.

- (w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Bond Ordinance, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Account for the Series 2024 Bonds is fully-funded at the Debt Service Reserve Requirement upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.
- (x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Bond Ordinance would adversely affect the security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.
- (y) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2024 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.
- (z) The City shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Net Revenues of the System, without the prior written consent of the Insurer.

EXHIBIT C

MUNICIPAL BOND DEBT SERVICE RESERVE COMMITMENT



MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT

Issuer: City of Barnesville, Georgia

Related Bonds: Water and Sewerage Revenue Bonds, Series 2024

Premium: 1.35% of Policy Limit

Date of Commitment: October 9, 2024 Expiration Date: Friday, December 13, 2024

Policy Limit: A dollar amount equal to the Debt Service Reserve Requirement for the Related Bonds, as specified under the Ordinance (defined below)

ASSURED GUARANTY INC. ("AG") hereby commits to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") relating to the above-described debt obligations (the "Bonds"), subject to the terms and conditions contained herein or added hereto (the "Commitment"). For the avoidance of doubt, each of the Exhibits attached hereto is an integrated part of this Commitment. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the document setting forth the security for and authorizing the issuance of the Bonds (the "Ordinance").

To maintain the Commitment in effect until the Expiration Date set forth above, AG must receive a duplicate of this Commitment executed by an authorized officer of the Issuer on or before the date of pricing the Bonds. To keep this Commitment in effect after the Expiration Date, a request for renewal must be submitted to AG prior to such Expiration Date. AG reserves the right to refuse wholly or in part to grant a renewal.

THE RESERVE POLICY SHALL BE ISSUED UPON SATISFACTION OF THE FOLLOWING CONDITIONS:

1. The disclosure document relating to the Bonds (the "Official Statement") shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the "Closing Date").
3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the Issuer or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), the Official Statement, the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AG with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AG.
4. The Official Statement relating to the Bonds shall contain only such references to the Reserve Policy and AG as AG shall supply or approve.
5. AG shall insure all of the Bonds pursuant to its Commitment Letter dated October 9, 2024.

6. The Reserve Policy shall expire on the earlier of the date the Insured Bonds are no longer outstanding and the final maturity date of the Insured Bonds.

7. The Ordinance shall be in form and substance acceptable to AG and shall incorporate the terms and provisions set forth in Exhibit A.

8. Prior to closing of the Bonds, AG shall be provided with:

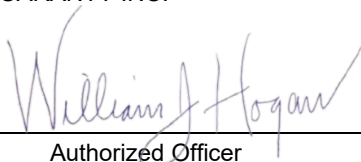
(a) A letter from Butler Snow LLP ("Bond Counsel") addressed to AG to the effect that AG may rely on the approving opinion(s) of Bond Counsel as if such opinion(s) were addressed to AG;

(b) An opinion(s) of Bond Counsel, addressed to and in form and substance satisfactory to AG, as to (i) the due authorization, validity and enforceability of the Ordinance (ii) the Reserve Policy constituting a permitted debt service reserve instrument under the applicable provisions of the Ordinance, (iii) the repayment obligations owed to AG in connection with the Reserve Policy being secured by a valid lien on all revenues and other collateral securing the Bonds (subject only to the priority of payment provisions set forth under the Ordinance), and (iv) such other matters AG shall reasonably request; and

(c) Evidence of wire transfer in federal funds in an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AG have been made prior to the delivery date of the Reserve Policy. Payment of the insurance premium is a condition to release of the Reserve Policy by AG.

9. Promptly after the closing of the Bonds, AG shall receive an electronic copy of the final closing transcript of proceedings.

ASSURED GUARANTY INC.



Authorized Officer

This Commitment may be delivered by the exchange of executed signature pages by email with a .pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as the originally signed version of such signature page.

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The undersigned, an authorized officer of the Issuer, agrees that (i) if the debt service reserve fund requirement for the Bonds is satisfied by a credit instrument, such credit instrument shall be the Reserve Policy provided by AG in accordance with the terms of this Commitment; (ii) the Issuer has made its own independent investigation and decision as to whether to obtain the Reserve Policy and whether the Reserve Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AG has not made, and therefore the Issuer is not relying on, any recommendation from AG that the Issuer deposit a credit instrument into the debt service reserve fund for the Bonds or obtain the Reserve Policy; it being understood and agreed that communications from AG (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Reserve Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to obtain the Reserve Policy; (iv) the Issuer acknowledges that AG has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning its future financial strength or the rating of AG's financial strength by the rating agencies; (v) the Issuer acknowledges that the ratings of AG reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Issuer understands that such ratings may not continue for any given time period and instead may change over time, including, without limitation, being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AG in its sole discretion; (vii) the Issuer acknowledges that AG undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Bonds or on the Reserve Policy constituting a permitted debt service reserve instrument under the Ordinance; and (viii) the Issuer acknowledges that AG pays rating agencies to rate AG's financial strength, but that such payment is not in exchange for any specific rating or for a rating within any particular range. Notwithstanding anything to the contrary set forth herein, to the extent the Reserve Policy is issued by AG, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.

CITY OF BARNESVILLE, GEORGIA

By: _____
Authorized Officer

**BOND ORDINANCE REQUIREMENTS
FOR DEBT SERVICE RESERVE SURETY BOND**

Exhibit E to the Bond Ordinance shall incorporate the following requirements, **the provisions of which shall govern, notwithstanding anything to the contrary set forth in the Bond Ordinance.** Defined terms used but not defined herein shall have the meanings set forth in the Bond Ordinance.

(a) The City shall repay any draws under the Reserve Policy (as defined in Exhibit D to the Bond Ordinance) and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. As used herein, "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then-applicable highest rate of interest on the Series 2024 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on the Net Revenues of the System (subject only to the priority of payment provisions set forth under the Bond Ordinance).

All cash and investments, if any, in the Debt Service Reserve Account for the Series 2024 Bonds shall be transferred to the Debt Service Account within the Sinking Fund created under the 2020 Bond Ordinance for payment of debt service on Series 2024 Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Debt Service Reserve Account for the Series 2024 Bonds in lieu of cash (herein, a "Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Account for the Series 2024 Bonds. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Account for the Series 2024 Bonds. Repayment of all Policy Costs and the replenishment of the Debt Service Reserve Account for the Series 2024 Bonds shall be made on a *pari passu* basis with payments and replenishments required to be made under the Bond Ordinance or the 2020 Bond Ordinance with respect to debt service reserve funds, if any, securing any outstanding parity obligations. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable

alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the City shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Bond Ordinance other than (i) acceleration of the maturity of the Series 2024 Bonds or (ii) remedies which would adversely affect owners of the Series 2024 Bonds.

(c) The Bond Ordinance shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the Series 2024 Bonds.

(d) The City shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test and the rate covenant in the Bond Ordinance.

(e) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2024 Bonds. Where deposits are required to be made by the City with the Paying Agent to the Debt Service Account within the Sinking Fund created under the 2020 Bond Ordinance for the Series 2020 Bonds and the Series 2024 Bonds more often than semi-annually, the Paying Agent shall give notice to the Insurer of any failure of the City to make timely payment in full of such deposits within two Business Days of the date due.

EXHIBIT D

PROVISIONS REGARDING THE BOND INSURANCE POLICY

BOND ORDINANCE REQUIREMENTS FOR MUNICIPAL BOND INSURANCE POLICY

Exhibit D to the Bond Ordinance shall incorporate the following requirements, **the provisions of which shall govern, notwithstanding anything to the contrary set forth in the Bond Ordinance.** Defined terms used but not defined herein shall have the meanings set forth in the Bond Ordinance.

(a) As used in this Exhibit D, the following terms shall have the following meanings:

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2024 Bonds when due.

“Insurer” means Assured Guaranty Inc., a Maryland corporation, or any successor thereto or assignee thereof.

“Reserve Policy” means the debt service reserve insurance policy issued by the Insurer and deposited in the Debt Service Reserve Account for the Series 2024 Bonds.

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in substitution of the Reserve Policy or in lieu of a cash deposit into the Debt Service Reserve Account for the Series 2024 Bonds. Notwithstanding anything to the contrary set forth in the Bond Ordinance, amounts on deposit in the Debt Service Reserve Account for the Series 2024 Bonds shall be applied solely to the payment of debt service due on the Series 2024 Bonds.

(c) The Insurer shall be deemed to be the sole Owner of the Series 2024 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2024 Bonds are entitled to take pursuant to the Bond Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Bond Ordinance and each Series 2024 Bond, each Owner of the Series 2024 Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Series 2024 Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Series 2024 Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Series 2024 Bonds in the conduct of any Insolvency

Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Paying Agent acknowledges such appointment, delegation and assignment by each Owner of the Series 2024 Bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

- (d) The maturity of Series 2024 Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Series 2024 Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the City) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Series 2024 Bonds shall be fully discharged.
- (e) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.
- (f) The Insurer is a third party beneficiary of the Bond Ordinance.
- (g) The exercise of any provision of the Bond Ordinance which permits the purchase of Series 2024 Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Series 2024 Bond so purchased is not cancelled upon purchase.
- (h) Any amendment, supplement, modification to, or waiver of, the Bond Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.
- (i) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.
- (j) The rights granted to the Insurer under the Bond Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.
- (k) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed

directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Series 2024 Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Series 2024 Bonds, the City shall cause to be delivered to the Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Series 2024 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Series 2024 Bonds are no longer "Outstanding" under the Bond Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Series 2024 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City, the Paying Agent and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow. Series 2024 Bonds shall be deemed "Outstanding" under the Bond Ordinance unless and until they are in fact paid and retired or the above criteria are met.

- (l) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Bond Ordinance and the Series 2024 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the City in accordance with the Bond Ordinance. The Bond Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.
- (m) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Ordinance, moneys sufficient to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2024 Bonds and the amount required to pay principal of the Series 2024 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time,

on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Series 2024 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2024 Bonds registered to the then current Owner of the Series 2024 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2024 Bond to the Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the City on any Series 2024 Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2024 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners of the Series 2024 Bonds referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners of the Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2024 Bonds under the sections of the Bond Ordinance regarding payment of Series 2024 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Bond Ordinance to the contrary, the City agrees to pay to the Insurer, solely from the Net Revenues of the System (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then-applicable highest rate of interest on the Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

The City hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues of the System and payable from such Net Revenues of the System on a parity with debt service due on the Series 2024 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. The Paying Agent shall notify the Insurer of any funds remaining in the Policy Payments Account after the Paying Agent has made the payments for which a claim was made to the Owners of the Series 2024 Bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

- (n) The Insurer shall, to the extent it makes any payment of principal or interest on the Series 2024 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the City to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (o) The City shall pay or reimburse the Insurer, solely from the Net Revenues of the System, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Bond Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Bond Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Ordinance or any other Related Document. Amounts payable by the City hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full. The obligation to reimburse the Insurer shall survive discharge or termination of the Related Documents.
- (p) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the City or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Account for the Series 2024 Bonds to the Debt Service Reserve Requirement.
- (q) The Insurer shall be entitled to pay principal or interest on the Series 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2024 Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has

received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

- (r) Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing):

Assured Guaranty Inc.
1633 Broadway
New York, NY 10019
Attention: Managing Director – Municipal Surveillance
Re: Policy Nos. _____-N (Insurance Policy) and _____-R (Reserve Policy)
Telephone: (212) 974-0100
Email: munidisclosure@agltd.com

In each case in which the notice or other communication refers to a claim on the Insurance Policy, the Reserve Policy or an Event of Default, such notice or other communication shall be marked “URGENT MATERIAL ENCLOSED” and a copy shall also be sent to the attention of the General Counsel at the above address and at generalcounsel@agltd.com.

- (s) The Insurer shall be provided with the following information by the City or the Paying Agent, as the case may be:
1. To the extent not otherwise filed with the Municipal Securities Rulemaking Board’s EMMA system, annual audited financial statements within the filing deadline specified in the City’s continuing disclosure agreement, covenant or undertaking with respect to the Bonds (together with a certification of the City that it is not aware of any default or Event of Default under the Bond Ordinance), and, upon request, the City’s annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
 2. Notice of any draw upon the Debt Service Reserve Account for the Series 2024 Bonds within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Series 2024 Bonds;
 3. Notice of any default or Event of Default under the Bond Ordinance known to the Paying Agent or the City within five (5) Business Days after knowledge thereof;
 4. Prior notice of the advance refunding or redemption of any of the Series 2024 Bonds, including the principal amount, maturities and CUSIP numbers thereof;
 5. Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

6. Notice of the commencement of any Insolvency Proceeding (as defined in subsection (c) above);
 7. Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2024 Bonds;
 8. A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;
 9. All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents; and
 10. To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a continuing disclosure agreement, covenant or undertaking with respect to the Bonds.
- (t) The Insurer shall have the right to receive such additional information as it may reasonably request.
- (u) The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any Business Day upon reasonable prior notice.
- (v) The City shall notify the Insurer of any known failure of the City to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Bonds.
- (w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Bond Ordinance, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Account for the Series 2024 Bonds is fully funded at the Debt Service Reserve Requirement upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.
- (x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Bond Ordinance would adversely affect the security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.
- (y) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2024 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

- (z) The City shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Net Revenues of the System, without the prior written consent of the Insurer.

EXHIBIT E

PROVISIONS REGARDING THE RESERVE POLICY

BOND ORDINANCE REQUIREMENTS FOR DEBT SERVICE RESERVE SURETY BOND

Exhibit E to the Bond Ordinance shall incorporate the following requirements, **the provisions of which shall govern, notwithstanding anything to the contrary set forth in the Bond Ordinance**. Defined terms used but not defined herein shall have the meanings set forth in the Bond Ordinance.

(a) The City shall repay any draws under the Reserve Policy (as defined in Exhibit D to the Bond Ordinance) and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. As used herein, "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2024 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The

obligation to pay Policy Costs shall be secured by a valid lien on the Net Revenues of the System (subject only to the priority of payment provisions set forth under the Bond Ordinance).

All cash and investments, if any, in the Debt Service Reserve Account for the Series 2024 Bonds shall be transferred to the Debt Service Account within the Sinking Fund created under the 2020 Bond Ordinance for payment of debt service on Series 2024 Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Debt Service Reserve Account for the Series 2024 Bonds in lieu of cash (herein, a "Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Account for the Series 2024 Bonds. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Account for the Series 2024 Bonds. Repayment of all Policy Costs and the replenishment of the Debt Service Reserve Account for the Series 2024 Bonds shall be made on a *pari passu* basis with payments and replenishments required to be made under the Bond Ordinance or the 2020 Bond Ordinance with respect to debt service reserve funds, if any, securing any outstanding parity obligations. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the City shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Bond Ordinance other than (i) acceleration of the maturity of the Series 2024 Bonds or (ii) remedies which would adversely affect owners of the Series 2024 Bonds.

(c) The Bond Ordinance shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the Series 2024 Bonds.

(d) The City shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test and the rate covenant in the Bond Ordinance.

(e) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2024 Bonds. Where deposits are required to be made by the City with the Paying Agent to the Debt Service Account within the Sinking Fund created under the 2020 Bond Ordinance for the Series 2020 Bonds and the Series 2024 Bonds more often than semi-annually, the Paying Agent shall give notice to the Insurer of any failure of the City to make timely payment in full of such deposits within two Business Days of the date due.

CLERK'S CERTIFICATE

I, the undersigned Clerk of the City of Barnesville, Georgia (the “**City**”), DO HEREBY CERTIFY the foregoing pages constitute a true and correct copy of the Bond Ordinance adopted by the Mayor and Council of the City at an open public meeting duly and lawfully assembled in accordance with Official Code of Georgia Annotated Section 50-14-1, at which a quorum was present and acting throughout, in connection with the issuance of \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024. The original of this Bond Ordinance has been duly recorded in the minute book of the City, which is in my custody and control and is in full force and effect.

WITNESS MY HAND this ____ day _____, 2024.

[Seal]

Tammy T. Folson, City Clerk

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APPENDIX C
AUDITED FINANCIAL STATEMENTS OF THE CITY
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

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CITY OF BARNESVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared by:
Barnesville Finance Department

CITY OF BARNESVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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CITY OF BARNESVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council
City of Barnesville, Georgia
Barnesville, Georgia**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the City's Net Pension Liability (Assets) and Related Ratios (on pages 40 and 41) and the Schedule of City Contributions – Retirement Plan (on pages 42 and 43) to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedules of Expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax ("TSPLOST") proceeds is presented for purposes of additional analysis as required by the O.C.G.A. §48-8-269.5 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds 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 28, 2024, 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'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 City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 28, 2024

BASIC FINANCIAL STATEMENTS

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 6,878,066	\$ 4,280,475	\$ 11,158,541
Investments	-	5,543,911	5,543,911
Taxes receivable	91,879	-	91,879
Accounts receivable, net of allowances	929,281	1,553,826	2,483,107
Due from other governments	196,067	-	196,067
Internal balances	20,104	(20,104)	-
Inventories	-	489,961	489,961
Restricted assets:			
Cash and cash equivalents	-	1,759,034	1,759,034
Capital assets:			
Nondepreciable	918,164	1,706,143	2,624,307
Depreciable, net	12,137,934	25,738,676	37,876,610
Total assets	<u>21,171,495</u>	<u>41,051,922</u>	<u>62,223,417</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	1,054,455	514,323	1,568,778
Deferred charges on refundings	-	977,314	977,314
Total deferred outflows or resources	<u>1,054,455</u>	<u>1,491,637</u>	<u>2,546,092</u>
LIABILITIES			
Accounts payable	81,652	636,013	717,665
Accrued liabilities	23,175	48,993	72,168
Unearned revenues	2,409,518	-	2,409,518
Customer deposits payable	-	244,005	244,005
Financed purchase due within one year	74,175	-	74,175
Financed purchase due in more than one year	269,156	-	269,156
Notes payable due within one year	-	294,989	294,989
Notes payable due in more than one year	-	1,645,553	1,645,553
Bonds payable due within one year	-	500,000	500,000
Bonds payable due in more than one year	-	20,115,000	20,115,000
Net pension liability due in more than one year	1,426,325	695,709	2,122,034
Total liabilities	<u>4,284,001</u>	<u>24,180,262</u>	<u>28,464,263</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	27,095	73,798	100,893
Total deferred inflows of resources	<u>27,095</u>	<u>73,798</u>	<u>100,893</u>
NET POSITION			
Net investment in capital assets	12,712,767	5,866,591	18,579,358
Restricted for:			
Debt service	-	1,388,615	1,388,615
Economic development	1,569	-	1,569
Capital projects	4,331,987	-	4,331,987
Unrestricted	868,531	11,034,293	11,902,824
Total net position	<u>\$ 17,914,854</u>	<u>\$ 18,289,499</u>	<u>\$ 36,204,353</u>

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

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,917,211	\$ 1,139,932	\$ -	\$ -	\$ (777,279)	\$ -	\$ (777,279)
Public safety	2,258,651	232,850	159,806	-	(1,865,995)	-	(1,865,995)
Public works	2,349,689	-	-	1,179,893	(1,169,796)	-	(1,169,796)
Parks and recreation	442,943	-	-	-	(442,943)	-	(442,943)
Housing and economic development	23,057	-	-	-	(23,057)	-	(23,057)
Interest on long-term debt	5,230	-	-	-	(5,230)	-	(5,230)
Total governmental activities	<u>6,996,781</u>	<u>1,372,782</u>	<u>159,806</u>	<u>1,179,893</u>	<u>(4,284,300)</u>	<u>-</u>	<u>(4,284,300)</u>
Business-type activities:							
Water and sewer	4,461,303	4,787,490	-	-	-	326,187	326,187
Electric	8,679,161	10,338,588	-	-	-	1,659,427	1,659,427
Solid waste	1,100,088	951,264	-	-	-	(148,824)	(148,824)
Total business-type activities	<u>14,240,552</u>	<u>16,077,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,836,790</u>	<u>1,836,790</u>
Total primary government	<u>\$ 21,237,333</u>	<u>\$ 17,450,124</u>	<u>\$ 159,806</u>	<u>\$ 1,179,893</u>	<u>(4,284,300)</u>	<u>1,836,790</u>	<u>(2,447,510)</u>
General revenues:							
Property taxes					690,274	-	690,274
Sales taxes					1,127,697	-	1,127,697
Insurance premium tax					557,847	-	557,847
Franchise taxes					132,708	-	132,708
Other taxes					24,595	-	24,595
Transfers					153,565	(153,565)	-
Total general revenues and transfers					<u>2,686,686</u>	<u>(153,565)</u>	<u>2,533,121</u>
Change in net position					<u>(1,597,614)</u>	<u>1,683,225</u>	<u>85,611</u>
Net position, beginning of year					19,512,468	16,606,274	36,118,742
Net position, end of year					<u>\$ 17,914,854</u>	<u>\$ 18,289,499</u>	<u>\$ 36,204,353</u>

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

CITY OF BARNESVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

ASSETS	General	2017 SPLOST	American Rescue Plan	TSPLOST	Nonmajor Fund Hotel/Motel	Total Governmental Funds
Cash and cash equivalents	\$ 332,628	\$ 1,225,304	\$ 2,409,518	\$ 2,910,616	\$ -	\$ 6,878,066
Taxes receivable, net	90,310	-	-	-	1,569	91,879
Accounts receivable, net	929,281	-	-	-	-	929,281
Due from other governments	-	196,067	-	-	-	196,067
Due from other funds	20,104	-	-	-	-	20,104
Total assets	<u>\$ 1,372,323</u>	<u>\$ 1,421,371</u>	<u>\$ 2,409,518</u>	<u>\$ 2,910,616</u>	<u>\$ 1,569</u>	<u>\$ 8,115,397</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 81,652	\$ -	\$ -	\$ -	\$ -	\$ 81,652
Accrued liabilities	23,175	-	-	-	-	23,175
Unearned revenues	-	-	2,409,518	-	-	2,409,518
Total liabilities	<u>104,827</u>	<u>-</u>	<u>2,409,518</u>	<u>-</u>	<u>-</u>	<u>2,514,345</u>
 DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental	132,308	-	-	-	-	132,308
Unavailable revenue - property taxes	145,001	-	-	-	-	145,001
Total deferred inflows of resources	<u>277,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,309</u>
 FUND BALANCES						
Restricted for:						
Economic development	-	-	-	-	1,569	1,569
Capital projects	-	1,421,371	-	2,910,616	-	4,331,987
Unassigned	990,187	-	-	-	-	990,187
Total fund balances	<u>990,187</u>	<u>1,421,371</u>	<u>-</u>	<u>2,910,616</u>	<u>1,569</u>	<u>5,323,743</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,372,323</u>	<u>\$ 1,421,371</u>	<u>\$ 2,409,518</u>	<u>\$ 2,910,616</u>	<u>\$ 1,569</u>	

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.	13,056,098
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	277,309
These deferred outflows of resources consist of pension related experience differences, assumption changes and contributions.	1,054,455
Net pension liability is not a financial liability in governmental fund activities and, therefore, is not reported in the governmental funds.	(1,426,325)
These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.	(27,095)
Certain liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	(343,331)
Net position of governmental activities	<u>\$ 17,914,854</u>

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

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>General</u>	<u>2017 SPLOST</u>	<u>American Rescue Plan</u>	<u>TSPLOST</u>	<u>Nonmajor Fund Hotel/Motel</u>	<u>Total Governmental Funds</u>
REVENUES						
Property taxes	\$ 690,274	\$ -	\$ -	\$ -	\$ -	\$ 690,274
Sales taxes	1,127,697	-	-	-	-	1,127,697
Franchise taxes	132,708	-	-	-	-	132,708
Insurance premium taxes	557,847	-	-	-	-	557,847
Other taxes	6,009	-	-	-	18,586	24,595
Charges for services	142,791	-	-	-	-	142,791
Licenses and permits	299,176	-	-	-	-	299,176
Intergovernmental	159,806	1,179,893	-	-	-	1,339,699
Fines and forfeitures	232,850	-	-	-	-	232,850
Other revenues	696,546	-	-	1,419	-	697,965
Total revenues	<u>4,045,704</u>	<u>1,179,893</u>	<u>-</u>	<u>1,419</u>	<u>18,586</u>	<u>5,245,602</u>
EXPENDITURES						
Current:						
General government	1,822,295	-	-	-	-	1,822,295
Public safety	2,127,822	-	-	-	-	2,127,822
Public works	1,039,104	64,751	-	691,282	-	1,795,137
Parks and recreation	238,912	-	-	-	-	238,912
Housing and economic development	-	-	-	-	23,057	23,057
Capital outlay	-	1,549,325	-	-	-	1,549,325
Debt service:						
Principal	44,651	-	-	-	-	44,651
Interest	5,230	-	-	-	-	5,230
Total expenditures	<u>5,278,014</u>	<u>1,614,076</u>	<u>-</u>	<u>691,282</u>	<u>23,057</u>	<u>7,606,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,232,310)</u>	<u>(434,183)</u>	<u>-</u>	<u>(689,863)</u>	<u>(4,471)</u>	<u>(2,360,827)</u>
OTHER FINANCING SOURCES						
Transfers in	1,186,840	-	-	-	4,815	1,191,655
Financed purchase	154,497	-	-	-	-	154,497
Total other financing sources	<u>1,341,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,815</u>	<u>1,346,152</u>
Net change in fund balances	109,027	(434,183)	-	(689,863)	344	(1,014,675)
Fund balances, beginning of year	<u>881,160</u>	<u>1,855,554</u>	<u>-</u>	<u>3,600,479</u>	<u>1,225</u>	<u>6,338,418</u>
Fund balances, end of year	<u>\$ 990,187</u>	<u>\$ 1,421,371</u>	<u>\$ -</u>	<u>\$ 2,910,616</u>	<u>\$ 1,569</u>	<u>\$ 5,323,743</u>

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

CITY OF BARNESVILLE, 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, 2023**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds. \$ (1,014,675)

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 depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 242,237	
Depreciation	<u>(651,257)</u>	(409,020)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Other financing sources	\$ (154,497)	
Principle	<u>44,651</u>	(109,846)

financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in net pension liability, deferred inflows and outflows of resources		<u>(64,073)</u>
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Change in net position of governmental activities		<u><u>\$ (1,597,614)</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BARNESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 659,964	\$ 659,964	\$ 690,274	\$ 30,310
Sales taxes	1,030,000	1,030,000	1,127,697	97,697
Franchise taxes	131,200	131,200	132,708	1,508
Insurance premium taxes	530,000	530,000	557,847	27,847
Other taxes	18,500	18,500	6,009	(12,491)
Charges for services	69,100	69,100	142,791	73,691
Licenses and permits	271,000	271,000	299,176	28,176
Intergovernmental	56,000	56,000	159,806	103,806
Fines and forfeitures	330,500	330,500	232,850	(97,650)
Other revenues	295,956	295,956	696,546	400,590
Total revenues	<u>3,392,220</u>	<u>3,392,220</u>	<u>4,045,704</u>	<u>653,484</u>
EXPENDITURES				
Current				
General government:				
Executive	161,440	161,440	167,409	(5,969)
Administrative services	855,224	855,224	925,839	(70,615)
Contract services	638,500	638,500	729,047	(90,547)
Total general government	<u>1,655,164</u>	<u>1,655,164</u>	<u>1,822,295</u>	<u>(167,131)</u>
Public safety:				
Police	1,827,037	1,827,037	1,642,760	184,277
Fire	492,444	492,444	485,062	7,382
Total public safety	<u>2,319,481</u>	<u>2,319,481</u>	<u>2,127,822</u>	<u>191,659</u>
Public works:				
Highways and streets	847,975	847,975	991,354	(143,379)
Cemetery	49,000	49,000	47,750	1,250
Total public works	<u>896,975</u>	<u>896,975</u>	<u>1,039,104</u>	<u>(142,129)</u>
Culture and recreation:				
Recreation	6,400	6,400	1,935	4,465
Civic center	225,267	225,267	236,977	(11,710)
Total culture and recreation	<u>231,667</u>	<u>231,667</u>	<u>238,912</u>	<u>(7,245)</u>
Housing and economic development:				
City Hall	\$ 28,000	\$ 28,000	\$ -	\$ 28,000
Total housing and economic development	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Debt service				
Principal	-	-	44,651	(44,651)
Interest	-	-	5,230	(5,230)
Total debt service	<u>-</u>	<u>-</u>	<u>49,881</u>	<u>(49,881)</u>
Total expenditures	<u>5,131,287</u>	<u>5,131,287</u>	<u>5,278,014</u>	<u>(146,727)</u>
Deficiency of revenues under expenditures	<u>(1,739,067)</u>	<u>(1,739,067)</u>	<u>(1,232,310)</u>	<u>506,757</u>
OTHER FINANCING SOURCES				
Transfers in	1,739,067	1,739,067	1,186,840	(552,227)
Financed purchase	-	-	154,497	154,497
Total other financing sources, net	<u>1,739,067</u>	<u>1,739,067</u>	<u>1,341,337</u>	<u>(397,730)</u>
Net change in fund balances	-	-	109,027	109,027
Fund balances, beginning of year	<u>881,160</u>	<u>881,160</u>	<u>881,160</u>	<u>-</u>
Fund balances, end of year	<u>\$ 881,160</u>	<u>\$ 881,160</u>	<u>\$ 990,187</u>	<u>\$ 109,027</u>

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

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Water and Sewer Fund	Electric Fund	Nonmajor Fund Solid Waste Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,590,618	\$ 1,689,857	\$ -	\$ 4,280,475
Investments	-	5,543,911	-	5,543,911
Restricted assets, cash	1,388,615	370,419	-	1,759,034
Accounts receivable, net of allowances	1,036,255	456,941	60,630	1,553,826
Inventories	92,505	397,456	-	489,961
Total current assets	<u>5,107,993</u>	<u>8,458,584</u>	<u>60,630</u>	<u>13,627,207</u>
NON-CURRENT ASSETS				
Capital assets:				
Nondepreciable	735,546	838,915	131,682	1,706,143
Depreciable, net of accumulated depreciation	25,262,759	191,533	284,384	25,738,676
Total non-current assets	<u>25,998,305</u>	<u>1,030,448</u>	<u>416,066</u>	<u>27,444,819</u>
Total assets	<u>31,106,298</u>	<u>9,489,032</u>	<u>476,696</u>	<u>41,072,026</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	267,555	221,417	25,351	514,323
Deferred charges on refundings	977,314	-	-	977,314
Total deferred outflows of resources	<u>1,244,869</u>	<u>221,417</u>	<u>25,351</u>	<u>1,491,637</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	8,769	627,244	-	636,013
Accrued liabilities	47,133	1,520	340	48,993
Current portion - notes payable	294,989	-	-	294,989
Customer deposits payable	13,550	230,455	-	244,005
Due to other funds	20,104	-	-	20,104
Payable from restricted assets:				
Revenue bonds payable, current portion	500,000	-	-	500,000
Total current liabilities	<u>884,545</u>	<u>859,219</u>	<u>340</u>	<u>1,744,104</u>
NON-CURRENT LIABILITIES				
Revenue bonds payable, net of current portion	20,115,000	-	-	20,115,000
Notes payable, net of current portion	1,645,553	-	-	1,645,553
Net pension liability	361,913	299,504	34,292	695,709
Total non-current liabilities	<u>22,122,466</u>	<u>299,504</u>	<u>34,292</u>	<u>22,456,262</u>
Total liabilities	<u>23,007,011</u>	<u>1,158,723</u>	<u>34,632</u>	<u>24,200,366</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	57,928	14,239	1,631	73,798
Total deferred inflows of resources	<u>57,928</u>	<u>14,239</u>	<u>1,631</u>	<u>73,798</u>
NET POSITION				
Net investment in capital assets	4,420,077	1,030,448	416,066	5,866,591
Restricted for debt service	1,388,615	-	-	1,388,615
Unrestricted	3,477,536	7,507,039	49,718	11,034,293
Total net position	<u>\$ 9,286,228</u>	<u>\$ 8,537,487</u>	<u>\$ 465,784</u>	<u>\$ 18,289,499</u>

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

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Water and Sewer Fund</u>	<u>Electric Fund</u>	<u>Nonmajor Fund Solid Waste Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 4,523,564	\$ 9,530,868	\$ 951,264	\$ 15,005,696
Licenses and permits	-	3,069	-	3,069
Interest revenue	-	153,122	-	153,122
Other services	263,926	651,529	-	915,455
Total operating revenues	<u>4,787,490</u>	<u>10,338,588</u>	<u>951,264</u>	<u>16,077,342</u>
OPERATING EXPENSES				
Personnel services	1,007,451	660,930	127,292	1,795,673
Purchased or contracted services	442,738	164,365	873,050	1,480,153
Purchased power	-	7,360,673	-	7,360,673
Supplies	307,896	87,650	50,594	446,140
Miscellaneous	1,101,898	375,816	10,497	1,488,211
Depreciation	1,015,977	29,727	38,655	1,084,359
Total operating expenses	<u>3,875,960</u>	<u>8,679,161</u>	<u>1,100,088</u>	<u>13,655,209</u>
Operating income (loss)	<u>911,530</u>	<u>1,659,427</u>	<u>(148,824)</u>	<u>2,422,133</u>
NON-OPERATING EXPENSES				
Interest expense	(585,343)	-	-	(585,343)
Total non-operating expenses	<u>(585,343)</u>	<u>-</u>	<u>-</u>	<u>(585,343)</u>
CAPITAL CONTRIBUTIONS	<u>783,937</u>	<u>59,738</u>	<u>194,415</u>	<u>1,038,090</u>
TRANSFERS				
Transfers out	(418,425)	(883,114)	-	(1,301,539)
Transfers in	-	-	109,884	109,884
Total transfers	<u>(418,425)</u>	<u>(883,114)</u>	<u>109,884</u>	<u>(1,191,655)</u>
Change in net position	691,699	836,051	155,475	1,683,225
Net position, beginning of year	<u>8,594,529</u>	<u>7,701,436</u>	<u>310,309</u>	<u>16,606,274</u>
Net position, end of year	<u>\$ 9,286,228</u>	<u>\$ 8,537,487</u>	<u>\$ 465,784</u>	<u>\$ 18,289,499</u>

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

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Water and Sewer Fund</u>	<u>Electric Fund</u>	<u>Nonmajor Fund Solid Waste Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,916,972	\$ 10,399,200	\$ 949,442	\$ 16,265,614
Payments to suppliers	(1,947,165)	(8,520,233)	(934,027)	(11,401,425)
Payments to employees	(920,554)	(656,698)	(125,299)	(1,702,551)
Net cash provided by (used in) operating activities	<u>2,049,253</u>	<u>1,222,269</u>	<u>(109,884)</u>	<u>3,161,638</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	(418,425)	(883,114)	-	(1,301,539)
Transfers in	-	-	109,884	109,884
Net cash provided by (used in) non-capital financing activities	<u>(418,425)</u>	<u>(883,114)</u>	<u>109,884</u>	<u>(1,191,655)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,384,957)	(59,738)	(194,415)	(1,639,110)
Principal paid on bonds	(495,000)	-	-	(495,000)
Principal paid on notes payable	(294,989)	-	-	(294,989)
Capital contributions	783,937	59,738	194,415	1,038,090
Interest paid	(585,587)	-	-	(585,587)
Net cash used in capital and related financing activities	<u>(1,976,596)</u>	<u>-</u>	<u>-</u>	<u>(1,976,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(70,002)	-	(70,002)
Net cash used in investing activities	<u>-</u>	<u>(70,002)</u>	<u>-</u>	<u>(70,002)</u>
Change in cash and cash equivalents	<u>(345,768)</u>	<u>269,153</u>	<u>-</u>	<u>(76,615)</u>
Cash and cash equivalents:				
Beginning of year	<u>4,325,001</u>	<u>1,791,123</u>	<u>-</u>	<u>6,116,124</u>
End of year	<u>\$ 3,979,233</u>	<u>\$ 2,060,276</u>	<u>\$ -</u>	<u>\$ 6,039,509</u>
Classified as:				
Cash and cash equivalents	\$ 2,590,618	\$ 1,689,857	\$ -	\$ 4,280,475
Restricted assets, cash	1,388,615	370,419	-	1,759,034
	<u>\$ 3,979,233</u>	<u>\$ 2,060,276</u>	<u>\$ -</u>	<u>\$ 6,039,509</u>

(Continued)

CITY OF BARNESVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Water and Sewer Fund</u>	<u>Electric Fund</u>	<u>Nonmajor Fund Solid Waste Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 911,530	\$ 1,659,427	\$ (148,824)	\$ 2,422,133
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,015,977	29,727	38,655	1,084,359
(Increase) decrease in assets:				
Accounts receivable	109,378	56,264	(1,822)	163,820
Inventories	(7,516)	(185,359)	-	(192,875)
Deferred outflows of resources - pension	(195,887)	(124,863)	(15,950)	(336,700)
Increase (decrease) in liabilities:				
Accounts payable	(87,670)	(346,637)	-	(434,307)
Accrued liabilities	553	267	114	934
Customer deposits	-	4,348	-	4,348
Net pension liability	361,913	299,504	34,292	695,709
Net OPEB liability	40,460	54,509	5,307	100,276
Due to other funds	20,104	-	-	20,104
Deferred inflows of resources - pension	(119,589)	(224,918)	(21,656)	(366,163)
Net cash provided by (used in) operating activities	<u>\$ 2,049,253</u>	<u>\$ 1,222,269</u>	<u>\$ (109,884)</u>	<u>\$ 3,161,638</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF BARNESVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Barnesville, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governments. 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. Reporting Entity

The City, which was founded in 1852, has a population of 6,300 living within an area of 6.2 square miles. The City is a Georgia municipal corporation and operates under a charter adopted April 1995 and is a City Manager/Mayor and Council form of government. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture and recreation, education, public improvements, planning and zoning, water, sewer and electric services and general administrative services.

In conformity with generally accepted accounting principles, as set forth in the Statement of GASB No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, as amended, the component units' financial statements have been included as either blended or discretely presented. As of September 30, 2023, the City does not have any component units.

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 activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *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 those 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.

NOTES TO 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, 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") 2017 Fund** is a capital projects fund that accounts for the financing and construction of facilities and improvements in accordance with the SPLOST 2017 referendum.

The **American Rescue Plan Act ("ARPA") Fund** is used to account for grant funds awarded to the County as part of the State and Local Fiscal Recovery Fund under the American Rescue Plan Act of 2021.

The **Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund** is a capital projects fund that accounts for the financing of construction and improvements in accordance with the TSPLOST referendum.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

The **Electric Fund** accounts for the operation and maintenance of the City's electric facilities.

Additionally, the City reports the following nonmajor funds:

The **Special Revenue Fund** accounts for the City's revenues and expenditures related to the Hotel/Motel tax levied during the year.

The **Enterprise Fund** accounts for the operation and maintenance of the City's solid waste facilities.

Amounts reported as program revenues include: 1) charges for services 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 are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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. Cash and Deposits

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

Statutes authorize the City to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, repurchase agreements and Georgia Fund 1, the Local Government Investment Pool.

Cash deposits are reported at carrying amount, which reasonably estimates fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible.

F. Inventories

Inventories are valued at cost, which approximates market, using the first in/first out ("FIFO") method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of September 30.

H. Restricted Assets

Restricted assets consist of customer deposits for utility services and funds required to be placed in a separate account to be used to retire Georgia Environmental Finance Authority ("GEFA") debt as it matures.

I. Capital Assets

Capital assets, which include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, will not be considered infrastructure assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible assets such as land improvements are not depreciated.

Depreciation is reported in the government-wide Statement of Activities and in the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 Years	20 Years
Building and Plant* <i>*includes Water and Sewer lines.</i>	40 Years	40 – 50 years
Machinery and Equipment	5 – 10 years	5 – 30 years
Vehicles	5 – 7 years	5 – 7 years
Infrastructure	10 – 65 years	40 – 50 years

J. Compensated Absences

Sick leave benefits are not paid at termination, neither does the unused vacation rollover to the subsequent year. Therefore, compensated absences are not accrued.

K. Long-Term Obligations

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 bond using the straight-line method, which approximates the effective interest method. The gain/loss on defeasance of bonds is presented as an increase/decrease to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense. Bond issuance costs are expensed in the period incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 assets that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. They are the deferred amounts related to pension (three items) and the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred amounts relate to pension differences between expected and actual experience, changes in actuarial investment earnings change, and contributions subsequent to measurement date. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet 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/net asset that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category; unavailable revenue (two items), which arises only under a modified accrual basis of accounting, and deferred inflows related to pensions (one item). The governmental funds report unavailable revenues from property taxes and other receivables, which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The deferred amounts relate to pension differences between projected and actual on pension plan investments and the differences between expected and actual experience.

M. 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. Fund balances are classified as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund Balance (Continued) –

- **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 Council through the adoption of a resolution. Only the City Council 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 Council has authorized the City Manager or the City's Finance Director to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. Positive unassigned fund balance may be reported only in the General Fund. Negative unassigned fund balances may be reported in all governmental funds.

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. The 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. Net position is reported as restricted using the same definition as used for restricted fund balance 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

O. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Barnesville Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The City adopts an annual operating budget for the General Fund and each special revenue fund. A project budget is adopted for the 2017 SPLOST Fund and the TSPLOST Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds' budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The City Manager may transfer funds from one object or purpose to another within the same department.
- The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Excess Expenditures Over Appropriations

Department	Excess
General Fund:	
General government	
Administrative services	\$ 70,615
Contract services	90,547
Executive	5,969
Public works	
Highways and streets	143,379
Culture and recreation	
Civic center	11,710
Debt service:	
Principal	44,651
Interest	5,230

These over expenditures were funded with greater than anticipated revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of September 30, 2023 are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:

Cash and cash equivalents	\$ 11,158,541
Investments	5,543,911
Restricted cash and cash equivalents	1,759,034
Total	\$ 18,461,486
Cash deposited with financial institutions	\$ 11,928,959
Cash deposited with Georgia Fund 1	988,616
Investments in the Municipal Competitive Trust	5,543,911
Total	\$ 18,461,486

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of September 30, 2023, the City's investment in Georgia Fund 1 was rated AA+ by Standard & Poor's. The City's investment in the Municipal Competitive Trust was not rated.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At September 30, 2023, the City had the following investments:

Investment	Rating	Fair Value	Investment Maturity (Years) Less than 1
Georgia Fund 1	AA+	\$ 988,616	\$ 988,616
Municipal Competitive Trust	N/A	5,543,911	5,543,911
		\$ 6,532,527	\$ 6,532,527

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value investments as of September 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust	\$ 5,543,911	\$ -	\$ -	\$ 5,543,911
	\$ 5,543,911	\$ -	\$ -	5,543,911
Investments not subject to level disclosure:				
Georgia Fund 1				988,616
				\$ 6,532,527

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2023, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

A. Accounts Receivable

Receivables at September 30, 2023 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>2017 SPLOST Fund</u>	<u>Nonmajor Hotel/Motel Tax Fund</u>	<u>Water and Sewer Fund</u>
Receivables:				
Taxes	\$ 90,310	\$ -	\$ 1,569	\$ -
Accounts	929,281	-	-	1,590,218
Due from other governments	-	196,067	-	-
Gross receivables	<u>1,019,591</u>	<u>196,067</u>	<u>1,569</u>	<u>1,590,218</u>
Less allowance for uncollectibles	-	-	-	553,963
Net total receivables	<u><u>\$ 1,019,591</u></u>	<u><u>\$ 196,067</u></u>	<u><u>\$ 1,569</u></u>	<u><u>\$ 1,036,255</u></u>

	<u>Electric Fund</u>	<u>Nonmajor Solid Waste Fund</u>	<u>Total</u>
Receivables:			
Taxes	\$ -	\$ -	\$ 91,879
Accounts	1,284,734	203,650	4,007,883
Due from other governments	-	-	196,067
Gross receivables	<u>1,284,734</u>	<u>203,650</u>	<u>4,295,829</u>
Less allowance for uncollectibles	827,793	143,020	1,524,776
Net total receivables	<u><u>\$ 456,941</u></u>	<u><u>\$ 60,630</u></u>	<u><u>\$ 2,771,053</u></u>

B. Property Taxes

Normally, property tax levies are set by the City Council in September of each year for collection in the following fiscal year beginning September 1. Lamar County spreads all levies over assessable property. Taxes are levied annually by the City and for the year ended September 30, 2023, the levy occurred on November 1, 2022. Real and personal property taxes were due on December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 918,164	\$ -	\$ -	\$ 918,164
Total	<u>918,164</u>	<u>-</u>	<u>-</u>	<u>918,164</u>
Capital assets, being depreciated:				
Buildings and plant	13,322,072	44,877	-	13,366,949
Machinery and equipment	508,545	18,181	(48,000)	478,726
Vehicles	1,122,836	179,179	(232,980)	1,069,035
Infrastructure	8,208,500	-	-	8,208,500
Total	<u>23,161,953</u>	<u>242,237</u>	<u>(280,980)</u>	<u>23,123,210</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,315,401)	(269,223)	-	(6,584,624)
Machinery and equipment	(265,623)	(30,964)	48,000	(248,587)
Vehicles	(705,433)	(123,056)	232,980	(595,509)
Infrastructure	(3,328,542)	(228,014)	-	(3,556,556)
Total	<u>(10,614,999)</u>	<u>(651,257)</u>	<u>280,980</u>	<u>(10,985,276)</u>
Total assets, being depreciated, net	<u>12,546,954</u>	<u>(409,020)</u>	<u>-</u>	<u>12,137,934</u>
Governmental activities capital assets, net	<u>\$ 13,465,118</u>	<u>\$ (409,020)</u>	<u>\$ -</u>	<u>\$ 13,056,098</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 1,567,029	\$ -	\$ -	\$ 1,567,029
Construction in progress	-	139,114	-	139,114
Total	1,567,029	139,114	-	1,706,143
Capital assets, being depreciated:				
Buildings and plant	28,033,716	-	-	28,033,716
Machinery and equipment	373,369	84,004	-	457,373
Vehicles	984,017	361,270	-	1,345,287
Infrastructure	19,792,048	1,054,722	-	20,846,770
Total	49,183,150	1,499,996	-	50,683,146
Less accumulated depreciation for:				
Buildings and plant	(17,382,370)	(401,625)	-	(17,783,995)
Machinery and equipment	(274,595)	(20,788)	-	(295,383)
Vehicles	(553,962)	(150,000)	-	(703,962)
Infrastructure	(5,649,184)	(511,946)	-	(6,161,130)
Total	(23,860,111)	(1,084,359)	-	(24,944,470)
Total assets, being depreciated, net	25,323,039	415,637	-	25,738,676
Business-type activities capital assets, net	\$ 26,890,068	\$ 554,751	\$ -	\$ 27,444,819

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

Governmental activities:	
General government	\$ 35,218
Public safety	119,545
Public works	292,463
Culture and recreation	204,031
Total depreciation expense - governmental activities	\$ 651,257
Business-type activities:	
Water and sewer	\$ 1,015,977
Electric	29,727
Solid waste	38,655
Total depreciation expense - business-type activities	\$ 1,084,359

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Net pension liability	\$ (207,217)	\$ 1,907,346	\$ (273,804)	\$ 1,426,325	\$ -
Financed purchase	233,485	154,497	(44,651)	343,331	74,175
Governmental activities Long-term liabilities	<u>\$ 26,268</u>	<u>\$ 2,061,843</u>	<u>\$ (318,455)</u>	<u>\$ 1,769,656</u>	<u>\$ 74,175</u>
Business-type activities:					
Notes payable	\$ 2,235,531	\$ -	\$ (294,989)	\$ 1,940,542	\$ 294,989
Revenue bonds payable	21,110,000	-	(495,000)	20,615,000	500,000
Net pension liability	(100,276)	930,333	(134,348)	695,709	-
Business-type activities Long-term liabilities	<u>\$ 23,245,255</u>	<u>\$ 930,333</u>	<u>\$ (924,337)</u>	<u>\$ 23,251,251</u>	<u>\$ 794,989</u>

A. Notes payable

Notes payable outstanding for business-type activities for the City as of September 30, 2023 are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
GEFA Loan DW08003	\$ 2,433,874	0%	2033	\$ 1,247,361
GEFA Loan DW99001	3,465,911	0%	2027	693,181
				<u>\$ 1,940,542</u>

Debt service requirements to maturity on the notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 294,989	\$ -	\$ 294,989
2025	294,989	-	294,989
2026	294,989	-	294,989
2027	294,989	-	294,989
2028	121,694	-	121,694
2029 – 2033	608,469	-	608,469
2034	30,423	-	30,423
Total	<u>\$ 1,940,542</u>	<u>\$ -</u>	<u>\$ 1,940,542</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Revenue bonds payable

Revenue bonds payable outstanding for business-type activities for the City as of September 30, 2023 are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Series 2020A	\$ 18,585,000	0.501% to 2.533%	2046	\$ 17,550,000
Series 2020B	3,355,000	0.501% to 2.533%	2046	3,065,000
				<u>\$ 20,615,000</u>

The City of Barnesville Water and Sewerage Revenue Refunding Bonds, Series 2020A and Series 2020B, were issued in November 2020. The Series 2020A bonds were issued to provide funds to, together with other monies available or to be made available to the City, (i) advance refund the City's \$19,935,000 in aggregate principal amount of Water and Sewerage Revenue Refunding and Improvement Bonds, Tax-Exempt Series 2011A, (ii) pay a portion of the cost of a municipal bond insurance policy and a debt service reserve insurance policy for the Bonds, and (iii) pay a portion of the costs associated with the issuance of the bonds. The Series 2020B Bonds are being issued to provide funds to, together with other monies available or to be made available to the City, (i) advance refund the City's \$3,830,000 in aggregate principal amount of Water and Sewerage Revenue Improvement Bonds, Tax-Exempt Series 2011C; (ii) pay a portion of the cost of the Insurance Policy and the Reserve Policy for the Bonds; and (iii) pay a portion of the costs associated with the issuance of the bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2011A and 2011C Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The City determined that advance refunding the Series 2011A and Series 2011C Bonds with the Series 2020A and 2020B Bonds would reduce the City's total debt service payments by approximately \$6 million on an aggregate basis. The Series 2011A and Series 2011C Bonds are special obligations of the City, payable solely from and secured by a pledge of and lien on revenues derived by the City's water system. The Series 2020A and 2020B are not a debt or a general obligation or a pledge of the full faith and credit of the State of Georgia or the City. Issuance of the Bonds will not obligate the State or the City to levy or pledge any form of taxation for the payment thereof. No holder of the Bonds will ever have the right to compel any exercise of the taxing power of the State or the City to pay the Bonds or interest thereon, nor to enforce payment thereof against any other property of the State or the City, nor shall the Bonds constitute a charge, lien or encumbrance legal or equitable, upon any property of the State or the City other than the revenues of the System pledged to the payment thereof.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Revenue bonds payable (Continued)

Debt service requirements to maturity on the revenue bonds payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 500,000	\$ 541,298	\$ 1,041,298
2025	505,000	536,438	1,041,438
2026	505,000	530,772	1,035,772
2027	515,000	523,707	1,038,707
2028	695,000	522,058	1,217,058
2029 – 2033	3,800,000	2,372,159	6,172,159
2034 – 2038	4,805,000	1,868,073	6,673,073
2039 – 2043	5,535,000	1,124,345	6,659,345
2044 and 2045	3,755,000	240,983	3,995,983
Total	<u>\$ 20,615,000</u>	<u>\$ 8,259,833</u>	<u>\$ 28,874,833</u>

C. Financed Purchase

Financed Purchase outstanding for governmental activities for the City as of September 30, 2023 are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
Police Vehicle Financed Purchase	\$ 233,485	2.24%	2027	\$ 189,149
Car Financed Purchase	154,182	3.90%	2027	154,182
				<u>\$ 343,331</u>

The City of Barnesville police vehicle financed purchase agreement was issued in December 2021. The financed purchase agreement was issued to provide funds to purchase seven Ford Explorers for the police department in the amount of \$233,485. The City is obligated, beginning December 17, 2022, to make five annual payments of \$49,881. The agreement bears interest rate of 2.24% annually.

The City of Barnesville police vehicle financed purchase agreement was issued in December 2022. The financed purchase agreement was issued to provide funds to purchase seven Ford Explorers for the police department in the amount of \$154,182. The City is obligated, beginning December 22, 2023, to make five annual payments of \$34,536. The agreement bears interest rate of 3.90% annually.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

C. Financed Purchase (Continued)

Debt service requirements to maturity on the financed purchase payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 74,175	\$ 10,243	\$ 84,418
2025	76,310	8,108	84,418
2026	78,511	5,906	84,417
2027	80,781	3,636	84,417
2028	33,554	1,296	34,850
Total	\$ 343,331	\$ 29,189	\$ 372,520

NOTE 7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Barnesville Retirement Plan (the “Plan”) is administered through the Georgia Municipal Employee Benefit System (“GMEBS”), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefits are provided by the Plan. 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, 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.

B. Plan Membership

As of January 1, 2023, pension plan membership consisted of the following:

Retirees, beneficiaries, and the disabled receiving benefits	50
Terminated plan members entitled to but not yet receiving benefits	12
Active plan members	25
	87

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. 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 Council, 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 Council. City contributions to the Plan were \$273,901 for the fiscal year ended September 30, 2023.

D. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.375%

Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25%. The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.40 %
International equity	20 %	6.80 %
Domestic fixed income	20 %	0.40 %
Real estate	10 %	3.90 %
Global fixed income	5 %	0.46 %
Cash	-	
Total	100 %	

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

E. 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. Changes in the Net Pension Liability (Asset) of the City

The changes in the components of the net pension liability (asset) of the City for the fiscal year ended September 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Beginning Balance	\$ 11,513,238	\$ 11,820,731	\$ (307,493)
Changes for the year:			
Service cost	99,213	-	99,213
Interest	830,972	-	830,972
Differences between expected and actual experience	(114,211)	-	(114,211)
Contributions - employer	-	293,941	(293,941)
Net investment income	-	(1,888,504)	1,888,504
Benefit payments, including refunds of employee contributions	(690,073)	(690,073)	-
Administrative expense	-	(18,990)	18,990
Net changes	<u>125,901</u>	<u>(2,303,626)</u>	<u>2,429,527</u>
Ending Balance	<u>\$ 11,639,139</u>	<u>\$ 9,517,105</u>	<u>\$ 2,122,034</u>

The required Schedule of Changes in the City's Net Pension Liability (Asset) 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.

G. 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	\$ 3,370,749	\$ 2,122,034	\$ 1,065,757

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. 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, 2022 and the current sharing pattern of costs between employer and employee.

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

For the year ended September 30, 2023, the City recognized pension expense of \$431,096. At September 30, 2023, 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
Differences between expected and actual experience	\$ 87,856	\$ (100,893)
Net difference between projected and actual earnings on pension plan investments	1,207,021	-
City contributions subsequent to the measurement date	273,901	-
Total	\$ 1,568,778	\$ (100,893)

City contributions subsequent to the measurement date of \$273,901 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, 2024. 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,			
2024		\$	263,326
2025			192,190
2026			189,473
2027			548,995
Total		\$	1,193,984

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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; injuries to employees; and natural disasters. The City is a member of the Georgia Interlocal Risk Management Agency (“GIRMA”). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

The City participates in the Georgia Municipal Association Workers’ Compensation Self Insurance Fund. The fund was established to insure members for liabilities imposed under workers’ compensation and employers’ liability laws. The fund is obligated to provide for the cost of claims and related interest incurred by the City under the Workers’ Compensation Law of Georgia along with the cost of investigating, negotiation, and defending such claims. The fund is intended to be self-sustaining through member premiums. Accordingly, the City is required to pay an annual premium to the fund.

NOTE 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the five-county central Georgia area, is a member of the McIntosh Trail Regional Development and is required to pay annual dues thereto. During its fiscal year ended September 30, 2023, the City paid \$6,334 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (“O.C.G.A.”) §50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission 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 a Regional Commission. Separate financial statements may be obtained from:

McIntosh Trail Regional Development
Hill Street
Griffin, Georgia 30223

NOTES TO FINANCIAL STATEMENTS

NOTE 10. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

B. Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

C. Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (“MEAG”) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public. As of September 30, 2023, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on kWh usage. The total payments under these contracts amounted to \$7,360,673 in 2023.

At September 30, 2023, the outstanding debt of MEAG was approximately \$8.16 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$64,504,605 at September 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. HOTEL/MOTEL LODGING TAX

The City was in compliance with the provisions of O.C.G.A. §48-13-51 which require the City to meet the expenditures requirement for the levying and collecting of hotel/motel tax. The amount of funds expended as provided within the Code Section 36-81-7 during the fiscal year is \$18,586. The City has a contractual agreement with the Barnesville-Lamar County Chamber of Commerce to remit 40% of the hotel/motel tax collections. The City remitted \$5,797 in hotel/motel tax collections during the fiscal year to the Barnesville-Lamar County Chamber of Commerce. The Barnesville-Lamar County Chamber of Commerce provides the City with annual financial statements as verification of the expenditure of the hotel/motel collections.

NOTE 12. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

	<u>Payable Fund</u>
Receivable Fund	Water Fund
General Fund	\$ 20,104
Total	\$ 20,104

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

Interfund transfers:

	<u>Transfers out</u>		
Transfers In	Water Fund	Electric Fund	Total
Solid Waste Fund	\$ 109,884	\$ -	\$ 109,884
Hotel/Motel Fund	-	4,815	4,815
General Fund	308,541	878,299	1,186,840
Total	\$ 418,425	\$ 883,114	\$ 1,301,539

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them and 2) use unrestricted revenues collected in the Electric Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARNESVILLE, GEORGIA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability				
Service cost	\$ 99,213	\$ 94,831	\$ 96,402	\$ 89,815
Interest on total pension liability	830,972	801,164	787,966	750,487
Differences between expected and actual experience	(114,211)	175,710	(60,937)	218,332
Changes of assumptions	-	-	-	257,450
Benefit payments, including refunds of member contributions	(690,073)	(653,764)	(632,020)	(657,755)
Net change in total pension liability	125,901	417,941	191,411	658,329
Total pension liability - beginning	11,513,238	11,095,297	10,903,886	10,245,557
Total pension liability - ending (a)	11,639,139	11,513,238	11,095,297	10,903,886
Plan fiduciary net position				
Contributions - employer	293,941	270,762	241,038	249,981
Net investment income	(1,888,504)	2,366,960	883,075	267,928
Benefit payments, including refunds of member contributions	(690,073)	(653,764)	(632,020)	(657,755)
Administrative expenses	(18,990)	(21,089)	(19,336)	(18,659)
Net change in plan fiduciary net position	(2,303,626)	1,962,869	472,757	(158,505)
Plan fiduciary net position - beginning	11,820,731	9,857,862	9,385,105	9,543,610
Plan fiduciary net position - ending (b)	9,517,105	11,820,731	9,857,862	9,385,105
City's net pension liability (asset) - ending (a) - (b)	\$ 2,122,034	\$ (307,493)	\$ 1,237,435	\$ 1,518,781
Plan fiduciary net position as a percentage of the total pension liability	81.8%	102.7%	88.8%	86.1%
Covered payroll	\$ 2,953,000	\$ 3,026,535	\$ 3,133,420	\$ 2,891,083
Net pension liability as a percentage of covered payroll	71.9%	-10.2%	39.5%	52.5%

	2019	2018	2017	2016
\$	88,788	\$ 98,515	\$ 89,881	\$ 100,023
	728,210	717,234	693,648	644,765
	93,119	247,374	(40,150)	312,639
	-	(187,124)	-	-
	(570,477)	(449,422)	(428,669)	(424,679)
	339,640	426,577	314,710	632,748
	9,905,917	9,479,340	9,164,630	8,531,882
	10,245,557	9,905,917	9,479,340	9,164,630
	273,222	226,428	223,688	216,720
	880,983	1,192,873	819,553	94,168
	(570,477)	(449,422)	(428,669)	(424,679)
	(19,566)	(20,720)	(11,523)	(13,426)
	564,162	949,159	603,049	(127,217)
	8,979,448	8,030,289	7,427,240	7,554,457
	9,543,610	8,979,448	8,030,289	7,427,240
\$	701,947	\$ 926,469	\$ 1,449,051	\$ 1,737,390
	93.1%	90.6%	84.7%	81.0%
\$	2,668,684	\$ 2,758,383	\$ 2,755,710	\$ 2,619,051
	26.3%	33.6%	52.6%	66.3%

CITY OF BARNESVILLE, GEORGIA

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

	2023	2022	2021	2020
Actuarially determined contribution	\$ 273,091	\$ 293,941	\$ 270,762	\$ 241,037
Contributions in relation to the actuarially determined contribution	273,091	293,941	270,762	241,037
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,042,221	\$ 2,953,000	\$ 3,026,535	\$ 3,133,420
Contributions as a percentage of covered payroll	9.0%	10.0%	8.9%	7.7%

Notes to the Schedule:

Valuation Date	January 1, 2023
Cost Method	Projected Unit Credit
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 amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return	
On Investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	2.25%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years

The schedule will present 10 years of information once it is accumulated.

2019	2018	2017	2016
\$ 249,980	\$ 252,638	\$ 247,012	\$ 214,434
<u>249,980</u>	<u>252,638</u>	<u>247,012</u>	<u>214,434</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,891,083	\$ 2,668,684	\$ 2,758,383	\$ 2,755,710
8.6%	9.5%	9.0%	7.8%

SUPPLEMENTARY INFORMATION

CITY OF BARNESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2017 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements to water and sewer system	\$ 1,649,235	\$ 1,649,235	\$ 796,282	\$ 974,650	\$ 1,770,932
Paving, resurfacing and construction of roads (Including drainage and sidewalks)	550,000	550,000	498,569	116,407	614,976
Equipment	700,000	700,000	509,593	432,447	942,040
Construction and renovation of public facilities	660,000	660,000	550,923	90,572	641,495
	<u>\$ 3,559,235</u>	<u>\$ 3,559,235</u>	<u>\$ 2,355,367</u>	<u>\$ 1,614,076</u>	<u>\$ 3,969,443</u>

CITY OF BARNESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2021 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Resurfacing projects	\$ 4,392,000	\$ 4,392,000	\$ -	\$ 691,282	\$ 691,282
Total	<u>\$ 4,392,000</u>	<u>\$ 4,392,000</u>	<u>\$ -</u>	<u>\$ 691,282</u>	<u>\$ 691,282</u>

COMPLIANCE SECTION



**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 Barnesville, Georgia
Barnesville, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barnesville, Georgia (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia

March 28, 2024

CITY OF BARNESVILLE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2023 due to the total amount expended being less than \$750,000.

CITY OF BARNESVILLE, GEORGIA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

Not applicable.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

CITY OF BARNESVILLE, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

STATUS OF PRIOR YEAR AUDIT FINDINGS

2022-001 – General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles ("GAAP") require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted accounting, reporting and reconciling not being properly performed and reviewed consistently during the fiscal year which required a significant effort to close the City's 2022 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed September 30, 2022. Specifically, we noted a lack of timely and accurate financial and non-financial information needed.

Status: Resolved.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Agreement**”) is executed and delivered by the City of Barnesville, Georgia (the “**City**”) in connection with the issuance by the City of \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**” or the “**Bonds**”). The Bonds are being issued pursuant to a Bond Ordinance, adopted by the City on _____, 2024, (the “**Bond Ordinance**”). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the Bondholders (as herein defined) of the Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the City pursuant to this Disclosure Agreement.

“**Bondholders**” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**City**” shall mean the City of Barnesville, Georgia.

“**City Reporting Date**” shall mean the date by which the City is obligated to submit its audited financial statements and other financial and operating data to its dissemination agent.

“**Dissemination Agent**” shall mean any Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation, and initially shall mean the City.

“**EMMA**” shall mean MSRB’s Electronic Municipal Market Access System.

“**Final Submission Date**” shall mean the date by which the Annual Report is to be filed by the City with EMMA, which date is 9 months after the end of the City’s fiscal year.

“**Financial Obligation**” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on October 1 of each calendar year and ending September 30 of the next calendar year.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“**Official Statement**” shall mean the Official Statement of the City relating to the Bonds.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Georgia.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent (if any) to, not later than the Final Submission Date, provide to EMMA, in an electronic format as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 business days prior to such date, the City shall provide the Annual Report to the Dissemination Agent (if any). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report. In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not provided on the City Reporting Date and will be submitted at a later date, the City shall include unaudited financial statements of the City (excluding notes) in the information provided to the EMMA on the City Reporting Date and the City shall indicate in the Annual Report the date on which the audited financial statements of the City will be submitted.

As of the date of this Disclosure Agreement, all documents submitted to EMMA must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

(b) The City or the Dissemination Agent (if any) shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing;

(ii) if the Annual Report, including the audited financial statements which were to be separately submitted, is not distributed/filed by the date required in subsection (a), send a notice to EMMA in electronic format prescribed by the MSRB in substantially the form attached as Exhibit A; and

(iii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to the Disclosure Agreement and the date provided.

Section 4. Content of Annual Reports. (a) The City's Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The City's basic financial statements for the preceding Fiscal Year to be prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If generally accepted accounting principles changed from the previous Fiscal Year and if such changes are material to the City, a narrative description (as required by Section 8 of this Disclosure Agreement) of the impact of the changes on the City.

(c) To the extent not included in the City's annual financial statements, quantitative financial information and operating data for the preceding Fiscal Year ;of the type contained in the Official Statement under the heading "THE SYSTEM."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events, the City or the Dissemination Agent (if any) shall file a notice of such occurrence with EMMA.

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (vii) Modification to rights of Bondholders, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person.

Note: For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule (as set forth in (xii) above), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(xiii) Consummation of a merger, consolidation, acquisition involving an obligated person, or sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change in name of a trustee, if material.

(xv) Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be determined by the City and shall be in substantially the form attached as Exhibit B.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. The City will provide notice of the assumption of responsibility to EMMA.

Section 7. Dissemination Agent. The City may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and the City may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted;

(b) such amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the City or by the approving vote of the Bondholders owning more than two-thirds in aggregate principal amount of the Bonds Outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings in this Disclosure Agreement to violate the Rule if such amendment or waiver had been effective on the date of this Disclosure Agreement but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

In the event that this Disclosure Agreement is amended or any provision of this Disclosure Agreement is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be quantitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, any Bondholder may initiate an action against the failing party to compel performance. A default under this Disclosure Agreement shall not be deemed a “default” or an “event of default” under the Bond Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto), and the opinion of such Counsel shall be full

and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such Counsel.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Participating Underwriter, and Bondholders, and shall create no rights in any other person or entity.

Section 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 16. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Date: _____, 2024.

CITY OF BARNESVILLE, GEORGIA

By: _____
Its: Mayor

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: City of Barnesville, Georgia

Name of Bond Issues: Water and Sewerage Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**” or the “**Bonds**”).

CUSIP Number¹: _____

Date of Issuance: _____, 20____

NOTICE IS HEREBY GIVEN that the City of Barnesville has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Certificate, dated _____, 20____. The City of Barnesville anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Date: _____, 2024.

CITY OF BARNESVILLE, GEORGIA

By: _____
Its: Mayor

¹ No representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

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[FORM OF OPINION OF BOND COUNSEL]

[November 7], 2024

City of Barnesville
Barnesville, Georgia

Re: \$10,000,000* City of Barnesville, Georgia, Water and Sewerage Revenue Bonds,
Series 2024

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Barnesville (the “**City**”) of \$10,000,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2024 dated [November 7], 2024 (the “**Series 2024 Bonds**” or the “**Bonds**”). In such capacity, we have examined such laws and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to the Constitution and laws of the State of Georgia, including specifically the Revenue Bond Law of the State of Georgia, as amended (codified at O.C.G.A. Sections 36-82-60, et seq.; the “**Revenue Bond Law**”), and the Bond Ordinance of the City adopted on _____, 2024 (the “**Bond Ordinance**”). Under the Bond Ordinance, the City has pledged certain revenues (the “**Net Revenues**”) for the payment of the principal of, and premium (if any), and interest on the Bonds when due. Any capitalized term used herein but not defined shall have the meaning assigned to such term in the Bond Ordinance.

Regarding questions of fact material to our opinion, we have relied upon (i) the representations of the City, (ii) the certified proceedings of the City, (iii) a validation order of the Superior Court of Lamar County, Georgia, with respect to the Bonds and the Bond Ordinance, and (iv) the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that under existing law:

1. The City is validly existing as a municipal corporation of the State of Georgia with the power to adopt the Bond Ordinance, perform the agreements on its part contained therein, and issue the Bonds.
2. The Bond Ordinance has been duly adopted by the City and constitutes a valid and binding obligation of the City enforceable against the City.
3. The Bond Ordinance creates a valid lien on the Net Revenues and other funds pledged by the Bond Ordinance for the security of the Bonds on a parity with other bonds (if any) issued or to be issued under the Bond Ordinance.

4. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the Net Revenues and other funds provided therefor in the Bond Ordinance.

5. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of the issuance of the Bonds.

6. As of the date hereof, interest on the Bonds is exempt from state income taxation within the State of Georgia.

7. The City has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institutions’ interest expense allocable to interest on the Bonds.

Except as expressly stated above, we express no opinion as to any other federal or any other state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors as to the applicability of any collateral tax consequences of ownership of the Bonds, which may include purchase at a market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

The rights of the owners of the Bonds and the enforceability of the Bond Resolution, the Bonds, and the Contract may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings, and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change

in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This opinion is given solely for the use and benefit of the addressees hereof, and only in connection with the issuance and delivery of the Bonds and may not be used or relied upon by any other person or in connection with any other transaction, except with express consent of this firm.

We understand that Assured Guaranty Municipal Corp. has issued a separate Municipal Bond Insurance Policy relating to the Series 2024 Bonds. We express no opinion as to the validity or enforceability of either such policy or the security afforded thereby.

In rendering the opinions set forth above, we have relied on the opinion of David E. Penland, Esq., counsel to the City, with respect to the matters contained in his opinion. We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

Very truly yours,

BUTLER SNOW LLP

By: _____
A Partner

[FORM OF RELIANCE LETTER]

[November 7], 2024

[UNDERWRITER]

[CITY, STATE]

Assured Guaranty Municipal Corp.

New York, New York

Re: \$10,000,000* City of Barnesville, Georgia, Water and Sewerage Revenue Bonds,
Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Barnesville, Georgia (the “**Issuer**”) of the above-defined Series 2024 Bonds and have today delivered to you a copy of our executed approving opinion letter dated the date hereof relating to the legality and validity of the Series 2024 Bonds under Georgia law (the “**Opinion**”). You may rely upon our Opinion to the same extent as if the Opinion was addressed to you.

The Opinion is given as of the date hereof. We assume no obligation to update or advise you of any changes in the Opinion subsequent to the delivery hereof. This letter is furnished to you and is solely for your information and benefit in connection with the issuance of the Series 2024 Bonds and may not be relied upon by you for any other purpose or relied upon by any other party, other than the addressees’ successors and assigns, without the prior written consent of this firm.

In connection with the issuance of the Series 2024 Bonds, we have represented the Issuer, which is our sole client in this transaction. Delivery of this letter to the addressees hereof does not establish an attorney client relationship between this firm and any addressee of this letter regarding the issuance of the Series 2024 Bonds.

Respectfully submitted,

BUTLER SNOW LLP

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

APPENDIX G

DTC AND BOOK-ENTRY ONLY SYSTEM OF REGISTRATION

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DTC AND BOOK-ENTRY ONLY SYSTEM OF REGISTRATION

The information under this caption concerning DTC and DTC's book entry system has been obtained from DTC and, accordingly, no representation is made by the City, the Paying Agent or the Underwriter as to the completeness or accuracy of such information, or as to the absence of changes in such information subsequent to the date hereof.

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX H
ENGINEERING REPORT

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ENGINEERING REPORT

WATER AND SEWERAGE REVENUE BONDS

SERIES 2024

FOR THE

CITY OF BARNESVILLE

LAMAR COUNTY, GEORGIA

AUGUST 2024

C&S PROJECT NO.: B2595.001



Carter & Sloop

CONSULTING ENGINEERS

ENGINEERING REPORT
WATER AND SEWERAGE REVENUE BONDS
SERIES 2024

FOR THE

CITY OF BARNESVILLE
LAMAR COUNTY, GEORGIA

AUGUST 2024

C&S PROJECT NO.: B2595.001



CARTER & SLOOPE, INC
115 WOODLAND WAY, STE 120
CANTON, GA 30114



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Appendix A: Sanitary Sewer Basin Map and Schematic

Appendix B: Proposed North Sewershed Phased Improvements Maps



EXECUTIVE SUMMARY

The City of Barnesville has identified many problems in their sanitary sewer collection system. The existing gravity sewer collection mains have deteriorated over time and are plagued by pipe breaks, cracks, and defective joints. The problems in the sewerage collection system, made up almost entirely of aging clay pipe, cause blockages in the sewer lines and lead to frequent back-ups and overflows in the system. As a result, there is added strain downstream on undersized mains all the way to the wastewater treatment facility.

After a preliminary study of the sanitary sewer system, Carter & Sloope, Inc. has determined the existing system could be greatly improved with phased and feasible improvements. It is our recommendation that the existing clay mains be replaced and upsized to ensure adequate capacity now and through the operating life of the new mains. Further analysis will be done during the design of each phase to make necessary improvements in the best interest of the City.

The improvements will mitigate the deficiencies identified in this report and provide the residents with a more dependable sanitary sewer collection system. It is our recommendation that the City of Barnesville secures the necessary funding for the proposed improvements and moves forward with design and ultimately, construction.



I. INTRODUCTION

1.1 Authorization

The City of Barnesville (the “City”) has authorized Carter & Sloope, Inc. (“C&S”) to prepare this Engineering Report, which assesses the feasibility of the City’s proposed issuance of approximately \$20 million in water and sewerage Revenue Bonds (the “Revenue Bonds”). The City is proposing to issue the Revenue Bonds to ensure adequate financing exists for needed renovations and upgrades to the City’s water and sewer systems. The ultimate purpose of this report is to provide information pertinent to the issuance of the Revenue Bonds, and the findings of this report will be included in the Official Statement for the Revenue Bonds.

1.2 Scope

It is the intent of this report to provide an overview of the existing sanitary sewer collection system, water distribution system, and to provide recommendations for technically and economically viable solutions to deficiencies identified. The study was performed using field visits, interviews with public officials, research, standard engineering practices, and experience with similar projects. This report contains comments and discussions regarding the existing deficiencies and possible solutions, including an economic analysis, maps depicting the proposed improvements, and an Engineer’s Opinion of Probable Construction Cost.



II. BACKGROUND

2.1 General Area

The City of Barnesville is located in Lamar County, Georgia and is the county seat. Lamar County is bordered by Spalding County to the northwest, Butts County to the northeast, Monroe County to the East, Upson County to the southwest, and Pike County to the West. Barnesville is approximately 37 miles northwest of Macon and 60 miles south of Atlanta. Established in 1862, the City had a population of 6,292 at the 2020 census.

According to the 2020 Census, the Median Household Income (MHI) of the residents of the City of Barnesville is \$46,116 and their poverty rate is 16.1%. Barnesville's poverty rate is significantly higher than both that for the State of Georgia and for the United States, which have rates of approximately 14% and 12.8%, respectively.



III. EXISTING CONDITIONS

3.1 Water Distribution System

The City of Barnesville owns and operates the water system. Currently, the City has approximately 4,300 water customers and a total service population of 10,725. The water system consists of a surface water treatment plant, elevated storage tanks, and 2” through 12” cast iron and PVC water mains.

Water is currently available to each resident in Barnesville; however, most water meters are at or past their useful life period. Continuing to rely on old meters that are inaccurate has two impacts to the City. First, inaccuracies lead to underbilling and lost revenue for the City. Second, these inaccurate readings also exaggerate the City’s water loss data with Georgia’s Environmental Protection Division. A large-scale meter changeout can recoup revenues and show progress in reducing non-revenue water.

3.2 Sanitary Sewer Collection System

The existing sanitary sewer system consists of the collection system and the 2.4 MGD James A. King Wastewater Treatment Facility. The collection system includes 40+ miles of gravity sewer mains and more than 775 manholes. Most of the system is more than 55 years old and is comprised of mostly clay pipe with some concrete pipe also. The system includes nine (9) lift stations where flow is collected by gravity sewer in a basin and pumped over high points to neighboring sewer basins. Several sewer basins must pass through multiple lift stations to reach the wastewater treatment facility. The sewer system serves approximately 2,500 customers spread out over 5-square miles.



Clay sewer pipe was commonly used in the 1950s and poses a concern for existing sewer systems. The weight of the pipe often leads to settling over time, and offset joints and cracks lead to leaks and intrusion of groundwater. Once clay pipes begin to crack, they will worsen with root intrusion and hydrostatic pressure during heavy rainfalls. Complete failures will lead to blockages or large inflows during peak rain events. When both of these occur, you will have a spill. The City has had numerous documented spills and has received a Notice of Violation from Georgia's Environmental Protection Division (EPD).

The sanitary sewer system can be divided into two main basins that flow into the plant via large gravity sewer trunk lines. The "north" sewer shed includes the Legacy Park basin and the Richardson basin, which has three (3) other basins and the City of Milner all passing through the Richardson Lift Station. The "south" sewer shed includes the Walker, Jail, Academy, and Aldora basins. A map of the City's sewer basins and a schematic which illustrates what basins travel through other basins is included in Appendix A.



IV. RECOMMENDED IMPROVEMENTS

4.1 Water System – Water Meter Replacement

It is recommended that meters that are older than fifteen (15) years be replaced to capture revenues for usage being delivered to customers. Carter & Sloope, Inc. has not studied the age of the water meters in the system, nor done any of the flow accuracy testing on meters. The changeouts should be completed at a pace that allows the City to balance needs between water and sewer system improvements as funding is available.

4.2 Sanitary Sewer System

Carter & Sloope, Inc. recommends that the City obtain funding through the 2024 Series Revenue Bonds to replace and upsize the sanitary sewer system in the north sewer shed. Projects should be designed and constructed using a phased approach that addresses the issues moving from the treatment plant outward. This approach will prevent moving a problem area downstream to another area.

The seven proposed phases include improvements to the north trunk gravity mains (Phases 1 and 2); a replacement of the Richardson lift station and force main (Phase 3); improvements to the North Street gravity main (Phase 4); improvements to the Grove Street gravity main (Phase 5); improvements to the Sullivan Street gravity main, upgrades to the Westchester lift station, and force main (Phase 6); and upgrades to the Metro lift station and force main (Phase 7). See Appendix B for an overall map of the proposed sanitary sewer improvements and individual maps for each phase.

Phase 1 – North Trunk Sanitary Sewer Improvements



This project will replace existing sewer mains that convey the flows of the north sewershed to the wastewater treatment plant. This project will eliminate aging and failing clay sewer pipe and upsize the pipe size to meet current demand and allow for additional capacity, if needed. The phase would include approximately one mile of pipe and associated manholes. This phase includes a bore of State Route 18 (Martin Luther King Jr. Parkway), which requires Georgia Department of Transportation (GDOT) approval.

Phase 2 – North Trunk Sanitary Sewer Improvements

The second phase will be very similar to the first. It will also replace existing sewer mains along the trunk of the north sewershed. This phase will begin where Phase 1 ends, near Forsyth Street. Phase 2 will continue replacing failing pipes with new, larger ones, as well as replacing manholes along the way. This phase will extend beyond College Drive and will require a bore of the railroad. A manhole on Washington Street was chosen to end this phase, as the Richardson force main empties into this location. Once this phase is complete, the next phase can be accomplished without flooding the trunk lines.

Phase 3 – Richardson Lift Station and Force Main

Phase 3 will resolve backups and spills that occur at the existing Richardson lift station. Upgrades will likely include a larger wetwell and larger pumps, capable of moving sewage at a pace to keep up with peaks in usage and rain events. Electrical upgrades will be necessary, and further evaluation will be done during the design phase. It is expected that the sewer force main, which carries the pumped sewage to the north gravity trunk line, will need to be replaced with a larger pipe size to ensure proper flow and efficient operation of the new lift station.



Phase 4 – North Street Sanitary Sewer Improvements

The next two phases could happen in either order or concurrently based on costs and priorities. This phase will replace old and undersized gravity mains that collect flow from the northwest side of Barnesville. In addition to the sewerage from Barnesville customers, the City of Milner has a force main that discharges into this basin along US Highway 41. This main was not sized to handle the flows being sent, especially during rain events. Increasing the size of this main will allow the City to handle the peak events and convey the wastewater to the new Richardson lift station.

Phase 5 – Grove Street Sanitary Sewer Improvements

This phase will again replace old and undersized gravity sewer mains which will be capable of handling existing capacity, rain events, as well as potential growth in the area. The path of this replacement will follow a “mini” trunk line for the Richardson sewer basin. A large portion of the basin flows through this main, including connections with the following phases where the Westchester sub-basin and Metro sub-basin will pass through. The maps in Appendix A illustrate the importance of this main and do not include planned developments that will discharge to this basin.

Phase 6 – Sullivan Street Sanitary Sewer Improvements and Westchester Lift Station and Force Main

The Sullivan Street portion (6A) will replace and upsize gravity mains to handle the flow coming from the Westchester basin. Once these upgrades are complete, the force main and lift



station can be upgraded to better serve existing flows and peaks, as well as allow for additional capacity. Upgrades to the lift station are likely to include new pumps and other modifications determined to be necessary during design.

Phase 7 – Metro Lift Station and Force Main

The seventh phase proposed in the north sewershed will make improvements to the Metro lift station. These upgrades will increase capacity to accommodate current flow demands and additional capacity for future growth. The force main will be replaced to accommodate the larger flows and discharge to the previously improved Grove Street Improvements (Phase 5).

Other Improvements

This report is focused on the north sewershed; however, there are many concerns in the south sewershed also, including the south trunk line, Gordon State College, and the Aldora sewer basin. The City has had multiple spills in these areas also. As the City continues to monitor the priority areas of its sewer system, it may be necessary to complete projects within the south sewershed or outside those listed in the north sewershed in this report. It would be prudent to use available resources for the City's most critical water and sewer needs.



V. ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST

5.1 Project Cost

Provided herein is the Engineer's Opinion of Probable Construction Cost for the proposed infrastructure improvements discussed in Section 4.2 of this report. The projected costs include not only the construction costs, but also costs for engineering, surveying, grant preparation, administration, and construction contingencies. The establishment of construction pricing is largely based on actual construction bids from similar projects in neighboring communities. Each price reflects the total expense required for installation, including the materials, labor, overhead, and necessary equipment costs.

It should be noted that since the engineer has no control over the cost of labor, cost of materials, cost of equipment, contractor's methods of determining prices, or competitive bidding (market conditions), the Opinion of Probable Construction Cost provided herein is made based on the engineer's experience and qualifications. The estimate represents his/her best judgment as a qualified engineer familiar with the construction industry. However, the engineer cannot and does not guarantee that the bids or actual construction cost will not vary from the cost estimate provided herein. This Opinion of Probable Construction Costs is from a Preliminary Concept Design so actual quantities and prices may vary.



NORTH SEWERSHED CONCEPT MASTER PLAN – PHASE IMPROVEMENTS
SANITARY SEWER IMPROVEMENTS
BARNESVILLE, GA

Project No.	Project Name	Construction Costs	Construction Contingency & Engineering @ 25%	Project Total Costs
1	North Trunk San. Sewer (WWTP to Forsyth St.)	\$3,900,000.00	\$4,875,000.00	\$4,875,000.00
2	North Trunk San. Sewer (Forsyth St. to Wash St.)	\$2,970,000.00	\$3,715,000.00	\$3,715,000.00
3A	Richardson Lift Station Upgrade	\$1,250,000.00	\$1,565,000.00	\$1,565,000.00
3B	Richardson Force Main Upgrade	\$1,000,000.00	\$1,250,000.00	\$1,250,000.00
4	North Street San. Sewer to Richardson LS	\$1,250,000.00	\$1,565,000.00	\$1,565,000.00
5	Grove Street San. Sewer to Richardson LS	\$1,700,000.00	\$2,125,000.00	\$2,125,000.00
6A	Sullivan Street San. Sewer to Atlanta Street	\$1,275,000.00	\$1,595,000.00	\$1,595,000.00
6B	Westchester Lift Station Upgrade	\$1,000,000.00	\$1,250,000.00	\$1,250,000.00
6C	Westchester Force Main Upgrade	\$225,000.00	\$285,000.00	\$285,000.00
7A	Metro Lift Station Upgrade	\$1,000,000.00	\$1,250,000.00	\$1,250,000.00
7B	Metro Force Main Upgrade	\$375,000.00	\$470,000.00	\$470,000.00
Totals:		\$15,945,000.00	\$4,000,000.00	\$19,945,000.00



VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions and Recommendations

Carter & Sloope, Inc. has completed its preliminary study of the proposed water and sanitary sewer improvements for the City of Barnesville. The determination is that there is a critical need within the north sewershed for the proposed improvements to the sanitary sewer collection system recommended within this report.

A description of the existing conditions within the system, along with recommended improvements has been provided herein. An Engineer's Opinion of Probable Construction Cost has been included for review. Maps showing the proposed phased improvements have also been included within this report.

Carter and Sloope, Inc. recommends that the City of Barnesville secure the necessary funding for the construction of the proposed water system and sanitary sewer system improvements.

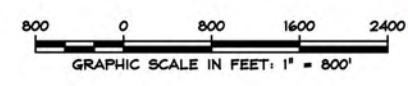
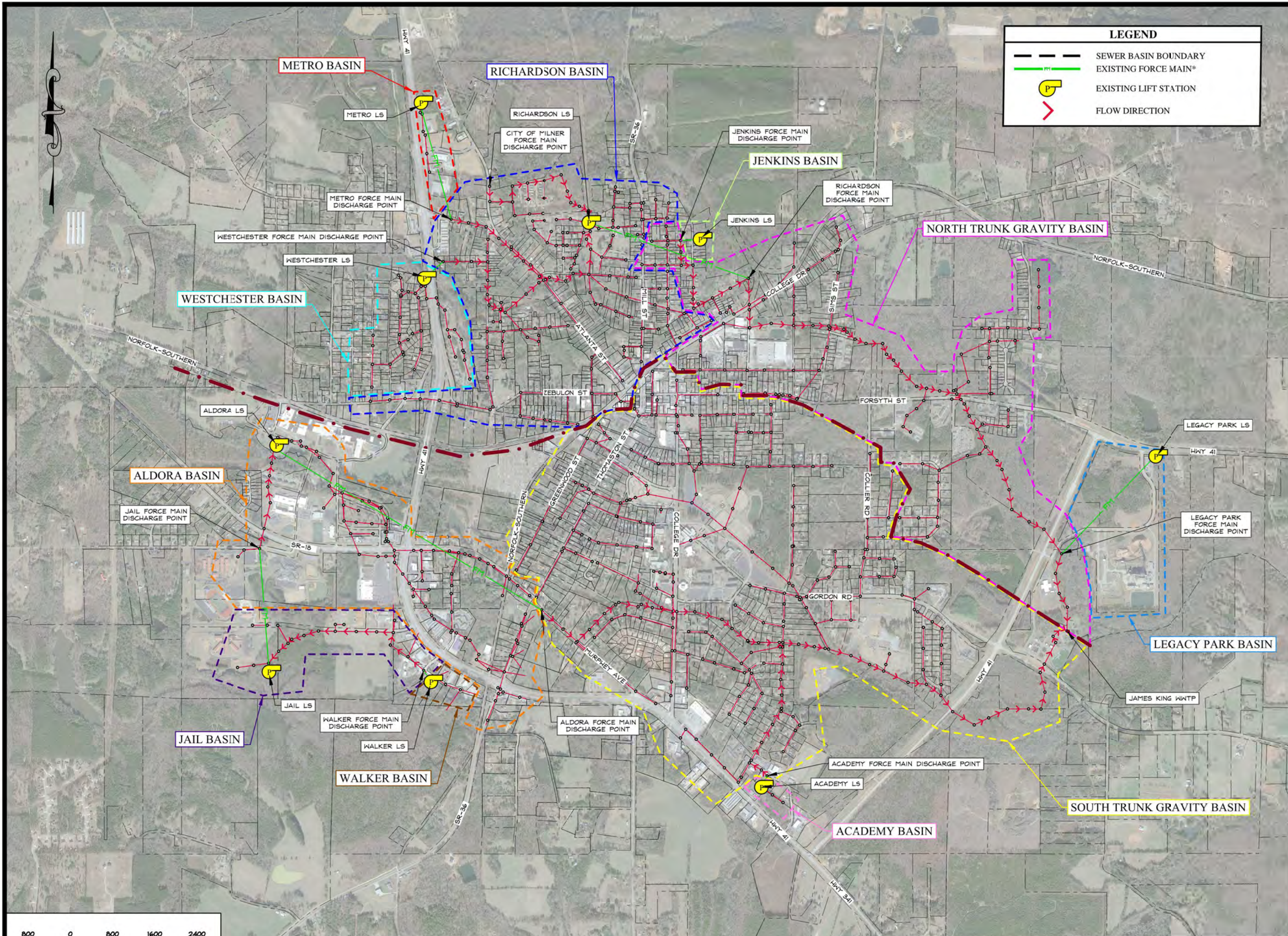




Appendix A

Sanitary Sewer Basin Map and Schematic





*FORCE MAINS ARE SHOWN FOR SYSTEM CONNECTIVITY. LOCATIONS OF FORCE MAIN ARE NOT ACCURATE.

REVISIONS:

APRIL 2024	

SANITARY SEWER BASIN MAP
FOR THE
CITY OF BARNESVILLE
LAMAR COUNTY, GEORGIA

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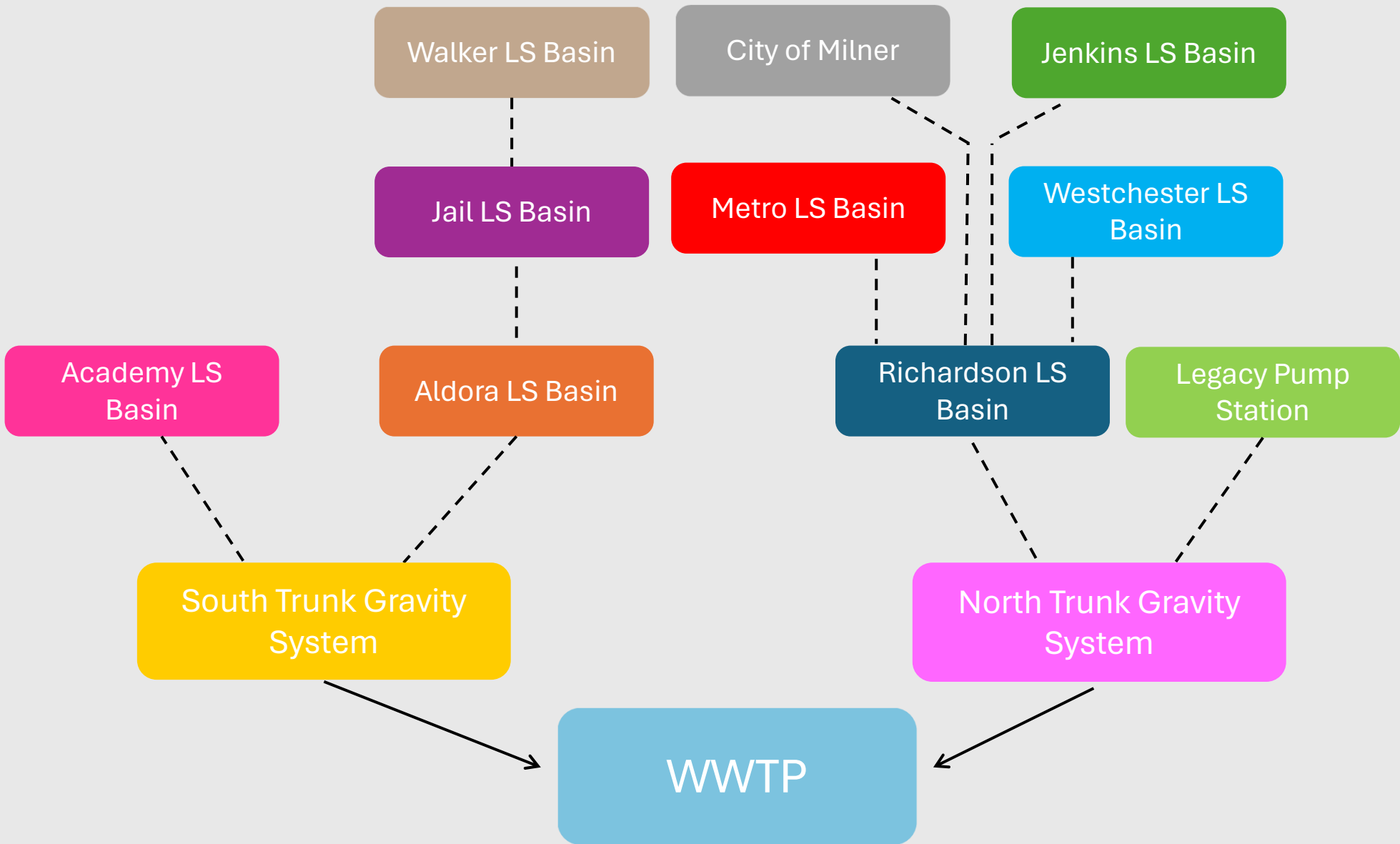
Carter & Sloope
CONSULTING ENGINEERS
MACON ♦ ATHENS ♦ CANTON ♦ MOUNTAINE
115 WOODLAND WAY, SUITE 120, CANTON, GA 30114 . 770.479.8782 TEL. 770.479.1884 FAX
GA COA LICENSE #PE0001004 EXPIRES 6/30/2024

THIS LINE IS ONE INCH LONG WHEN DRAWING IS PLOTTED FULL SCALE

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DATE: MAY 2024	SHEET NO.: 1
	OF 1 SHEETS

SANITARY SEWER BASIN MAP

Barnesville Sewer Basin Schematic

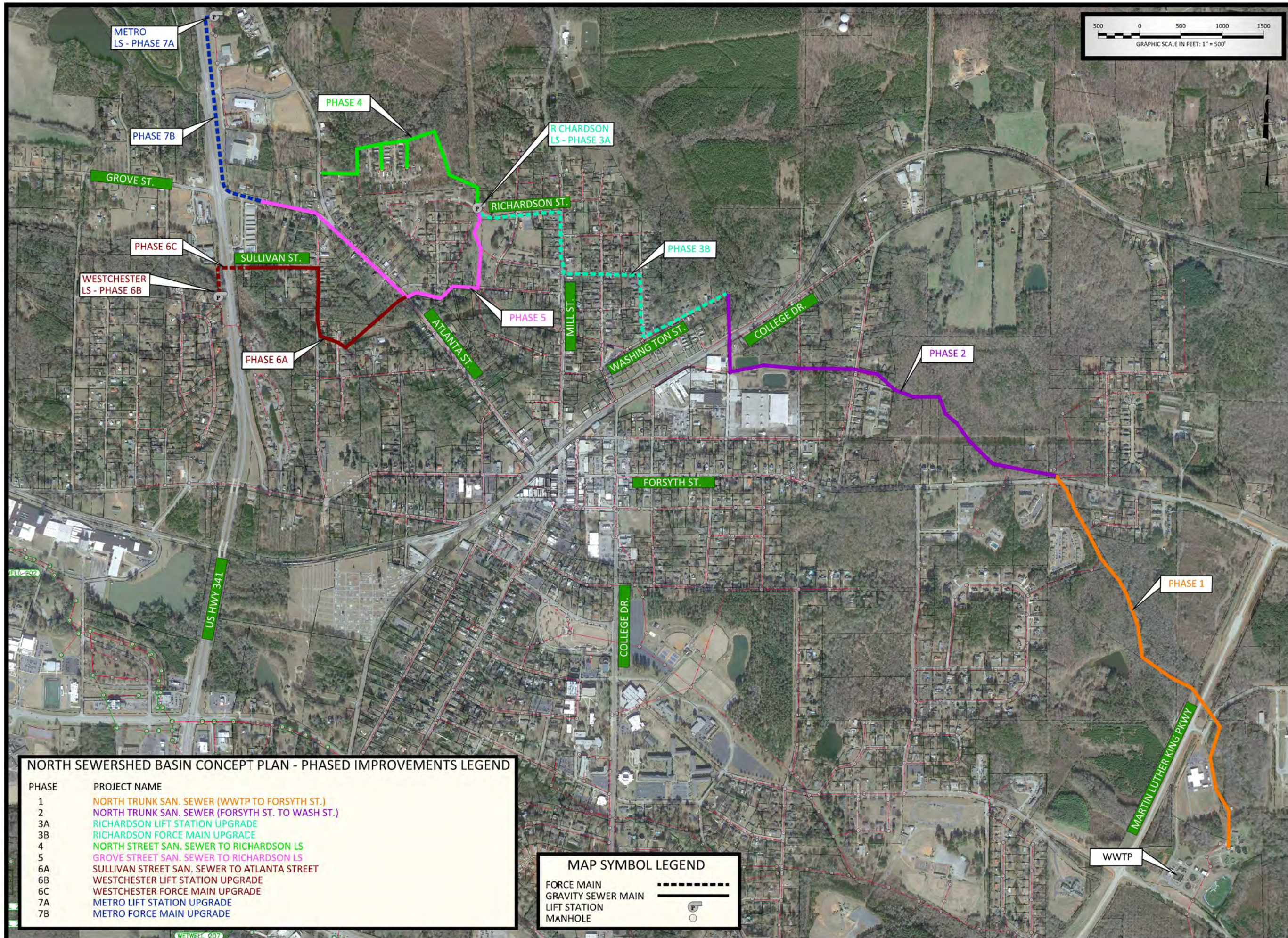




Appendix B

Proposed North Sewershed Phased Improvements Maps





REVISIONS:

NORTH SEWERSHED BASIN CONCEPT PLAN
 FOR THE
 CITY OF BARNESVILLE
 LAMAR COUNTY, GEORGIA

Carter & Sloope
 CONSULTING ENGINEERS
 MACON ♦ MOULTREE ♦ ATHENS ♦ CANTON

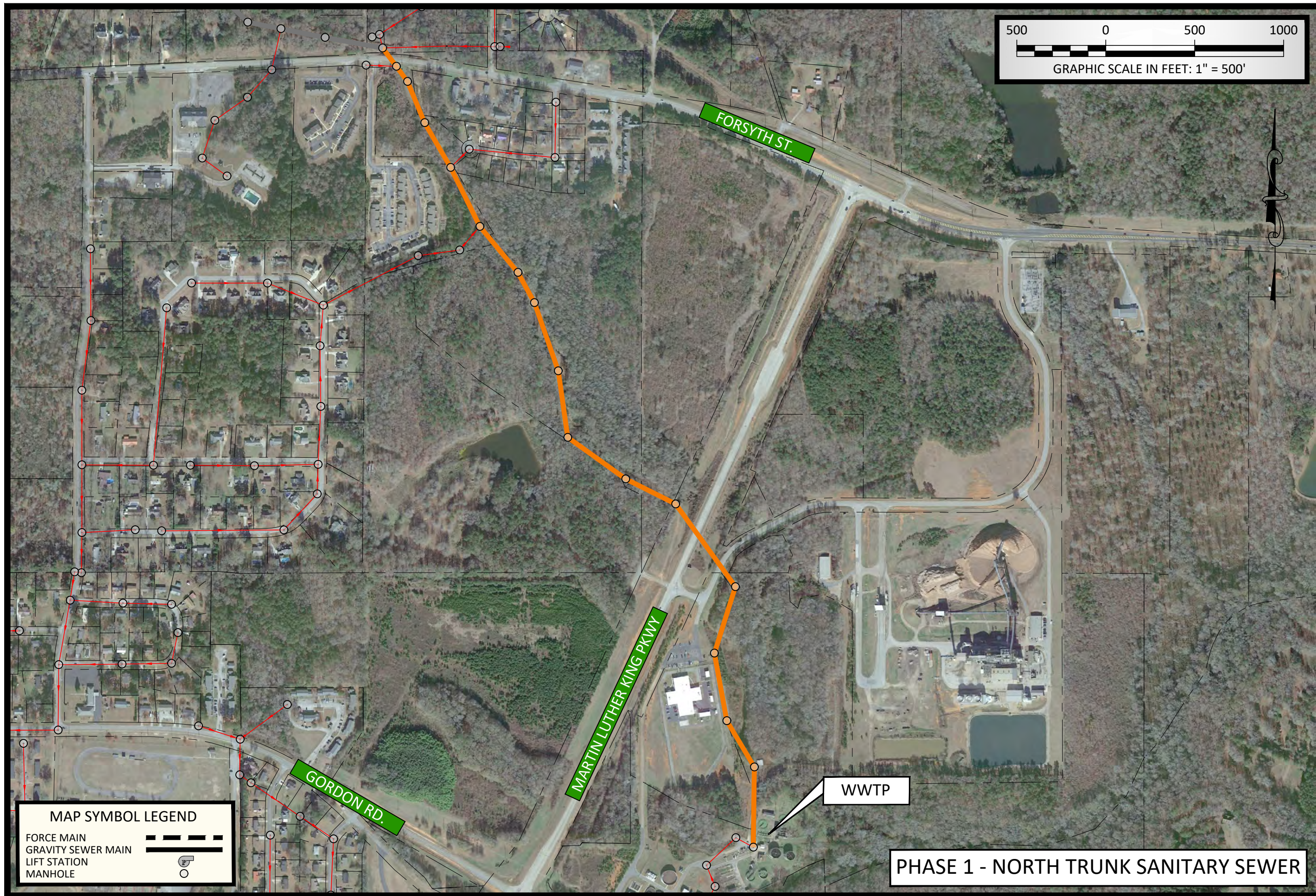
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DRWN:	DKG
SCALE:	AS SHOWN
DWG. NAME:	B SEWER MAP
PROJ. NO.:	B2595.001
DATE:	FEBRUARY 2024
SHEET NO.:	1
OF SHEETS	1

NORTH SEWERSHED BASIN CONCEPT PLAN - PHASED IMPROVEMENTS LEGEND

PHASE	PROJECT NAME
1	NORTH TRUNK SAN. SEWER (WWTP TO FORSYTH ST.)
2	NORTH TRUNK SAN. SEWER (FORSYTH ST. TO WASH ST.)
3A	RICHARDSON LIFT STATION UPGRADE
3B	RICHARDSON FORCE MAIN UPGRADE
4	NORTH STREET SAN. SEWER TO RICHARDSON LS
5	GROVE STREET SAN. SEWER TO RICHARDSON LS
6A	SULLIVAN STREET SAN. SEWER TO ATLANTA STREET
6B	WESTCHESTER LIFT STATION UPGRADE
6C	WESTCHESTER FORCE MAIN UPGRADE
7A	METRO LIFT STATION UPGRADE
7B	METRO FORCE MAIN UPGRADE

MAP SYMBOL LEGEND

FORCE MAIN	-----
GRAVITY SEWER MAIN	—————
LIFT STATION	○
MANHOLE	○



MAP SYMBOL LEGEND

FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	

PHASE 1 - NORTH TRUNK SANITARY SEWER

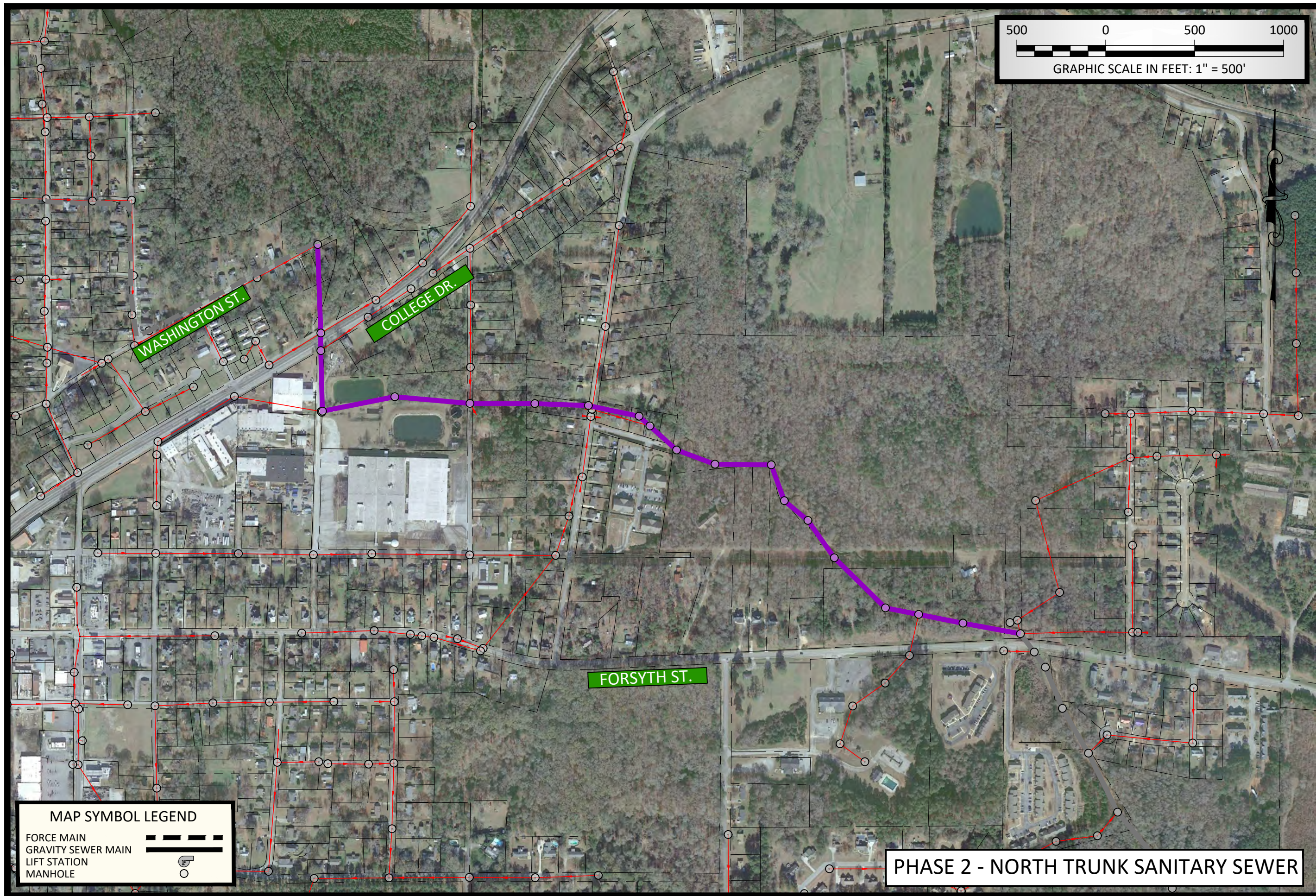
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 FOR THE
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 LAMAR COUNTY, GEORGIA

Carter & Sloop
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DSGN:	C & S
DRWN:	D.K.G.
SCALE:	AS SHOWN
DWG. NAME:	B SEWER MAP
PROJ. NO.:	B2595.001
DATE:	FEBRUARY 2024
SHEET NO.:	1
OF 1 SHEETS	



MAP SYMBOL LEGEND

FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	

PHASE 2 - NORTH TRUNK SANITARY SEWER

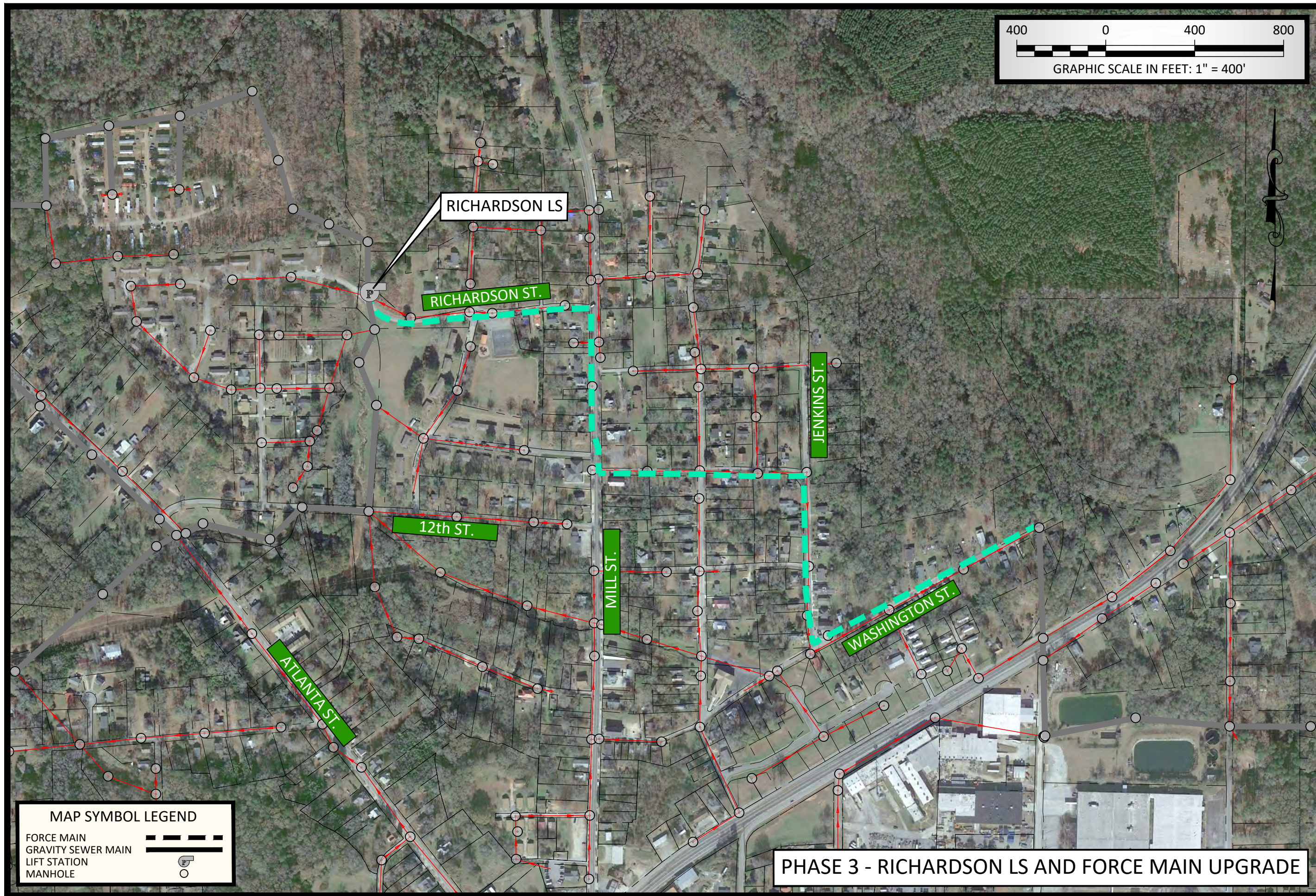
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MAP SYMBOL LEGEND	
FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	

PHASE 3 - RICHARDSON LS AND FORCE MAIN UPGRADE

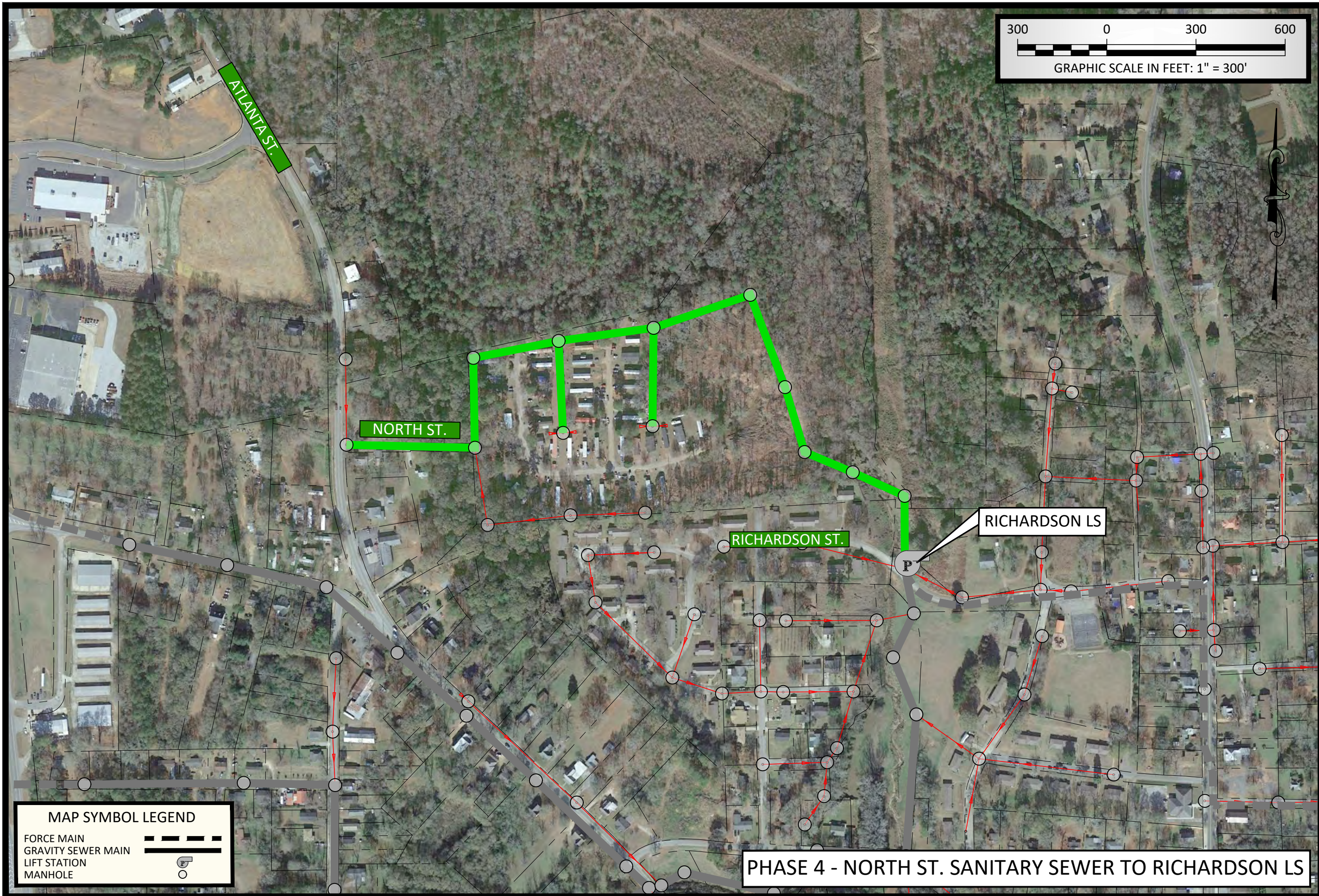
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MAP SYMBOL LEGEND

FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	

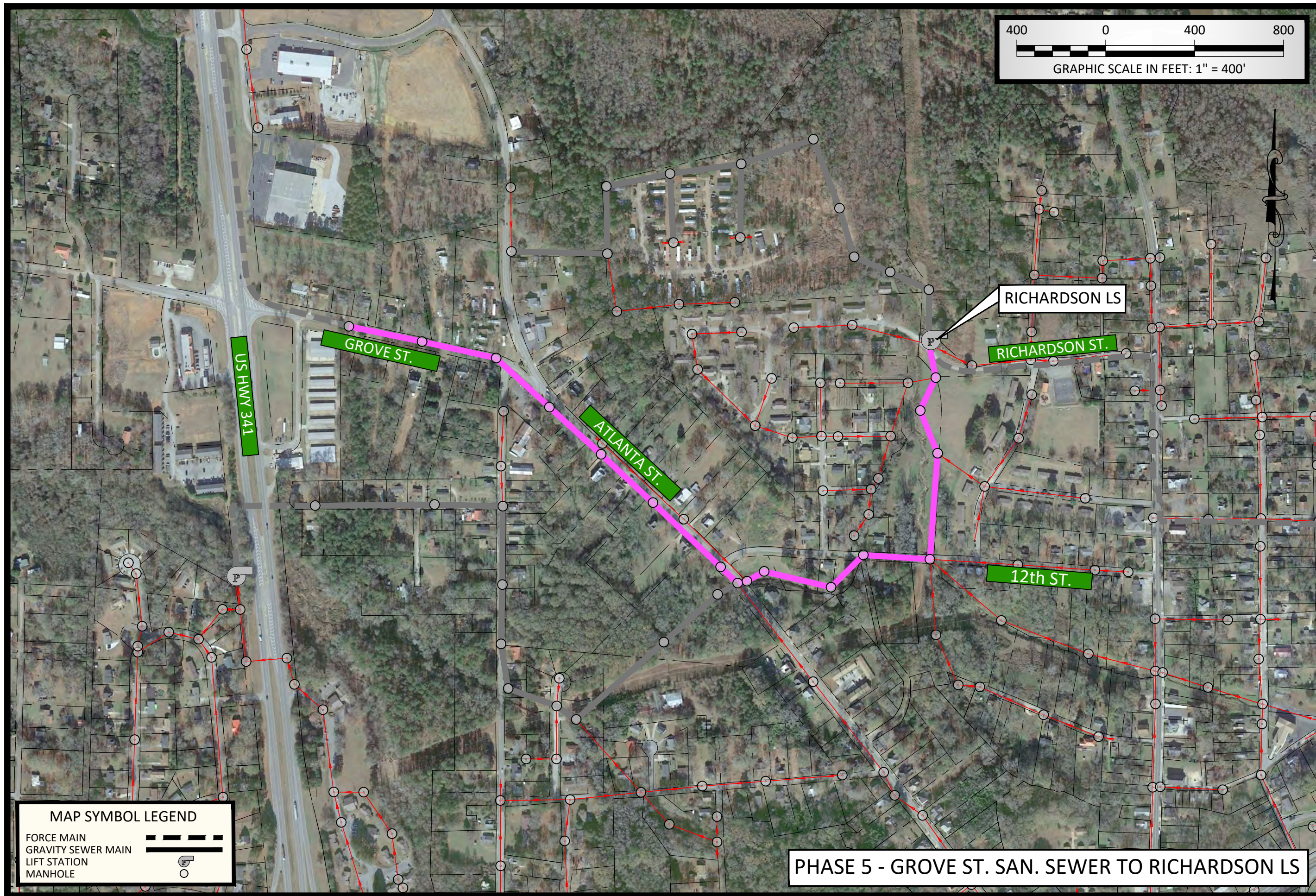
RICHARDSON LS

PHASE 4 - NORTH ST. SANITARY SEWER TO RICHARDSON LS

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MAP SYMBOL LEGEND

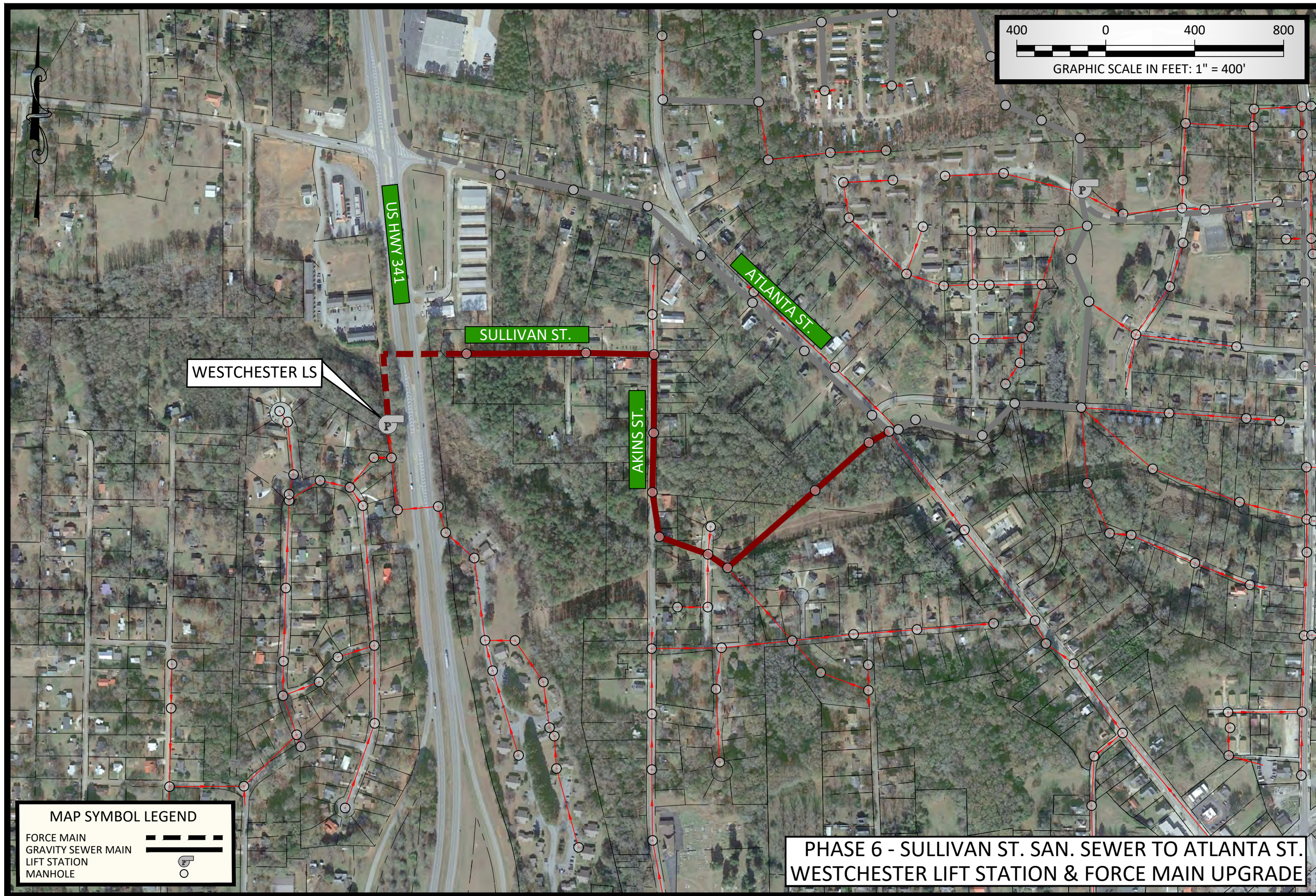
FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	

PHASE 5 - GROVE ST. SAN. SEWER TO RICHARDSON LS

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MAP SYMBOL LEGEND

FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	



**PHASE 6 - SULLIVAN ST. SAN. SEWER TO ATLANTA ST.
WESTCHESTER LIFT STATION & FORCE MAIN UPGRADE**

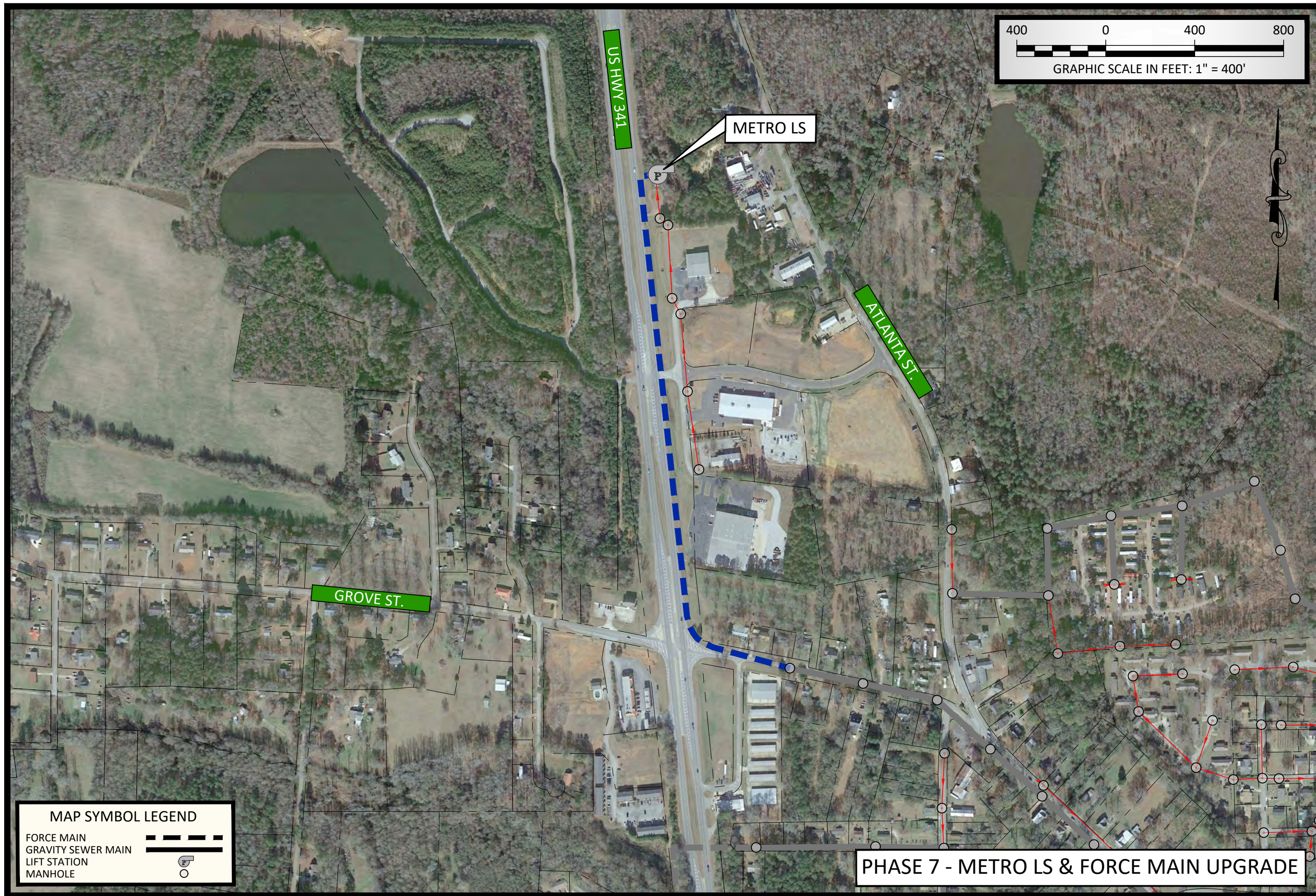
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MAP SYMBOL LEGEND

FORCE MAIN	
GRAVITY SEWER MAIN	
LIFT STATION	
MANHOLE	

PHASE 7 - METRO LS & FORCE MAIN UPGRADE

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Barnesville
Georgia

