

**CITY OF EASTMAN
EASTMAN, GEORGIA**

AUDIT REPORT

FOR YEAR ENDED DECEMBER 31, 2021

*City of Eastman
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For the Year Ended December 31, 2021*

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INDEPENDENT AUDITOR'S REPORT

To The Honorable Members of City Council
City of Eastman, Georgia

Report on the Audit of the Financial Statements

Opinions

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

In my 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 of Eastman, Georgia, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and American Rescue Plan of 2021 Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 of Eastman, Georgia'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 Responsibility for the Audit of the Financial Statements

My 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 my 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 *Governmental 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 of Eastman, Georgia'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Eastman, Georgia's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension plan schedules on pages 35-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The City has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Eastman, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, supporting schedules, and compliance schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and are also 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. This 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 my opinion, the combining and individual nonmajor fund financial statements, supporting schedules, compliance schedule, and the schedules of expenditures of 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatements of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 7, 2022, on my consideration of the City of Eastman, Georgia's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Eastman'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 of Eastman, Georgia's internal control over financial reporting and compliance.



Eastman, Georgia
July 7, 2022

BASIC FINANCIAL STATEMENTS

City of Eastman
Statement of Net Position
For the Year Ended December 31, 2021

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash	\$ 3,674,630	\$ 505,515	\$ 4,180,145
Investments	520,000	20,000	540,000
Receivables:			
Taxes	568,309	-	568,309
Accounts (Net)	-	602,642	602,642
Accrued Interest	-	-	-
Due from Other Governments	-	-	-
Due from Other Funds	9,125	96,295	105,420
Inventory	1,638	1,092	2,730
Total Unrestricted Current Assets	<u>4,773,702</u>	<u>1,225,544</u>	<u>5,999,246</u>
Restricted Assets:			
Bond Sinking Fund	-	605,663	605,663
Reserve Fund	<u>-</u>	<u>457,340</u>	<u>457,340</u>
Total Restricted Assets	<u>-</u>	<u>1,063,003</u>	<u>1,063,003</u>
Total Current Assets	<u>4,773,702</u>	<u>2,288,547</u>	<u>7,062,249</u>
Non-Current Assets:			
Capital Assets Not Being Depreciated	277,161	63,057	340,218
Capital Assets, Net of Depreciation	<u>2,154,870</u>	<u>15,144,491</u>	<u>17,299,361</u>
Total Non-Current Assets	<u>2,432,031</u>	<u>15,207,548</u>	<u>17,639,579</u>
Total Assets	<u>7,205,733</u>	<u>17,496,095</u>	<u>24,701,828</u>
Deferred Outflows of Resources:			
Pension Adjustments	<u>54,433</u>	<u>291,382</u>	<u>345,815</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 56,704	\$ 72,593	\$ 129,297
Accrued Liabilities	16,000	-	16,000
Due to Other Funds	-	105,420	105,420
Unearned Revenue	-	-	-
Note Payable	56,451	-	56,451
Revenue Bond Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>129,155</u>	<u>178,013</u>	<u>307,168</u>
Long-Term Liabilities:			
Note Payable	186,176	-	186,176
Revenue Bond Payable	-	5,875,000	5,875,000
Net Pension Liability	277,507	75,187	352,694
Deposits Payable	<u>-</u>	<u>110,397</u>	<u>110,397</u>
Total Long-Term Liabilities	<u>463,683</u>	<u>6,060,584</u>	<u>6,524,267</u>

See Accompanying Notes to Financial Statements

City of Eastman
Statement of Net Position
For the Year Ended December 31, 2021

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources:			
Pension Adjustments	<u>387,704</u>	<u>379,115</u>	<u>766,819</u>
Net Position			
Net Investment in Capital Assets	2,189,404	9,332,548	11,521,952
Restricted for Capital Projects	877,904	-	877,904
Restricted for Tourism	465,006	-	465,006
Restricted for Public Health	946,101	-	946,101
Restricted for Public Safety	94,233	-	94,233
Restricted for Public Works	465,006	-	465,006
Restricted for Bond Issue	-	605,663	605,663
Restricted for Renewal & Extensions	-	457,340	457,340
Unrestricted	<u>1,241,970</u>	<u>774,214</u>	<u>2,016,184</u>
Net Position	<u>\$ 6,279,624</u>	<u>\$ 11,169,765</u>	<u>\$ 17,449,389</u>

See Accompanying Notes to Financial Statements

City of Eastman
Statement of Activities
Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities:							
General Government	\$ 1,134,586	\$ 45,690	\$ -	\$ -	\$ (1,088,896)		\$ (1,088,896)
Judicial	9,295	153,144	-	-	143,849		143,849
Public Safety	1,533,316	64	1,001,101	-	(532,151)		(532,151)
Public Works	1,893,668	-	119,765	1,537,028	(236,875)		(236,875)
Health & Welfare	4,451	-	-	-	(4,451)		(4,451)
Culture / Recreation	16,965	-	5,833	-	(11,132)		(11,132)
Housing and Development	79,359	-	-	-	(79,359)		(79,359)
Interest	3,541	-	-	-	(3,541)		(3,541)
Total governmental activities	4,675,181	198,898	1,126,699	1,537,028	(1,812,556)		(1,812,556)
Business - Type Activities:							
Water and Sewer	2,418,608	2,055,660	-	-		(362,948)	(362,948)
Solid Waste	617,359	633,927	-	-		16,568	16,568
Industrial Development	4,933	-	-	-		(4,933)	(4,933)
Total business - type activities	3,040,900	2,689,587	-	-		(351,313)	(351,313)
Total	\$ 7,716,081	\$ 2,888,485	\$ 1,126,699	\$ 1,537,028	\$ (1,812,556)	\$ (351,313)	\$ (2,163,869)
General Revenues:							
Ad Valorem Taxes		\$ 1,030,918	\$ -	\$ -	\$ 1,030,918		\$ 1,030,918
Insurance Premium Tax		477,292	-	-	477,292		477,292
Sales Tax		761,529	-	-	761,529		761,529
Franchise Fees		397,645	-	-	397,645		397,645
Other Taxes		316,515	-	-	316,515		316,515
Interest		917	-	-	917	1,442	2,359
Other Revenues		129,321	-	-	129,321	96,893	226,214
Transfers		43,252	-	-	43,252	(43,252)	-
Gain/(Loss) on Disposal		5,156	-	-	5,156	-	5,156
Total general revenues and transfers		3,162,545	-	-	3,162,545	55,083	3,217,628
Change in Net Position		1,349,989	-	-	1,349,989	(296,230)	1,053,759
Net Position - beginning		4,928,824	-	-	4,928,824	11,465,995	16,394,819
Adjustment		811	-	-	811	-	811
Net Position - ending		\$ 6,279,624	\$ -	\$ -	\$ 11,169,765	\$ -	\$ 17,449,389

See Accompanying Notes to Financial Statements

*City of Eastman
Balance Sheet
Governmental Funds
December 31, 2021*

	<u>General</u>	<u>American Rescue Plan of 2021</u>	<u>2013 SPLOST</u>	<u>TSPLOST</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Current Assets:						
Cash	\$ 1,620,075	\$ 946,101	\$ 105,283	\$ 234,806	\$ 768,365	\$ 3,674,630
Investments	520,000	-	-	-	-	520,000
Inventory	1,638	-	-	-	-	1,638
Receivables	568,309	-	-	-	-	568,309
Due From Other Funds	9,125	-	-	-	-	9,125
Total Assets	<u>\$ 2,719,147</u>	<u>\$ 946,101</u>	<u>\$ 105,283</u>	<u>\$ 234,806</u>	<u>\$ 768,365</u>	<u>\$ 4,773,702</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts Payable	\$ 56,704	\$ -	\$ -	\$ -	\$ -	\$ 56,704
Accrued Liabilities	16,000	-	-	-	-	16,000
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>72,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,704</u>
Deferred Inflows of Resources:						
Deferred Taxes	95,092	-	-	-	-	95,092
Fund Balance						
Nonspendable						
Inventories	1,638	-	-	-	-	1,638
Restricted for						
Capital Projects	-	-	105,283	234,806	537,815	877,904
Public Health	-	946,101	-	-	-	946,101
Public Safety	-	-	-	-	94,233	94,233
Public Works	-	-	-	-	136,317	136,317
Tourism	465,006	-	-	-	-	465,006
Unassigned	2,084,707	-	-	-	-	2,084,707
Total Fund Balances	<u>2,551,351</u>	<u>946,101</u>	<u>105,283</u>	<u>234,806</u>	<u>768,365</u>	<u>4,605,906</u>
Total Liabilities and Fund Balance	<u>\$ 2,719,147</u>	<u>\$ 946,101</u>	<u>\$ 105,283</u>	<u>\$ 234,806</u>	<u>\$ 768,365</u>	<u>\$ 4,773,702</u>

See accompanying notes to financial statements

City of Eastman
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
Year Ended December 31, 2021

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,605,906
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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 Governmental
Funds Balance Sheet:

Governmental capital assets	\$ 4,960,665	
Less: accumulated depreciation	<u>(2,528,634)</u>	2,432,031

Other receivables are not available to pay for current period
expenditures and therefore are reported as unavailable
revenue in the Governmental Funds as unavailable revenue
in the Governmental Funds Balance Sheet -

Property taxes	95,092
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Deferred outflows and inflows of resources related to pensions
are applicable to future reporting periods, and, therefore, are
not reported on the Governmental Funds Balance Sheet:

Deferred outflows	54,433	
Deferred inflows	<u>(387,704)</u>	(333,271)

Long-term liabilities, including notes payable, capital leases payable,
and pensions, are not due and payable in the current period and
therefore are not reported in the Governmental Funds Balance Sheet:

Notes payable	(242,627)	
Net pension liability	<u>(277,507)</u>	<u>(520,134)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,279,624</u>
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See accompanying notes to financial statement.

City of Eastman
Governmental Funds
Combined Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

	General	American Rescue Plan of 2021	2013 SPLOST	TSPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 2,902,454	\$ -	\$ -	\$ -	\$ 47,400	\$ 2,949,854
Interest	796	-	121	-	-	917
Licenses and Permits	40,225	-	-	-	-	40,225
Fines and Forfeitures	153,144	-	-	-	-	153,144
Intergovernmental	89,200	946,101	-	737,390	886,036	2,658,727
Contribution & Donation	11,230	-	-	-	-	11,230
Charges for Services	5,529	-	-	-	-	5,529
Other Revenues	87,408	-	-	-	30,683	118,091
Total Revenues	<u>3,289,986</u>	<u>946,101</u>	<u>121</u>	<u>737,390</u>	<u>964,119</u>	<u>5,937,717</u>
Expenditures:						
Current:						
General Government	1,175,303	-	388,217	-	-	1,563,520
Judicial	9,295	-	-	-	-	9,295
Public Safety	1,435,244	-	19,721	-	2,957	1,457,922
Public Works	507,781	-	291,060	710,879	337,226	1,846,946
Health & Welfare	4,451	-	-	-	-	4,451
Culture / Recreation	16,965	-	-	-	-	16,965
Housing & Development	61,300	-	-	-	18,059	79,359
Debt Service:						
Principle Payments	38,243	-	-	-	-	38,243
Interest	3,541	-	-	-	-	3,541
Total Expenditures	<u>3,252,123</u>	<u>-</u>	<u>698,998</u>	<u>710,879</u>	<u>358,242</u>	<u>5,020,242</u>
Excess (Deficiency) of Revenues over Expenditures	<u>37,863</u>	<u>946,101</u>	<u>(698,877)</u>	<u>26,511</u>	<u>605,877</u>	<u>917,475</u>
Other Financing Sources (uses):						
Loan Proceeds	141,101	-	-	-	-	141,101
Sale of Assets	5,156	-	-	-	-	5,156
Grants	-	-	-	-	5,000	5,000
Transfers, Net	35,225	-	-	-	8,027	43,252
Total Other Financing Sources (uses)	<u>181,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,027</u>	<u>194,509</u>
Net Change in Fund Balance	219,345	946,101	(698,877)	26,511	618,904	1,111,984
Fund Balance, Beginning	2,331,195	-	804,160	208,295	149,461	3,493,111
Adjustments	<u>811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811</u>
Fund Balance, Ending	<u>\$ 2,551,351</u>	<u>\$ 946,101</u>	<u>\$ 105,283</u>	<u>\$ 234,806</u>	<u>\$ 768,365</u>	<u>\$ 4,605,906</u>

See accompanying notes to financial statement

City of Eastman
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 December 31, 2021

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 1,111,984**

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for capital assets	\$ 383,684	
Less: current year depreciation	<u>(171,821)</u>	211,863

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds:

Property taxes	34,045
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City pension contributions are reported as expenditures in Governmental Funds when made. However, they are reported as deferred outflows of resources in the Statement of net position because the net pension liability is measured nine months prior to the City's report date. Pension expense which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities:

Pension expense	94,955
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Issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principle of long-term debt consumes current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position:

Debt proceeds	\$ (141,101)	
Notes and leases principle paid	<u>38,243</u>	<u>(102,858)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 1,349,989**

See accompanying notes to financial statement.

City of Eastman
General Fund
Statement of Revenues, Expenditures, and Changes
In Fund Balances Budget And Actual
Year Ended December 31, 2021

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive
				(Negative)
Revenues:				
Taxes	\$ 2,765,395	\$ 2,841,711	\$ 2,902,454	\$ 60,743
Interest	3,000	293	796	503
Licenses and Permits	44,800	40,226	40,225	(1)
Fines and Forfeitures	150,000	153,145	153,144	(1)
Intergovernmental	-	89,200	89,200	-
Contribution & Donation	7,700	11,230	11,230	-
Charges for Service	2,520	5,529	5,529	-
Miscellaneous	86,200	81,814	87,408	5,594
Total Revenues	3,059,615	3,223,148	3,289,986	66,838
Expenditures:				
General Government	1,154,846	1,159,172	1,175,303	(16,131)
Judicial	9,690	10,090	9,295	795
Public Safety	1,336,724	1,443,190	1,435,244	7,946
Public Works	540,216	540,216	507,781	32,435
Health and Welfare	7,249	7,249	4,451	2,798
Culture / Recreation	3,500	16,965	16,965	-
Housing and Development	60,040	60,901	61,300	(399)
Total Expenditures	3,112,265	3,237,783	3,210,339	27,444
Excess (Deficiency) of Revenues Over Expenditures	(52,650)	(14,635)	79,647	94,282
Other Financing Sources (uses):				
Principle Payments	-	-	(38,243)	(38,243)
Interest	-	-	(3,541)	(3,541)
Loan Proceeds	-	44,268	141,101	96,833
Sale of Assets	-	10,751	5,156	(5,595)
Transfers, Net	52,650	(40,384)	35,225	75,609
Total Other Financing Sources (uses):	52,650	14,635	139,698	125,063
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	219,345	219,345
Fund Balance, Beginning	2,331,195	2,331,195	2,331,195	-
Adjustments	-	-	811	811
Fund Balance, Ending	\$ 2,331,195	\$ 2,331,195	\$ 2,551,351	\$ 220,156

See Accompanying Notes to Financial Statements

City of Eastman
American Rescue Plan of 2021 Fund
Statement of Revenues, Expenditures, and Changes
In Fund Balances Budget And Actual
Year Ended December 31, 2021

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 946,101	\$ 946,101
Miscellaneous	-	-	-	-
Total Revenues	-	-	946,101	946,101
Expenditures:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	946,101	94,282
Other Financing Sources (uses):				
Transfers, Net	-	-	-	-
Total Other Financing Sources (uses):	-	-	-	125,063
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	946,101	946,101
Fund Balance, Beginning	-	-	-	-
Adjustments	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946,101</u>	<u>\$ 946,101</u>

See Accompanying Notes to Financial Statements

*City of Eastman
Proprietary Funds
Statement of Net Position
December 31, 2021*

	<u>Water And Sewer</u>	<u>Solid Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
	<u>ASSETS</u>			
Current Assets:				
Cash	\$ 309,506	\$ 196,009	\$ -	\$ 505,515
Accounts Receivable (Net)	458,301	144,341	-	602,642
Investment	20,000	-	-	20,000
Accrued Interest Receivable	-	-	-	-
Due to Other Funds	-	96,295	-	96,295
Inventory	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>1,092</u>
Total Unrestricted Current Assets	<u>788,899</u>	<u>436,645</u>	<u>-</u>	<u>1,225,544</u>
Restricted Current Assets:				
Cash:				
Bond Sinking Fund	605,663	-	-	605,663
Reserve Fund	<u>457,340</u>	<u>-</u>	<u>-</u>	<u>457,340</u>
Total Restricted Current Assets	<u>1,063,003</u>	<u>-</u>	<u>-</u>	<u>1,063,003</u>
Total Current Assets	<u>1,851,902</u>	<u>436,645</u>	<u>-</u>	<u>2,288,547</u>
Property, Plant And Equipment:				
Land	63,057	-	-	63,057
Construction In Progress	-	-	-	-
Building	16,800	-	246,640	263,440
Infrastructure	24,071,985	-	-	24,071,985
Machinery And Equipment	<u>515,296</u>	<u>-</u>	<u>-</u>	<u>515,296</u>
Total Property, Plant And Equipment	<u>24,667,138</u>	<u>-</u>	<u>246,640</u>	<u>24,913,778</u>
Less Accumulated Depreciation	<u>(9,555,774)</u>	<u>-</u>	<u>(150,456)</u>	<u>(9,706,230)</u>
Net Property, Plant and Equipment	<u>15,111,364</u>	<u>-</u>	<u>96,184</u>	<u>15,207,548</u>
Deferred Outflows of Resources:				
Pension Adjustments	<u>291,382</u>	<u>-</u>	<u>-</u>	<u>291,382</u>
Total Assets	<u>\$ 17,254,648</u>	<u>\$ 436,645</u>	<u>\$ 96,184</u>	<u>\$ 17,787,477</u>

See Accompanying Notes to Financial Statements

City of Eastman
Proprietary Funds
Statement of Net Position - Continued
December 31, 2021

	<u>Water And Sewer</u>	<u>Solid Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
Liabilities:	<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities				
(payable from current assets):				
Accounts Payable	\$ 25,610	\$ 46,983	\$ -	\$ 72,593
Due from Other Funds	105,420	-	-	105,420
(payable from restricted assets):				
Bonds Payable	-	-	-	-
Total Current Liabilities	<u>131,030</u>	<u>46,983</u>	<u>-</u>	<u>178,013</u>
Long-Term Liabilities:				
Revenue Bonds	5,875,000	-	-	5,875,000
Deposits Payable	110,397	-	-	110,397
Net Pension Liability	75,187	-	-	75,187
Total Long-Term Liabilities	<u>6,060,584</u>	<u>-</u>	<u>-</u>	<u>6,060,584</u>
Total Liabilities	<u>6,191,614</u>	<u>46,983</u>	<u>-</u>	<u>6,238,597</u>
Deferred Inflows of Resources:				
Pension Adjustments	<u>379,115</u>	<u>-</u>	<u>-</u>	<u>379,115</u>
Net Position				
Net Investment in Capital Assets	9,236,364	-	96,184	9,332,548
Restricted for Bond Issue	605,663	-	-	605,663
Restricted for Renewal & Extensions	457,340			457,340
Restricted for Construction Project	-	-	-	-
Unrestricted	<u>384,552</u>	<u>389,662</u>	<u>-</u>	<u>774,214</u>
Total Net Position	<u>\$ 10,683,919</u>	<u>\$ 389,662</u>	<u>\$ 96,184</u>	<u>\$ 11,169,765</u>

See Accompanying Notes to Financial Statements

City of Eastman
Proprietary Funds
Statement Of Revenues, Expenses,
And Changes In Fund Net Position
Year Ended December 31, 2021

	<u>Water And Sewer</u>	<u>Soild Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
Operating Revenues:				
Charge for Services	\$ 1,994,344	\$ 633,927	\$ -	\$ 2,628,271
Other	61,316	-	-	61,316
Total Operating Revenue	<u>2,055,660</u>	<u>633,927</u>	<u>-</u>	<u>2,689,587</u>
Operating Expenses:				
Sewage Collection and Disposal	541,633	617,359	-	1,158,992
Water - Administration	696,945	-	-	696,945
Water - Supply	693,170	-	-	693,170
Water - Distribution	282,803	-	-	282,803
Housing & Development	-	-	4,933	4,933
Total Operating Expenses	<u>2,214,551</u>	<u>617,359</u>	<u>4,933</u>	<u>2,836,843</u>
Operating Income (loss)	<u>(158,891)</u>	<u>16,568</u>	<u>(4,933)</u>	<u>(147,256)</u>
Nonoperating Revenues (expenses)				
Interest Revenues	1,442	-	-	1,442
Rents & Royalties	72,433	-	-	72,433
Intergovernmental	10,765	-	-	10,765
Sale of Assets	-	-	-	-
Other	13,695	-	-	13,695
Interest Expense	<u>(204,057)</u>	<u>-</u>	<u>-</u>	<u>(204,057)</u>
Total Nonoperating Revenues (Expenses)	<u>(105,722)</u>	<u>-</u>	<u>-</u>	<u>(105,722)</u>
Income (loss) before Transfers	<u>(264,613)</u>	<u>16,568</u>	<u>(4,933)</u>	<u>(252,978)</u>
Transfers In (out), Net	<u>(43,252)</u>	<u>-</u>	<u>-</u>	<u>(43,252)</u>
Net Income (loss)	<u>(307,865)</u>	<u>16,568</u>	<u>(4,933)</u>	<u>(296,230)</u>
Net Position, Beginning	10,991,784	373,094	101,117	11,465,995
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Ending	<u>\$ 10,683,919</u>	<u>\$ 389,662</u>	<u>\$ 96,184</u>	<u>\$ 11,169,765</u>

See Accompanying Notes to Financial Statements

City of Eastman
Proprietary Fund
Combining Statement Of Cash Flows
For the Year Ended December 31, 2021

	Water And Sewer	Solid Waste	Industrial Development	Total
Cash Flow From Operating Activities				
Cash Received From Customers	\$ 2,015,243	\$ 606,792	\$ -	\$ 2,622,035
Cash Received From Other	61,316	-	-	61,316
Cash Payment To Suppliers	(1,348,982)	(616,738)	-	(1,965,720)
Cash Payment to Employees	(475,024)	-	-	(475,024)
Net Cash Provided (Used) by operating activities	<u>252,553</u>	<u>(9,946)</u>	<u>-</u>	<u>242,607</u>
Cash Flow From Noncapital Financing Activities:				
Rents & Royalties	72,433	-	-	72,433
Grant & Contracts	10,765	-	-	10,765
Other	13,695	-	-	13,695
Transfers In (Out) from other Funds	(43,252)	-	-	(43,252)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>53,641</u>	<u>-</u>	<u>-</u>	<u>53,641</u>
Cash Flows From Capital and Related Financing Activities:				
Bond Proceeds	-	-	-	-
Principal Paid on Bonds	(200,000)	-	-	(200,000)
Interest on Loan	(204,057)	-	-	(204,057)
Acquisition of Capital Assets	-	-	-	-
Proceeds From Disposal of Assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(404,057)</u>	<u>-</u>	<u>-</u>	<u>(404,057)</u>
Cash Flow From Investing Activities				
Interest On Investments	1,442	-	-	1,442
Proceeds From Investments	-	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>1,442</u>	<u>-</u>	<u>-</u>	<u>1,442</u>
Net Increase (decrease) In Cash	(96,421)	(9,946)	-	(106,367)
Cash, Beginning	1,468,930	205,955	-	1,674,885
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, Ending	<u>\$ 1,372,509</u>	<u>\$ 196,009</u>	<u>\$ -</u>	<u>\$ 1,568,518</u>

See Accompanying Notes to Financial Statements

City of Eastman
Proprietary Funds
Combining Statement Of Cash Flows
For the Year Ended December 31, 2021

RECONCILIATION OF NET INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

	Water And Sewer	Solid Waste	Industrial Development	Total
Net Income (loss) From Operations	<u>\$ (158,891)</u>	<u>\$ 16,568</u>	<u>\$ (4,933)</u>	<u>\$ (147,256)</u>
Adjustment To Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	478,329	-	4,933	483,262
Pension Expense	(92,872)	-	-	(92,872)
Donations	-	-	-	-
Changes In Assets And Liabilities:				
Decreases (increases) in Inventory	(361)	-	-	(361)
Decreases (increases) in Accounts Receivable	(13,783)	(8,088)	-	(21,871)
Decreases (increases) in Accrued Interest Receivables	-	-	-	-
Decreases (increases) in Due From Other Funds	28,172	(19,047)	-	9,125
Increases (decreases) in Accounts payable	5,449	621	-	6,070
Increases (decreases) in Deposits Payable	<u>6,510</u>	<u>-</u>	<u>-</u>	<u>6,510</u>
	<u>411,444</u>	<u>(26,514)</u>	<u>4,933</u>	<u>389,863</u>
Net Cash Provided By Operating Activities	<u><u>\$ 252,553</u></u>	<u><u>\$ (9,946)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 242,607</u></u>

See accompanying note to financial statements.

City of Eastman
Notes To Financial Statements
December 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Eastman was incorporated in 1872. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, development services, culture, recreation and waterworks.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

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

Based on the aforementioned criteria, the City of Eastman has no component units.

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, 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 program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

City of Eastman
Notes To Financial Statements
December 31, 2021

C. Basis of Presentation cont'd

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund-

General fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds-

Special revenue funds are used to account for revenues and expenditures of hotel/motel tax, confiscated assets, and various grant/contracts that the City had entered into.

American Rescue Plan of 2021 Fund- Established to account for all Local Fiscal Recovery Funds received by the City through the American Rescue Plan (ARP) Act of 2021 (HR1319, 117th Congress; Public Law No. 117-2). This special revenue fund is reserved exclusively for the accounting of these funds, in accordance with guidance from the United States Department of the Treasury.

Capital Project Funds-

Capital project funds are used to account for revenues and expenditures of Special Purpose Local Option Sales Tax and various grant agreements/contracts that the City had entered into.

2013 SPLOST Fund- Established to separately account for Special Purpose Local Option Sales Tax, which was approved by the citizens of Dodge County in November 2013. The proceeds of this levy are designated for renovations, improvements, additions to water and sewer systems, storm drainage systems, economic development, and capital improvement projects for the City totaling \$2,419,300. The proceeds of this levy began on November 2013. Under Georgia law, this tax can remain in effect for six years.

TSPLOST Fund- Established to separately account for Transportation Investment Act Special Purpose Local Option Sales Tax. The proceeds of this levy are for transportation projects.

Proprietary Funds-

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Assets. The City has presented the following major proprietary funds:

Water and Sewer Fund-

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer

City of Eastman
Notes To Financial Statements
December 31, 2021

system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Solid Waste Fund-

Solid Waste Fund is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Industrial Development Fund-

Industrial Development Fund is used to account for properties owed by the City used for industrial development within the City limits.

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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets.

Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquitted by the City.

Investments are stated at fair value based on quoted market prices.

City of Eastman
Notes To Financial Statements
December 31, 2021

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

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government

- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

It is the Policy of the City to deposit any available excess funds into interest-bearing money market accounts or certificates of deposits.

F. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Inventory

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of other supplies which are recorded as assets at the time of purchase and as expenditures as the supplies are used. These inventories are valued at cost using the first-in/first-out method.

H. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

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

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses.

Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on capital assets.

City of Eastman
Notes To Financial Statements
December 31, 2021

Infrastructure assets reported in the Governmental Activities include assets acquired subsequent to January 1, 2004. The City's management has elected not to include infrastructure assets acquired prior to this date.

Assets capitalized, have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 Years
Water & Sewer System	30-50 Years
Infrastructure	20-40 Years
Machinery and Equipment	5-10 Years
Improvements	20 Years

J. Accumulated Unpaid Vacation, Sick Pay, and Other Benefits

Accumulated unpaid vacation, sick pay, and other employee benefits are not accrued since the amounts do not exceed a normal year's accumulation. These expenses are recorded when payment is made.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental funds payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

L. Deferred Outflows / Inflows of Resources

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2013. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item, which arises under the accrual basis of accounting, that qualifies for reporting in this category. Pension plan contributions made subsequent to the measurement date of the Pension plan are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewer Fund. These amounts are deferred and recognized as outflows of resources in the period that the amounts become applicable.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. Under the modified accrual basis of accounting, unavailable revenue from property taxes is reported only in the governmental funds balance sheet. Under the accrual basis of accounting, pension related items are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewer Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Eastman
Notes To Financial Statements
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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

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. 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 expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted: Fund balances are reported as restricted when there are limitations imposed on their use either through 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 by formal action of the City Council through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. Only the 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 Council has authorized the City's Manager to assign fund balances. The Council may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. Positive unassigned fund balance may be reported only when in the General Fund. Negative unassigned fund balances may be reported in all governmental funds.

Net Position

Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net positions is reported as restricted using the same definition as used for restricted fund balances as described in the section above. The residual amount of equity not classified as net investment in capital assets or net position restricted is reported as net position unrestricted.

Flow Assumptions – Fund Balance

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Eastman
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Flow Assumptions – Net Position

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net positions applied.

N. Operating Revenues and Expenses

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

O. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reported period. Actual results could differ from those estimates.

P. Post Employment Health Care Benefits

The City will pay 60% of the health insurance premiums for eligible retirees. Employees with 25 years of service or employees with 5 years and are at least 62 years of age are eligible for medical coverage until 3 years from date of retirement or until Medicare eligible, whichever occurs first.

Q. Tax Abatement Agreements

During the year ended December 31, 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of December 31, 2021, the City did not have any such agreements, either entered into by the City or by other governments.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City's Council adopted, in a timely manner, an operating budget, including proposed expenditures and the means of financing them for the year ended December 31, 2021 as required by its charter, generally accepted accounting principals, and Georgia law O.C.G.A. 36-81-3, and various other agencies' requirements. The operating budget may not be revised or changed during the year without approval by a majority of the members of the City Council.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Each budget is prepared on a detailed line item basis. Annual appropriated budgets are adopted for the general fund, special revenue funds, and project length capital project funds. All annual budget appropriations lapse at fiscal year end.

The level of legal budgetary control (the level at which expenditures may no exceed appropriations) is the department level with each fund within the following provisions:

- The City Manager may authorize transfers of appropriations between line items within any departmental budget without Council approval.
- The City Council may amend the budget by motion during the fiscal year.

City of Eastman
Notes To Financial Statements
December 31, 2021

B. Excess of Expenditures Over Appropriations

The following funds reported expenditures/expenses over appropriations:

<u>Fund</u>	<u>Appropriation</u>	<u>Encumbrance/ Expenditures</u>	<u>Over- Appropriation</u>
General:			
General Gov't	\$1,159,172	\$1,175,303	\$ 16,131
Housing & Dev	60,901	61,300	399

(3) DEPOSITS

It is the City's policy to include only cash and certificates of deposit as cash. The City maintains its cash accounts in local commercial banks. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The City's deposits, including certificates of deposit, were not fully insured or collateralized as required at December 31, 2021. At year-end, the carrying amount of the City's deposits was \$5,762,994 and the respective bank balances totaled \$5,783,148. Included in the bank balances are Certificates of Deposit totaling \$700,500. Of the total deposits, \$1,112,811 was covered by the Federal Depository Insurance Corporation (FDIC) and \$4,215,436 was covered by collateral held by the pledging financial institutions in the City's name. At December 31, 2021 the City had \$434,747 deposits that were uninsured and as a result there were bank balances exposed to custodial credit risk. Georgia statute requires collateral at 110% of government's deposits, less the amount of Federal Deposit Insurance Corporation insurance, to be held in the government's name by the safekeeping agent.

(4) PROPERTY TAX

Property taxes were levied on September 13, 2021 for the calendar year based on assessed property values set by the county assessors. Tax notices were mailed on approximately October 15, 2021, and the notices are considered due upon receipt by the taxpayer, however the actual due date was December 20th. After the actual due date the bill becomes delinquent, at which time penalties and interest are assessed.

The City levied taxes on the assessed value of all taxable property in the government as follows:

Gross	13.63 mils
Sales tax credit	<u>6.13 mils</u>
Net	7.50 mils
	=====

Property values are obtained from the Dodge County, Georgia property tax digest.

The City Charter sets the maximum amount of property taxes that can be charged at 10 mils.

(5) RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

(6) HOTEL/MOTEL LODGING TAX

The City of Eastman levies an 5% lodging tax in accordance with O. C. G. A. 45-13-51. A summary of the transactions for the year ended December 31, 2021 is as follows:

City of Eastman
Notes To Financial Statements
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	<u>Amount</u>	<u>Percentage of Tax Receipts</u>
Receipts:		
Lodging tax receipts	<u>\$ 47,400</u>	
Expenditures:		
Disbursements to Eastman/Dodge Chamber of Commerce for promotion of tourism	\$ 18,059	38.10%
Disbursements by the City for promotion of tourism	<u> --</u>	0.00%
Total expenditures	<u>\$ 18,059</u>	
Balance of lodging tax funds on hand at end of year	<u>\$465,006</u>	

The City received the Chamber's annual report covering the lodging tax monies that were expended for promotion of tourism as required by O.C.G.A. 48-13-51.

(7) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/20	Additions/ Completions	Retirements/ Adjustments	Balance 12/31/21
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 192,353	\$ --	\$ --	\$ 192,353
Construction in Progress	<u>431,940</u>	<u>44,531</u>	<u>391,663</u>	<u>84,808</u>
Total capital assets not being depreciated	<u>624,293</u>	<u>44,531</u>	<u>391,663</u>	<u>277,161</u>
Capital assets being depreciated:				
Buildings	830,244	677,675	6,082	1,501,837
Building Improvements	145,911	26,940	--	172,851
Equipment	1,776,605	26,201	34,267	1,768,539
Infrastructure	<u>1,240,277</u>	<u> --</u>	<u> --</u>	<u>1,240,277</u>
Total capital assets being depreciated	<u>3,993,037</u>	<u>730,816</u>	<u>40,349</u>	<u>4,683,504</u>
Less Accumulated Depreciation for:				
Buildings	405,755	18,355	6,082	418,028
Building Improvements	72,275	4,657	--	76,932
Equipment	1,380,044	103,163	34,267	1,448,940
Infrastructure	<u>539,088</u>	<u>45,646</u>	<u> --</u>	<u>584,734</u>
Total Accumulated Depreciation	<u>2,397,162</u>	<u>171,821</u>	<u>40,349</u>	<u>2,528,634</u>
Total Capital Assets being depreciated (net)	<u>1,595,875</u>	<u>558,995</u>	<u> --</u>	<u>2,154,870</u>
Governmental activities capital assets, net	<u>\$2,220,168</u>	<u>\$ 603,526</u>	<u>\$ 391,663</u>	<u>\$ 2,432,031</u>

City of Eastman
Notes To Financial Statements
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Governmental activities depreciation expense:

General government	\$ 23,504
Police	36,631
Fire	47,465
Street	64,221
Garage	<u> -- </u>
Total governmental activities depreciation expense	<u>\$171,821</u>

	Balance 12/31/2020	Additions/ Completions	Retirements/ Adjustments	Balance 12/31/2021
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 63,057	\$ -	\$ -	\$ 63,057
Construction In Progress	-	-	-	-
Total Capital Assets not being depreciated	<u>\$ 63,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,057</u>
Depreciable capital assets:				
Water & Sewer System	24,071,984	-	-	24,071,984
Water & Sewer Equipment	515,297	-	-	515,297
Sanitation Equipment	-	-	-	-
Building	<u>263,440</u>	<u>-</u>	<u>-</u>	<u>263,440</u>
Total capital assets being depreciated	24,850,721	-	-	24,850,721
Less Accumulated Depreciation for:				
Water & Sewer System	8,571,768	467,923	-	9,039,691
Water & Sewer Equipment	497,277	10,406	-	507,683
Sanitation Equipment	-	-	-	-
Building	<u>153,923</u>	<u>4,933</u>	<u>-</u>	<u>158,856</u>
Accumulated depreciation	<u>9,222,968</u>	<u>483,262</u>	<u>-</u>	<u>9,706,230</u>
Total capital assets being depreciated, net	<u>15,627,753</u>	<u>(483,262)</u>	<u>-</u>	<u>15,144,491</u>
Buisness-type activities capital assets, net	<u>\$ 15,690,810</u>	<u>\$ (483,262)</u>	<u>\$ -</u>	<u>\$ 15,207,548</u>

Depreciation expense for the year ended December 31, 2021 for the Water and Sewer Enterprise Fund was \$478,329 and for the Industrial Development \$4,933.

(8) DEFERRED OUFLOWS AND INFLOWS OF RESOURCES

The following table provides detail regarding the deferred outflows and inflows of resources on the government-wide Statement of Net Position for governmental activities and business-type activities, and on the proprietary funds statement of net position for the Water and Sewer Fund:

City of Eastman
Notes To Financial Statements
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	<u>Government-Wide</u>		<u>Proprietary Fund</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water and Sewer Fund</u>
<u>Deferred Outflows</u>			
Pensions -			
Differences between expected and actual experience	\$ (24,693)	\$ 53,266	\$ 53,266
Changes of assumptions	(51,268)	110,590	110,590
Net differences between projected and actual earnings on pension investments	-	-	-
City contributions subsequent to measurement date	<u>130,394</u>	<u>127,526</u>	<u>127,526</u>
Total deferred outflows	<u>\$ 54,433</u>	<u>\$ 291,382</u>	<u>\$ 291,382</u>

Deferred Inflows

Pensions -			
Differences between expected and actual experience	\$ (32,653)	\$ (31,929)	\$ (31,929)
Net differences between projected and actual earnings on pension investments	<u>(355,051)</u>	<u>(347,186)</u>	<u>(347,186)</u>
Total deferred inflows	<u>\$ (387,704)</u>	<u>\$ (379,115)</u>	<u>\$ (379,115)</u>

(8) REVENUE BONDS PAYABLE

Revenue bond payable at December 31, 2021 is comprised of the following:

2012 Series Water & Sewer Refunding Revenue Bonds were issued for the purpose of refinancing the 2008 Series Sewer Revenue Bonds. They are due in annual installments of \$25,000 to \$415,000 through January 1, 2041; interest rates range from 2.00% to 3.80%.

The following is a summary of bond transactions for the year ended December 31, 2021:

Revenue bonds payable at January 1, 2021	\$ 6,075,000
Bonds payments	200,000
Bonds refunding	-
Revenue bonds payable at December 31, 2021	<u>\$ 5,875,000</u>

City of Eastman
Notes To Financial Statements
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Combined debt service requirements on business-type activity revenue bonds are as follows:

Year ending December 31	Principal	Interest	Total
2022	-	99,654	99,654
2023	230,000	196,432	426,432
2024	240,000	190,407	430,407
2025	245,000	183,889	428,889
2026	250,000	177,020	427,020
2027-2031	1,370,000	767,853	2,137,853
2032-2036	1,610,000	520,225	2,130,225
2037-2041	1,930,000	188,580	2,118,580
	-	-	-
Total	<u>\$ 5,875,000</u>	<u>\$ 2,324,060</u>	<u>\$ 8,199,060</u>

(9) NOTES PAYABLE

Notes payable at December 31, 2021 consisted of the following:

Governmental-type activities:

Xerox Financial Services LLC

An ownership-transferring lease, due 12/01/25, implicit interest at 2.08%, principle and interest paid in 60 monthly payments. Equipment leased is Xerox copier for the Administrative Department.

7,041

Xerox Financial Services LLC

An ownership-transferring lease, due 10/19/26, implicit interest at 2.125%, principle and interest paid in 60 Monthly payments. Equipment leased is Xerox copier For the Police Department.

8,426

United States Department of Agriculture Facility Loan

A promissory note, due 01/24/25, interest at 2.75%, principle and interest paid annually on January 24th. Funds were used to purchase 2019 Ford F450 for the Fire Department.

27,158

United States Department of Agriculture Facility Loan

A promissory note, due 08/24/25, interest at 2.25%, Principle and interest paid annually on August 24th. Funds used to purchase three patrol vehicles for the Police Department.

61,225

City of Eastman
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United States Department of Agriculture Facility Loan A promissory note, due 11/18/26, interest at 2.125%, principle and interest paid annually on November 18 th . Funds were used to purchase two trucks for the Street Department.	13,100
United States Department of Agriculture Facility Loan A promissory note, due 11/18/26, interest at 2.125% Principle and interest paid annually on November 18 th Funds were used to purchase three patrol vehicles for the Police Department.	119,300
United States Department of Agriculture Facility Loan A promissory note, due 8/11/22, interest at 2.75%, principle and interest paid annually on August 11 th . Funds were used to purchase two trucks for the Fire and Street Departments.	<u>6,377</u>
Total Notes Payable	<u>\$ 242,627</u>

The following is a summary of governmental-type activities notes payable transactions of the City for the year ended December 31, 2021:

Balance at January 1, 2021	\$ 139,768
Additions	141,101
Payments	<u>(38,242)</u>
Balance at December 31, 2021	<u>\$ 242,627</u>

Annual requirements to amortize debt outstanding at December 31, 2021 including interest payments:

Year ending <u>December 31</u>	<u>Principle</u>	<u>Interest</u>
2022	56,451	5,358
2023	51,198	4,108
2024	52,340	2,966
2025	53,518	1,787
2026	29,120	601
Total	<u>\$ 242,627</u>	<u>\$ 14,820</u>

(10) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables for the year ended December 31, 2021, consisted of the following:

Solid Waste Fund due from Water and Sewer Fund \$96,295.

Balances occur due to the billing process that is used by the City. Transactions are accounted for in the Water and Sewer Fund and then are transferred to the Solid Waste Fund.

City of Eastman
Notes To Financial Statements
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General Fund due from Water and Sewer Fund \$9,125.

Balances occur due to invoice being paid out of the General Fund on behalf of the Water and Sewer Fund.

Interfund transfers for the year ended December 31, 2021, consisted of the following:

	General Fund	Hotel/Motel Taxes Fund	Multiple Grant Fund	Confiscated Assets Fund	Water Fund
General Fund	-	(29,341)	(5,833)	43,201	(43,252)
Hotel/Motel	29,341	-	-	-	-
Multiple Grant	5,833	-	-	-	-
Confiscated	(43,201)	-	-	-	-
Water Fund	43,252	-	-	-	-
Total	35,225	(29,341)	(5,833)	43,201	(43,252)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the water fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(11) OPERATING LEASE

The government leases equipment under noncancelable operating leases, Total costs for such leases were \$4,055 for the year ended December 31, 2021. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec 31</u>	<u>Amount</u>
2022	4,211
2023	2,890
2024	2,890
2025	2,890
2026	241
Total	<u>\$ 13,122</u>

(12) PENSION PLAN

Plan Description – Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The City's defined contribution plan, City of Eastman Retirement Plan (Plan), is administered through the Board of Trustees of the Georgia Municipal Employees Benefit System Retirement Fund (GMEBS) an agent multi-employer pension fund. The GEMBS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained at City Hall in Eastman, Georgia, or by contacting the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Benefits – The Plan provides benefits upon retirement, death, disablement, and termination of employment to Plan participants and beneficiaries, if certain eligibility conditions are met. All employees who work at least thirty (30) hours per week and have been employed on or after March 1, 2008 are eligible to participate. Employees were eligible to participate after completion of one year of service. Elected officials are immediately eligible to participate. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. Employees are considered vested after 10 years and City officials are vested immediately. The

City of Eastman
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Plan was established by a City ordinance under authority of Georgia law. The authority to establish and amend the benefit provisions of the Plan rests with the City.

Employees who retire at or after age 65 with a minimum of 5 years of service are entitled to an annual retirement benefit, payable monthly for life. An employee may elect early retirement at age 55 with a minimum of 10 years of service to receive full benefits. Elected officials are entitled to \$9 for each year of service after reaching normal retirement age. Effective March 1, 2017, both Employees and Officials are eligible for alternative normal retirement upon meeting the Rule of 90. If hired on or after March 1, 2008, an employee is entitled to an amount equal to 1.50% of their final average earnings. If hired prior to August 1, 1980 and employed on March 1, 2008, an employee is entitled to an amount equal to 1.00% of their final average earnings up to Covered Compensation break point plus 1.75% of their final average earnings in excess of the Covered Compensation break point multiplied by years and months of service to a maximum of 35 years. If hired on or after August 1, 1980 and employed on March 1, 2008, an employee is entitled to an amount equal to 1.00% of their final average earnings up to Covered Compensation break point plus 1.75 of their final average earnings in excess of the Dynamic break point multiplied by years and months of the participant's earnings over 5 consecutive Plan years in which the participant's earnings are the highest. The Covered Compensation break point is based on the year of the participant's birth per a table in the Plan's documents. The Dynamic break point is determined by the year of termination of employment by tracking an average of the maximum amount of earnings for which Social Security taxes are payable over a period of approximately 35 years.

Plan Membership – As of July 1, 2021, the most recent actuarial valuation date, the Plan membership consisted of the following categories of participants:

<u>Group</u>	<u>Number of Employees</u>
Retirees and beneficiaries currently receiving benefits	55
Vested terminated employees not yet receiving benefits	9
Active employees:	
Vested	23
Nonvested	24
	<u>47</u>
Total membership in the plan	<u><u>111</u></u>

Contributions – The plan is noncontributory for plan members; however, the City's funding policy for the Plan is to contribute an amount equal to the recommended contribution in each year. These contributions are determined under the projected unit credit actuarial cost method. The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for applicable assumptions and cost methods. These amortization periods, if applicable, are closed for the plan year. The contribution requirement for the year ended December 31, 2021, was \$212,434 which was 13.81% of the covered payroll. The amount of the covered payroll is \$1,521,678.

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is \$155,408. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding

City of Eastman
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policy each year, the Plan will meet applicable state funding standards.

Net pension liability

Actuarial assumptions – The total pension liability was determined as part of an actuarial valuation at July 1, 2021. Significant actuarial assumptions used include (a) an investment rate of return of 7.375% per year net of investment expenses, including inflation and (b) projected salary increases of 2.25% per year plus service merit increases. Mortality rates were based on the Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries; Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants; and Sex-distinct Pri-2012 head-count weighted Employee Mortality Table for active participants, terminated vested participants, and deferred beneficiaries. The mortality and economic actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

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

Discount rate – The discount rate used to measure the total pension liability was 7.375%.

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%)
Net pension liability	\$ 887,428	\$ 352,694	\$ (103,987)

City of Eastman
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December 31, 2021

Change in the Net pension Liability – The measurement date of the net pension liability was March 31, 2021. The date of the actuarial valuation on which the total pension liability is based was July 1, 2021.

	<u>Total Pension Liability (TPL)</u>	<u>Fiduciary Net Position (FNP)</u>	<u>Net Pension Liability (NPL)</u>
Balances at March 31, 2020	\$ 5,340,145	\$ 3,524,455	\$ 1,815,690
Changes for the year:			
Service cost	56,412	-	56,412
Interest	384,035	-	384,035
Differences between expected and actual experience	(96,873)	-	(96,873)
Contributions - employer	-	238,362	(238,362)
Net investment income	-	1,579,750	(1,579,750)
Benefit payments, including refunds of employee contributions	(378,613)	(378,613)	-
Administrative expenses	-	(11,542)	11,542
Other	-	-	-
Net changes	<u>(35,039)</u>	<u>1,427,957</u>	<u>(1,462,996)</u>
Balances at March 31, 2021	<u>\$ 5,305,106</u>	<u>\$ 4,952,412</u>	<u>\$ 352,694</u>

Changes of assumptions:

- Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:
 - The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
 - The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
 - The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
 - Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct rates under the 2019 OASDI Trustees Report used for the intermediate alternative. Previously future mortality improvements were not explicitly projected.
 - The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
 - The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

City of Eastman
Notes To Financial Statements
December 31, 2021

- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

Benefit changes:

- There were no changes in benefit provisions in the last two years.

Pension expense –

Service cost	\$ 56,412
Interest on TPL	384,035
Administrative expenses	11,542
Expected return on assets	(254,331)
Expensed portion of current year period differences between expected and actual experience in TPL	(32,291)
Expensed portion of current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	(265,083)
Current year recognition of deferred inflows and outflows established in prior years	<u>172,503</u>
Total pension expense	<u>\$ 72,787</u>

City of Eastman
Notes To Financial Statements
December 31, 2021

Deferred outflows / inflows of resources related to pensions:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,573	\$ (64,582)
Changes of assumptions	59,322	-
Net difference between projected and actual earnings on pension plan investments	-	(702,237)
City contributions subsequent to the measurement date	<u>257,920</u>	<u>-</u>
Total deferred outflows / inflows of resources related to pensions	<u>\$ 345,815</u>	<u>\$ (766,819)</u>

The \$257,920 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Projected recognition of deferred outflows / inflows:

Year	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 227,412	\$ (328,834)
2023	139,517	(297,375)
2024	110,524	(265,084)
2025	<u>-</u>	<u>(265,084)</u>
Total projected recognition of deferred outflows / inflows	<u>\$ 477,453</u>	<u>\$ (1,156,377)</u>

(13) RISK MANAGEMENT

The Government is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

City of Eastman
Notes To Financial Statements
December 31, 2021

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

(14) CONTINGENCIES

Litigation - The City is subjected to various lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits would not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

Grant Programs - The City participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2021 may be impaired. In the opinion of the City there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

(15) JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the sixteen county middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2021, the city paid \$ 5,525 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC.

Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

(16) RELATED ORGANIZATIONS

The City's council is responsible for all of the board appointments of the Housing Authority of the City of Eastman. However, the City has no further accountability for the Housing Authority.

(17) SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through July 7, 2022, the date the financial statements were available to be issued. No events occurred during this period which would require disclosure in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EASTMAN
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEE PENSION PLAN
December 31, 2021

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability							
Service cost	\$ 56,412	\$ 53,910	\$ 56,519	\$ 54,458	\$ 57,648	\$ 59,340	\$ 66,090
Interest	384,035	363,825	352,602	342,357	312,125	290,312	279,596
Differences between expected and actual experience	(96,873)	85,718	16,974	(8,205)	55,261	130,146	8,560
Changes of assumptions	-	177,965	-	-	-	-	(27,529)
Changes of benefit terms	-	-	-	-	175,175	-	-
Benefit payments, including refunds of employee contributions	(378,613)	(276,719)	(270,979)	(214,689)	(205,558)	(191,136)	(185,751)
Other	-	-	-	81,561	(205,558)	(191,136)	(185,751)
Net change in total pension liability	(35,039)	404,699	155,116	255,482	394,651	288,662	140,966
Total pension liability - beginning	5,340,145	4,935,446	4,780,330	4,524,848	4,130,197	3,841,535	3,700,569
Total pension liability - ending	<u>\$5,305,106</u>	<u>\$5,340,145</u>	<u>\$4,935,446</u>	<u>\$ 4,780,330</u>	<u>\$ 4,524,848</u>	<u>\$ 4,130,197</u>	<u>\$3,841,535</u>
Plan fiduciary net position							
Contributions - employer	\$ 238,362	\$ 239,313	\$ 235,100	\$ 211,179	\$ 196,486	\$ 206,145	\$ 212,196
Net investment income	1,579,750	(266,423)	134,803	416,567	377,018	9,337	262,677
Benefit payments, including refunds of employee contributions	(378,613)	(276,719)	(270,979)	(214,689)	(205,558)	(191,136)	(185,751)
Administrative expense	(11,542)	(12,698)	(12,199)	(12,009)	(12,159)	(8,246)	(7,511)
Net change in fiduciary net position	1,427,957	(316,527)	86,725	401,048	355,787	16,100	281,611
Plan fiduciary net position - beginning	3,524,455	3,840,982	3,754,257	3,353,209	2,997,422	2,981,322	2,699,711
Plan fiduciary net position - ending	<u>\$4,952,412</u>	<u>\$3,524,455</u>	<u>\$3,840,982</u>	<u>\$ 3,754,257</u>	<u>\$ 3,353,209</u>	<u>\$ 2,997,422</u>	<u>\$2,981,322</u>
Net pension liability - ending	<u>\$ 352,694</u>	<u>\$1,815,690</u>	<u>\$1,094,464</u>	<u>\$ 1,026,073</u>	<u>\$ 1,171,639</u>	<u>\$ 1,132,775</u>	<u>\$ 860,213</u>
Plan's fiduciary net position as a percentage of the total pension liability	93.35%	66.00%	77.82%	78.54%	74.11%	72.57%	77.61%
Covered employee payroll	\$1,521,678	\$1,647,716	\$1,576,186	\$ 1,586,163	\$ 1,546,941	\$ 1,488,948	\$1,292,208
Net pension liability as a percentage of covered employee payroll	23.18%	110.19%	69.44%	64.69%	75.74%	76.08%	66.57%

CITY OF EASTMAN
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEE PENSION PLAN
December 31, 2021

SCHEDULE OF CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 235,667	\$ 240,528	\$ 233,291	\$ 203,808	\$ 194,045	\$ 210,178
Contributions in relation to the actuarially determined contribution	235,667	240,528	233,291	203,808	194,045	211,978
Contribution deficiency (excess)	-	-	-	-	-	(1,800)
Covered-employee payroll	1,647,716	1,576,186	1,586,163	1,546,941	1,488,948	1,292,208
Contributions as a percentage of covered- employee payroll	14.30%	15.26%	14.71%	13.17%	13.03%	16.40%

COMBINING SCHEDULES

CITY OF EASTMAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds				Capital Project Fund	Total Nonmajor Governmental Funds
	Hotel/Motel Tax	Multiple Grant	Confiscated Assets	Community Development Block Grant	2019 SPLOST	
Assets:						
Cash & Equivalents	\$ -	\$ 141,317	\$ 89,233	\$ -	\$ 537,815	\$ 768,365
Total assets	\$ -	\$ 141,317	\$ 89,233	\$ -	\$ 537,815	\$ 768,365
Fund balances:						
Reserved:						
Capital Projects	-	-	-	-	537,815	537,815
Public Safety	-	5,000	89,233	-	-	94,233
Public Works	-	136,317	-	-	-	136,317
Unreserved:						
Undesignated	-	-	-	-	-	-
Total fund balances	-	141,317	89,233	-	537,815	768,365
Total liabilities and fund balances	\$ -	\$ 141,317	\$ 89,233	\$ -	\$ 537,815	\$ 768,365

CITY OF EASTMAN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds				Capital Project Fund	Total Nonmajor Governmental Funds
	Hotel/Motel Taxes	Multiple Grant	Confiscated Assets	Community Development Block Grant	2019 SPLOST	
Revenues:						
Taxes	\$ 47,400	\$ -	\$ -	\$ -	\$ -	\$ 47,400
Intergovernmental	-	86,398	-	298,570	501,068	886,036
Other	-	-	30,683	-	-	30,683
Total revenues	47,400	86,398	30,683	298,570	501,068	964,119
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	2,957	-	-	2,957
Public Works	-	38,184	-	298,570	472	337,226
Housing & Development	18,059	-	-	-	-	18,059
Total expenditures	18,059	38,184	2,957	298,570	472	358,242
Other financing sources (uses):						
Grants	-	5,000	-	-	-	5,000
Transfers in	-	-	-	-	-	-
Transfers out	(29,341)	(5,833)	43,201	-	-	8,027
Total other financing sources and (uses)	(29,341)	(833)	43,201	-	-	13,027
Net change in fund balances	-	47,381	70,927	-	500,596	618,904
Fund balances - beginning	-	93,936	18,306	-	37,219	149,461
Adjustment	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ 141,317	\$ 89,233	\$ -	\$ 537,815	\$ 768,365

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund. Revenues and expenditures of the federal revenue sharing program are accounted for in this fund.

*City of Eastman
General Fund
Balance Sheet
December 31, 2021*

ASSETS

Current Assets:

Cash & Equivalents	\$ 1,620,075
Investments	520,000
Inventory	1,638
Receivables	568,309
Due From Other Funds	<u>9,125</u>

Total Assets	<u><u>\$ 2,719,147</u></u>
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LIABILITIES AND FUND BALANCE

Current Liabilities:

Accounts Payable	\$ 56,704
Accrued Liabilities	16,000
Due To Other Funds	-
Deferred Revenue	<u>95,092</u>

Total Liabilities	<u>167,796</u>
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Fund Balance

Fund Balance-Unreserved	<u>2,551,351</u>
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Total Liabilities and Fund Balance	<u><u>\$ 2,719,147</u></u>
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City of Eastman
General Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues (Schedule A-1):	
Taxes	\$ 2,902,454
Interest	796
Licenses & Permits	40,225
Fines & Forfeitures	153,144
Intergovernmental	89,200
Contribution & Donation	11,230
Charges for Services	5,529
Miscellaneous	<u>87,408</u>
Total Revenues	<u>3,289,986</u>
Expenditures:	
General Government	
(Schedule A-2)	1,175,303
Judicial	
(Schedule A-3)	9,295
Public Safety	
(Schedule A-4)	1,435,244
Public Works	
(Schedule A-5)	507,781
Health and Welfare	
(Schedule A-6)	4,451
Culture / Recreation	
(Schedule A-7)	16,965
Housing and Development	
(Schedule A-8)	<u>61,300</u>
Total Expenditures	<u>3,210,339</u>
Excess (Deficiency) of Revenues over Expenditures	<u>79,647</u>
Other Financing Sources (uses):	
Principle Payments	(38,243)
Interest	(3,541)
Loan Proceeds	141,101
Sale of Assets	5,156
Transfers, Net	<u>35,225</u>
Total Other Financing Sources (uses):	<u>139,698</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	219,345
Fund Balance, Beginning	2,331,195
Adjustments	<u>811</u>
Fund Balance, Ending	<u><u>\$ 2,551,351</u></u>

City of Eastman
General Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balances Budget (GAAP Basis) And Actual
Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Taxes	\$ 2,841,711	\$ 2,902,454	\$ 60,743
Interest	293	796	503
Licenses and Permits	40,226	40,225	(1)
Fines and Forfeitures	153,145	153,144	(1)
Intergovernmental	89,200	89,200	-
Contribution & Donation	11,230	11,230	-
Charges for Service	5,529	5,529	-
Miscellaneous	81,814	87,408	5,594
Total Revenues	<u>3,223,148</u>	<u>3,289,986</u>	<u>66,838</u>
Expenditures:			
General Government	1,159,172	1,175,303	(16,131)
Judicial	10,090	9,295	795
Public Safety	1,443,190	1,435,244	7,946
Public Works	540,216	507,781	32,435
Health and Welfare	7,249	4,451	2,798
Culture / Recreation	16,965	16,965	-
Housing and Development	60,901	61,300	(399)
Total Expenditures	<u>3,237,783</u>	<u>3,210,339</u>	<u>27,444</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,635)	79,647	94,282
Other Financing Sources (uses):			
Principle Payments	-	(38,243)	(38,243)
Interest	-	(3,541)	(3,541)
Loan Proceeds	44,268	141,101	96,833
Sale of Assets	10,751	5,156	(5,595)
Transfers, Net	(40,384)	35,225	75,609
Total Other Financing Sources (uses):	<u>14,635</u>	<u>139,698</u>	<u>125,063</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	219,345	219,345
Fund Balance, Beginning	<u>2,331,195</u>	<u>2,331,195</u>	<u>-</u>
Adjustments	<u>-</u>	<u>811</u>	<u>811</u>
Fund Balance, Ending	<u>\$ 2,331,195</u>	<u>\$ 2,551,351</u>	<u>\$ 220,156</u>

SPECIAL REVENUE FUNDS

Hotel/Motel Taxes – Established to account for revenues and expenditures of hotel/motel taxes received by the City.

Multiple Grant – Consist of all other grants and contracts not reported separately.

Confiscated Assets – Established to account for revenues and expenditures of confiscated assets received by the Police Department.

Community Development Block Grant – Established to account for revenues and expenditures of the 2019 Community Development Block Grant award received from the Georgia Department of Community Affairs.

American Rescue Plan of 2021 – Established to account for all Local Fiscal Recovery Funds received by the City through the American Rescue Plan (ARP) Act of 2021 (HR1319, 117th Congress; Public Law No. 117-2). This Special Revenue Fund is reserved exclusively for the accounting of these funds, in accordance with guidance from the United States Department of the Treasury.

City of Eastman
Hotel / Motel Taxes Special Revenue Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Due From Other Funds

\$ -

Total Current Assets

-

Total Assets

\$ -

LIABILITIES AND FUND BALANCES

Current Liabilities:

Accounts Payable

\$ -

Total Current Liabilities

-

Fund Balance

Fund Balance - Reserved for Tourism

-

Total Liabilities and Fund Balances

\$ -

City of Eastman
Hotel / Motel Taxes Special Revenue Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Hotel / Motel Tax	\$ 47,400
Total Revenues	<u>47,400</u>
Expenditures:	
Economic Development	<u>18,059</u>
Total Expenditures	<u>18,059</u>
Excess (Deficiency) of Revenues over Expenditures	<u>29,341</u>
Other Financing Sources (uses):	
Transfers, Net	<u>(29,341)</u>
Total Other Financing Sources (uses):	<u>(29,341)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
Fund Balance, Beginning	-
Adjustment	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>

City of Eastman
Hotel / Motel Taxes Special Revenue Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance/Budgetary Comparison And Actual
Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Hotel / Motel Tax	\$ 48,409	\$ 47,400	\$ 1,009
Total Revenues	<u>48,409</u>	<u>47,400</u>	<u>1,009</u>
Expenditures:			
Economic Development	<u>18,060</u>	<u>18,059</u>	<u>1</u>
Total Expenditures	<u>18,060</u>	<u>18,059</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	<u>30,349</u>	<u>29,341</u>	<u>(1,008)</u>
Other Financing Sources (uses):			
Transfers, Net	<u>(30,349)</u>	<u>(29,341)</u>	<u>(1,008)</u>
Total Other Financing Sources (uses):	<u>(30,349)</u>	<u>(29,341)</u>	<u>(1,008)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
Fund Balance, Beginning	-	-	-
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Eastman
Multiple Grant Special Revenue Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash & Equivalents	\$ 141,317
Due From Other Governments	<u>-</u>

Total Current Assets	<u>141,317</u>
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Total Assets	<u><u>\$ 141,317</u></u>
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LIABILITIES AND FUND BALANCES

Long-Term Liabilities:

Notes Payable	<u>-</u>
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Total Long-Term Liabilities	<u>-</u>
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Fund Balance

Fund Balance - Reserved for Public Safety	5,000
Fund Balance - Reserved for Public Works	<u>136,317</u>

Total Liabilities and Fund Balances	<u><u>\$ 141,317</u></u>
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City of Eastman
Multiple Grant Special Revenue Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Intergovernmental	\$ 86,398
Total Revenues	<u>86,398</u>
Expenditures:	
Public Safety	-
Public Works	<u>38,184</u>
Total Expenditures	<u>38,184</u>
Excess (Deficiency) of Revenues over Expenditures	<u>48,214</u>
Other Financing Sources (uses):	
Grants	5,000
Transfers, Net	<u>(5,833)</u>
Total Other Financing Sources (uses):	<u>(833)</u>
Excess (Deficiency) of Revenues and	
Other Sources Over Expenditures and Other Uses	47,381
Fund Balance, Beginning	<u>93,936</u>
Fund Balance, Ending	<u><u>\$ 141,317</u></u>

City of Eastman
Multiple Grant Special Revenue Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance/Budgetary Comparison And Actual
Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 86,400	\$ 86,398	\$ (2)
Total Revenues	<u>86,400</u>	<u>86,398</u>	<u>(2)</u>
Expenditures:			
Public Safety	-	-	-
Public Works	<u>85,566</u>	<u>38,184</u>	<u>47,382</u>
Total Expenditures	<u>85,566</u>	<u>38,184</u>	<u>47,382</u>
Excess (Deficiency) of Revenues over Expenditures	<u>834</u>	<u>48,214</u>	<u>47,380</u>
Other Financing Sources (uses):			
Transfers, Net	(5,834)	(5,833)	(1)
Grants	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Other Financing Sources (uses):	<u>(834)</u>	<u>(833)</u>	<u>(1)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	47,381	47,381
Fund Balance, Beginning	<u>93,936</u>	<u>93,936</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 93,936</u>	<u>\$ 141,317</u>	<u>\$ 47,381</u>

City of Eastman
Confiscated Assets Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash & Equivalents	\$ 89,233
Dues From Other Governments	<u>-</u>
Total Current Assets	<u>89,233</u>

Total Assets	<u><u>\$ 89,233</u></u>
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LIABILITIES AND FUND BALANCES

Current Liabilities:

Deferred Revenue	<u>\$ -</u>
Total Current Liabilities	<u>-</u>

Fund Balance

Fund Balance - Reserved for Public Safety	<u>89,233</u>
Total Liabilities and Fund Balances	<u><u>\$ 89,233</u></u>

City of Eastman
Confiscated Assets Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Other Revenues	<u>\$ 30,683</u>
Total Revenues	<u>30,683</u>
Expenditures:	
Public Safety	2,957
Other	<u>-</u>
Total Expenditures	<u>2,957</u>
Excess (Deficiency) of Revenues over Expenditures	<u>27,726</u>
Other Financing Sources (uses):	
Transfers, Net	<u>43,201</u>
Total Other Financing Sources (uses):	<u>43,201</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	70,927
Fund Balance, Beginning	<u>18,306</u>
Fund Balance, Ending	<u><u>\$ 89,233</u></u>

City of Eastman
Confiscated Assets Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance/Budgetary Comparison And Actual
Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other Revenues	\$ 30,683	\$ 30,683	\$ -
Total Revenues	<u>30,683</u>	<u>30,683</u>	<u>-</u>
Expenditures:			
Public Safety	30,683	2,957	27,726
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>30,683</u>	<u>2,957</u>	<u>27,726</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>27,726</u>	<u>27,726</u>
Other Financing Sources (uses):			
Transfers, Net	<u>-</u>	<u>43,201</u>	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>	<u>43,201</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	70,927	70,927
Fund Balance, Beginning	<u>18,306</u>	<u>18,306</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 18,306</u>	<u>\$ 89,233</u>	<u>\$ 70,927</u>

City of Eastman
Community Development Block Grant Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash & Equivalents	\$ -
Dues From Other Governments	-
Total Current Assets	<u>-</u>

Total Assets	<u><u>\$ -</u></u>
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LIABILITIES AND FUND BALANCES

Current Liabilities:

Deferred Revenue	\$ -
Total Current Liabilities	<u>-</u>

Fund Balance

Fund Balance - Reserved for Public Works	-
Total Liabilities and Fund Balances	<u><u>\$ -</u></u>

City of Eastman
Community Development Block Grant Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Intergovernmental Revenues	<u>\$ 298,570</u>
Total Revenues	<u>298,570</u>
Expenditures:	
Public Works	298,570
Other	<u>-</u>
Total Expenditures	<u>298,570</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>
Other Financing Sources (uses):	
Transfers, Net	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
Fund Balance, Beginning	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>

City of Eastman
Community Development Block Grant Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance/Budgetary Comparison And Actual
Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental Revenues	\$ 298,571	\$ 298,570	\$ (1)
Total Revenues	<u>298,571</u>	<u>298,570</u>	<u>(1)</u>
Expenditures:			
Public Works	298,571	298,570	1
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>298,571</u>	<u>298,570</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (uses):			
Transfers, Net	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Eastman
American Rescue Plan of 2021 Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:	
Cash & Equivalents	\$ 946,101
Dues From Other Governments	<u>-</u>
Total Current Assets	<u>946,101</u>
 Total Assets	 <u><u>\$ 946,101</u></u>

LIABILITIES AND FUND BALANCES

Current Liabilities:	
Account Payable	<u>\$ -</u>
 Total Current Liabilities	 <u>-</u>
 Fund Balance	
Fund Balance - Reserved for Public Health	<u>946,101</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 946,101</u></u>

City of Eastman
American Rescue Plan of 2021 Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Intergovernmental Revenues	\$ 946,101
Total Revenues	<u>946,101</u>
Expenditures:	
Public Health	-
Other	<u>-</u>
Total Expenditures	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>946,101</u>
Other Financing Sources (uses):	
Transfers, Net	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>
Excess (Deficiency) of Revenues and	
Other Sources Over Expenditures and Other Uses	946,101
Fund Balance, Beginning	<u>-</u>
Fund Balance, Ending	<u><u>\$ 946,101</u></u>

City of Eastman
American Rescue Plan of 2021 Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance/Budgetary Comparison And Actual
Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental Revenues	\$ -	\$ 946,101	\$ 946,101
Total Revenues	<u>-</u>	<u>946,101</u>	<u>946,101</u>
Expenditures:			
Public Health	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>946,101</u>	<u>946,101</u>
Other Financing Sources (uses):			
Transfers, Net	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	946,101	946,101
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ 946,101</u>	<u>\$ 946,101</u>

CAPITAL PROJECT FUNDS

2013 SPLOST Capital Project Fund –Established to separately account for Special Purpose Local Option Sales Tax, which was approved by the citizens of Dodge County in November 2013. The proceeds of this levy are designated for water and sewer projects for the City of Eastman.

2019 SPLOST Capital Project Fund –Established to separately account for Special Purpose Local Option Sales Tax, which was approved by the citizens of Dodge County in November 2019. The proceeds of this levy are designated for water and sewer projects for the City of Eastman.

TSPLOST Capital Project Fund—Established to separately account for Transportation Investment Act Special Purpose Local Option Sales Tax. The proceeds of this levy are for transportation projects.

City of Eastman
2013 SPLOST Capital Project Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash & Equivalents	105,283
Intergovernmental Receivable	<u>-</u>

Total Current Assets	<u>105,283</u>
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Total Assets	<u><u>\$ 105,283</u></u>
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LIABILITIES AND FUND BALANCES

Current Liabilities:

Accounts Payable	<u>\$ -</u>
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Total Current Liabilities	<u>-</u>
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Fund Balance

Fund Balance - Reserved for Capital Projects	<u>105,283</u>
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Total Liabilities and Fund Balances	<u><u>\$ 105,283</u></u>
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City of Eastman
2013 SPLOST Capital Project Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Intergovernmental Revenue	\$ -
Total Revenues	<u>-</u>
Expenditures:	
Capital Projects	698,998
Total Expenditures	<u>698,998</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(698,998)</u>
Other Financing Sources (uses):	
Interest	121
Loan Proceeds	-
Transfers, Net	<u>-</u>
Total Other Financing Sources (uses):	<u>121</u>
Excess (Deficiency) of Revenues and	
Other Sources Over Expenditures and Other Uses	(698,877)
Fund Balance, Beginning	804,160
Adjustment	<u>-</u>
Fund Balance, Ending	<u><u>\$ 105,283</u></u>

City of Eastman
2019 SPLOST Capital Project Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash & Equivalents	537,815
Intergovernmental Receivable	<u>-</u>

Total Current Assets	<u>537,815</u>
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Total Assets	<u><u>\$ 537,815</u></u>
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LIABILITIES AND FUND BALANCES

Current Liabilities:

Accounts Payable	<u>\$ -</u>
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Total Current Liabilities	<u>-</u>
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Fund Balance

Fund Balance - Reserved for Capital Projects	<u>537,815</u>
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Total Liabilities and Fund Balances	<u><u>\$ 537,815</u></u>
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City of Eastman
2019 SPLOST Capital Project Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Intergovernmental Revenue	<u>\$ 501,068</u>
Total Revenues	<u>501,068</u>
Expenditures:	
Capital Projects	<u>472</u>
Total Expenditures	<u>472</u>
Excess (Deficiency) of Revenues over Expenditures	<u>500,596</u>
Other Financing Sources (uses):	
Interest	-
Loan Proceeds	-
Transfers, Net	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	500,596
Fund Balance, Beginning	37,219
Adjustment	<u>-</u>
Fund Balance, Ending	<u><u>\$ 537,815</u></u>

City of Eastman
TSPLOST Capital Project Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash & Equivalents	\$ 234,806
Intergovernmental Receivable	<u>-</u>

Total Current Assets	<u>234,806</u>
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Total Assets	<u><u>\$ 234,806</u></u>
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LIABILITIES AND FUND BALANCES

Current Liabilities:

Accounts Payable	<u>\$ -</u>
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Total Current Liabilities	<u>-</u>
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Fund Balance

Fund Balance - Reserved for Capital Projects	<u>234,806</u>
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Total Liabilities and Fund Balances	<u><u>\$ 234,806</u></u>
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City of Eastman
TSPLOST Capital Project Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance
Year Ended December 31, 2021

Revenues:	
Intergovernmental Revenues	<u>\$ 737,390</u>
Total Revenues	<u>737,390</u>
Expenditures:	
Paved Streets	710,879
Capital Projects	<u>-</u>
Total Expenditures	<u>710,879</u>
Excess (Deficiency) of Revenues over Expenditures	<u>26,511</u>
Other Financing Sources (uses):	
Interest	-
Transfers, Net	<u>-</u>
Total Other Financing Sources (uses):	<u>-</u>
Excess (Deficiency) of Revenues and	
Other Sources Over Expenditures and Other Uses	26,511
Fund Balance, Beginning	208,295
Adjustment	<u>-</u>
Fund Balance, Ending	<u><u>\$ 234,806</u></u>

PROPRIETARY FUNDS

Water and Sewer Fund – To account for the provision of water and sewer services to the residents of the city and some residents of the county. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service, and billing and collection.

Solid Waste Fund – To account for the provisions of sanitation services to residents of the city. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Industrial Development – To account for the provision of rental space provided for the Department of Health and Human Services for a mental health facility. This separate facility is owned by the city. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, rent collection, maintenance, financing, and related debt service.

*City of Eastman
Water and Sewer Fund
Balance Sheet Continued
December 31, 2021*

ASSETS

Current Assets:

Cash	\$ 309,506
Investment	20,000
Accrued Interest Receivable	-
Accounts Receivable, Net	458,301
Inventory	<u>1,092</u>
Total Current Assets	<u>788,899</u>

Restricted Assets:

Bond Sinking Fund	605,663
Reserve Fund	<u>457,340</u>
Total Restricted Assets	<u>1,063,003</u>

Property, Plant and Equipment:

Land	63,057
Construction in Progress	-
Buildings	16,800
Infrastructure	24,071,985
Machinery And Equipment	515,296
Less Accumulated Depreciation	<u>(9,555,774)</u>
Total Property, Plant And Equipment	<u>15,111,364</u>

Deferred Outflows of Resources:

Pension Adjustments	<u>291,382</u>
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Total Assets	<u><u>\$ 17,254,648</u></u>
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*City of Eastman
Water and Sewer Fund
Balance Sheet Continued
December 31, 2021*

LIABILITIES AND NET POSITION

Current Liabilities (payable from current assets)	
Account Payable	\$ 25,610
Due from Other Funds	105,420
Total Current Liabilities (payable from current assets)	<u>131,030</u>
 Current Liabilities (payable from restricted assets)	
Current Position Of Revenue Bonds	<u>-</u>
Total Current Liabilities (payable from restricted assets)	<u>-</u>
 Long-Term Liabilities:	
Revenue Bond (net of current portion)	5,875,000
Deposits Payable	110,397
Net Pension Liability	75,187
Total Long-Term Liabilities	<u>6,060,584</u>
 Deferred Inflows of Resources	
Pension Adjustments	<u>379,115</u>
 Net Position:	
Unreserved	9,620,916
Reserved Per Bond Indenture	605,663
Reserved for Renewal & Extensions	457,340
Total Net Position	<u>10,683,919</u>
 Total Liabilities And Net Position	 <u><u>\$ 17,254,648</u></u>

City of Eastman
Water and Sewer Fund
Statement of Revenues, Expenditures
And Changes In Net Position
Year Ended December 31, 2021

Operating Revenues:	
Charge For Services	\$ 1,994,344
Other	<u>61,316</u>
Total Operating Revenue	<u>2,055,660</u>
 Operating Expenses:	
Sewage Collection and Disposal	541,633
Water - Administration	696,945
Water - Supply	693,170
Water - Distribution	<u>282,803</u>
Total Operating Expenses	<u>2,214,551</u>
Income From Operations	<u>(158,891)</u>
 Nonoperating Revenues (Expenses)	
Interest Revenues	1,442
Rents and Royalties	72,433
Intergovernmental	10,765
Sale of Assets	-
Other	13,695
Interest Expense	<u>(204,057)</u>
Total Nonoperating Revenues (Expenses)	<u>(105,722)</u>
 Transfers In (out)	
Transfers In	536,400
Transfers Out	<u>(579,652)</u>
Total Transfers In (out)	<u>(43,252)</u>
 Net Income (loss)	(307,865)
 Net Position, Beginning	10,991,784
Adjustment	<u>-</u>
Net Position, Ending	<u><u>\$ 10,683,919</u></u>

City of Eastman
Water And Sewer Enterprise Fund
Statement Of Cash Flows
For the Year ended December 31, 2021

Cash Flows Provided From Operating Activities:	
Cash Received From Customers	\$ 2,015,243
Cash Received From Other	61,316
Cash Payments to Suppliers	(1,348,982)
Cash Payments to Employees	(475,024)
Net Cash Provided from Operating Activities	<u>252,553</u>
Cash Flows from noncapital Financing Activities:	
Rents & Royalties	72,433
Grant & Contracts	10,765
Other	13,695
Operating Transfers-In (out) From Other Funds	(43,252)
Net Cash Used By Noncapital Financing Activities	<u>53,641</u>
Cash flows from Capital and related Financing Activities:	
Principal Paid On Bonds	(200,000)
Interest	(204,057)
Acquisition Of Capital Assets	-
Proceeds From Disposal Of Assets	-
Net Cash Provided for Capital and Related Financing Activities:	<u>(404,057)</u>
Cash Flows from Investing Activities:	
Interest On Investments	1,442
Net Cash Provided (Used) by Investing Activities	<u>1,442</u>
Net Increase (Decrease) in Cash	(96,421)
Cash, Beginning	1,468,930
Adjustment	-
Cash, Ending	<u>\$ 1,372,509</u>

RECONCILIATION OF NET INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

Net Income (loss) From Operations	\$ (158,891)
Adjustments To Reconcile Net Income To Net	
Cash Provided By Operating Activities:	
Depreciation Expense	478,329
Pension Expense	(92,872)
Donations	-
Changes In Assets and Liabilities	
Decrease (increase) In Inventory	(361)
Decrease (increase) In Accounts Receivable	(13,783)
Decrease (increase) In Accrued Interest	-
Increase (decrease) In Accounts Payable	5,449
Increase (decrease) In Due From Other Funds	28,172
Increase (decrease) In Deposits Payable	6,510
Total Adjustments	<u>411,444</u>
Net Cash Provided By Operating Activities	<u>\$ 252,553</u>

City of Eastman
Solid Waste Enterprise Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:

Cash	\$ 196,009
Accounts Receivable	144,341
Due to Other Funds	<u>96,295</u>

Total Current Assets	<u>436,645</u>
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Total Assets	<u><u>\$ 436,645</u></u>
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LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	<u>\$ 46,983</u>
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Total Current Liabilities	<u>46,983</u>
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Net Position	<u>389,662</u>
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Total Liabilities and Net Position	<u><u>\$ 436,645</u></u>
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City of Eastman
Solid Waste Enterprise Fund
Statement of Revenues, Expenditure
and Changes in Net Position
Year Ended December 31, 2021

Operating Revenues:	
Charge For Services	\$ 633,927
Intergovernmental	-
Total Operating Revenues	<u>633,927</u>
Operating Expenses:	
Solid Waste Collection	<u>617,359</u>
Total Operating Expenses	<u>617,359</u>
Income From Operations	<u>16,568</u>
Transfers In (out)	<u>-</u>
Net Income	16,568
Net Position, Beginning	<u>373,094</u>
Net Position, Ending	<u><u>\$ 389,662</u></u>

City of Eastman
Solid Waste Enterprise Fund
Statement of Cash Flow
Year Ended December 31, 2021

Cash Flow From Operating Activities	
Cash Received From Customers	\$ 606,792
Cash Received From Other	-
Cash Payment To Suppliers	(616,738)
Cash Payment to Employees	<u>-</u>
Net Cash Provided By operating Activities	<u>(9,946)</u>
 Cash Flow From Noncapital Financing Activities:	
Transfers-in From Other Funds	<u>-</u>
Net Cash Used By Noncapital Financing Activities	<u>-</u>
 Cash Flows From Capital And Related Financing Activities:	
Acquisition of Capital Assets	<u>-</u>
Net Cash Used By Capital And Related Financing Activities	<u>-</u>
 Net Increase (Decrease) In Cash	(9,946)
 Cash, Beginning	<u>205,955</u>
 Cash, Ending	<u><u>\$ 196,009</u></u>

RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Net Income (loss) From Operations	<u>\$ 16,568</u>
Adjustments To Reconcile Net Income To Net	
Cash Provided By Operating Activities:	
Depreciation Expense	-
Changes In Assets And Liabilities:	
(Decrease) Increase In Accounts Payable	621
(Increase) Decrease In Accounts Receivable	(8,088)
(Increase) Decrease In Due From Other Funds	<u>(19,047)</u>
Total Adjustments	<u>(26,514)</u>
 Net Cash Provided by Operating Activities	<u><u>\$ (9,946)</u></u>

City of Eastman
Industrial Development Enterprise Fund
Balance Sheet
December 31, 2021

ASSETS

Current Assets:	
Cash	\$ -
Total Current Assets	<u>-</u>
Property, Plant and Equipment:	
Buildings	246,640
Accumulated Depreciation	<u>(150,456)</u>
Total Property, Plant and Equipment	<u>96,184</u>
Total Assets	<u><u>\$ 96,184</u></u>

LIABILITIES AND NET POSITION

Current Liabilities:	
Notes Payable	\$ -
Total Current Liabilities	<u>-</u>
Net Position	<u>96,184</u>
Total Liabilities And Net Position	<u><u>\$ 96,184</u></u>

City of Eastman
Industrial Development Enterprise Fund
Statement of Revenues, Expenditures
And Changes In Net Position
Year Ended December 31, 2021

Operating Revenues:	
Rent Revenue	\$ -
Total Operating Revenue	<u>-</u>
Operating Expenses:	
Depreciation	<u>4,933</u>
Total Operating Expenses	<u>4,933</u>
Income From Operations	<u>(4,933)</u>
Nonoperating Revenues (Expenses)	
Gain (Loss) on Disposal	-
Interest Expense	-
Interest Income	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>
Transfers In (Out)	<u>-</u>
Total Other Income (Expense)	<u>-</u>
Net Income	(4,933)
Net Position, Beginning	<u>101,117</u>
Net Position, Ending	<u><u>\$ 96,184</u></u>

City of Eastman
Industrial Development Enterprise Fund
Statement of Cash Flows For The
Year Ended December 31, 2021

Cash Flows From Operating Activities:	
Cash Received From Customers	\$ -
Cash Paid To Suppliers	<u>-</u>
Net Cash Provided By Operating Activities	<u>-</u>
Cash Flows From Noncapital Financing Activities:	
Transfers-Out To Other Funds	-
Interest Paid On Loans	-
Repayment On Loan Arrangements	-
Assets Purchase	<u>-</u>
Net Cash Provided By Noncapital Financing Activities	<u>-</u>
Cash Flows From Investing Activities:	
Interest On Investments	-
Purchase Of Investments	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>
Net Increase (Decrease) In Cash	-
Cash At Beginning Of Year	<u>-</u>
Cash At Ending Of Year	<u><u>\$ -</u></u>

RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Net Income (Loss) From Operations	<u>\$ (4,933)</u>
Adjustments To Reconcile Net Income To	
Net Cash Provided By Operating Activities:	
Depreciation	<u>4,933</u>
Net Cash Provided By Operating Activities	<u><u>\$ -</u></u>

SUPPORTING SCHEDULES

City of Eastman
General Fund
Schedule of Revenues Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes:			
General Property	\$ 1,337,853	\$ 1,395,937	\$ 58,084
General Sales and Use	761,410	761,529	119
Selective Sales and Use	251,180	253,722	2,542
Business	477,293	477,292	(1)
Penalties & Interest on Delinquent Taxes	13,975	13,974	(1)
Total Taxes	<u>\$ 2,841,711</u>	<u>\$ 2,902,454</u>	<u>\$ 60,743</u>
Investment Income:			
Interest Revenues	293	796	503
Total Interest Investment Income	<u>\$ 293</u>	<u>\$ 796</u>	<u>\$ 503</u>
			-
Licenses and Permits:			
Business	\$ 32,250	\$ 32,250	\$ -
Non - Business	7,976	7,975	(1)
Total Licenses and Permits	<u>\$ 40,226</u>	<u>\$ 40,225</u>	<u>\$ (1)</u>
Charges for Services:			
General Government	\$ 180	\$ 180	\$ -
Public Safety	64	64	-
Other	5,285	5,285	-
Total Charges For Services	<u>\$ 5,529</u>	<u>\$ 5,529</u>	<u>\$ -</u>
Fines And Forfeitures:			
Confiscated Funds	\$ -	\$ -	\$ -
Recorder's Court	153,145	153,144	(1)
Total Fines and Forfeitures	<u>\$ 153,145</u>	<u>\$ 153,144</u>	<u>\$ (1)</u>
Intergovernmental:			
Federal Grants	\$ 89,200	\$ 89,200	\$ -
State Grants	-	-	-
State Governmental payment in lieu	-	-	-
Total intergovernmental	<u>\$ 89,200</u>	<u>\$ 89,200</u>	<u>\$ -</u>
Contributions & Donations:			
Fireworks	11,230	11,230	-
Total Interest Investment Income	<u>\$ 11,230</u>	<u>\$ 11,230</u>	<u>\$ -</u>
Miscellaneous Revenues:			
Rents and Royalties	\$ 4,629	\$ 4,629	\$ -
Other	77,185	82,779	5,594
Total Miscellaneous Revenue	<u>\$ 81,814</u>	<u>\$ 87,408</u>	<u>\$ 5,594</u>
Total Revenues	<u>\$ 3,223,148</u>	<u>\$ 3,289,986</u>	<u>\$ 66,838</u>

City of Eastman
General Fund
Supporting Schedule of General Government
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government:			
Legislative	\$ -	\$ -	\$ -
Governing Body	57,950	44,691	13,259
Executive	95,750	92,326	3,424
Elections	6,500	175	6,325
General Administration	<u>998,972</u>	<u>1,038,111</u>	<u>(39,139)</u>
Total General Government	<u>\$ 1,159,172</u>	<u>\$ 1,175,303</u>	<u>\$ (16,131)</u>

*City of Eastman
General Fund
Supporting Schedule of Judicial
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Judicial:			
Recorder's Court	<u>\$ 10,090</u>	<u>\$ 9,295</u>	<u>\$ 795</u>
 Total Judicial	 <u>\$ 10,090</u>	 <u>\$ 9,295</u>	 <u>\$ 795</u>

City of Eastman
General Fund
Supporting Schedule of Public Safety
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Safety:			
Police	\$ 894,378	\$ 889,221	\$ 5,157
Fire	518,212	518,933	(721)
E-911	28,900	25,960	2,940
Other Protection	<u>1,700</u>	<u>1,130</u>	<u>570</u>
Total Public Safety	<u>\$ 1,443,190</u>	<u>\$ 1,435,244</u>	<u>\$ 7,946</u>

City of Eastman
General Fund
Supporting Schedule of Public Works
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Works:			
Highways and Streets	\$ 524,516	\$ 499,867	\$ 24,649
Roadways and Streets	12,000	6,942	5,058
Maintenance and Shop	1,200	964	236
Cemetery	<u>2,500</u>	<u>8</u>	<u>2,492</u>
 Total Public Works	 <u>\$ 540,216</u>	 <u>\$ 507,781</u>	 <u>\$ 32,435</u>

City of Eastman
General Fund
Supporting Schedule of Health and Welfare
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Health and Welfare:			
Health	\$ 4,500	\$ 1,702	\$ 2,798
Community Services	<u>2,749</u>	<u>2,749</u>	<u>-</u>
 Total Health and Welfare	 <u>\$ 7,249</u>	 <u>\$ 4,451</u>	 <u>\$ 2,798</u>

City of Eastman
General Fund
Supporting Schedule of Culture and Recreation
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Culture and Recreation:			
Community Center	\$ 3,500	\$ 3,500	\$ -
Recreation	13,465	13,465	-
Parks	-	-	-
Library	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>\$ 16,965</u>	<u>\$ 16,965</u>	<u>\$ -</u>

City of Eastman
General Fund
Supporting Schedule of Housing and Development
Expenditures, Compared to Budget (GAAP Basis)
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Housing and Development:			
Protective Inspections	\$ -	\$ -	\$ -
Planning and Zoning	2,138	2,537	(399)
Economic Development and Assistance	48,000	48,000	-
Downtown Development	10,763	10,763	-
Airport	<u>-</u>	<u>-</u>	<u>-</u>
Total Housing and Development	<u>\$ 60,901</u>	<u>\$ 61,300</u>	<u>\$ (399)</u>

INTERNAL CONTROLS AND COMPLIANCE

City of Eastman
SPECIAL-PURPOSE LOCAL OPTION SALES TAX 2013
SCHEDULE OF EXPENDITURES
(Construction and Other Projects)
Year ended December 31, 2021

Project Description	(Unaudited) Original/ Latest Estimated Cost	Prior Years Cumulative Expenditures	Total Current Year Expenditure	Total Cumulative Expenditures	(Unaudited) Estimated Percentage of Completion
Renovations, improvements, and additions to water and sewer system, economic development, & capital improvements	\$2,419,300	\$ 1,761,722	\$ 698,998	\$ 2,460,720	101.71%

City of Eastman
SPECIAL-PURPOSE LOCAL OPTION SALES TAX 2019
SCHEDULE OF EXPENDITURES
(Construction and Other Projects)
Year ended December 31, 2021

Project Description	(Unaudited) Original/ Latest Estimated Cost	Prior Years Cumulative Expenditures	Total Current Year Expenditure	Total Cumulative Expenditures	(Unaudited) Estimated Percentage of Completion
Renovations, improvements, and additions to water and sewer system, storm drainage systems, road work, economic development, & capital improvements	\$2,310,000	\$ 193	\$ 472	\$ 665	0.03%

City of Eastman
TIA SPECIAL-PURPOSE LOCAL OPTION SALES TAX
SCHEDULE OF EXPENDITURES
(Construction and Other Projects)
Year ended December 31, 2021

<u>Project Description</u>	<u>(Unaudited) Original/ Latest Estimated Cost</u>	<u>Prior Years Cumulative Expenditures</u>	<u>Total Current Year Expenditure</u>	<u>Total Cumulative Expenditures</u>	<u>(Unaudited) Estimated Percentage of Completion</u>
Transportation improvements	\$1,704,437	\$ 1,775,725	\$ 710,879	\$ 2,486,604	145.89%

**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 City Council
City of Eastman, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Eastman, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Eastman, Georgia's basic financial statements, and have issued my report thereon dated July 7, 2022.

Report on Internal Control over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Eastman, Georgia's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was

not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

A handwritten signature in purple ink, appearing to read "J. Frank Garcia, P.C.", is written above the typed name.

Eastman, Georgia

July 7, 2022

City of Eastman
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

SUMMARY OF AUDITOR'S RESULTS

- (i) The auditor's report expresses an unmodified opinion on the financial statements of City of Eastman.
- (ii) No significant deficiency disclosed during the audit of the financial statements is reported in the 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*. No material weaknesses are reported.
- (iii) No instances of noncompliance material to the financial statements of City of Eastman were disclosed during the audit.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None noted.

PRIOR YEAR FINDINGS

Control Deficiencies

None reported.

Prior Year Noncompliance Instances

None reported.

STATISTICAL INFORMATION

City of Eastman
Ten Largest Water & Sewer Customers
2021

WATER

Customer	Annual Thousand Gallons of Water Billed	Annual Water Revenue	Revenues as a Percent of Total Water Sales
Dodge County Board of Education	12,187	14,697.16	2.09
AZ Operator	7,262	9,222.10	1.31
Eastman Garden Apartments	6,530	8,842.25	1.25
Global Eastman LLC	5,446	9,220.50	1.31
Middle GA State College	4,543	9,990.90	1.42
Dodge County Hospital	4,212	6,403.20	0.91
Eastside Court Apartments	4,068	5,980.50	0.85
Harrell St Project	3,692	7,693.70	1.09
Dodge Court Apartments	3,632	8,436.80	1.20
Bio Med App of Eastman	3,068	3,979.60	0.56

SEWER

Customer	Annual Thousand Gallons of Sewage Treated	Annual Sewer Revenue	Revenues as a Percent of Total Sewer Sales
AZ Operator	7,262	44,082.00	3.63
Eastman Garden Apartments	6,530	23,300.00	1.92
Dodge County Board of Education	6,038	39,389.00	3.24
Global Eastman LLC	5,446	33,266.40	2.74
Eastside Court Apartments	4,068	11,808.00	0.97
Dodge County Hospital	4,025	28,486.50	2.34
Middle GA State College	3,886	26,338.50	2.17
Harrell St Projects	3,692	15,818.00	1.30
Dodge Court Apartments	3,632	18,080.00	1.49
Bio Med App of Eastman	3,068	18,378.00	1.51

2021

WATER PEAK AND AVERAGE MGD FOR PRODUCTION

AVERAGE 1.256 MGD

PEAK 38.944 MGD

SEWER PEAK AND AVERAGE MGD TREATED

AVERAGE .800 MGD

PEAK 2.31 MGD

TOTAL NUMBER OF WATER CUSTOMERS

3,179

TOTAL NUMBER OF SEWER CUSTOMERS

2,309