

**CITY OF EASTMAN  
EASTMAN, GEORGIA**

**AUDIT REPORT**

**FOR YEAR ENDED DECEMBER 31, 2022**

*City of Eastman*  
*Table of Contents*  
*For the Year Ended December 31, 2022*

**Page**

**Financial Section:**

Independent Auditor's Report

**Basic Financial Statements:**

Statement of Net Position .....	1-2
Statement of Activities .....	3
Balance Sheet -Governmental Funds.....	4
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position .....	5
Combined Statement of Revenues, Expenditures And Changes in Fund Balance.....	6
Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds To the Statement of Activities .....	7
Statement of Revenues, Expenditures & Changes In Fund Balances – Budget and Actual – General Fund.....	8
Statement of Revenues, Expenditures & Changes In Fund Balances – Budget and Actual – American Rescue Plan of 2021 Fund.....	9
Statement of Net Position – Proprietary Funds.....	10
Statement of Revenues, Expenses & Changes In Fund Net Position – Proprietary Funds .....	11
Combining Statement of Cash Flows – Proprietary Funds.....	12-13
Notes to Financial Statements.....	14-39

**Required Supplementary Information**

Schedule of Changes in the City's Net Pension Liability and Related Ratio.....	40
Schedule of Contributions.....	41

**Combining and Individual Fund Statements:**

Combining Balance Sheet – Non Major Governmental Funds.....	42
---	----

*City of Eastman*  
*Table of Contents*  
*For the Year Ended December 31, 2022*

Combining Statement of Revenues, Expenditures & Changes In Fund Balances – Non Major Governmental Funds .....	43
<b>General Fund:</b>	
Balance Sheet.....	44
Statement of Revenues, Expenditures & Changes In Fund Balance .....	45
Statement of Revenues, Expenditures & Changes In Fund Balance – Budget (GAAP Basis) and Actual .....	46
<b>Hotel/Motel Taxes Special Revenue Fund:</b>	
Balance Sheet.....	47
Statement of Revenues, Expenditures & Changes In Fund Balance .....	48
Schedule of Revenues, Expenditures & Changes In Fund Balance – Budgetary Comparison and Actual .....	49
<b>Multiple Grant Special Revenue Fund:</b>	
Balance Sheet.....	50
Statement of Revenues, Expenditures & Changes In Fund Balance .....	51
Schedule of Revenues, Expenditures & Changes In Fund Balance—Budgetary Comparison and Actual.....	52
<b>Confiscated Assets Special Revenue Fund:</b>	
Balance Sheet.....	53
Statement of Revenues, Expenditures & Changes In Fund Balance .....	54
Schedule of Revenues, Expenditures & Changes In Fund Balance—Budgetary Comparison and Actual.....	55
<b>Community Development Block Grant Special Revenue Fund:</b>	
Balance Sheet.....	56

*City of Eastman*  
*Table of Contents*  
*For the Year Ended December 31, 2022*

Statement of Revenues, Expenditures & Changes	
In Fund Balance .....	57
Schedule of Revenues, Expenditures & Changes	
In Fund Balance—Budgetary Comparison and Actual.....	58
<b>American Rescue Plan of 2021 Special Revenue Fund:</b>	
Balance Sheet.....	59
Statement of Revenues, Expenditures & Changes	
In Fund Balance .....	60
Schedule of Revenues, Expenditures & Changes	
In Fund Balance—Budgetary Comparison and Actual.....	61
<b>2013 SPLOST Capital Project Fund:</b>	
Balance Sheet.....	62
Statement of Revenues, Expenditures & Changes	
In Fund Balance .....	63
<b>2019 SPLOST Capital Project Fund:</b>	
Balance Sheet.....	64
Statement of Revenues, Expenditures & Changes	
In Fund Balance .....	65
<b>TSPLOST Capital Project Fund:</b>	
Balance Sheet.....	66
Statement of Revenues, Expenditures & Changes	
In Fund Balance.....	67
<b>Water &amp; Sewer Enterprise Fund:</b>	
Statement of Net Position .....	68
Statement of Revenues, Expenditures & Changes	
In Net Position .....	69
Statement of Cash Flows .....	70

*City of Eastman*  
*Table of Contents*  
*For the Year Ended December 31, 2022*

**Solid Waste Enterprise Funds:**

Statement of net Position .....	71
Statement of Revenues, Expenditures & Changes In Net Position .....	72
Statement of Cash Flows .....	73

**Industrial Development Enterprise Fund:**

Statement of Net Position .....	74
Statement of Revenues, Expenditures & Changes In Net Position .....	75
Statement of Cash Flows .....	76

**Supporting Schedules:**

	<b>Schedule</b>	<b>Page</b>
Schedule of Revenues Compared to Budget (GAAP Basis).....	A-1	77
Supporting Schedule of General Government Expenditures, Compared to Budget (GAAP Basis) .....	A-2	78
Supporting Schedule of Judicial Expenditures, Compared to Budget (GAAP Basis) .....	A-3	79
Supporting Schedule of Public Safety Expenditures, Compared to Budget (GAAP Basis) .....	A-4	80
Supporting Schedule of Public Works Expenditures, Compared to Budget (GAAP Basis) .....	A-5	81
Supporting Schedule of Health & Welfare Expenditures, Compared to Budget (GAAP Basis) .....	A-6	82
Supporting Schedule of Culture/Recreation Expenditures, Compared to Budget (GAAP Basis) .....	A-7	83
Supporting Schedule of Housing & Development Expenditures Compared to Budget (GAAP Basis) .....	A-8	84

**Internal Controls and Compliance:**

Schedule of Expenditures of Special Purpose Local Option Sales Tax 2013.....	85
--	----

*City of Eastman*  
*Table of Contents*  
*For the Year Ended December 31, 2022*

Schedule of Expenditures of Special Purpose Local Option Sales Tax 2019.....	86
Schedule of Expenditures of TIA Special Purpose Local Option Sales Tax.....	87
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	88-89
Schedule of Expenditures of Federal Awards.....	90
Notes To Schedule of Expenditures of Federal Awards.....	91
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	92-93
Schedule of Findings and Questioned Costs.....	94
Summary Schedule of Prior Audit Findings.....	95
<b>Statistical Information:</b>	
Ten Largest Water and Sewer Customers for 2022.....	96
Additional Information for 2022.....	97

# H. FRANK ERWIN, JR., P.C.

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 4158 • 5805 Oak Street  
Eastman, GA 31023  
(478) 374-0030 • Fax (478) 374-0082  
hfrankerwincpa@bellsouth.net

MEMBER  
Georgia Society of  
Certified Public Accountants

MEMBER  
American Institute of  
Certified Public Accountants

## 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, 2022, 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, 2022, 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.

#### Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1, 8, 9, 12 and 21 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, as of January 1, 2022. This standard significantly changed the accounting for the City's lease activities. Our opinions are not modified with respect to this matter.

#### 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 39-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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, compliance schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*, 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 schedules, schedule of expenditures of federal awards, 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 June 14, 2023, 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  
June 14, 2023

## **BASIC FINANCIAL STATEMENTS**

*City of Eastman*  
*Statement of Net Position*  
*For the Year Ended December 31, 2022*

	Governmental Activities	Business- Type Activities	Total
<b>Assets</b>			
Cash and Equivalents	\$ 4,255,212	\$ 462,300	\$ 4,717,512
Investments	520,000	20,000	540,000
Accounts Receivable, Net	576,811	636,660	1,213,471
Lease Receivable	-	31,632	31,632
Due To Other Funds	-	119,023	119,023
Inventory	781	520	1,301
Noncurrent Assets			
Lease Receivable	-	1,146,359	1,146,359
Restricted Assets			
Bond Sinking Fund	-	606,618	606,618
Reserve Fund	-	329,121	329,121
Capital Assets			
Nondepreciable	277,161	63,057	340,218
Depreciable, net	2,206,827	14,862,902	17,069,729
<b>Total Assets</b>	<u>7,836,792</u>	<u>18,278,192</u>	<u>26,114,984</u>
<b>Deferred Outflows of Resources</b>			
Related To Pension	49,955	287,195	337,150
<b>Total Deferred Outflows of Resources</b>	<u>49,955</u>	<u>287,195</u>	<u>337,150</u>
<b>Liabilities</b>			
Accounts Payable	14,880	50,186	65,066
Accrued Liabilities	16,000	-	16,000
Due From Other Funds	-	119,023	119,023
Unearned Revenue	1,565,139	-	1,565,139
Noncurrent Liabilities			
Due Within One Year			
Deposits Payable	-	112,512	112,512
Note Payable	52,499	-	52,499
Due In More Than One Year			
Note Payable	138,922	73,779	212,701
Bond Payable	-	5,645,000	5,645,000
Net Pension Liability	317,995	112,892	430,887
<b>Total Liabilities</b>	<u>2,105,435</u>	<u>6,113,392</u>	<u>8,218,827</u>
<b>Deferred Inflows of Resources:</b>			
Related To Leases	-	902,055	902,055
Related To Pension	266,576	266,315	532,891
<b>Total Deferred Inflows of Resources</b>	<u>266,576</u>	<u>1,168,370</u>	<u>1,434,946</u>

*City of Eastman*  
*Statement of Net Position*  
*For the Year Ended December 31, 2022*

**Net Position**

Net Investment In Capital Assets	2,292,567	9,280,959	11,573,526
Restricted For			
Capital Projects	912,829	-	912,829
Public Safety	38,538	-	38,538
Public Works	266,299	-	266,299
Tourism	499,140	-	499,140
Debt Service	-	606,618	606,618
Renewal and Extension	-	329,121	329,121
Unrestricted	1,505,363	1,066,927	2,572,290
<b>Total Net Position</b>	<u>\$ 5,514,736</u>	<u>\$ 11,283,625</u>	<u>\$ 16,798,361</u>

**City of Eastman**

**Statement of Activities**

**Year Ended December 31, 2022**

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
<b>Governmental Activities:</b>						
General Government	\$ 1,164,398	\$ 46,031	\$ 18,715	\$ -	\$ (1,099,652)	\$ (1,099,652)
Judicial	8,635	201,713	-	-	193,078	193,078
Public Safety	1,671,907	48	27,217	-	(1,644,642)	(1,644,642)
Public Works	1,834,127	-	393,461	1,127,518	(313,148)	(313,148)
Health & Welfare	8,275	-	-	-	(8,275)	(8,275)
Culture / Recreation	135,288	-	62,721	-	(72,567)	(72,567)
Housing and Development	74,457	-	-	-	(74,457)	(74,457)
Interest	5,113	-	-	-	(5,113)	(5,113)
Total governmental activities	4,902,200	247,792	502,114	1,127,518	(3,024,776)	(3,024,776)
<b>Business - Type Activities:</b>						
Water and Sewer	2,726,942	2,307,183	-	239,356	(180,403)	(180,403)
Solid Waste	667,749	639,668	-	-	(28,081)	(28,081)
Industrial Development	4,933	-	-	-	(4,933)	(4,933)
Total business - type activities	3,399,624	2,946,851	-	239,356	(213,417)	(213,417)
<b>Total</b>	<b>\$ 8,301,824</b>	<b>\$ 3,194,643</b>	<b>\$ 502,114</b>	<b>\$ 1,366,874</b>	<b>\$ (3,024,776)</b>	<b>\$ (3,238,193)</b>
<b>General Revenues:</b>						
Ad Valorem Taxes					\$ 1,050,861	\$ 1,050,861
Insurance Premium Tax					474,785	474,785
Sales Tax					822,300	822,300
Franchise Fees					369,360	369,360
Other Taxes					326,745	326,745
Interest					814	43,495
Other Revenues					208,554	49,443
Transfers					30,415	(30,415)
Gain/(Loss) on Disposal					(68,452)	-
Total general revenues and transfers					3,215,382	62,523
Change in Net Position					190,606	(150,894)
<b>Net Position - beginning</b>					6,279,415	11,425,395
<b>Prior Period Adjustment</b>					(955,285)	9,124
<b>Net Position - ending</b>					\$ 5,514,736	\$ 11,283,625
						\$ 16,798,361

See Accompanying Notes to Financial Statements

*City of Eastman  
Balance Sheet  
Governmental Funds  
December 31, 2022*

**ASSETS**

	<b>General</b>	<b>American Rescue Plan of 2021</b>	<b>2019 SPLOST</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>ASSETS</u></b>					
<b>Current Assets:</b>					
Cash	\$ 1,472,407	\$ 1,565,139	\$ 634,386	\$ 583,280	\$ 4,255,212
Investments	520,000	-	-	-	520,000
Inventory	781	-	-	-	781
Receivables	576,811	-	-	-	576,811
<b>Total Assets</b>	<b><u>\$ 2,569,999</u></b>	<b><u>\$ 1,565,139</u></b>	<b><u>\$ 634,386</u></b>	<b><u>\$ 583,280</u></b>	<b><u>\$ 5,352,804</u></b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>					
Accounts Payable	\$ 14,880	\$ -	\$ -	\$ -	\$ 14,880
Accrued Liabilities	16,000	-	-	-	16,000
Unearned Revenue	-	1,565,139	-	-	1,565,139
Due to Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>30,880</u></b>	<b><u>1,565,139</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,596,019</u></b>
<b>Deferred Inflows of Resources:</b>					
Deferred Taxes	51,552	-	-	-	51,552
<b>Fund Balance</b>					
Nonspendable					
Inventories	781	-	-	-	781
Restricted for					
Capital Projects	-	-	634,386	278,443	912,829
Public Health	-	-	-	-	-
Public Safety	-	-	-	38,538	38,538
Public Works	-	-	-	266,299	266,299
Tourism	499,140	-	-	-	499,140
Unassigned	1,987,646	-	-	-	1,987,646
<b>Total Fund Balances</b>	<b><u>2,487,567</u></b>	<b><u>-</u></b>	<b><u>634,386</u></b>	<b><u>583,280</u></b>	<b><u>3,705,233</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 2,569,999</u></b>	<b><u>\$ 1,565,139</u></b>	<b><u>\$ 634,386</u></b>	<b><u>\$ 583,280</u></b>	<b><u>\$ 5,352,804</u></b>

*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, 2022*

**TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 3,705,233**

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	\$ 5,243,617	
Less: accumulated depreciation	<u>(2,759,629)</u>	2,483,988

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		51,552
----------------	--	--------

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	49,955	
Deferred inflows	<u>(266,576)</u>	(216,621)

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	(191,421)	
Net pension liability	<u>(317,995)</u>	<u>(509,416)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 5,514,736**

*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, 2022**

	General	American Rescue Plan of 2021	2019 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 3,015,783	\$ -	\$ -	\$ 56,342	\$ 3,072,125
Interest	811	-	-	3	814
Licenses and Permits	43,528	-	-	-	43,528
Fines and Forfeitures	201,713	-	-	-	201,713
Intergovernmental	16,994	327,063	547,352	719,508	1,610,917
Contribution & Donation	18,715	-	-	-	18,715
Charges for Services	2,551	-	-	-	2,551
Other Revenues	142,441	-	11,089	55,024	208,554
<b>Total Revenues</b>	<u>3,442,536</u>	<u>327,063</u>	<u>558,441</u>	<u>830,877</u>	<u>5,158,917</u>
<b>Expenditures:</b>					
Current:					
General Government	1,208,728	-	58,227	-	1,266,955
Judicial	8,635	-	-	-	8,635
Public Safety	1,732,055	10,223	6,544	65,590	1,814,412
Public Works	735,586	304,598	389,199	645,825	2,075,208
Health & Welfare	8,275	-	-	-	8,275
Culture / Recreation	115,146	12,242	7,900	-	135,288
Housing & Development	52,249	-	-	22,208	74,457
Debt Service:					
Principle Payments	53,025	-	-	-	53,025
Interest	5,113	-	-	-	5,113
<b>Total Expenditures</b>	<u>3,918,812</u>	<u>327,063</u>	<u>461,870</u>	<u>733,623</u>	<u>5,441,368</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(476,276)</u>	<u>-</u>	<u>96,571</u>	<u>97,254</u>	<u>(282,451)</u>
<b>Other Financing Sources (uses):</b>					
Loan Proceeds	-	-	-	-	-
Sale of Assets	306,648	-	-	-	306,648
Grants	-	-	-	-	-
Transfers, Net	115,028	-	-	(84,613)	30,415
<b>Total Other Financing Sources (uses)</b>	<u>421,676</u>	<u>-</u>	<u>-</u>	<u>(84,613)</u>	<u>337,063</u>
<b>Net Change in Fund Balance</b>	<u>(54,600)</u>	<u>-</u>	<u>96,571</u>	<u>12,641</u>	<u>54,612</u>
<b>Fund Balance, Beginning</b>	<u>2,551,351</u>	<u>946,101</u>	<u>537,815</u>	<u>570,639</u>	<u>4,605,906</u>
<b>Prior Period Adjustments</b>	<u>(9,184)</u>	<u>(946,101)</u>	<u>-</u>	<u>-</u>	<u>(955,285)</u>
<b>Fund Balance, Ending</b>	<u>\$ 2,487,567</u>	<u>\$ -</u>	<u>\$ 634,386</u>	<u>\$ 583,280</u>	<u>\$ 3,705,233</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, 2022*

<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		<b>\$ 54,612</b>
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	\$ 636,705	
Less: current year depreciation	<u>(226,726)</u>	409,979
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position		(375,100)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds:		
Property taxes		(28,073)
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		76,163
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:		
Notes and leases principle paid	<u>53,025</u>	<u>53,025</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 190,606</u></b>

*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, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2,910,374	\$ 2,910,374	\$ 3,015,783	\$ 105,409
Interest	1,000	1,000	811	(189)
Licenses and Permits	43,000	43,000	43,528	528
Fines and Forfeitures	145,000	145,000	201,713	56,713
Intergovernmental	-	-	16,994	16,994
Contribution & Donation	12,000	12,000	18,715	6,715
Charges for Service	5,650	5,650	2,551	(3,099)
Miscellaneous	53,300	53,300	142,441	89,141
<b>Total Revenues</b>	<u>3,170,324</u>	<u>3,170,324</u>	<u>3,442,536</u>	<u>272,212</u>
<b>Expenditures:</b>				
General Government	1,161,800	1,161,800	1,208,728	(46,928)
Judicial	10,250	10,250	8,635	1,615
Public Safety	1,404,560	1,404,560	1,732,055	(327,495)
Public Works	520,045	520,045	735,586	(215,541)
Health and Welfare	5,749	5,749	8,275	(2,526)
Culture / Recreation	72,500	72,500	115,146	(42,646)
Housing and Development	78,820	78,820	52,249	26,571
<b>Total Expenditures</b>	<u>3,253,724</u>	<u>3,253,724</u>	<u>3,860,674</u>	<u>(606,950)</u>
Excess (Deficiency) of Revenues Over Expenditures	(83,400)	(83,400)	(418,138)	94,282
<b>Other Financing Sources (uses):</b>				
Principle Payments	-	-	(53,025)	(38,243)
Interest	-	-	(5,113)	(5,113)
Loan Proceeds	-	-	-	-
Sale of Assets	-	-	306,648	306,648
Transfers, Net	83,400	83,400	115,028	31,628
<b>Total Other Financing Sources (uses):</b>	<u>83,400</u>	<u>83,400</u>	<u>363,538</u>	<u>125,063</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	(54,600)	(54,600)
<b>Fund Balance, Beginning</b>	2,551,351	2,551,351	2,551,351	-
<b>Prior Period Adjustments</b>	-	-	(9,184)	(9,184)
<b>Fund Balance, Ending</b>	<u>\$ 2,551,351</u>	<u>\$ 2,551,351</u>	<u>\$ 2,487,567</u>	<u>\$ (63,784)</u>

*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, 2022*

	<b>Budgeted Amounts</b>			<b>Variance -</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Intergovernmental	\$ 946,101	\$ 946,101	\$ 327,063	\$ (619,038)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>946,101</u>	<u>946,101</u>	<u>327,063</u>	<u>(619,038)</u>
<b>Expenditures:</b>				
Public Safety	-	-	10,223	(10,223)
Public Works	946,101	946,101	304,598	641,503
Community and Recreation	-	-	12,242	(12,242)
<b>Total Expenditures</b>	<u>946,101</u>	<u>946,101</u>	<u>327,063</u>	<u>619,038</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (uses):</b>				
Transfers, Net	-	-	-	-
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	-
<b>Fund Balance, Beginning</b>	946,101	946,101	946,101	-
<b>Prior Period Adjustments</b>	<u>-</u>	<u>-</u>	<u>(946,101)</u>	<u>(946,101)</u>
<b>Fund Balance, Ending</b>	<u>\$ 946,101</u>	<u>\$ 946,101</u>	<u>\$ -</u>	<u>\$ (946,101)</u>

*See Accompanying Notes to Financial Statements*

*City of Eastman  
Proprietary Funds  
Statement of Net Position  
December 31, 2022*

	<u>Water And Sewer</u>	<u>Solid Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
<b>Assets</b>				
Cash and Equivalents	\$ 316,464	\$ 145,836	\$ -	\$ 462,300
Investments	20,000	-	-	20,000
Accounts Receivable, Net	491,170	145,490	-	636,660
Lease Receivable	31,632	-	-	31,632
Due To Other Funds	-	119,023	-	119,023
Inventory	520	-	-	520
Noncurrent Assets				
Lease Receivable	1,146,359	-	-	1,146,359
Restricted Assets				
Bond Sinking Fund	606,618	-	-	606,618
Reserve Fund	329,121	-	-	329,121
Capital Assets				
Nondepreciable	63,057	-	-	63,057
Depreciable, net	14,771,651	-	91,251	14,862,902
<b>Total Assets</b>	<u>17,776,592</u>	<u>410,349</u>	<u>91,251</u>	<u>18,278,192</u>
<b>Deferred Outflows of Resources</b>				
Related To Pension	287,195	-	-	287,195
<b>Total Deferred Outflows of Resources</b>	<u>287,195</u>	<u>-</u>	<u>-</u>	<u>287,195</u>
<b>Liabilities</b>				
Accounts Payable	1,418	48,768	-	50,186
Due From Other Funds	119,023	-	-	119,023
Noncurrent Liabilities				
Due Within One Year				
Deposits Payable	112,512	-	-	112,512
Due In More Than One Year				
Note Payable	73,779	-	-	73,779
Bond Payable	5,645,000	-	-	5,645,000
Net Pension Liability	112,892	-	-	112,892
<b>Total Liabilities</b>	<u>6,064,624</u>	<u>48,768</u>	<u>-</u>	<u>6,113,392</u>
<b>Deferred Inflows of Resources:</b>				
Related To Leases	902,055	-	-	902,055
Related To Pension	266,315	-	-	266,315
<b>Total Deferred Inflows of Resources</b>	<u>1,168,370</u>	<u>-</u>	<u>-</u>	<u>1,168,370</u>
<b>Net Position</b>				
Net Investment In Capital Assets	9,189,708	-	91,251	9,280,959
Restricted For				
Debt Service	606,618	-	-	606,618
Renewal and Extension	329,121	-	-	329,121
Unrestricted	705,346	361,581	-	1,066,927
<b>Total Net Position</b>	<u>\$ 10,830,793</u>	<u>\$ 361,581</u>	<u>\$ 91,251</u>	<u>\$ 11,283,625</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, 2022*

	<u>Water And Sewer</u>	<u>Soild Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
<b>Operating Revenues:</b>				
Charge for Services	\$ 2,245,703	\$ 639,668	\$ -	\$ 2,885,371
Other	61,480	-	-	61,480
<b>Total Operating Revenue</b>	<u>2,307,183</u>	<u>639,668</u>	<u>-</u>	<u>2,946,851</u>
<b>Operating Expenses:</b>				
Sewage Collection and Disposal	544,897	667,749	-	1,212,646
Water - Administration	767,234	-	-	767,234
Water - Supply	700,311	-	-	700,311
Water - Distribution	515,193	-	-	515,193
Housing & Development	-	-	4,933	4,933
<b>Total Operating Expenses</b>	<u>2,527,635</u>	<u>667,749</u>	<u>4,933</u>	<u>3,200,317</u>
Operating Income (loss)	<u>(220,452)</u>	<u>(28,081)</u>	<u>(4,933)</u>	<u>(253,466)</u>
<b>Nonoperating Revenues (expenses)</b>				
Interest Revenues	43,495	-	-	43,495
Rents & Royalties	49,364	-	-	49,364
Intergovernmental	239,356	-	-	239,356
Sale of Assets	-	-	-	-
Other	79	-	-	79
Interest Expense	<u>(199,307)</u>	<u>-</u>	<u>-</u>	<u>(199,307)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>132,987</u>	<u>-</u>	<u>-</u>	<u>132,987</u>
<b>Income (loss) before Transfers</b>	<u>(87,465)</u>	<u>(28,081)</u>	<u>(4,933)</u>	<u>(120,479)</u>
<b>Transfers In (out), Net</b>	<u>(30,415)</u>	<u>-</u>	<u>-</u>	<u>(30,415)</u>
<b>Net Income (loss)</b>	<u>(117,880)</u>	<u>(28,081)</u>	<u>(4,933)</u>	<u>(150,894)</u>
<b>Net Position, Beginning</b>	10,939,549	389,662	96,184	11,425,395
<b>Adjustment</b>	9,124	-	-	9,124
<b>Net Position, Ending</b>	<u>\$ 10,830,793</u>	<u>\$ 361,581</u>	<u>\$ 91,251</u>	<u>\$ 11,283,625</u>

*See Accompanying Notes to Financial Statements*

*City of Eastman  
Proprietary Fund  
Combining Statement Of Cash Flows  
For the Year Ended December 31, 2022*

	Water And Sewer	Solid Waste	Industrial Development	Total
<b>Cash Flow From Operating Activities</b>				
Cash Received From Customers	\$ 2,257,581	\$ 615,791	\$ -	\$ 2,873,372
Cash Received From Other	61,480	-	-	61,480
Cash Payment To Suppliers	(1,549,579)	(665,964)	-	(2,215,543)
Cash Payment to Employees	(570,166)	-	-	(570,166)
Net Cash Provided (Used) by operating activities	<u>199,316</u>	<u>(50,173)</u>	<u>-</u>	<u>149,143</u>
<b>Cash Flow From Noncapital Financing Activities:</b>				
Rents & Royalties	71,799	-	-	71,799
Grant & Contracts	57,096	-	-	57,096
Other	79	-	-	79
Transfers In (Out) from other Funds	(54,015)	-	-	(54,015)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>74,959</u>	<u>-</u>	<u>-</u>	<u>74,959</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Principal Paid on Bonds	(230,000)	-	-	(230,000)
Interest on Loan	(199,307)	-	-	(199,307)
Loan Proceeds	73,779	-	-	73,779
Proceeds From Disposal of Assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(355,528)</u>	<u>-</u>	<u>-</u>	<u>(355,528)</u>
<b>Cash Flow From Investing Activities</b>				
Interest On Investments	753	-	-	753
Proceeds From Investments	-	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>753</u>	<u>-</u>	<u>-</u>	<u>753</u>
<b>Net Increase (decrease) In Cash</b>	(80,500)	(50,173)	-	(130,673)
<b>Cash, Beginning</b>	1,372,509	196,009	-	1,568,518
<b>Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, Ending</b>	<u>\$ 1,292,009</u>	<u>\$ 145,836</u>	<u>\$ -</u>	<u>\$ 1,437,845</u>

*See Accompanying Notes to Financial Statements*

*City of Eastman  
Proprietary Funds  
Combining Statement Of Cash Flows  
For the Year Ended December 31, 2022*

RECONCILIATION OF NET INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

	Water And Sewer	Solid Waste	Industrial Development	Total
<b>Net Income (loss) From Operations</b>	<u>\$ (118,016)</u>	<u>\$ (28,081)</u>	<u>\$ (4,933)</u>	<u>\$ (151,030)</u>
Adjustment To Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	482,516	-	4,933	487,449
Pension Expense	(153,442)	-	-	(153,442)
Donations	-	-	-	-
Changes In Assets And Liabilities:				
Decreases (increases) in Inventory	572	-	-	572
Decreases (increases) in Accounts Receivable	(32,869)	(1,149)	-	(34,018)
Decreases (increases) in Lease Receivable	29,029	-	-	29,029
Decreases (increases) in Due From Other Funds	13,603	(22,728)	-	(9,125)
Increases (decreases) in Accounts payable	(24,192)	1,785	-	(22,407)
Increases (decreases) in Deposits Payable	<u>2,115</u>	<u>-</u>	<u>-</u>	<u>2,115</u>
	<u>317,332</u>	<u>(22,092)</u>	<u>4,933</u>	<u>300,173</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$ 199,316</u></u>	<u><u>\$ (50,173)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,143</u></u>

*See accompanying note to financial statements.*

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(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.

The City is responsible for appointing some of the members of the boards of other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. These related organizations include the following:

Heart of Georgia Regional Airport Authority  
Dodge County-Eastman Development Authority  
Dodge County-Murrell Memorial Library  
Housing Authority of the City of Eastman

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.



*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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.

**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, 117<sup>th</sup> 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.

2019 SPLOST 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 renovations, improvements, additions to water and sewer system, storm drainage systems, road work, economic development, and capital improvement projects for the City totaling \$2,310,000. The proceeds of this levy began on November 2019. Under Georgia law, this tax can remain in effect for six years.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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 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 owned 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.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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 acquired by the City.

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

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).

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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.

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.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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.

**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.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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.

**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. Leases**

Lessee: The City is a lessee for several noncancellable leases for two copiers and two postage machines. The City recognizes a lease liability and an intangible right-to use asset (lease asset) in the government-wide financial statements.

At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

Lessor: The City is a lessor for several noncancellable leases for space on water tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and Water and Sewer Fund financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, plus certain initial direct costs. Subsequently, the deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate or the interest rate charged by the lessor as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable or lease liability are composed of fixed payments and options to extend the term that the lessee is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure its lease receivable or lease liability and deferred inflow of resources or lease asset if certain changes occur that expected to significantly affect the amount of the lease receivable or lease liability.

**P. 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.

**Q. 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.

**R. 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, 2022, the City did not have any such agreements, either entered into by the City or by other governments.



*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(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, 2022 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.

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 Government	\$ 1,161,800	\$ 1,208,728	\$ 46,928
Public Safety	1,404,560	1,732,055	327,495
Public Works	520,045	735,586	215,541
Health & Welfare	5,749	8,275	2,526
Culture/Recreation	72,500	115,146	42,646
Hotel/Motel Taxes:			
Economic Development	14,000	22,208	8,208
Confiscated Assets:			
Public Safety	30,000	65,590	35,590

(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, 2022. At year-end, the carrying amount of the City's deposits was \$6,700,349 and the respective bank balances totaled \$6,193,251. Included in the bank balances are Certificates of Deposit totaling \$700,500. Of the total deposits, \$1,219,353 was covered by the Federal Depository Insurance Corporation (FDIC) and \$5,453,511 was covered by collateral held by the pledging financial institutions in the City's name. At December 31, 2022 the City had \$27,485 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



*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

Corporation insurance, to be held in the government's name by the safekeeping agent.

(4) PROPERTY TAX

Property taxes were levied on September 12, 2022 for the calendar year based on assessed property values set by the county assessors. Tax notices were mailed on approximately October 3, 2022, 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	13.76 mils
Sales tax credit	<u>6.26 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 the Water and Sewer Enterprise Fund revenue bonds, as well as certain resources set aside for their payment are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. The "revenue bond sinking fund" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond renewals and extension" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

(6) HOTEL/MOTEL LODGING TAX

The City of Eastman levies a 5% lodging tax in accordance with O. C. G. A. 45-13-51. A summary of the transactions for the year ended December 31, 2022 is as follows:

	<u>Amount</u>	<u>Percentage of Tax Receipts</u>
Receipts:		
Lodging tax receipts	<u>\$ 56,342</u>	
Expenditures:		
Disbursements to Eastman/Dodge Chamber of Commerce for promotion of tourism	\$ 22,208	39.42%
Disbursements by the City for promotion of tourism	<u>--</u>	0.00%
Total expenditures	<u>\$ 22,208</u>	
Balance of lodging tax funds on hand at end of year	<u>\$499,140</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.

*City of Eastman*  
**Notes To Financial Statements**  
**December 31, 2022**

**(7) ACCOUNTS RECEIVABLES**

Amounts other than leases receivable are aggregated into a single receivables (net of allowances for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables as of December 31, 2022, including applicable allowances for uncollectable accounts:

	General	Water and Sewer	Solid Waste	Total
Receivables:				
Taxes	\$ 598,491	\$ -	\$ -	\$ 598,491
Accounts	-	491,420	145,490	636,910
Other	407	-		407
Gross receivables	598,898	491,420	145,490	1,235,808
Less allowance for uncollectibles	(22,087)	(250)	-	(22,337)
Net receivable	<u>\$ 576,811</u>	<u>\$ 491,170</u>	<u>\$ 145,490</u>	<u>\$ 1,213,471</u>

**(8) LEASE RECEIVABLE**

The City has entered into various lease agreements as lessor for the use of space for the installation of communications equipment.

On June 12, 2009 the City entered into a 60 month lease for the use of water tower space to install communications equipment. An initial lease receivable was recorded in the amount of \$296,221. At December 31, 2022, the value of the lease receivable was \$241,353. The lessee is required to make monthly payments of \$1,300 for the first 60 months and increase in each of the extension option periods. The lease has an interest rate of 5.28%. The value the deferred inflow of resources as of December 31, 2022 was \$137,248. The lease has 4 extension options, each for five years.

On June 12, 2009 the City entered into a 60 month lease for the use of water tower space to install communications equipment. An initial lease receivable was recorded in the amount of \$449,511. At December 31, 2022, the value of the lease receivable was \$370,719. The lessee is required to make monthly payments of \$1,300 that increase by 3% annually on the anniversary date. The lease has an interest rate of 3.125%. The value the deferred inflow of resources as of December 31, 2022 was \$247,229. The lease has 5 extension options, each for five years.

On June 9, 2020 the City entered into a 5 year lease for the use of water tower space to install communications equipment. An initial lease receivable was recorded in the amount of \$585,087. At December 31, 2022, the value of the lease receivable was \$565,919. The lessee is required to make annual payment of \$24,252 that increase by 3% annually on the anniversary date. The lease has an interest rate of 3.125%. The value the deferred inflow of resources as of December 31, 2022 was \$517,577. The lease has 5 extension options, each for five years.

***City of Eastman***  
***Notes To Financial Statements***  
***December 31, 2022***

The future principal and interest payments as of December 31, 2022, were as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 31,632	\$ 41,565	\$ 73,197
2024	35,675	40,281	75,956
2025	40,502	38,773	79,275
2026	43,716	37,117	80,833
2027	47,098	35,340	82,438
2028-2032	305,969	144,197	450,166
2033-2037	313,261	85,022	398,283
2038-2042	225,196	42,200	267,396
2043-2045	134,942	8,607	143,549
	<u>\$ 1,177,991</u>	<u>\$ 473,102</u>	<u>\$ 1,651,093</u>

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(9) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Additions/ Completions	Retirements/ Adjustments	Balance 12/31/22
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 192,353	\$ --	\$ --	\$ 192,353
Construction in Progress	84,808	--	--	84,808
Total capital assets not being depreciated	<u>277,161</u>	<u>--</u>	<u>--</u>	<u>277,161</u>
Capital assets being depreciated:				
Buildings	1,501,837	55,078	375,100	1,181,815
Building Improvements	172,851	--	--	172,851
Right-To-Use Leased Equipment	--	21,347	--	21,347
Equipment	1,768,539	581,627	--	2,350,166
Infrastructure	<u>1,240,277</u>	<u>--</u>	<u>--</u>	<u>1,240,277</u>
Total capital assets being depreciated	<u>4,683,504</u>	<u>658,052</u>	<u>375,100</u>	<u>4,966,456</u>
Less Accumulated Depreciation for:				
Buildings	418,028	23,143	--	441,171
Building Improvements	76,932	4,935	--	81,867
Right-To-Use Leased Equipment	--	4,519	--	4,519
Equipment	1,448,940	152,752	--	1,601,692
Infrastructure	<u>584,734</u>	<u>45,646</u>	<u>--</u>	<u>630,380</u>
Total Accumulated Depreciation	<u>2,528,634</u>	<u>230,995</u>	<u>--</u>	<u>2,759,629</u>
Total Capital Assets being depreciated ( net)	<u>2,154,870</u>	<u>427,057</u>	<u>375,100</u>	<u>2,206,827</u>
Governmental activities capital assets, net	<u>\$2,432,031</u>	<u>\$ 427,057</u>	<u>\$ 375,100</u>	<u>\$ 2,483,988</u>

Depreciation/amortization expense was charged to the functions/programs of the governmental activities as follows:

General government	\$ 31,093
Police	78,405
Fire	49,161
Street	63,859
Storm Drainage	<u>8,477</u>

Total depreciation/amortization expense - governmental activities \$ 230,995

**City of Eastman**  
**Notes To Financial Statements**  
**December 31, 2022**

	Balance 12/31/202	Additions/ Completions	Retirements/ Adjustments	Balance 12/31/2022
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	72,386	-	24,144,370
Water & Sewer Equipment	515,297	133,474	-	648,771
Building	<u>263,440</u>	<u>-</u>	<u>-</u>	<u>263,440</u>
Total capital assets being depreciated	24,850,721	205,860	-	25,056,581
Less Accumulated Depreciation for:				
Water & Sewer System	9,039,691	468,306	-	9,507,997
Water & Sewer Equipment	507,683	14,210	-	521,893
Building	<u>158,856</u>	<u>4,933</u>	<u>-</u>	<u>163,789</u>
Accumulated depreciation	<u>9,706,230</u>	<u>487,449</u>	<u>-</u>	<u>10,193,679</u>
Total capital assets being depreciated, net	<u>15,144,491</u>	<u>(281,589)</u>	<u>-</u>	<u>14,862,902</u>
Buisness-type activities capital assets, net	<u>\$ 15,207,548</u>	<u>\$ (281,589)</u>	<u>\$ -</u>	<u>\$ 14,925,959</u>

Depreciation expense for the year ended December 31, 2022 for the Water and Sewer Enterprise Fund was \$482,516 and for the Industrial Development \$4,933.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(10) 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:

	<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	\$ (60,053)	\$ 184,768	\$ 184,768
Changes of assumptions	-	-	-
Net differences between projected and actual earnings on pension investments	-	-	-
City contributions subsequent to measurement date	<u>110,008</u>	<u>102,427</u>	<u>102,427</u>
Total deferred outflows	<u>\$ 49,955</u>	<u>\$ 287,195</u>	<u>\$ 287,195</u>
<u>Deferred Inflows</u>			
Pensions -			
Differences between expected and actual experience	\$ (16,153)	\$ (16,138)	\$ (16,138)
Net differences between projected and actual earnings on pension investments	<u>(250,423)</u>	<u>(250,177)</u>	<u>(250,177)</u>
Total deferred inflows	<u>\$ (266,576)</u>	<u>\$ (266,315)</u>	<u>\$ (266,315)</u>

(11) REVENUE BONDS PAYABLE

Revenue bond payable at December 31, 2022 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%.

**City of Eastman**  
**Notes To Financial Statements**  
**December 31, 2022**

The following is a summary of bond transactions for the year ended December 31, 2022:

Revenue bonds payable at January 1, 2022	\$ 5,875,000
Bonds payments	230,000
Bonds refunding	-
Revenue bonds payable at December 31, 2022	<u>\$ 5,645,000</u>

Annual debt service requirements to maturity for the revenue bonds as of December 31, 2022, are as follows:

Year ending December 31	Principal	Interest	Total
2023	-	96,779	96,779
2024	240,000	190,407	430,407
2025	245,000	183,889	428,889
2026	250,000	177,020	427,020
2027	260,000	169,782	429,782
2028-2032	1,410,000	725,155	2,135,155
2033-2037	1,670,000	457,530	2,127,530
2038-20241	1,570,000	122,170	1,692,170
Total	<u>\$ 5,645,000</u>	<u>\$ 2,122,732</u>	<u>\$ 7,767,732</u>

**(12) NOTES PAYABLE**

Notes payable at December 31, 2022 consisted of the following:

	Beginnng Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>Governmental Activities</b>					
Notes	\$ 227,160	\$ -	\$ (53,025)	\$ 174,135	\$ 47,795
Leases	18,569	2,987	(4,270)	17,286	4,704
Total	<u>\$ 245,729</u>	<u>\$ 2,987</u>	<u>\$ (57,295)</u>	<u>\$ 191,421</u>	<u>\$ 52,499</u>
<b>Business-type Activities</b>					
Notes	\$ -	\$ 130,875	\$ (57,096)	\$ 73,779	\$ -
Total	<u>\$ -</u>	<u>\$ 130,875</u>	<u>\$ (57,096)</u>	<u>\$ 73,779</u>	<u>\$ -</u>

**Governmental Activities**

**Notes Payable**

United States Department of Agriculture Facility Loan

A promissory note, due 8/11/22, interest at 2.75%, principal and interest paid annually on August 11<sup>th</sup>.  
Funds were used to purchase two trucks for the Fire and Street Departments.

United States Department of Agriculture Facility Loan

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

**City of Eastman**  
**Notes To Financial Statements**  
**December 31, 2022**

**United States Department of Agriculture Facility Loan**

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

**United States Department of Agriculture Facility Loan**

A promissory note, due 11/18/26, interest at 2.125%, principal and interest paid annually on November 18<sup>th</sup>.  
Funds were used to purchase two trucks for the Street Department.

**United States Department of Agriculture Facility Loan**

A promissory note, due 11/18/26, interest at 2.125%, principal and interest paid annually on November 18<sup>th</sup>.  
Funds were used to purchase three patrol vehicles for the Police Department.

Year ending December 31	Principal	Interest	Total
2023	47,795	3,887	51,682
2024	48,816	2,818	51,634
2025	49,919	1,715	51,634
2026	27,605	585	28,190
Total	<u>\$ 174,135</u>	<u>\$ 9,005</u>	<u>\$ 183,140</u>

**Leases**

The City has entered into various lease agreements as lessee for the use of office equipment.

On December 1, 2020 the City entered into a 60 month lease for the use of a copier machine. An initial lease liability was recorded in the amount of \$8,489. At December 31, 2022, the value of the lease liability was \$5,112. The City is required to make monthly payments of \$153. The lease has an interest rate of 3.125%. The value the right-to-use asset as of December 31, 2022 was \$4,952 with accumulated amortization of \$3,537. At the end of the lease, the City has a purchase option.

On October 19, 2021 the City entered into a 60 month lease for the use of a copier machine. An initial lease liability was recorded in the amount of \$8,489. At December 31, 2022, the value of the lease liability was \$6,625. The City is required to make monthly payments of \$153. The lease has an interest rate of 3.125%. The value the right-to-use asset as of December 31, 2022 was \$6,508 with accumulated amortization of \$1,981. At the end of the lease, the City has a purchase option.

On March 1, 2021 the City entered into a 60 month lease for the use of a postage meter. An initial lease liability was recorded in the amount of \$4,123. At December 31, 2022, the value of the lease liability was \$2,680. The City is required to make quarterly payments of \$241. The lease has an interest rate of 6.149%. The value the right-to-use asset as of December 31, 2022 was \$2,680 with accumulated amortization of \$1,443.

On April 1, 2022 the City entered into a 60 month lease for the use of a postage meter. An initial lease liability was recorded in the amount of \$2,987. At December 31, 2022, the value of the lease liability was \$2,728. The City is required to make quarterly payments of \$175. The lease has an interest rate of 6.149%. The value the right-to-use asset as of December 31, 2022 was \$2,688 with accumulated amortization of \$299.



**City of Eastman**  
**Notes To Financial Statements**  
**December 31, 2022**

Year ending December 31	Principal	Interest	Total
2023	4,704	629	5,333
2024	4,895	438	5,333
2025	4,942	238	5,180
2026	2,401	68	2,469
2027	344	5	349
Total	\$ 17,286	\$ 1,378	\$ 18,664

**Business-type Activities**

**Notes Payable**

**Georgia Environmental Finance Authority Loan**

The City was approved for a Drinking Water State Revolving Fund loan in the amount of \$1,285,000 on January 24, 2022. The financing will be used to install advanced metering infrastructure (AMI) and related appurtenances for the City's water and sewer system. As the project progresses, the City will draw funds down and as interest is accrued on the note it will be payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the completion date, (2) May 1, 2023, or (3) the date that the loan evidenced by this note is fully disbursed.

**Georgia Environmental Finance Authority Loan**

The City was approved for a Clean Water State Revolving Fund loan in the amount of \$2,070,000 on August 24, 2021. The financing will be used to rehabilitate the sanitary sewer collection system and related appurtenances for the City's water and sewer system. As the project progresses, the City will draw funds down and as interest is accrued on the note it will be payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the completion date, (2) August 1, 2023, or (3) the date that the loan evidenced by this note is fully disbursed.

**(13) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivables and payables for the year ended December 31, 2022, consisted of the following:

Solid Waste Fund due from Water and Sewer Fund \$119,023.

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.

Interfund transfers for the year ended December 31, 2022, consisted of the following:

	General Fund	Hotel/Motel Taxes Fund	Multiple Grant Fund	Water Fund
General Fund	-	(34,134)	(50,479)	(30,415)
Hotel/Motel	34,134	-	-	-
Multiple Grant	50,479	-	-	-
Water Fund	30,415	-	-	-
Total	115,028	(34,134)	(50,479)	(30,415)

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

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.

(14) 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 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.



*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
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	\$ 974,423	\$ 430,886	\$ (34,107)

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, 2022.

	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
Balances at March 31, 2021	\$ 5,305,106	\$ 4,952,412	\$ 352,694
Changes for the year:			
Service cost	51,734	-	51,734
Interest	379,576	-	379,576
Differences between expected and actual experience	187,073	-	187,073
Contributions - employer	-	249,416	(249,416)
Net investment income	-	302,740	(302,740)
Benefit payments, including refunds of employee contributions	(420,102)	(420,102)	-
Administrative expenses	-	(11,965)	11,965
Other	-	-	-
Net changes	198,281	120,089	78,192
Balances at March 31, 2022	\$ 5,503,387	\$ 5,072,501	\$ 430,886

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

Changes of assumptions:

- There were no changes in assumptions in the last two fiscal years.

Benefit changes:

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

Pension expense –

Service cost	\$ 51,734
Interest on TPL	379,576
Administrative expenses	11,965
Expected return on assets	(358,505)
Expensed portion of current year period differences between expected and actual experience in TPL	62,357
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	11,153
Current year recognition of deferred inflows and outflows established in prior years	<u>(101,422)</u>
Total pension expense	<u>\$ 56,858</u>

Deferred outflows / inflows of resources related to pensions:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 124,716	\$ (32,292)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(500,599)
City contributions subsequent to the measurement date	<u>212,434</u>	<u>-</u>
Total deferred outflows / inflows of resources related to pensions	<u>\$ 337,150</u>	<u>\$ (532,891)</u>

The \$212,434 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**City of Eastman**  
**Notes To Financial Statements**  
**December 31, 2022**

Projected recognition of deferred outflows / inflows:

<u>Year</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 213,028	\$ (297,375)
2024	184,035	(265,084)
2025	11,153	(265,084)
2026	11,153	-
Total projected recognition of deferred outflows / inflows	<u>\$ 419,369</u>	<u>\$ (827,543)</u>

**(15) NET INVESTMENT IN CAPITAL ASSETS**

The "net investment in capital assets" reported in the government-wide financial statement of net position as of December 31, 2022 are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cost of capital assets	\$ 5,243,617	\$ 25,119,638	\$30,363,255
Less accumulated depreciation	(2,759,629)	(10,193,679)	(12,953,308)
Book value	2,483,988	14,925,959	17,409,947
Less: note payable	(174,135)	-	(174,135)
Less: lease payable	(17,286)	-	(17,286)
Less: revenue bonds	-	(5,645,000)	(5,645,000)
Net investment in capital assets	<u>\$ 2,292,567</u>	<u>\$ 9,280,959</u>	<u>\$11,573,526</u>

**(16) 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.

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.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(17) 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, 2022 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.

(18) 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, 2022, the city paid \$ 5,591 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

(19) 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.

(20) SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 14, 2023, the date of the auditor's report. No events occurred during this period which would require disclosure in these financial statements.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(21) RESTATEMENT OF BEGINNING BALANCES

The City has determined a restatement of the beginning net position for governmental activities, business-type activities and Water and Sewer Fund is required to report implementation of GASB Statement No. 87 *Leases*. These restatements resulted in a change in the beginning net position as follows.

	Governmental Activities
Beginning Fund Balances, as previously reported	\$ 6,279,624
Recognition of right-of-use asset and lease payable in accordance with GASB Statement No. 87	(209)
Beginning Fund Balance, as restated	<u>\$ 6,279,415</u>
	Business- Type Activities
Beginning Fund Balances, as previously reported	\$ 11,169,765
Recognition of lease receivable and deferred inflow of resources in accordance with GASB Statement No. 87	255,630
Beginning Fund Balance, as restated	<u>\$ 11,425,395</u>
	Water and Sewer Fund
Beginning Fund Balances, as previously reported	\$ 10,683,919
Recognition of lease receivable and deferred inflow of resources in accordance with GASB Statement No. 87	255,630
Beginning Fund Balance, as restated	<u>\$ 10,939,549</u>



*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2022*

(22) PRIOR PERIOD ADJUSTMENTS

Prior period adjustments effected the net position for governmental activities, business-type activities and Water and Sewer Fund and fund balance for General Fund and American Rescue Plan of 2021 Fund. These adjustments resulted in a change in the fund balance and net position as follows.

	Governmental Activities
To adjust off due from the Water and Sewer Fund	\$ (9,124)
To record unearned revenue for the grant funds received in advance from the ARP Grant	(946,101)
To record other adjustment	(60)
Prior period adjustments	<u>\$ (955,285)</u>
	Business- Type Activities
To adjust off due to the General Fund	\$ 9,124
Prior period adjustments	<u>\$ 9,124</u>
	Water and Sewer Fund
To adjust off due to the General Fund	\$ 9,124
Prior period adjustments	<u>\$ 9,124</u>
	General Fund
To adjust off due from the Water and Sewer Fund	\$ (9,124)
To record other adjustment	(60)
Prior period adjustments	<u>\$ (9,184)</u>
	American Rescue Plan of 2021 Fund
To record unearned revenue for the grant funds received in advance from the ARP Grant	\$ (946,101)
Prior period adjustments	<u>\$ (946,101)</u>

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF EASTMAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**EMPLOYEE PENSION PLAN**  
**December 31, 2022**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>								
Service cost	\$ 51,734	\$ 56,412	\$ 53,910	\$ 56,519	\$ 54,458	\$ 57,648	\$ 59,340	\$ 66,090
Interest	379,576	384,035	363,825	352,602	342,357	312,125	290,312	279,596
Differences between expected and actual experience	187,073	(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	(420,102)	(378,613)	(276,719)	(270,979)	(214,689)	(205,558)	(191,136)	(185,751)
Other	-	-	-	-	81,561	-	-	-
Net change in total pension liability	198,281	(35,039)	404,699	155,116	255,482	394,651	288,662	140,966
Total pension liability - beginning	5,305,106	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>\$ 5,503,387</u>	<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>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 249,416	\$ 238,362	\$ 239,313	\$ 235,100	\$ 211,179	\$ 196,486	\$ 206,145	\$ 212,196
Net investment income	302,740	1,579,750	(266,423)	134,803	416,567	377,018	9,337	262,677
Benefit payments, including refunds of employee contributions	(420,102)	(378,613)	(276,719)	(270,979)	(214,689)	(205,558)	(191,136)	(185,751)
Administrative expense	(11,965)	(11,542)	(12,698)	(12,199)	(12,009)	(12,159)	(8,246)	(7,511)
Net change in fiduciary net position	120,089	1,427,957	(316,527)	86,725	401,048	355,787	16,100	281,611
Plan fiduciary net position - beginning	4,952,412	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>\$ 5,072,501</u>	<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>
<b>Net pension liability - ending</b>	<u>\$ 430,886</u>	<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>
<b>Plan's fiduciary net position as a percentage of the total pension liability</b>	92.17%	93.35%	66.00%	77.82%	78.54%	74.11%	72.57%	77.61%
<b>Covered employee payroll</b>	\$ 1,651,059	\$ 1,521,678	\$ 1,647,716	\$ 1,576,186	\$ 1,586,163	\$ 1,546,941	\$ 1,488,948	\$ 1,292,208
<b>Net pension liability as a percentage of covered employee payroll</b>	26.10%	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, 2022

SCHEDULE OF CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 212,434	\$ 257,920	\$ 235,667	\$ 240,528	\$ 233,291	\$ 203,808	\$ 194,045	\$ 210,178
Contributions in relation to the actuarially determined contribution	212,434	257,920	235,667	240,528	233,291	203,808	194,045	211,978
Contribution deficiency (excess)	-	-	-	-	-	-	-	(1,800)
Covered-employee payroll	1,651,059	1,521,678	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	12.87%	16.95%	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, 2022

	Special Revenue Funds			Capital Project Funds			Total Nonmajor Governmental Funds
	Hotel/Motel Tax	Multiple Grant	Confiscated Assets	Community Development Block Grant	2013 SPLOST	TSPLOST	
Assets:							
Cash & Equivalents	\$ -	\$ 271,299	\$ 33,538	\$ -	\$ -	\$ 278,443	\$ 583,280
Total assets	\$ -	\$ 271,299	\$ 33,538	\$ -	\$ -	\$ 278,443	\$ 583,280
Fund balances:							
Reserved:							
Capital Projects	-	-	-	-	-	278,443	278,443
Public Safety	-	5,000	33,538	-	-	-	38,538
Public Works	-	266,299	-	-	-	-	266,299
Unrestricted	-	-	-	-	-	-	-
Total fund balances	-	271,299	33,538	-	-	278,443	583,280
Total liabilities and fund balances	\$ -	\$ 271,299	\$ 33,538	\$ -	\$ -	\$ 278,443	\$ 583,280

**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, 2022**

	Special Revenue Funds				Capital Project Funds			Total Nonmajor Governmental Funds
	Hotel/Motel Taxes	Multiple Grant	Confiscated Assets	Community Development Block Grant	2013 SPLOST	TSPLOST		
Revenues:								
Taxes	\$ 56,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$	56,342
Intergovernmental	-	139,342	-	418,880	-	161,286		719,508
Interest	-	-	-	-	3	-		3
Other	-	45,129	9,895	-	-	-		55,024
Total revenues	<u>56,342</u>	<u>184,471</u>	<u>9,895</u>	<u>418,880</u>	<u>3</u>	<u>161,286</u>		<u>830,877</u>
Expenditures:								
Current:								
General Government	-	-	-	-	-	-		-
Public Safety	-	-	65,590	-	-	-		65,590
Public Works	-	4,010	-	418,880	105,286	117,649		645,825
Housing & Development	22,208	-	-	-	-	-		22,208
Total expenditures	<u>22,208</u>	<u>4,010</u>	<u>65,590</u>	<u>418,880</u>	<u>105,286</u>	<u>117,649</u>		<u>733,623</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-		-
Transfers out	<u>(34,134)</u>	<u>(50,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(84,613)</u>
Total other financing sources and (uses)	<u>(34,134)</u>	<u>(50,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(84,613)</u>
Net change in fund balances	-	129,982	(55,695)	-	(105,283)	43,637		12,641
Fund balances - beginning	-	141,317	89,233	-	105,283	234,806		570,639
Adjustment	-	-	-	-	-	-		-
Fund balances - ending	<u>\$ -</u>	<u>\$ 271,299</u>	<u>\$ 33,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 278,443</u>		<u>\$ 583,280</u>

## **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, 2022*

**ASSETS**

**Current Assets:**

Cash & Equivalents	\$ 1,472,407
Investments	520,000
Inventory	781
Receivables	<u>576,811</u>

<b>Total Assets</b>	<u><u>\$ 2,569,999</u></u>
---------------------	----------------------------

**LIABILITIES AND FUND BALANCE**

**Current Liabilities:**

Accounts Payable	\$ 14,880
Accrued Liabilities	16,000
Deferred Revenue	<u>51,552</u>

<b>Total Liabilities</b>	<u>82,432</u>
--------------------------	---------------

**Fund Balance**

Fund Balance-Unassigned	<u>2,487,567</u>
-------------------------	------------------

<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 2,569,999</u></u>
---	----------------------------

*City of Eastman  
General Fund  
Statement of Revenues, Expenditures  
and Changes In Fund Balance  
Year Ended December 31, 2022*

**Revenues (Schedule A-1):**

Taxes	\$ 3,015,783
Interest	811
Licenses & Permits	43,528
Fines & Forfeitures	201,713
Intergovernmental	16,994
Contribution & Donation	18,715
Charges for Services	2,551
Miscellaneous	142,441

<b>Total Revenues</b>	<u>3,442,536</u>
-----------------------	------------------

**Expenditures:**

General Government (Schedule A-2)	1,208,728
Judicial (Schedule A-3)	8,635
Public Safety (Schedule A-4)	1,732,055
Public Works (Schedule A-5)	735,586
Health and Welfare (Schedule A-6)	8,275
Culture / Recreation (Schedule A-7)	115,146
Housing and Development (Schedule A-8)	52,249

<b>Total Expenditures</b>	<u>3,860,674</u>
---------------------------	------------------

Excess (Deficiency) of Revenues over Expenditures	<u>(418,138)</u>
---	------------------

**Other Financing Sources (uses):**

Principle Payments	(53,025)
Interest	(5,113)
Loan Proceeds	-
Sale of Assets	306,648
Transfers, Net	115,028

<b>Total Other Financing Sources (uses):</b>	<u>363,538</u>
--	----------------

Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(54,600)
---	----------

<b>Fund Balance, Beginning</b>	2,551,351
--------------------------------	-----------

<b>Adjustments</b>	<u>(9,184)</u>
--------------------	----------------

<b>Fund Balance, Ending</b>	<u><u>\$ 2,487,567</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, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Taxes	\$ 2,910,374	\$ 3,015,783	\$ 105,409
Interest	1,000	811	(189)
Licenses and Permits	43,000	43,528	528
Fines and Forfeitures	145,000	201,713	56,713
Intergovernmental	-	16,994	16,994
Contribution & Donation	12,000	18,715	6,715
Charges for Service	5,650	2,551	(3,099)
Miscellaneous	53,300	142,441	89,141
<b>Total Revenues</b>	<u>3,170,324</u>	<u>3,442,536</u>	<u>272,212</u>
<b>Expenditures:</b>			
General Government	1,161,800	1,208,728	(46,928)
Judicial	10,250	8,635	1,615
Public Safety	1,404,560	1,732,055	(327,495)
Public Works	520,045	735,586	(215,541)
Health and Welfare	5,749	8,275	(2,526)
Culture / Recreation	72,500	115,146	(42,646)
Housing and Development	78,820	52,249	26,571
<b>Total Expenditures</b>	<u>3,253,724</u>	<u>3,860,674</u>	<u>(606,950)</u>
Excess (Deficiency) of Revenues Over Expenditures	(83,400)	(418,138)	(334,738)
<b>Other Financing Sources (uses):</b>			
Principle Payments	-	(53,025)	(53,025)
Interest	-	(5,113)	(5,113)
Loan Proceeds	-	-	-
Sale of Assets	-	306,648	306,648
Transfers, Net	83,400	115,028	31,628
<b>Total Other Financing Sources (uses):</b>	<u>83,400</u>	<u>363,538</u>	<u>280,138</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	(54,600)	(54,600)
<b>Fund Balance, Beginning</b>	<u>2,551,351</u>	<u>2,551,351</u>	<u>-</u>
<b>Adjustments</b>	<u>-</u>	<u>(9,184)</u>	<u>(9,184)</u>
<b>Fund Balance, Ending</b>	<u>\$ 2,551,351</u>	<u>\$ 2,487,567</u>	<u>\$ (63,784)</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, 117<sup>th</sup> 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, 2022*

**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, 2022*

<b>Revenues:</b>	
Hotel / Motel Tax	\$ 56,342
<b>Total Revenues</b>	<u>56,342</u>
<b>Expenditures:</b>	
Economic Development	<u>22,208</u>
<b>Total Expenditures</b>	<u>22,208</u>
Excess (Deficiency) of Revenues over Expenditures	<u>34,134</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>(34,134)</u>
<b>Total Other Financing Sources (uses):</b>	<u>(34,134)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
<b>Fund Balance, Beginning</b>	-
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>

*City of Eastman*  
*Hotel / Motel Taxes Special Revenue Fund*  
*Schedule of Revenues, Expenditures*  
*and Changes In Fund Balance/Budetary Comparison And Actual*  
*Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Hotel / Motel Tax	\$ 43,400	\$ 56,342	\$ (12,942)
<b>Total Revenues</b>	<u>43,400</u>	<u>56,342</u>	<u>(12,942)</u>
<b>Expenditures:</b>			
Economic Development	<u>14,000</u>	<u>22,208</u>	<u>(8,208)</u>
<b>Total Expenditures</b>	<u>14,000</u>	<u>22,208</u>	<u>(8,208)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>29,400</u>	<u>34,134</u>	<u>4,734</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>(29,400)</u>	<u>(34,134)</u>	<u>4,734</u>
<b>Total Other Financing Sources (uses):</b>	<u>(29,400)</u>	<u>(34,134)</u>	<u>4,734</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
<b>Fund Balance, Beginning</b>	-	-	-
<b>Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*City of Eastman*  
*Multiple Grant Special Revenue Fund*  
*Balance Sheet*  
*December 31, 2022*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	\$ 271,299
Due From Other Governments	<u>-</u>
<b>Total Current Assets</b>	<u>271,299</u>
<b>Total Assets</b>	<u><u>\$ 271,299</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Long-Term Liabilities:</b>	
Notes Payable	<u>-</u>
<b>Total Long-Term Liabilities</b>	<u>-</u>
<b>Fund Balance</b>	
Fund Balance - Reserved for Public Safety	5,000
Fund Balance - Reserved for Public Works	<u>266,299</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 271,299</u></u>



*City of Eastman*  
***Multiple Grant Special Revenue Fund***  
***Statement of Revenues, Expenditures***  
***and Changes In Fund Balance***  
***Year Ended December 31, 2022***

<b>Revenues:</b>	
Intergovernmental	\$ 139,342
Other revenue	45,129
	<hr/>
<b>Total Revenues</b>	<b>184,471</b>
	<hr/>
<b>Expenditures:</b>	
Public Safety	-
Public Works	4,010
	<hr/>
<b>Total Expenditures</b>	<b>4,010</b>
	<hr/>
Excess (Deficiency) of Revenues over Expenditures	180,461
	<hr/>
<b>Other Financing Sources (uses):</b>	
Grants	-
Transfers, Net	(50,479)
	<hr/>
<b>Total Other Financing Sources (uses):</b>	<b>(50,479)</b>
	<hr/>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	129,982
	<hr/>
<b>Fund Balance, Beginning</b>	<b>141,317</b>
	<hr/>
<b>Fund Balance, Ending</b>	<b>\$ 271,299</b>
	<hr/>

*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, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 93,000	\$ 139,342	\$ 46,342
Other Revenue	-	45,129	45,129
<b>Total Revenues</b>	<u>93,000</u>	<u>184,471</u>	<u>91,471</u>
<b>Expenditures:</b>			
Public Safety	-	-	-
Public Works	93,000	4,010	88,990
<b>Total Expenditures</b>	<u>93,000</u>	<u>4,010</u>	<u>88,990</u>
Excess (Deficiency) of Revenues over Expenditures	-	180,461	180,461
<b>Other Financing Sources (uses):</b>			
Transfers, Net	-	(50,479)	50,479
Grants	-	-	-
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>(50,479)</u>	<u>50,479</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	129,982	129,982
<b>Fund Balance, Beginning</b>	<u>141,317</u>	<u>141,317</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 141,317</u>	<u>\$ 271,299</u>	<u>\$ 129,982</u>

*City of Eastman  
Confiscated Assets Fund  
Balance Sheet  
December 31, 2022*

**ASSETS**

**Current Assets:**

Cash & Equivalents	\$ 33,538
Dues From Other Governments	<u>-</u>
<b>Total Current Assets</b>	<u><u>33,538</u></u>

<b>Total Assets</b>	<u><u>\$ 33,538</u></u>
---------------------	-------------------------

**LIABILITIES AND FUND BALANCES**

**Fund Balance**

Fund Balance - Reserved for Public Safety	<u>\$ 33,538</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 33,538</u></u>

*City of Eastman*  
*Confiscated Assets Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2022*

<b>Revenues:</b>	
Other Revenues	\$ 9,895
<b>Total Revenues</b>	<u>9,895</u>
<b>Expenditures:</b>	
Public Safety	65,590
Other	<u>-</u>
<b>Total Expenditures</b>	<u>65,590</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(55,695)</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(55,695)
<b>Fund Balance, Beginning</b>	<u>89,233</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 33,538</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, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Other Revenues	<u>\$ 30,000</u>	<u>\$ 9,895</u>	<u>\$ (20,105)</u>
<b>Total Revenues</b>	<u>30,000</u>	<u>9,895</u>	<u>(20,105)</u>
<b>Expenditures:</b>			
Public Safety	<u>30,000</u>	<u>65,590</u>	<u>(35,590)</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>30,000</u>	<u>65,590</u>	<u>(35,590)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(55,695)</u>	<u>(55,695)</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>(55,695)</u>	<u>55,695</u>
<b>Fund Balance, Beginning</b>	<u>89,233</u>	<u>89,233</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 89,233</u>	<u>\$ 33,538</u>	<u>\$ 55,695</u>

*City of Eastman*  
*Community Development Block Grant Fund*  
*Balance Sheet*  
*December 31, 2022*

**ASSETS**

**Current Assets:**

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

<b>Total Assets</b>	<u><u>\$ -</u></u>
---------------------	--------------------

**LIABILITIES AND FUND BALANCES**

**Current Liabilities:**

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

**Fund Balance**

Fund Balance - Reserved for Public Works	-
<b>Total Liabilities and Fund Balances</b>	<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, 2022*

<b>Revenues:</b>	
Intergovernmental Revenues	\$ 418,880
<b>Total Revenues</b>	<u>418,880</u>
<b>Expenditures:</b>	
Public Works	418,880
Other	<u>-</u>
<b>Total Expenditures</b>	<u>418,880</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
<b>Fund Balance, Beginning</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<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, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 550,000	\$ 418,880	\$ (131,120)
<b>Total Revenues</b>	<u>550,000</u>	<u>418,880</u>	<u>(131,120)</u>
<b>Expenditures:</b>			
Public Works	550,000	418,880	131,120
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>550,000</u>	<u>418,880</u>	<u>131,120</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



*City of Eastman*  
*American Rescue Plan of 2021 Fund*  
*Balance Sheet*  
*December 31, 2022*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	\$ 1,565,139
Dues From Other Governments	-
<b>Total Current Assets</b>	<u>1,565,139</u>
<b>Total Assets</b>	<u><u>\$ 1,565,139</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Current Liabilities:</b>	
Unearned Revenue	<u>\$ 1,565,139</u>
<b>Total Current Liabilities</b>	<u>1,565,139</u>
<b>Fund Balance</b>	
Fund Balance - Reserved for Public Health	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 1,565,139</u></u>

*City of Eastman*  
*American Rescue Plan of 2021 Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2022*

<b>Revenues:</b>	
Intergovernmental Revenues	\$ 327,063
<b>Total Revenues</b>	<u>327,063</u>
<b>Expenditures:</b>	
Public Safety	10,223
Public Works	304,598
Culture and Recreation	<u>12,242</u>
<b>Total Expenditures</b>	<u>327,063</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
<b>Fund Balance, Beginning</b>	946,101
<b>Prior Period Adjustment</b>	<u>(946,101)</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</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, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 946,101	\$ 327,063	\$ (619,038)
<b>Total Revenues</b>	<u>946,101</u>	<u>327,063</u>	<u>(619,038)</u>
<b>Expenditures:</b>			
Public Safety	-	10,223	(10,223)
Public Works	946,101	304,598	641,503
Community and Recreation	-	12,242	(12,242)
<b>Total Expenditures</b>	<u>946,101</u>	<u>327,063</u>	<u>619,038</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	-	-	-
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
<b>Fund Balance, Beginning</b>	946,101	946,101	-
<b>Prior Period Adjustment</b>	<u>-</u>	<u>(946,101)</u>	<u>(946,101)</u>
<b>Fund Balance, Ending</b>	<u>\$ 946,101</u>	<u>\$ -</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, 2022*

**ASSETS**

**Current Assets:**

Cash & Equivalents	\$	-
Intergovernmental Receivable		-
		<hr/>

<b>Total Current Assets</b>		-
		<hr/>

<b>Total Assets</b>	\$	-
		<hr/> <hr/>

**LIABILITIES AND FUND BALANCES**

**Current Liabilities:**

Accounts Payable	\$	-
		<hr/>

<b>Total Current Liabilities</b>		-
		<hr/>

**Fund Balance**

Fund Balance - Reserved for Capital Projects		-
		<hr/>

<b>Total Liabilities and Fund Balances</b>	\$	-
		<hr/> <hr/>

*City of Eastman*  
**2013 SPLOST Capital Project Fund**  
**Statement of Revenues, Expenditures**  
**and Changes In Fund Balance**  
**Year Ended December 31, 2022**

<b>Revenues:</b>	
Intergovernmental Revenue	\$ -
<b>Total Revenues</b>	<u>-</u>
<b>Expenditures:</b>	
Capital Projects	105,286
<b>Total Expenditures</b>	<u>105,286</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(105,286)</u>
<b>Other Financing Sources (uses):</b>	
Interest	3
Loan Proceeds	-
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>3</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(105,283)
<b>Fund Balance, Beginning</b>	105,283
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>

*City of Eastman*  
*2019 SPLOST Capital Project Fund*  
*Balance Sheet*  
*December 31, 2022*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	634,386
Intergovernmental Receivable	<u>-</u>
<b>Total Current Assets</b>	<u>634,386</u>
<b>Total Assets</b>	<u><u>\$ 634,386</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Fund Balance</b>	
Fund Balance - Reserved for Capital Projects	<u>634,386</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 634,386</u></u>

*City of Eastman*  
*2019 SPLOST Capital Project Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2022*

<b>Revenues:</b>	
Intergovernmental Revenue	\$ 547,352
Other Revenue	<u>11,089</u>
<b>Total Revenues</b>	<u>558,441</u>
<b>Expenditures:</b>	
Capital Projects	<u>461,870</u>
<b>Total Expenditures</b>	<u>461,870</u>
Excess (Deficiency) of Revenues over Expenditures	<u>96,571</u>
<b>Other Financing Sources (uses):</b>	
Interest	-
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	96,571
<b>Fund Balance, Beginning</b>	537,815
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 634,386</u></u>



*City of Eastman*  
*TSPLOST Capital Project Fund*  
*Balance Sheet*  
*December 31, 2022*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	\$ 278,443
Intergovernmental Receivable	<u>-</u>
<b>Total Current Assets</b>	<u>278,443</u>
<b>Total Assets</b>	<u><u>\$ 278,443</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Current Liabilities:</b>	
Accounts Payable	<u>\$ -</u>
<b>Total Current Liabilities</b>	<u>-</u>
<b>Fund Balance</b>	
Fund Balance - Reserved for Capital Projects	<u>278,443</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 278,443</u></u>

*City of Eastman*  
*TSPLOST Capital Project Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2022*

<b>Revenues:</b>	
Intergovernmental Revenues	\$ 161,286
<b>Total Revenues</b>	<u>161,286</u>
<b>Expenditures:</b>	
Paved Streets	117,649
Capital Projects	<u>-</u>
<b>Total Expenditures</b>	<u>117,649</u>
Excess (Deficiency) of Revenues over Expenditures	<u>43,637</u>
<b>Other Financing Sources (uses):</b>	
Interest	-
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	43,637
<b>Fund Balance, Beginning</b>	234,806
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 278,443</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*  
*Statement of Net Position Continued*  
*December 31, 2022*

**Assets**

Cash and Equivalents	\$ 316,464
Investments	20,000
Accounts Receivable, Net	491,170
Lease Receivable	31,632
Inventory	520
Noncurrent Assets	
Lease Receivable	1,146,359
Restricted Assets	
Bond Sinking Fund	606,618
Reserve Fund	329,121
Capital Assets	
Nondepreciable	63,057
Depreciable, net	14,771,651
<b>Total Assets</b>	<u>17,776,592</u>

**Deferred Outflows of Resources**

Related To Pension	287,195
<b>Total Deferred Outflows of Resources</b>	<u>287,195</u>

**Liabilities**

Accounts Payable	1,418
Due From Other Funds	119,023
Noncurrent Liabilities	
Due Within One Year	
Deposits Payable	112,512
Due In More Than One Year	
Note Payable	73,779
Bond Payable	5,645,000
Net Pension Liability	112,892
<b>Total Liabilities</b>	<u>6,064,624</u>

**Deferred Inflows of Resources:**

Related To Leases	902,055
Related To Pension	266,315
<b>Total Deferred Inflows of Resources</b>	<u>1,168,370</u>

**Net Position**

Net Investment In Capital Assets	9,189,708
Restricted For	
Debt Service	606,618
Renewal and Extension	329,121
Unrestricted	705,346
<b>Total Net Position</b>	<u>\$ 10,830,793</u>

*City of Eastman*  
*Water and Sewer Fund*  
**Statement of Revenues, Expenses**  
**And Changes In Net Position**  
**Year Ended December 31, 2022**

<b>Operating Revenues:</b>	
Charge For Services	\$ 2,245,703
Other	61,480
<b>Total Operating Revenue</b>	<u>2,307,183</u>
<b>Operating Expenses:</b>	
Sewage Collection and Disposal	544,897
Water - Administration	767,234
Water - Supply	700,311
Water - Distribution	515,193
<b>Total Operating Expenses</b>	<u>2,527,635</u>
<b>Income From Operations</b>	<u>(220,452)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Revenues	43,495
Rents and Royalties	49,364
Intergovernmental	239,356
Sale of Assets	-
Other	79
Interest Expense	(199,307)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>132,987</u>
<b>Transfers In (out)</b>	
Transfers In	585,200
Transfers Out	(615,615)
<b>Total Transfers In (out)</b>	<u>(30,415)</u>
<b>Net Income (loss)</b>	(117,880)
<b>Net Position, Beginning</b>	10,939,549
<b>Prior Period Adjustment</b>	9,124
<b>Net Position, Ending</b>	<u><u>\$ 10,830,793</u></u>

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

<b>Cash Flows Provided From Operating Activities:</b>	
Cash Received From Customers	\$ 2,257,581
Cash Received From Other	61,480
Cash Payments to Suppliers	(1,549,579)
Cash Payments to Employees	(570,166)
<b>Net Cash Provided from Operating Activities</b>	<u>199,316</u>
<b>Cash Flows from noncapital Financing Activities:</b>	
Rents & Royalties	71,799
Grant & Contracts	57,096
Other	79
Operating Transfers-In (out) From Other Funds	(54,015)
<b>Net Cash Used By Noncapital Financing Activities</b>	<u>74,959</u>
<b>Cash flows from Capital and related Financing Activities:</b>	
Principal Paid On Bonds	(230,000)
Interest	(199,307)
Loan Proceeds	73,779
Acquisition Of Capital Assets	-
Proceeds From Disposal Of Assets	-
<b>Net Cash Provided for Capital and Related Financing Activities:</b>	<u>(355,528)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest On Investments	753
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>753</u>
<b>Net Increase (Decrease) in Cash</b>	(80,500)
<b>Cash, Beginning</b>	1,372,509
<b>Adjustment</b>	-
<b>Cash, Ending</b>	<u><u>\$ 1,292,009</u></u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Net Income (loss) From Operations	\$ (118,016)
Adjustments To Reconcile Net Income To Net	
Cash Provided By Operating Activities:	
Depreciation Expense	482,516
Pension Expense	(153,442)
Donations	-
Changes In Assets and Liabilities	
Decrease (increase) In Inventory	572
Decrease (increase) In Accounts Receivable	(32,869)
Decrease (increase) In Lease Receivable	29,029
Increase (decrease) In Accounts Payable	(24,192)
Increase (decrease) In Due From Other Funds	13,603
Increase (decrease) In Deposits Payable	2,115
<b>Total Adjustments</b>	<u>317,332</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$ 199,316</u></u>

*City of Eastman*  
*Solid Waste Enterprise Fund*  
*Statement of Net Position*  
*December 31, 2022*

<b>Assets</b>	
Cash	\$ 145,836
Accounts Receivable	145,490
Due to Other Funds	<u>119,023</u>
<b>Total Assets</b>	<u><u>410,349</u></u>
 <b>Liabilities</b>	
Accounts Payable	<u>48,768</u>
<b>Total Liabilities</b>	<u><u>48,768</u></u>
 <b>Net Position</b>	
Unrestricted	<u>361,581</u>
<b>Total Net Position</b>	<u><u>\$ 361,581</u></u>

*City of Eastman  
Solid Waste Enterprise Fund  
Statement of Revenues, Expenses  
and Changes in Net Position  
Year Ended December 31, 2022*

<b>Operating Revenues:</b>	
Charge For Services	\$ 639,668
Intergovernmental	-
<b>Total Operating Revenues</b>	<u>639,668</u>
<b>Operating Expenses:</b>	
Solid Waste Collection	<u>667,749</u>
<b>Total Operating Expenses</b>	<u>667,749</u>
<b>Income From Operations</b>	<u>(28,081)</u>
<b>Transfers In (out)</b>	<u>-</u>
<b>Net Income</b>	(28,081)
<b>Net Position, Beginning</b>	<u>389,662</u>
<b>Net Position, Ending</b>	<u><u>\$ 361,581</u></u>



*City of Eastman*  
*Solid Waste Enterprise Fund*  
*Statement of Cash Flow*  
*Year Ended December 31, 2022*

<b>Cash Flow From Operating Activities</b>	
Cash Received From Customers	\$ 615,791
Cash Received From Other	-
Cash Payment To Suppliers	(665,964)
Cash Payment to Employees	-
Net Cash Provided By operating Activities	<u>(50,173)</u>
 <b>Cash Flow From Noncapital Financing Activities:</b>	
Transfers-in From Other Funds	-
Net Cash Used By Noncapital Financing Activities	<u>-</u>
 <b>Cash Flows From Capital And Related Financing Activities:</b>	
Acquisition of Capital Assets	-
Net Cash Used By Capital And Related Financing Activities	<u>-</u>
 Net Increase (Decrease) In Cash	(50,173)
 Cash, Beginning	<u>196,009</u>
 Cash, Ending	<u><u>\$ 145,836</u></u>

RECONCILIATION OF NET INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

Net Income (loss) From Operations	\$ <u>(28,081)</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	1,785
(Increase) Decrease In Accounts Receivable	(1,149)
(Increase) Decrease In Due From Other Funds	<u>(22,728)</u>
Total Adjustments	<u>(22,092)</u>
 Net Cash Provided by Operating Activities	 <u><u>\$ (50,173)</u></u>

*City of Eastman*  
*Industrial Development Enterprise Fund*  
*Statement of Net Position*  
*December 31, 2022*

**Assets**

Capital Assets	
Depreciable, net	\$ 91,251
<b>Total Assets</b>	<u>91,251</u>

**Net Position**

Net Investment In Capital Assets	91,251
<b>Total Net Position</b>	<u>\$ 91,251</u>

*City of Eastman*  
*Industrial Development Enterprise Fund*  
*Statement of Revenues, Expenses*  
*And Changes In Net Position*  
*Year Ended December 31, 2022*

<b>Operating Revenues:</b>	
Rent Revenue	\$ -
<b>Total Operating Revenue</b>	<u>-</u>
<b>Operating Expenses:</b>	
Depreciation	<u>4,933</u>
<b>Total Operating Expenses</b>	<u>4,933</u>
Income From Operations	<u>(4,933)</u>
Net Income	(4,933)
<b>Net Position, Beginning</b>	<u>96,184</u>
<b>Net Position, Ending</b>	<u><u>\$ 91,251</u></u>

*City of Eastman*  
*Industrial Development Enterprise Fund*  
*Statement of Cash Flows For The*  
*Year Ended December 31, 2022*

Cash Flows From Operating Activities:	
Cash Received From Customers	\$ -
Cash Paid To Suppliers	<u>-</u>
Net Cash Provided By Operating 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	\$ (4,933)
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, 2022**

	Budget	Actual	Variance
<b>Taxes:</b>			
General Property	\$ 1,426,207	\$ 1,450,653	\$ 24,446
General Sales and Use	744,000	823,907	79,907
Selective Sales and Use	254,700	250,859	(3,841)
Business	475,467	474,785	(682)
Penalties & Interest on Delinquent Taxes	10,000	15,579	5,579
<b>Total Taxes</b>	<u>\$ 2,910,374</u>	<u>\$ 3,015,783</u>	<u>\$ 105,409</u>
<b>Investment Income:</b>			
Interest Revenues	1,000	811	(189)
<b>Total Interest Investment Income</b>	<u>\$ 1,000</u>	<u>\$ 811</u>	<u>\$ (189)</u>
<b>Licenses and Permits:</b>			
Business	\$ 32,000	\$ 29,000	\$ (3,000)
Non - Business	11,000	14,528	3,528
<b>Total Licenses and Permits</b>	<u>\$ 43,000</u>	<u>\$ 43,528</u>	<u>\$ 528</u>
<b>Charges for Services:</b>			
General Government	\$ -	\$ -	\$ -
Public Safety	100	48	(52)
Other	5,550	2,503	(3,047)
<b>Total Charges For Services</b>	<u>\$ 5,650</u>	<u>\$ 2,551</u>	<u>\$ (3,099)</u>
<b>Fines And Forfeitures:</b>			
Confiscated Funds	\$ -	\$ -	\$ -
Recorder's Court	145,000	201,713	56,713
<b>Total Fines and Forfeitures</b>	<u>\$ 145,000</u>	<u>\$ 201,713</u>	<u>\$ 56,713</u>
<b>Intergovernmental:</b>			
Federal Grants	\$ -	\$ 16,994	\$ 16,994
State Grants	-	-	-
State Governmental payment in lieu	-	-	-
<b>Total intergovernmental</b>	<u>\$ -</u>	<u>\$ 16,994</u>	<u>\$ 16,994</u>
<b>Contributions &amp; Donations:</b>			
Fireworks	12,000	13,415	1,415
Safety Grant	-	5,300	5,300
<b>Total Interest Investment Income</b>	<u>\$ 12,000</u>	<u>\$ 18,715</u>	<u>\$ 6,715</u>
<b>Miscellaneous Revenues:</b>			
Rents and Royalties	\$ 2,400	\$ 2,350	\$ (50)
Other	50,900	140,091	89,191
<b>Total Miscellaneous Revenue</b>	<u>\$ 53,300</u>	<u>\$ 142,441</u>	<u>\$ 89,141</u>
<b>Total Revenues</b>	<u>\$ 3,170,324</u>	<u>\$ 3,442,536</u>	<u>\$ 272,212</u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of General Government*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government:			
Legislative	\$ -	\$ -	\$ -
Governing Body	48,700	49,375	(675)
Executive	100,950	98,092	2,858
Elections	6,500	13,545	(7,045)
General Administration	<u>1,005,650</u>	<u>1,047,716</u>	<u>(42,066)</u>
Total General Government	<u>\$ 1,161,800</u>	<u>\$ 1,208,728</u>	<u>\$ (46,928)</u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Judicial*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Judicial:			
Recorder's Court	\$ 10,250	\$ 8,635	\$ 1,615
 Total Judicial	<u>\$ 10,250</u>	<u>\$ 8,635</u>	<u>\$ 1,615</u>



*City of Eastman*  
*General Fund*  
*Supporting Schedule of Public Safety*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Safety:			
Police	\$ 833,384	\$ 1,121,306	\$ (287,922)
Fire	543,565	581,493	(37,928)
E-911	25,961	25,960	1
Other Protection	<u>1,650</u>	<u>3,296</u>	<u>(1,646)</u>
Total Public Safety	<u>\$ 1,404,560</u>	<u>\$ 1,732,055</u>	<u>\$ (327,495)</u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Public Works*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Works:			
Highways and Streets	\$ 509,545	\$ 719,836	\$ (210,291)
Roadways and Streets	9,000	6,535	2,465
Storm Drainage	-	7,895	(7,895)
Maintenance and Shop	1,400	1,320	80
Cemetery	100	-	100
	<u>          </u>	<u>          </u>	<u>          </u>
Total Public Works	<u>\$ 520,045</u>	<u>\$ 735,586</u>	<u>\$ (215,541)</u>

*City of Eastman  
General Fund  
Supporting Schedule of Health and Welfare  
Expenditures, Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Health and Welfare:			
Health	\$ 3,000	\$ 2,026	\$ 974
Community Services	<u>2,749</u>	<u>6,249</u>	<u>(3,500)</u>
 Total Health and Welfare	 <u>\$ 5,749</u>	 <u>\$ 8,275</u>	 <u>\$ (2,526)</u>

*City of Eastman*  
*General Fund*  
**Supporting Schedule of Culture and Recreation**  
**Expenditures, Compared to Budget (GAAP Basis)**  
**For the Year Ended December 31, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Culture and Recreation:			
Community Center	\$ 3,500	\$ 4,682	\$ (1,182)
Recreation	55,000	104,235	(49,235)
Parks	14,000	6,229	7,771
Library	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>\$ 72,500</u>	<u>\$ 115,146</u>	<u>\$ (42,646)</u>

*City of Eastman  
General Fund  
Supporting Schedule of Housing and Development  
Expenditures, Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 2022*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Housing and Development:			
Protective Inspections	\$ -	\$ -	\$ -
Planning and Zoning	2,820	4,127	(1,307)
Economic Development and Assistance	48,000	35,500	12,500
Downtown Development	14,000	12,622	1,378
Airport	<u>-</u>	<u>-</u>	<u>-</u>
Total Housing and Development	<u>\$ 64,820</u>	<u>\$ 52,249</u>	<u>\$ 12,571</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, 2022

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	\$ 2,460,720	\$ 105,286	\$ 2,566,006	106.06%

City of Eastman  
SPECIAL-PURPOSE LOCAL OPTION SALES TAX 2019  
SCHEDULE OF EXPENDITURES  
(Construction and Other Projects)  
Year ended December 31, 2022

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	\$ 665	\$ 461,870	\$ 462,535	20.02%



City of Eastman  
TIA SPECIAL-PURPOSE LOCAL OPTION SALES TAX  
SCHEDULE OF EXPENDITURES  
(Construction and Other Projects)  
Year ended December 31, 2022

<u>Project Description</u>	(Unaudited) Original/ Latest Estimated Cost	Prior Years Cumulative Expenditures	Total Current Year Expenditure	Total Cumulative Expenditures	(Unaudited) Estimated Percentage of Completion
Transportation improvements	\$1,704,437	\$ 2,486,604	\$ 117,649	\$ 2,604,253	152.79%

# H. FRANK ERWIN, JR., P.C.

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 4158 • 5805 Oak Street  
Eastman, GA 31023  
(478) 374-0030 • Fax (478) 374-0082  
hfrankerwinpcpa@bellsouth.net

MEMBER  
Georgia Society of  
Certified Public Accountants

MEMBER  
American Institute of  
Certified Public Accountants

## 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, 2022, 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 June 14, 2023.

### 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 a 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-1.

#### **City of Eastman, Georgia's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Eastman, Georgia's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The City of Eastman, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

#### **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.



Eastman, Georgia

June 14, 2023

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 dark ink, appearing to read "H. Frank Gandy, P.C.", is written in a cursive style.

Eastman, Georgia  
June 14, 2023

CITY OF EASTMAN, GEORGIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency: Pass-Through from Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund	66.458	CW2021005	\$ 51,359
Drinking Water State Revolving Fund	66.468	DW2021004	<u>5,737</u>
Total - U.S. Environmental Protection Agency			<u>57,096</u>
U.S. Department of the Treasury:			
COVID-19 - Coronavirus Relief Fund	21.019		327,063
Pass-Through from The Governor's Office of Planning and Budget:			
COVID-19 - ARPA - Coronavirus State and Local Fiscal Recovery Funds	21.027	Georgia Public Safety Officials and First Responders Supplement Grant	<u>16,994</u>
Total - U.S. Department of the Treasury			<u>344,057</u>
U.S. Department of Housing and Urban Development: Pass-Through from The Georgia Department of Community Affairs			
Community Development Block Grant	14.218	19p-x-045-2-6061	<u>418,880</u>
Total - U.S. Dept of Housing and Urban Development			<u>418,880</u>
Total expenditures of federal awards			<u>\$ 820,033</u>

See accompanying notes to schedule of expenditures of federal awards

CITY OF EASTMAN, GEORGIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of City of Eastman, Georgia under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Eastman, Georgia, it is not intended to and does not present the financial position and changes in net position of City of Eastman, Georgia.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity numbers are presented where available.

NOTE C – U.S. ENVIRONMENTAL PROTECTION AGENCY LOAN PROGRAMS

The City has a loan under the Drinking Water State Revolving Fund through the U.S. Environmental Protection Agency. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule.

The City has a loan under the Clean Water State Revolving Fund through the U.S. Environmental Protection Agency. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule.

The balance of the loans outstanding at December 31, 2022 consist of:

Assistance Listing Number	Program Name	Outstanding Balance at 12/31/222
66.458	Drinking Water State Revolving Fund	\$ 66,766
66.468	Clean Water State Revolving Fund	\$ 7,012

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance or any other indirect cost rate.

# H. FRANK ERWIN, JR., P.C.

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 4158 • 5805 Oak Street  
Eastman, GA 31023  
(478) 374-0030 • Fax (478) 374-0082  
hfrankerwincpa@bellsouth.net

MEMBER  
Georgia Society of  
Certified Public Accountants

MEMBER  
American Institute of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council  
City of Eastman, Georgia

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

I have audited City of Eastman, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Eastman, Georgia's major federal programs for the year ended December 31, 2022. City of Eastman, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, City of Eastman, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

#### *Basis for Opinion on Each Major Federal Program*

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of City of Eastman, Georgia and to meet my other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. My audit does not provide a legal determination of City of Eastman, Georgia's compliance with the compliance requirements referred to above.

### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Eastman, Georgia's federal programs.

### Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Eastman, Georgia's compliance based on my audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about City of Eastman, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Eastman, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of City of Eastman, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Eastman, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

#### **Report on Internal Control Over Compliance**

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Eastman, Georgia  
June 14, 2023



CITY OF EASTMAN, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022

**Section I - Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of City of Eastman, Georgia were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the financial statements are reported. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of City of Eastman, Georgia were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs disclosed during the audit are reported. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for City of Eastman, Georgia expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as major program was: Community Development Block Grant CFDA # 14.218.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. City of Eastman, Georgia was determined not to be a low-risk auditee.

**Section II - Financial Statement Findings and Responses**

**2022-1 Unsecured Cash Balances**

*Condition:* At December 31, 2022 the City had deposits that were uninsured and as a result there were bank balances exposed to custodial credit risk.

*Criteria:* State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized at 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

*Cause:* One of the depository financial institutions that the City has deposits in failed to comply with state statutes which exposed the City to custodial credit risk.

*Effect:* City deposits were exposed to custodial credit risk.

*Recommendation:* Management needs to ensure that the depository financial institutions will comply with state statutes.

*Views of Responsible Officials and Planned Corrective Action:* The Council members concur with the recommendation. We will implement steps to ensure the deposits of the City are properly collateralized by the financial institutions.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

CITY OF EASTMAN, GEORGIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2022

STATUS OF PRIOR YEAR FINDINGS:

No matters were reported.

## STATISTICAL INFORMATION

**City of Eastman**  
**Ten Largest Water & Sewer Customers**  
**2022**

**WATER**

<b>Customer</b>	<b>Annual Thousand Gallons of Water Billed</b>	<b>Annual Water Revenue</b>	<b>Revenues as a Percent of Total Water Sales</b>
Heritage Villa/Eastman	14,280	9,529.99	1.12
Dodge County Board of Edu	12,153	19,022.97	2.24
AZ Operator	7,011	10,003.96	1.17
Eastman Garden Apartments	6,968	10,309.14	1.21
Global Eastman, LLC	4,879	9,281.66	1.09
Middle GA State College	4,655	11,463.23	1.35
Dodge County Hospital	4,508	7,703.28	0.90
Harrell St Project	3,504	8,576.53	1.01
Dodge Court Apartments	3,376	9,360.89	1.10
Eastman Hsg Auth-Reddock	3,280	5,650.98	0.66

**SEWER**

<b>Customer</b>	<b>Annual Thousand Gallons of Sewage Treated</b>	<b>Annual Sewer Revenue</b>	<b>Revenues as a Percent of Total Sewer Sales</b>
Heritage Villa/Eastman	14,280	18,666.68	1.53
AZ Operator, LLC	7,011	47,761.12	3.93
Eastman Garden Apts	6,968	26,833.47	2.20
Dodge County Board of Edu	5,122	37,008.16	3.04
Global Eastman, LLC	4,879	33,412.27	2.75
Dodge County Hospital	4,501	35,217.81	2.89
Middle GA State College	3,777	29,733.30	2.44
Harrell St Projects	3,504	17,684.19	1.45
Dodge Court Apartments	3,376	20,148.93	1.65
Eastman Hsg Auth-Reddock	3,280	15,450.44	1.27

2022

WATER PEAK AND AVERAGE MGD FOR PRODUCTION

AVERAGE 1.171 MGD

PEAK 42.204 MGD

SEWER PEAK AND AVERAGE MGD TREATED

AVERAGE .539 MGD

PEAK 1.99 MGD

TOTAL NUMBER OF WATER CUSTOMERS

3,222

TOTAL NUMBER OF SEWER CUSTOMERS

2,343