CITY OF EATONTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

CITY OF
EATONTON, GEORGIA

ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
AUGUST 31, 2024

PREPARED BY:

Finance Department

CITY OF EATONTON, GEORGIA

FINANCIAL STATEMENTS
AS OF AUGUST 31, 2024
AND INDEPENDENT AUDITOR'S REPORT

CITY OF EATONTON, GEORGIA

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CITY OF EATONTON, GEORGIA

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MCNAIR MCLEMORE MIDDLEBROOKS & CO
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January 29, 2025

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Eatonton, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Eatonton, Georgia** (the "**City**"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and American Rescue Plan Fund - Major Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of September 1, 2023, the County adopted new accounting guidance for Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability and related ratios on pages 37-38, the schedule of City contributions on page 39, and the notes to the required supplementary information on page 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

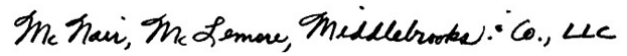
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedules, schedules of projects constructed with special sales tax proceeds, schedules of projects constructed with transportation special sales tax proceeds, community development block grant 19p-x-117-2-6129 project cost schedule, source and application of funds schedule CDBG 19p-x-117-2-6129, and the Downtown Development Authority's financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules, schedules of projects constructed with special sales tax proceeds, schedules of projects constructed with transportation special sales tax proceeds, community development block grant 19p-x-117-2-6129 project cost schedule, source and application of funds schedule CDBG 19p-x-117-2-6129, and the Downtown Development Authority's financial statements, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



McNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC

FINANCIAL STATEMENTS

CITY OF EATONTON, GEORGIA
STATEMENT OF NET POSITION
AUGUST 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and Cash Equivalents	$ 11,793,157	$ 2,460,874	$ 14,254,031	$ 142,003
Investments - Certificate of Deposit	1,560,462	800,935	2,361,397	-
Receivables (Net of Allowance)				
Taxes	22,239	-	22,239	-
Accounts	48,812	45,362	94,174	-
Due from Other Governments	266,597	-	266,597	-
Notes Receivable	-	6,146	6,146	-
Capital Assets				
Nondepreciable Assets	2,121,482	156,023	2,277,505	310,528
Depreciable Assets, Net	7,613,174	3,615,588	11,228,762	247,989
Total Assets	23,425,923	7,084,928	30,510,851	700,520
Deferred Outflows of Resources				
Related to Pensions	311,666	46,571	358,237	-
Total Deferred Outflows of Resources	311,666	46,571	358,237	-

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF NET POSITION
AUGUST 31, 2024
(CONTINUED)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Liabilities				
Accounts Payable	237,790	38,068	275,858	-
Accrued Liabilities	73,011	8,545	81,556	-
Unearned Revenue	1,626,997	-	1,626,997	-
Customer Deposits	-	51,661	51,661	-
Noncurrent Liabilities				
Due Within One Year				
Compensated Absences	126,064	31,276	157,340	-
Subscription Liabilities	9,555	-	9,555	-
Due in More Than One Year				
Subscription Liabilities	30,140	-	30,140	-
Net Pension Liability	562,567	84,062	646,629	-
Total Liabilities	2,666,124	213,612	2,879,736	-
Deferred Inflows of Resources				
Related to Pensions	75,262	11,246	86,508	-
Total Deferred Inflows of Resources	75,262	11,246	86,508	-
Net Position				
Net Investment in Capital Assets	9,694,961	3,771,611	13,466,572	558,517
Restricted for				
Capital Outlay	7,449,384	-	7,449,384	-
Public Safety	59,058	-	59,058	-
Emergencies	500,000	-	500,000	-
Unrestricted	3,292,800	3,135,030	6,427,830	142,003
Total Net Position	$ 20,996,203	$ 6,906,641	$ 27,902,844	$ 700,520

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	$ 1,114,797	$ 618,406	$ 125,192	$ -
Judicial	89,379	-	-	-
Public Safety	2,539,706	8,713	-	-
Public Works	2,159,396	364,679	352,825	3,093,392
Planning and Development	460,792	-	-	-
Culture and Recreation	239,957	-	-	-
Health and Welfare	192,130	-	-	-
Economic Development	350,000	-	300,000	-
Tourism	20,339	-	-	-
Interest	1,242	-	-	-
Total Governmental Activities	7,167,738	991,798	778,017	3,093,392
Business-Type Activities				
Natural Gas Services	1,738,926	1,980,704	-	8,600
Revolving Loan Fund	-	-	-	-
Total Business-Type Activities	1,738,926	1,980,704	-	8,600
Total Primary Government	$ 8,906,664	$ 2,972,502	$ 778,017	$ 3,101,992
Component Unit				
Downtown Development Authority	$ 91,870	$ -	$ 118,930	$ -
General Revenues				
Property Taxes				
Sales Taxes				
Other Taxes				
Investment Earnings				
Gain on Sale of Asset				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
$ (371,199)	$ -	$ (371,199)	$ -
(89,379)	-	(89,379)	-
(2,530,993)	-	(2,530,993)	-
1,651,500	-	1,651,500	-
(460,792)	-	(460,792)	-
(239,957)	-	(239,957)	-
(192,130)	-	(192,130)	-
(50,000)	-	(50,000)	-
(20,339)	-	(20,339)	-
(1,242)	-	(1,242)	-
(2,304,531)	-	(2,304,531)	-
-	250,378	250,378	-
-	-	-	-
-	250,378	250,378	-
(2,304,531)	250,378	(2,054,153)	-
			27,060
1,923,078	-	1,923,078	-
1,633,346	-	1,633,346	-
1,244,221	-	1,244,221	-
20,848	4,834	25,682	-
7,155	-	7,155	-
79,502	-	79,502	51
4,908,150	4,834	4,912,984	51
50,000	(50,000)	-	-
2,653,619	205,212	2,858,831	27,111
18,342,584	6,701,429	25,044,013	673,409
$ 20,996,203	$ 6,906,641	$ 27,902,844	$ 700,520

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2024

	General Fund	American Rescue Plan Fund	SPLOST 9 Fund	TSPLOST 1 Fund	TSPLOST 2 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	$ 2,678,619	$ 1,550,942	$ 4,715,083	$ 651,111	$ 1,682,905	$ 514,497	$ 11,793,157
Investments - Certificate of Deposit	570,185	-	-	-	-	990,277	1,560,462
Receivables, Net of Allowance							
Taxes	18,272	-	-	-	-	3,967	22,239
Accounts	48,812	-	-	-	-	-	48,812
Due from Other Governments	266,597	-	-	-	-	-	266,597
Due From Other Funds	2,330	-	-	-	-	-	2,330
Total Assets	$ 3,584,815	$ 1,550,942	$ 4,715,083	$ 651,111	$ 1,682,905	$ 1,508,741	$ 13,693,597
Liabilities							
Accounts Payable	$ 237,790	$ -	$ -	$ -	$ -	$ -	$ 237,790
Accrued Liabilities	73,011	-	-	-	-	-	73,011
Unearned Revenue	76,055	1,550,942	-	-	-	-	1,626,997
Due to Other Funds	-	-	-	-	-	2,330	2,330
Total Liabilities	386,856	1,550,942	-	-	-	2,330	1,940,128
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	16,191	-	-	-	-	-	16,191
Total Deferred Inflows of Resources	16,191	-	-	-	-	-	16,191
Fund Balances							
Restricted	-	-	4,715,083	651,111	1,682,905	959,343	8,008,442
Committed	1,002,162	-	-	-	-	545,431	1,547,593
Assigned	-	-	-	-	-	1,637	1,637
Unassigned	2,179,606	-	-	-	-	-	2,179,606
Total Fund Balances	3,181,768	-	4,715,083	651,111	1,682,905	1,506,411	11,737,278
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,584,815	$ 1,550,942	$ 4,715,083	$ 651,111	$ 1,682,905	$ 1,508,741	$ 13,693,597

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

Total Fund Balances - Governmental Funds	$ 11,737,278
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets	
Capital assets used in governmental activities are not financed resources and, therefore, are not reported in the funds.	
Cost of Assets	18,797,071
Accumulated Depreciation	(9,062,415)
Deferred Outflows of Resources	
Related to Pensions	311,666
Long-Term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:	
Compensated Absences	(126,064)
Subscription Liabilities	(39,695)
Net Pension Liability	(562,567)
Deferred Inflows of Resources	
Related to Pensions	(75,262)
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	16,191
Total Net Position of Governmental Activities	$ 20,996,203

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	General Fund	American Rescue Plan Fund	SPLOST 9 Fund	TSPLOST 1 Fund	TSPLOST 2 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 4,770,847	$ -	$ -	$ -	$ -	$ 32,543	$ 4,803,390
Intergovernmental	384,137	393,881	1,772,940	-	1,297,083	-	3,848,041
Fines and Forfeitures	482,921	-	-	-	-	8,713	491,634
Licenses and Permits	97,952	-	-	-	-	-	97,952
Charges for Services	402,211	-	-	-	-	-	402,211
Contributions and Other	79,502	-	-	-	-	-	79,502
Investment Earnings	18,706	-	14,452	3,340	4,177	3,542	44,217
Total Revenues	6,236,276	393,881	1,787,392	3,340	1,301,260	44,798	9,766,947
Expenditures							
Current							
General Government	1,077,888	-	-	-	-	-	1,077,888
Judicial	89,379	-	-	-	-	-	89,379
Public Safety	2,376,536	1,861	-	-	-	11,959	2,390,356
Public Works	1,626,637	-	45,869	24,105	201,655	-	1,898,266
Planning and Development	460,792	-	-	-	-	-	460,792
Culture and Recreation	169,381	-	-	-	-	-	169,381
Health and Welfare	192,130	-	-	-	-	-	192,130
Economic Development	-	300,000	-	-	-	-	300,000
Tourism	-	-	-	-	-	20,339	20,339
Debt Service							
Principal	-	-	9,318	-	-	-	9,318
Interest	-	-	1,242	-	-	-	1,242
Capital Outlay	-	92,020	777,972	885,273	335,815	-	2,091,080
Total Expenditures	5,992,743	393,881	834,401	909,378	537,470	32,298	8,700,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	243,533	-	952,991	(906,038)	763,790	12,500	1,066,776
Other Financing Sources (Uses)							
Proceeds From Sale of Assets	-	-	-	-	-	7,155	7,155
Issuance of Subscription Based IT Arrangements	-	-	49,013	-	-	-	49,013
Transfers In	62,204	-	-	-	-	-	62,204
Transfers Out	-	-	-	-	-	(12,204)	(12,204)
Total Other Financing Sources and (Uses)	62,204	-	49,013	-	-	(5,049)	106,168
Net Change in Fund Balances	305,737	-	1,002,004	(906,038)	763,790	7,451	1,172,944
Fund Balance - Beginning	2,876,031	-	3,713,079	1,557,149	919,115	1,498,960	10,564,334
Fund Balance - Ending	$ 3,181,768	$ -	$ 4,715,083	$ 651,111	$ 1,682,905	$ 1,506,411	$ 11,737,278

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

Net Change in Fund Balances - Total Governmental Funds	$	1,172,944
Amounts reported for governmental activities in the statement of activities are different because:		
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Total Capital Outlays		2,466,762
Total Depreciation		(935,811)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(2,080)
Deferred Outflows of Resources Related to Pensions is not Available During the Current Period and Therefore is not Reported in the Funds.		
Change in Deferred Outflows of Resources Related to Pensions		(336,933)
Long-Term Liabilities		
The issuance of long-term debt (e.g., bonds, leases, subscription based software) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consues the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Subscription Liabilities		(49,013)
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:		
Compensated Absences		(18,230)
Subscription Liabilities		9,318
Net Pension Liability		299,317
Deferred Inflows of Resources Related to Pensions is not Available During the Current Period and Therefore is not Reported in the Funds.		
Change in Deferred Inflows of Resources Related to Pensions		50,090
Revenues		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(2,745)
Change in Net Position of Governmental Activities	$	2,653,619

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 4,516,739	$ 4,616,739	$ 4,770,847	$ 154,108
Intergovernmental	200,000	523,300	384,137	(139,163)
Fines and Forfeitures	400,000	400,000	482,921	82,921
Licenses and Permits	100,000	100,000	97,952	(2,048)
Charges for Services	377,100	377,100	402,211	25,111
Contributions and Other	86,012	86,012	79,502	(6,510)
Investment Earnings	8,000	8,000	18,706	10,706
Total Revenues	5,687,851	6,111,151	6,236,276	125,125
Expenditures				
Current				
General Government	1,085,110	1,161,110	1,077,888	83,222
Judicial	66,200	99,200	89,379	9,821
Public Safety	2,300,722	2,458,722	2,376,536	82,186
Public Works	1,587,804	1,626,804	1,626,637	167
Planning and Development	407,811	494,111	460,792	33,319
Culture and Recreation	207,000	238,000	169,381	68,619
Health and Welfare	221,329	221,329	192,130	29,199
Total Expenditures	5,875,976	6,299,276	5,992,743	306,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,125)	(188,125)	243,533	(181,408)
Other Financing Sources (Uses)				
Transfers In	188,125	188,125	62,204	(125,921)
Total Other Financing Sources and (Uses)	188,125	188,125	62,204	(125,921)
Net Change in Fund Balances	-	-	305,737	(307,329)
Fund Balance - Beginning	2,876,031	2,876,031	2,876,031	-
Fund Balance - Ending	$ 2,876,031	$ 2,876,031	$ 3,181,768	$ (307,329)

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ 2,511,359	$ 393,881	$ (2,117,478)
Total Revenues	-	2,511,359	393,881	(2,117,478)
Expenditures				
Current				
General Government	-	45,000	-	45,000
Public Safety	-	86,730	1,861	84,869
Public Works	-	1,687,609	-	1,687,609
Economic Development	-	600,000	300,000	300,000
Capital Outlay	-	92,020	92,020	-
Total Expenditures	-	2,511,359	393,881	2,117,478
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2024

	Natural Gas Fund	Nonmajor Fund Revolving Loan Fund	Total
Assets			
Current Assets			
Cash and Cash Equivalents	$ 2,460,015	$ 859	$ 2,460,874
Investments - Certificate of Deposit	800,935	-	800,935
Accounts Receivable, Net	45,362	-	45,362
Notes Receivable	-	6,146	6,146
Total Current Assets	3,306,312	7,005	3,313,317
Noncurrent Assets			
Capital Assets			
Nondepreciable Assets	156,023	-	156,023
Depreciable Assets, Net	3,615,588	-	3,615,588
Total Capital Assets	3,771,611	-	3,771,611
Total Noncurrent Assets	3,771,611	-	3,771,611
Total Assets	7,077,923	7,005	7,084,928
Deferred Outflows of Resources			
Related to Pensions	46,571	-	46,571
Total Deferred Outflows of Resources	46,571	-	46,571

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2024
(CONTINUED)

	Natural Gas Fund	Nonmajor Fund Revolving Loan Fund	Total
Liabilities			
Current Liabilities			
Accounts Payable	$ 37,214	$ 854	$ 38,068
Accrued Liabilities	8,545	-	8,545
Customer Deposits Payable	51,661	-	51,661
Compensated Absences	31,276	-	31,276
Total Current Liabilities	128,696	854	129,550
Noncurrent Liabilities			
Net Pension Liability	84,062	-	84,062
Total Noncurrent Liabilities	84,062	-	84,062
Total Liabilities	212,758	854	213,612
Deferred Inflows of Resources			
Related to Pensions	11,246	-	11,246
Total Deferred Inflows of Resources	11,246	-	11,246
Net Position			
Investment in Capital Assets	3,771,611	-	3,771,611
Unrestricted	3,128,879	6,151	3,135,030
Total Net Position	$ 6,900,490	$ 6,151	$ 6,906,641

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Natural Gas Fund	Nonmajor Fund Revolving Loan Fund	Total
Operating Revenues			
Charges for Services	$ 1,798,361	$ -	$ 1,798,361
Miscellaneous	182,343	-	182,343
Total Operating Revenues	1,980,704	-	1,980,704
Operating Expenses			
Cost of Natural Gas	721,724	-	721,724
Personnel Services and Employee Benefits	504,395	-	504,395
Travel, Education and Training	3,366	-	3,366
Professional and Technical Services	36,710	-	36,710
Maintenance and Repairs	95,032	-	95,032
Depreciation Expense	130,911	-	130,911
Insurance	7,724	-	7,724
Communications	3,421	-	3,421
Supplies, Hardware and Small Equipment	81,465	-	81,465
Gasoline	15,729	-	15,729
Utilities	16,026	-	16,026
Taxes	122,423	-	122,423
Total Operating Expenses	1,738,926	-	1,738,926
Operating Income (Loss)	241,778	-	241,778
Non-Operating Revenues (Expenses)			
Interest Revenue	4,834	-	4,834
Total Non-Operating Revenues (Expenses)	4,834	-	4,834
Net Income (Loss) Before Contributions and Transfers	246,612	-	246,612
Capital Contributions	8,600	-	8,600
Transfers Out	(50,000)	-	(50,000)
Change In Net Position	205,212	-	205,212
Net Position - Beginning	6,695,278	6,151	6,701,429
Net Position - Ending	$ 6,900,490	$ 6,151	$ 6,906,641

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Natural Gas Fund	Nonmajor Fund Revolving Loan Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ 1,976,666	$ -	$ 1,976,666
Cash Paid to Suppliers for Good and Services	(879,970)	-	(879,970)
Cash Paid to Employees	(709,850)	-	(709,850)
Net Cash Provided by (Used for) Operating Activities	386,846	-	386,846
Cash Flows from Noncapital Financing Activities			
Transfer to Other Funds	(50,000)	-	(50,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(50,000)	-	(50,000)
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Assets	(65,700)	-	(65,700)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(65,700)	-	(65,700)
Cash Flows from Investing Activities			
Interest Received	4,834	-	4,834
Change in Investments	(3,512)	-	(3,512)
Net Cash Provided by (Used for) Investing Activities	1,322	-	1,322
Net Increase (Decrease) in Cash and Cash Equivalents	272,468	-	272,468
Cash and Cash Equivalents - Beginning	2,187,547	859	2,188,406
Cash and Cash Equivalents - Ending	$ 2,460,015	$ 859	$ 2,460,874

See accompanying notes which are an integral part of these financial statements.

CITY OF EATONTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
(CONTINUED)

	Natural Gas Fund	Nonmajor Fund Revolving Loan Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ 241,778	$ -	$ 241,778
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	130,911	-	130,911
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(6,983)	-	(6,983)
(Increase) Decrease in Deferred Outflows - Pensions	50,946	-	50,946
Increase (Decrease) in Accounts Payable	6,321	-	6,321
Increase (Decrease) in Accrued Liabilities	8,545	-	8,545
Increase (Decrease) in Customer Deposits	2,945	-	2,945
Increase (Decrease) in Compensated Absences	2,660	-	2,660
Increase (Decrease) in Net Pension Liability	(45,523)	-	(45,523)
Increase (Decrease) in Deferred Inflows - Pensions	(4,754)	-	(4,754)
Total Adjustments	145,068	-	145,068
Net Cash Provided by (Used for) Operating Activities	$ 386,846	$ -	$ 386,846
Noncash Capital Financing Activities			
Contributions of Capital Assets	$ 8,600	$ -	$ 8,600

See accompanying notes which are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The City of Eatonton, Georgia ("the City") was chartered as a municipality by the State of Georgia in 1879. The City operates under a Manager-Council form of government. The City provides a full range of municipal services as authorized by its charter including public safety, highways and streets, public services, utility services, and general administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Reporting Entity

The City for financial reporting purposes includes all of the funds relevant to the operations of the City of Eatonton. The Government Accounting Standards Board has set forth criteria to determine if legally separate organizations are considered to be component units in which the City is considered to be financially accountable or other organizations whose nature and significant relationship with the City is such that exclusion would cause the City's financial statements to be incomplete or misleading. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and accordingly, data from these units are combined with data of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The component unit discussed below should be included in the City's reporting entity because of its operational or financial relationship with the City.

The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 *The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34*, the City's relationships with other governments and agencies have been examined. The component unit column in the combined financial statements includes the financial data for the Eatonton Downtown Development Authority, as of August 31, 2024. The financial information for the component unit is reported in columns separate from the City's financial information to emphasize that it is legally separate from the City.

Eatonton Downtown Development Authority

Eatonton Downtown Development Authority - The Eatonton Downtown Development Authority ("DDA") is governed by a board appointed by the City Council and Mayor. The DDA was created for the purpose of administering activities with regard to the revitalization and promotion of downtown Eatonton. The DDA provides community promotions, streetscape maintenance, downtown beautification, and building oversight. The DDA is required to submit a budget to the City Council for approval. The DDA is a discretely presented component unit of the City. The DDA did not issue separate financial statements for the year ended August 31, 2024.

(1) Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Joint Venture

A joint venture has the following characteristics:

1. It is a legal entity that results from a contractual arrangement.
2. It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control.
3. Participants retain an ongoing financial interest or an ongoing financial responsibility.

Under Georgia law, the City, in conjunction with other cities and counties in the central Georgia area, is a member of the Middle Georgia Regional Commission (the "RC") and is required to pay annual dues thereto. Membership in a 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:

Middle Georgia Regional Commission
3661 Eisenhower Parkway, Suite MB102
Macon, Georgia 31206

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of taxes receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues are considered to be measurable and available only when cash is received by the government.

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 Position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

(1) Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

The government reports the following major governmental funds:

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

American Rescue Plan Fund – The American Rescue Plan fund is a special revenue fund. It is used to account for all activities and proceeds related to the American Rescue Plan Act.

SPLOST 9 Fund – The SPLOST 9 Fund is a capital project fund. It is used to account for all activities related to the Special Purpose Local Option Sales Tax (SPLOST) as restricted by law. SPLOST is the primary revenue of the fund, and capital outlay expenditures for City infrastructure improvements are the primary expenditures of the fund.

TSPLOST 1 Fund – The TSPLOST 1 Fund is a capital project fund. It is used to account for all activities related to the Transportation Special Purpose Local Option Sales Tax (TSPLOST) as restricted by law. TSPLOST is the primary revenue of the fund, and capital outlay expenditures for City infrastructure improvements are the primary expenditures of the fund.

TSPLOST 2 Fund – The TSPLOST 2 Fund is a capital project fund. It is used to account for all activities related to the Transportation Special Purpose Local Option Sales Tax (TSPLOST) as restricted by law. TSPLOST is the primary revenue of the fund, and capital outlay expenditures for City infrastructure improvements are the primary expenditures of the fund.

The government reports the following major proprietary fund:

Natural Gas Fund – The Natural Gas Fund is used to account for the provision of natural gas services to the residents of the City. Activities of the fund include administration, operations and maintenance of the natural gas system and billing and collection activities. All costs are financed through charges to natural gas customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the funds.

The City also reports the following fund types:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Capital project funds account for capital projects for City infrastructure improvements that are funded from SPLOST or capital grants as restricted by law or grant agreement.

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

(1) Summary of Significant Accounting Policies (Continued)

Receivables

Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" or "advances to / from other funds." All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based on historical experience rates.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to September 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. All acquisitions of land and tilted vehicles or equipment are capitalized, even if the cost is less than $5,000. Donated capital assets are recorded at their acquisition value at the date of donation.

The City has recorded intangible right-to-use assets as a result of implementing GASB 96. The intangible right-to-use assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, less subscription incentives, plus ancillary charges necessary to place the subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the life of the related subscription.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Lives	
Asset Class	Governmental Activities	Business-Type Activities
Buildings and Improvements	10 - 30 Years	10 Years
Machinery and Equipment	3 - 12 Years	3 - 12 Years
Vehicles	3 - 5 Years	3 - 5 Years
Infrastructure	10 - 50 Years	10 - 50 Years

(1) Summary of Significant Accounting Policies (Continued)

Compensated Absences

City employees are entitled to receive, upon termination of or retirement from employment, all accumulated annual leave up to a maximum of 240 hours. The estimated portion of the liability for accumulated leave attributable to the City's governmental activities and business-type activities are recorded as noncurrent liabilities in the government-wide statement of net position. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund. Estimated liabilities of required salary related payments are not recognized due to their immaterial nature.

Long-Term Obligations

Long-term debt is recorded on the statement of net position in the government-wide and proprietary fund financial statements, and any related interest expense is recorded on the statement of activities in the government-wide financial statements and the statement of revenues, expenses, and changes in net position in the proprietary fund financial statements.

Long-term liabilities expected to be financed from governmental fund types are not recorded in the governmental fund financial statements. Payments of principal and interest are recorded as expenditures on the statement of revenues, expenditures, and changes in fund balance in the governmental fund financial statements.

Management Estimates

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

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The amounts that qualify for reporting in this category are related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The amounts that qualify for reporting in this category are related to deferred revenue for pensions. The governmental funds balance sheet reports unavailable revenue related to property taxes as amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The City Council approves committed resources through a motion and vote during the voting session of City Council meetings.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The intent is expressed by the City Council.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

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

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of August 31, 2024:

	General Fund	SPLOST 9 Fund	TSPLOST 1 Fund	TSPLOST 2 Fund	Nonmajor Governmental Funds	Total
Fund Balances						
Restricted						
Capital Outlay	$ -	$ 4,715,083	$ 651,111	$ 1,682,905	$ 400,285	$ 7,449,384
Public Safety	-	-	-	-	59,058	59,058
Emergencies	-	-	-	-	500,000	500,000
Committed						
Capital Outlay	353,643	-	-	-	-	353,643
Stabilization	648,519	-	-	-	-	648,519
Emergencies	-	-	-	-	545,431	545,431
Assigned						
Capital Outlay	-	-	-	-	1,637	1,637
Unassigned	2,179,606	-	-	-	-	2,179,606
Total Fund Balances	$ 3,181,768	$ 4,715,083	$ 651,111	$ 1,682,905	$ 1,506,411	$ 11,737,278

(1) Summary of Significant Accounting Policies (Continued)

Risk Management

Predominant exposure for losses lies in the areas of liability and property damage or theft. These risks are mitigated through participation with other Georgia municipalities, in a risk sharing arrangement. Through the Georgia Municipal Association, the City holds membership in Georgia Interlock Risk Management Agency (G.I.R.M.A.). G.I.R.M.A exists by authority of the Official Code of Georgia Annotated 36-85-1 et seq. Members jointly self-insure the risk of general liability, motor vehicle liability, property damage or any combination of such risks.

Since the previous year, there have been no reductions in coverage, and the amount of an insurance settlement has never exceeded coverage. Additionally, City employees are covered by worker's compensation insurance. Coverage is obtained through membership in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. Benefits provided for employees, pursuant to this agreement, are specifically limited to obligations imposed by Georgia law against the employer for worker's compensation and/or employer's liability.

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

As a member of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools; to cooperate with pool agents and attorneys; to follow loss reduction procedures established by the funds; and to report, as promptly as possible and in accordance with coverage descriptions issued, all incidents which could result in fund payments for claims of loss. Further, the City is to allow the pool's agents and attorneys to represent the City in investigations, settlement discussions and all levels of litigation arising out of any claim which falls within the scope of loss protection furnished by the funds.

Impact of New Accounting Standard Adopted

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96). The objective of this statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

As a result of adopting this pronouncement as of September 1, 2023, the City recognized intangible right-to-use assets and subscription liabilities related to its subscription arrangements, as described in note 8. The subscription liabilities were recorded in the statement of net position based on the present value of future payments. Within the statement of activities, the intangible right-to-use assets are amortized on a straight-line basis as amortization expense over the life of the subscription. The interest portion of cash payments is recognized as interest expense based on the incremental borrowing rate.

(2) Budgets and Budgetary Accounting

Annual budgets are adopted for the General and Special Revenue Funds. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended by the Mayor and City Council. Some individual revisions were material in relation to the original appropriations.

A legally authorized, non-appropriated budget is prepared for the Capital Project Funds. Expenditures for these funds are controlled on a project basis and are carried forward each year until the project is completed.

(2) Budgets and Budgetary Accounting (Continued)

The legal level of control for each adopted annual operating budget, generally, is the department level within each individual fund. Accordingly, the budget resolution reflects the total of each department's appropriation within each fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council. Department directors are authorized to transfer line item appropriations within a single department. Only action of Council may authorize the employment of additional personnel. The City does not use encumbrance accounting; all unexpended annual appropriations lapse at year-end.

Expenditures did not exceed the final budget at the fund or function level.

(3) Deposits and Investments

The City does not have a policy regarding management of risk for deposits or investments.

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The City's bank balances of deposits as of August 31, 2024, are entirely insured or collateralized with securities held by the City's agent in the City's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Custodial Credit Risk - Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by the City at August 31, 2024 are in the form of bank certificates of deposit. Certificates with maturity periods greater than 90 days are classified as investments.

At August 31, 2024, all City investments were entirely insured or collateralized with securities held by the City or by its agent in the City's name.

Credit Risk - Investments

State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptance; the local government investment pool established by state law (Georgia Fund 1); repurchase agreements; and obligations of other political subdivisions of the State of Georgia. At August 31, 2024, the City's investments were in certificates of deposit.

At August 31, 2024, the City's certificates of deposit were as follows:

Investments	Maturity	Amount
Certificates of Deposit - General Fund	7 - 12 Months	$ 570,185
Certificates of Deposit - Nonmajor Governmental Funds	7 - 12 Months	790,277
	12 - 24 Months	200,000
Certificates of Deposit - Natural Gas Fund	7 - 12 Months	717,353
	12 - 24 Months	83,582
		$ 2,361,397

(3) Deposits and Investments (Continued)

Interest Rate Risk - Investments

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(4) Receivables

Receivables at August 31, 2024 consist of the following:

	General Fund	Natural Gas Fund	Nonmajor Governmental Funds	Total
Receivables				
Taxes	$ 21,754	$ -	$ 3,967	$ 25,721
Accounts	58,277	59,958	-	118,235
Gross Receivables	80,031	59,958	3,967	143,956
Less Allowances for Uncollectibles	(12,947)	(14,596)	-	(27,543)
Net Receivables	$ 67,084	$ 45,362	$ 3,967	$ 116,413

(5) Due from Other Governments

Amounts due from other governments at August 31, 2024, are as follows:

	State	Total
Fund		
General Fund	$ 266,597	$ 266,597
Total	$ 266,597	$ 266,597

(6) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2024, was as follows:

Due to / from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 2,330
Total		**$ 2,330**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

(6) Interfund Receivables, Payables, and Transfers (Continued)

	Transfers In		
Transfer Out	General Fund	Nonmajor Governmental Funds	Total
Natural Gas Fund	$ 50,000	$ -	$ 50,000
Nonmajor Governmental Funds	12,204	-	12,204
Total	$ 62,204	$ -	$ 62,204

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

(7) Capital Assets

Capital asset activity for the year ended August 31, 2024, was as follows:

Primary Government

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	$ 323,006	$ -	$ -	$ -	$ 323,006
Construction in Progress	1,335,713	2,084,987	-	(1,622,224)	1,798,476
Total Capital Assets, Not Being Depreciated	1,658,719	2,084,987	-	(1,622,224)	2,121,482
Capital Assets, Being Depreciated					
Buildings and Improvements	3,134,470	26,422	(5,450)	-	3,155,442
Furniture, Fixtures, and Equipment	2,562,043	211,100	(46,851)	-	2,726,292
Infrastructure	9,027,377	95,240	-	1,622,224	10,744,841
Intangible Right-To-Use Assets (SBITAs)	-	49,013	-	-	49,013
Total Capital Assets, Being Depreciated	14,723,890	381,775	(52,301)	1,622,224	16,675,588
Less Accumulated Depreciation for					
Buildings and Improvements	(1,822,484)	(129,668)	5,450	-	(1,946,702)
Furniture, Fixtures, and Equipment	(1,479,528)	(246,640)	44,771	-	(1,681,397)
Infrastructure	(4,874,812)	(551,334)	-	-	(5,426,146)
Intangible Right-To-Use Assets (SBITAs)	-	(8,169)	-	-	(8,169)
Total Accumulated Depreciation	(8,176,824)	(935,811)	50,221	-	(9,062,414)
Total Capital Assets Being Depreciated, Net	6,547,066	(554,036)	(2,080)	1,622,224	7,613,174
Governmental Activities Capital Assets, Net	$ 8,205,785	$ 1,530,951	$ (2,080)	$ -	9,734,656
			Less: Related Long-Term Debt Outstanding		(39,695)
			Net Investment In Capital Assets		$ 9,694,961

(7) Capital Assets (Continued)

Primary Government (Continued)

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated					
Land	$ 57,015	$ 5,000	$ -	$ 18,424	$ 80,439
Construction in Progress	75,584	-	-	-	75,584
Intangible Assets	18,424	-	-	(18,424)	-
Total Capital Assets, Not Being Depreciated	151,023	5,000	-	-	156,023
Capital Assets, Being Depreciated					
Furniture, Fixtures, and Equipment	500,902	26,550	(2,000)	-	525,452
Infrastructure	6,837,934	42,750	-	-	6,880,684
Total Capital Assets, Being Depreciated	7,338,836	69,300	(2,000)	-	7,406,136
Less Accumulated Depreciation for					
Furniture, Fixtures, and Equipment	(396,818)	(25,154)	2,000	-	(419,972)
Infrastructure	(3,264,819)	(105,757)	-	-	(3,370,576)
Total Accumulated Depreciation	(3,661,637)	(130,911)	2,000	-	(3,790,548)
Total Capital Assets Being Depreciated, Net	3,677,199	(61,611)	-	-	3,615,588
Business-Type Activities Capital Assets, Net	$ 3,828,222	$ (56,611)	$ -	$ -	$ 3,771,611

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

Governmental Activities	
General Government	$ 31,154
Public Safety	179,422
Public Works	630,002
Culture & Recreation	95,233
Total	$ 935,811
Business-Type Activities	
Natural Gas Fund	$ 130,911
Total	$ 130,911

(7) Capital Assets (Continued)

Component Unit

	Beginning Balance	Additions	Deductions	Ending Balance
Eatonton Downtown Development Authority				
Capital Assets, Not Being Depreciated				
Land	$ 80,000	$ -	$ -	$ 80,000
Construction in Progress	217,347	13,181	-	230,528
Total Capital Assets, Not Being Depreciated	297,347	13,181	-	310,528
Capital Assets, Being Depreciated				
Buildings and Improvements	392,235	-	-	392,235
Infrastructure	485,577	-	-	485,577
Total Capital Assets, Being Depreciated	877,812	-	-	877,812
Less Accumulated Depreciation for				
Buildings and Improvements	(153,518)	(25,846)	-	(179,364)
Infrastructure	(401,904)	(48,555)	-	(450,459)
Total Accumulated Depreciation	(555,422)	(74,401)	-	(629,823)
Total Capital Assets Being Depreciated, Net	322,390	(74,401)	-	247,989
Eatonton DDA Capital Assets, Net	$ 619,737	$ (61,220)	$ -	$ 558,517

(8) Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2024, was as follows:

	Beginning Balance	Additions	Subtractions	Ending Balance	Due Within One Year
Governmental Activities					
Subscription Liabilities	$ -	$ 49,013	$ (9,318)	$ 39,695	$ 9,555
Compensated Absences	107,835	18,229	-	126,064	126,064
Net Pension Liability	861,884	-	(299,317)	562,567	-
Governmental Activities Long-term Liabilities	$ 969,719	$ 67,242	$ (308,635)	$ 728,326	$ 135,619
Business-Type Activities					
Compensated Absences	$ 28,616	$ 2,660	$ -	$ 31,276	$ 31,276
Net Pension Liability	129,585	-	(45,523)	84,062	-
Business-Type Activities Long-Term Liabilities	$ 158,201	$ 2,660	$ (45,523)	$ 115,338	$ 31,276

For the governmental activities, compensated absences and net pension liability are generally liquidated by the general fund and for the business-type activities, compensated absences and net pension liability are liquidated by the Natural Gas Fund.

(8) Long-Term Debt (Continued)

Subscription Liabilities

The City has entered into a subscription liability agreement for the financing of police body cam software. The subscription liability agreement has been recorded at the present value of the future minimum subscription payments as of the date of its inception.

The following is an analysis of the annual requirements of principal and interest for the subscription liability as of August 31, 2024:

	Governmental Activities	
Year Ending	Principal	Interest
2025	$ 9,555	$ 1,005
2026	9,797	763
2027	10,045	515
2028	10,298	261
	$ 39,695	$ 2,544

(9) Employee Retirement Plans

Georgia Municipal Employees Benefit System

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (the system), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Eatonton Retirement Plan is a defined benefit plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the plan to the City of Eatonton. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

Benefits Provided

City officials and full-time employees are eligible to participate. Vesting of officials is immediate; employee benefits vest after ten (10) years of service. The retirement benefit formula is 1.25 percent – 1.75 percent (table breakpoint). The system also provides death benefits. Post retirement increases are not applicable to this plan.

Plan Membership

As of January 1, 2024, the date of the most recent actuarial valuation report, pension plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	55
Terminated Vested Participants	20
Current Active Employees Vested	25
Total Membership in the Plan	100

(9) Employee Retirement Plans (Continued)

Funding Policy

The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. Ongoing plans that are in compliance with the GMEBS funding policy are ultimately projected to have no unfunded benefits under this amortization method. The Plan is subject to minimum funding standards as set forth in the Public Retirement System Standards Law (Georgia Code Section 47-20-10). In order to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits, the GMEBS funding policy requires a different funding level than the estimated minimum annual contribution. The City's funding policy is to contribute an amount equal to the actuarially recommended contribution rate.

Contributions

The recommended contribution at January 1, 2023, to be paid during the City's fiscal year ending August 31, 2024, was $146,983. This amount is 8.21 percent of expected payroll. Accordingly, the City contributed this amount. During the plan reporting period, employer contributions of $146,983 were recognized by the plan. Because the City contributes the entire cost of the plan, employees are not required to contribute.

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

At August 31, 2024, the City reported a net pension liability. The net pension liability was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2024. An expected total pension liability as of August 31, 2024, was determined using standard roll-forward techniques.

For the year ended August 31, 2024, the City recognized pension expense relative to GMEBS in the amount of $189,614. At August 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 86,508
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	223,503	-
Employer Contributions Subsequent to the Measurement Date	134,734	-
	$ 358,237	$ 86,508

City contributions subsequent to the measurement date of September 30, 2023, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended August 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year	Amount
2025	$ (45,435)
2026	35,212
2027	203,210
2028	(55,992)

(9) Employee Retirement Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions: The total pension liability as of August 31, 2024, was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increase	2.25%, plus service-based merit increase
Cost of Living Adjustments	2.25% for participants terminated on or after September 1, 1980; N/A otherwise
Investment Rate of Return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality Rates:

- Healthy retirees and beneficiaries: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- Disabled participants: Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- Active participants, terminated vested participants, and deferred beneficiaries: Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Plan termination basis (all lives): 1994 Group Annuity Reserving Unisex Table.

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

Net Pension Liability

Changes in the Net Pension Liability	**Total Pension Liability**	**Fiduciary Net Position**	**Net Pension Liability**
Balances at September 30, 2022	$ 5,493,631	$ 4,502,162	$ 991,469
Changes for the Year			
Service Cost	69,998	-	69,998
Interest	397,155	-	397,155
Difference Between Expected and Actual Experience	(37,949)	-	(37,949)
Contributions - Employer	-	182,482	(182,482)
Net Investment Income	-	605,067	(605,067)
Benefit Payments	(356,942)	(356,942)	-
Administrative Expense	-	(13,505)	13,505
Other	-	-	-
Net Changes	72,262	417,102	(344,840)
Balance at September 30, 2023	$ 5,565,893	$ 4,919,264	$ 646,629

The City's net pension liability is recorded in the Government-Wide Statement of Net Position in the amounts of $562,567 for governmental activities and $84,062 for business-type activities.

(9) Employee Retirement Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2023 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.91%
International Equity	20%	7.21%
Domestic Fixed Income	20%	1.61%
Real Estate	10%	3.61%
Global Fixed Income	5%	1.67%
Total	100%	

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability 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%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 1,219,229	$ 646,629	$ 162,105

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publicly available at www.gmanet.com.

(10) Hotel / Motel Tax

The City has levied an 8 percent hotel / motel lodging tax. The amount of total tax collected in excess of a rate of three percent is required to be expended for the promotion of tourism, conventions, and trade shows in accordance with O.C.G.A. 48-13-51. A summary of the transactions for the year ending August 31, 2024, follows:

Hotel / Motel Tax Revenue	$	32,543
Less 62.50% committed to the Chamber of Commerce		(20,339)
Less 37.50% transferred to the General Fund		(12,204)
Change in Fund Balance		-

(11) Litigation

During the course of normal operations of the City, various claims and lawsuits arise. Management has advised that there are no potential liabilities that will impair the City's financial position as of the date of this audit report.

(12) Commitments and Contingencies

Georgia Environmental Facilities Loans

On May 1, 2007, the City transferred all assets, liabilities and net assets of its water and wastewater treatment and delivery systems to the Eatonton-Putnam Water and Sewer Authority (the Authority). Included in this transfer were the City's outstanding loans payable to the Georgia Environmental Facilities Authority (GEFA). Each of these loans was made for the purpose of expanding and improving the City's (now the Authority's) water and sewer systems. All debt was explicitly assumed by the Authority, according to the terms of the contract signed by the two governments.

In addition, the City, along with Putnam County, has pledged its full faith and credit to secure a 2012 GEFA loan made to the Eatonton-Putnam Water and Sewer Authority. The loan was extended for water line replacement. GEFA has agreed to provide up to $1,745,000 at an annual interest rate of 1.13 percent. Outstanding principal and interest will be repaid with monthly installments for 20 years.

Grant Programs

During this and prior years, the City has been a recipient of both state and federal grants. These programs are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

Municipal Gas Authority of Georgia

The City has entered into the Gas Supply Contract and certain Supplemental Gas Supply Contracts with the Gas Authority ("MGAG") under which the City buys natural gas for resale to its customers. Under such contracts with the Gas Authority, the City is obligated to take from the Gas Authority, and the Gas Authority is obligated to provide, all of the City's natural gas requirements. The price paid by the City to the Gas Authority under its contracts is intended to cover the City's share of all the costs of the Gas Authority, including scheduled debt service of the Gas Authority. Such payments are required to be made by the City whether the Gas Authority's facilities or natural gas properties or any part thereof are operating or operable or the output therefrom is interrupted, interfered with, curtailed, or terminated in whole or in part, or whether any of its natural gas suppliers or transporters defaults in its obligations under its gas supply or transportation contracts with the Gas Authority. To the extent the required payments are not made from the revenues of the System or other funds, the City is required to include in its general revenue or appropriation measure, or annual tax levy amounts sufficient to make such payments. The City was contingently liable for $317,987 of MGAG's principal bonds outstanding in the event of default by MGAG at August 31, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EATONTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS

Total Pension Liability	**2024**	2023	2022
Service Cost	**$ 69,998**	$ 82,944	$ 73,028
Interest on Total Pension Liability	**397,155**	402,766	383,874
Difference Between Expected and Actual Experience	**(37,949)**	(183,623)	122,091
Changes of Assumptions	**-**	-	-
Benefit Payments, Including Refunds of Employee Contributions	**(356,942)**	(373,481)	(292,034)
Net Change in Total Pension Liability	**72,262**	(71,394)	286,959
Total Pension Liability - Beginning	**5,493,631**	5,565,025	5,278,066
Total Pension Liability - Ending	**$ 5,565,893**	$ 5,493,631	$ 5,565,025
Plan Fiduciary Net Position			
Contributions - Employer	**$ 182,482**	$ 182,068	$ 175,625
Net Investment Income	**605,067**	(890,741)	1,112,356
Benefit Payments, Including Refunds of Member Contributions	**(356,942)**	(373,481)	(292,034)
Administrative Expenses	**(13,505)**	(13,214)	(14,706)
Net Change in Plan Fiduciary Net Position	**417,102**	(1,095,368)	981,241
Plan Fiduciary Net Position - Beginning	**4,502,162**	5,597,530	4,616,289
Plan Fiduciary Net Position - Ending	**$ 4,919,264**	$ 4,502,162	$ 5,597,530
City's Net Pension Liability (Asset) - Ending	**$ 646,629**	$ 991,469	$ (32,505)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**88.38%**	81.95%	100.58%
Covered-Employee Payroll	**$ 2,032,547**	$ 1,763,326	$ 1,851,662
Net Pension Liability As a Percentage of Covered-Employee Payroll	**31.81%**	56.23%	-1.76%

CITY OF EATONTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
(CONTINUED)

	2021	2020	2019	2018	2017	2016	2015
	$ 76,674	$ 86,972	$ 87,776	$ 88,316	$ 82,473	$ 96,442	$ 106,312
	368,048	356,365	343,233	322,527	304,522	279,469	280,991
	64,851	16,552	(6,398)	49,304	39,721	119,099	(228,092)
	-	75,214	-	76,705	-	-	(34,060)
	(290,629)	(281,096)	(216,330)	(203,325)	(185,457)	(158,040)	(131,526)
	218,944	254,007	208,281	333,527	241,259	336,970	(6,375)
	5,059,122	4,805,115	4,596,834	4,263,307	4,022,048	3,685,078	3,691,453
	$ 5,278,066	$ 5,059,122	$ 4,805,115	$ 4,596,834	$ 4,263,307	$ 4,022,048	$ 3,685,078
	$ 187,002	$ 163,757	$ 156,755	$ 144,031	$ 136,136	$ 184,135	$ 195,757
	411,599	125,602	394,813	529,504	359,215	35,185	322,821
	(290,629)	(281,096)	(216,330)	(203,325)	(185,457)	(158,040)	(131,526)
	(13,264)	(12,745)	(13,700)	(14,509)	(7,949)	(9,068)	(7,183)
	294,708	(4,482)	321,538	455,701	301,945	52,212	379,869
	4,321,581	4,326,063	4,004,525	3,548,824	3,246,879	3,194,667	2,814,798
	$ 4,616,289	$ 4,321,581	$ 4,326,063	$ 4,004,525	$ 3,548,824	$ 3,246,879	$ 3,194,667
	$ 661,777	$ 737,541	$ 479,052	$ 592,309	$ 714,483	$ 775,169	$ 490,411
	87.46%	85.42%	90.03%	87.11%	83.24%	80.73%	86.69%
	$ 1,709,676	$ 1,785,080	$ 1,695,833	$ 1,866,599	$ 1,897,874	$ 1,740,433	$ 1,817,904
	38.71%	41.32%	28.25%	31.73%	37.65%	44.54%	26.98%

CITY OF EATONTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
SCHEDULE OF CITY CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contributions	*	$ 185,709	$ 181,737	$ 174,865	$ 172,617	$ 178,644	$ 154,765	$ 143,055	$ 135,507	$ 188,556
Contributions in Relation to the Actuarially Determined Contribution	*	185,709	196,309	160,293	172,617	178,644	154,765	143,055	135,507	188,556
Contribution Deficiency (Excess)	*	$ -	$ (14,572)	$ 14,572	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	N/A	$ 1,763,326	$ 1,851,662	$ 1,709,676	$ 1,785,080	$ 1,695,833	$ 1,866,599	$ 1,897,874	$ 1,740,433	$ 1,817,904
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.53%	10.60%	9.38%	9.67%	10.53%	8.29%	7.54%	7.79%	10.37%

* 2024 information will be determined after fiscal year end and will be included in the 2025 audit report.

Changes of Assumptions

There were no changes in plan provisions in the valuation and there were no changes in methods or assumptions in the valuation.

Methods and Assumptions Used to Determine Contribution Rates

Valuation date	The actuarially determined contribution rate was determined as of January 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending August 31, 2025.
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service-based merit increases
Cost of Living Adjustments	N/A
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, age 65 rate of 50%, ages 66-71 rate of 25% and age 72 and over rate of 100%
Mortality	Healthy retirees and beneficiaries – Sex-distinct Pri-2012 head count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Disabled participants – Sex-distinct Pri-2012 headcount weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 Active participants, terminated vested participants, and deferred beneficiaries – Sex-distinct Pri-2012 head-count weighted Employee Mortality Table Plan termination basis (all lives) – 1994 Group Annuity Reserving Unisex Table The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Police Condemnation Fund - This fund accounts for condemned funds received and disbursed for Law Enforcement expenditures.

Hotel / Motel Tax Fund - This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

Capital Reserve Fund - This fund accounts for the first year's collections of local option sales taxes. Income from investments of these collections is restricted to specific purposes by ordinance.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

SPLOST Fund No. 8 - The SPLOST Fund No. 8 is used to account for the proceeds and various projects associated with a special one percent sales tax.

Community Development Block Grant Fund - This fund accounts for the proceeds and expenditures of a U.S. Department of Housing and Urban Development grant, which is awarded by the Georgia Department of Community Affairs. The award will fund a street flood and drainage renewal project.

CITY OF EATONTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2024

	Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
	Police Condemnation Fund	Hotel / Motel Fund	Capital Reserve Fund	SPLOST 8 Fund	CDBG Fund	
Assets						
Cash and Cash Equivalents	$ 59,058	$ -	$ 55,154	$ 400,284	$ 1	$ 514,497
Investments - Certificate of Deposit	-	-	990,277	-	-	990,277
Accounts Receivable	-	3,967	-	-	-	3,967
Total Assets	$ 59,058	$ 3,967	$ 1,045,431	$ 400,284	$ 1	$ 1,508,741
Liabilities						
Due to Other Funds	$ -	$ 2,330	$ -	$ -	$ -	$ 2,330
Total Liabilities	-	2,330	-	-	-	2,330
Fund Balance						
Restricted	59,058	-	500,000	400,284	1	959,343
Committed	-	-	545,431	-	-	545,431
Assigned	-	1,637	-	-	-	1,637
Total Fund Balances	59,058	1,637	1,045,431	400,284	1	1,506,411
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 59,058	$ 3,967	$ 1,045,431	$ 400,284	$ 1	$ 1,508,741

CITY OF EATONTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
	Police Condemnation Fund	Hotel / Motel Fund	Capital Reserve Fund	SPLOST 8 Fund	CDBG Fund	
Revenues						
Taxes	$ -	$ 32,543	$ -	$ -	$ -	$ 32,543
Fines and Forfeitures	8,713	-	-	-	-	8,713
Investment Earnings	183	-	1,959	1,400	-	3,542
Total Revenues	8,896	32,543	1,959	1,400	-	44,798
Expenditures						
Current						
Public Safety	11,959	-	-	-	-	11,959
Tourism	-	20,339	-	-	-	20,339
Total Expenditures	11,959	20,339	-	-	-	32,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,063)	12,204	1,959	1,400	-	12,500
Other Financing Sources (Uses)						
Proceeds From Sale of Assets	7,155	-	-	-	-	7,155
Transfer to Other Funds	-	(12,204)	-	-	-	(12,204)
Total Other Financing Sources (Uses)	7,155	(12,204)	-	-	-	(5,049)
Net Change in Fund Balances	4,092	-	1,959	1,400	-	7,451
Fund Balances - Beginning	54,966	1,637	1,043,472	398,884	1	1,498,960
Fund Balances - Ending	$ 59,058	$ 1,637	$ 1,045,431	$ 400,284	$ 1	$ 1,506,411

CITY OF EATONTON, GEORGIA
POLICE CONDEMNATION FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	$ 30,000	$ 8,713	$ (21,287)
Investment Earnings	100	183	83
Total Revenues	30,100	8,896	(21,204)
Expenditures			
Current			
Public Safety	30,100	11,959	18,141
Total Expenditures	30,100	11,959	18,141
Excess (Deficiency) of Revenues Over Expenditures	-	(3,063)	(3,063)
Other Financing Sources (Uses)			
Proceeds From Sale of Assets	-	7,155	7,155
Total Other Financing Sources (Uses)	-	7,155	7,155
Net Change in Fund Balance	-	4,092	4,092
Fund Balance - Beginning	54,966	54,966	-
Fund Balance - Ending	$ 54,966	$ 59,058	$ 4,092

CITY OF EATONTON, GEORGIA
HOTEL / MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	$ 35,000	$ 32,543	$ (2,457)
Total Revenues	35,000	32,543	(2,457)
Expenditures			
Current			
Tourism	21,875	20,339	1,536
Total Expenditures	21,875	20,339	1,536
Excess (Deficiency) of Revenues over Expenditures	13,125	12,204	(921)
Other Financing Sources (Uses)			
Transfer to Other Funds	(13,125)	(12,204)	921
Total Other Financing Sources (Uses)	(13,125)	(12,204)	921
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	1,637	1,637	-
Fund Balance - Ending	$ 1,637	$ 1,637	$ -

CITY OF EATONTON, GEORGIA
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings	$ -	$ 1,959	$ 1,959
Total Revenues	-	1,959	1,959
Expenditures			
Current			
General Government	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	1,959	1,959
Fund Balance - Beginning	1,043,472	1,043,472	-
Fund Balance - Ending	$ 1,043,472	$ 1,045,431	$ 1,959

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CITY OF EATONTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED AUGUST 31, 2024

SPLOST Fund No. 8	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Roads, Bridges, Sidewalks	$ 790,000	$ 767,827	$ -	$ 767,827	97.19%
Public Works Equipment	135,200	117,890	-	117,890	87.20%
Public Safety Equipment	374,800	370,850	-	370,850	98.95%
Building Renovations	160,000	142,524	-	142,524	89.08%
Natural Gas Infrastructure	400,000	75,584	-	75,584	18.90%
Total SPLOST Fund No. 8	$ 1,860,000	$ 1,474,675	$ -	$ 1,474,675	

SPLOST Fund No. 9	Original Estimated Cost	Amended Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Road Improvements	$ 1,728,600	$ 1,728,600	$ 397,050	$ 674,545	$ 1,071,595	61.99%
Public Safety Equipment	786,000	865,998	711,339	50,255	761,594	87.94%
Public Works Equipment	500,000	500,000	259,316	91,683	350,999	70.20%
Building and Grounds Renovations and Equipment	648,000	648,000	38,836	-	38,836	5.99%
Natural Gas Infrastructure and Equipment	1,206,000	1,206,000	364,385	8,600	372,985	30.93%
Economic Development	265,000	265,000	37,000	-	37,000	13.96%
Total SPLOST Fund No. 9	$ 5,133,600	$ 5,213,598	$ 1,807,926	$ 825,083	$ 2,633,009	

Reconciliation of SPLOST 9 schedule to financial statements:

Additions	
Current Year Principal Payments	9,318
Total Expenditures per Financial Statements	$ 834,401

CITY OF EATONTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH TRANSPORTATION SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED AUGUST 31, 2024

TSPLOST Fund No. 1	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Resurfacing and Safety Improvements	$ 2,750,000	$ 1,915,257	$ 814,138	$ 2,729,395	99.25%
Culvert Rehabilitation or Replacement	500,000	438,335	95,240	533,575	106.72%
Intersection Improvements and Pedestrian Facility	500,000	265,485	-	265,485	53.10%
Total TSPLOST Fund No. 1	$ 3,750,000	$ 2,619,077	$ 909,378	$ 3,528,455	

TSPLOST Fund No. 2	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Resurfacing and Safety Improvements	$ 3,625,000	$ -	$ 537,470	$ 537,470	14.83%
Right of Way Maintenance and Drainage Improvements	1,000,000	-	-	-	0.00%
Intersection Improvements and Pedestrian Facility	1,500,000	-	-	-	0.00%
Total TSPLOST Fund No. 2	$ 6,125,000	$ -	$ 537,470	$ 537,470	

CITY OF EATONTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
19p-x-117-2-6129 Project Cost Schedule
FOR THE YEAR ENDED AUGUST 31, 2024

Program Activity	Activity Number	Budget	Expenditures CDBG Prior Years	Other Funds Prior Years	Current Year	Total
Street Improvements	P-03K-01	$ 111,238	$ 18,271	$ 102,093	$ -	$ 120,364
Flood and Drainage Facilities	P-03K-02	593,762	593,762	158,114	-	751,876
Administration	A-21A-00	45,000	28,125	-	-	28,125
Total		$ 750,000	$ 640,158	$ 260,207	$ -	$ 900,365

Non-CDBG Grant Funds Expended in CDBG Fund	-
Total CDBG Fund Expenditures and Transfers Out	$ -

CITY OF EATONTON, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT

19p-x-117-2-6129

FOR THE YEAR ENDED AUGUST 31, 2024
(CUMULATIVE)

I.	Total Fiscal Year 2024 CDBG Funds Awarded to Recipient:	$ 750,000
II.	Total Amount of Fiscal Year 2024 Drawdown by Recipient from DCA:	640,158
III.	Less CDBG Funds Expended in Fiscal Year 2024 by Recipient:	(640,158)
IV.	Amount of Fiscal Year 2024 CDBG Funds Held by Recipient:	$ -

CITY OF EATONTON, GEORGIA
BALANCE SHEET
COMPONENT UNIT-DOWNTOWN DEVELOPMENT AUTHORITY
AUGUST 31, 2024

Assets		
Cash and Cash Equivalents	$	142,003
Total Assets	$	142,003
Liabilities		
Accounts Payable	$	-
Total Liabilities		-
Fund Balance		
Unassigned		142,003
Total Fund Balance		142,003
Total Liabilities and Fund Balance	$	142,003

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

Total Fund Balance - Governmental Funds	$	142,003
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the Assets		1,188,340
Accumulated Depreciation		(629,823)
Net Position of Governmental Activities	$	700,520

CITY OF EATONTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT-DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

Revenues		
Intergovernmental	$	118,930
Other Income		51
Total Revenues		118,981
Expenditures		
Current		
Housing and Development		17,469
Capital Outlay		13,181
Total Expenditures		30,650
Net Change in Fund Balance		88,331
Fund Balance - Beginning		53,672
Fund Balance - Ending	$	142,003

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

Net Change in Fund Balance - Total Governmental Funds	$	88,331
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Total Capital Outlay		13,181
Total Depreciation		(74,401)
Change in Net Position of Governmental Activities	$	27,111

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GOVERNMENTAL REPORT

MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

389 Mulberry Street | Macon, Georgia 31201
Post Office Box One | Macon, Georgia 31202
478-746-6277 | mmmcpa.com

January 29, 2025

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*

Honorable Mayor and Members
City Council of Eatonton, Georgia
Eatonton, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Eatonton, Georgia** (the "City"), as of and for the fiscal year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City of Eatonton's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

CITY OF EATONTON, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING AUGUST 31, 2024

(1) Financial Statement Findings

Findings noted on the 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*:

2024-001 Accounts Payable / Accrued Liabilities and Expenditure / Expenses

CRITERIA
In accordance with generally accepted accounting principles, expenditures / expenses are recognized as soon as a liability is incurred. Year-end procedures are necessary to ensure that expenditures / expenses, accounts payable, and accrued liabilities are recorded in the appropriate period.

CONDITION
Various expenditures / expenses were not recorded in the proper fiscal period for 2024. Audit adjustments were required to fairly state and classify expenditures / expenses, accounts payable, and accrued liabilities for the fiscal year ending August 31, 2024. The adjustments are summarized as follows by fund:

- General Fund
  - An audit adjustment of $25,597 was required to record year-end accounts payable.
  - An audit adjustment of $48,957 was required to record year-end accrued salaries.
- Gas Fund
  - An audit adjustment of $28,189 was required to record year-end accounts payable.
  - An audit adjustment of $8,545 was required to record year-end accrued salaries.

EFFECT
The City's accounting records contained errors which were identified and adjusted during the annual audit process.

CAUSE
The City does not have adequate accounting procedures to ensure that expenditure / expenses, accounts payable, and accrued liabilities are recorded and properly classified when a liability is incurred.

RECOMMENDATION
We recommend that the City establish policies and procedures to ensure expenditures / expenses are accrued when a liability is incurred.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The City concurs with the finding and will ensure that future liabilities are properly accrued by giving greater attention to the period to which expenditures are posted. We will review and improve procedures with respect to year-end closeout and recording of accruals.

(2) Compliance Findings

None Reported