CITY OF ELLAVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2021

HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA

CITY OF ELLAVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2021

City of Ellaville, Georgia
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City of Ellaville, Georgia
Principal Officials
December 31, 2021

ELECTED

Mayor
Leah Ellis Clark

City Council
Charles Sherwood
Connie Hammack
Mary Lynn Ornelas
Greg Dominy
Leslie Haynes-Minter

APPOINTED

City Manager
Lynne McChargue

City Clerk
Wendy Long

City Attorney
James Skipper, Jr.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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Member of the American Institute of Certified Public Accountants

Member of the Georgia Society of Certified Public Accountants

Member of the Florida Institute Of Certified Public Accountant

September 09, 2022

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Ellaville, Georgia, as of December 31, 2021, and the respective changes in financial position, the respective budgetary comparison for the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 48 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Ellaville, Georgia's basic financial statements. The accompanying schedule of Special Purpose Local Option Sales Tax Expenditures is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule Special Purpose Local Option Sales.

Tax Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 09, 2022, on our consideration of City of Ellaville, Georgia'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Ellaville, Georgia's internal control over financial reporting and compliance.

Americus, Georgia

September 09, 2022

City of Ellaville, Georgia
Statement of Net Position
December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type	Total
ASSETS			
Cash and cash equivalents	285,783	2,000	287,783
Investments	-	1,805,756	1,805,756
Accounts receivable, net	22,193	401,766	423,959
Property tax receivable	11,233	-	11,233
Due from other governments	-	-	-
Other current assets	24,887	-	24,887
Inventories	-	25,000	25,000
Internal balances	-	-	-
Restricted assets:			
Cash and cash equivalents	357,786	-	357,786
Capital assets:			
Land	129,133	167,242	296,375
Construction in progress	-	-	-
Other capital assets, net of accumulated depreciation	2,191,357	3,960,518	6,151,875
TOTAL ASSETS	3,022,372	6,362,282	9,384,654
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension costs	26,861	14,455	41,316
LIABILITIES			
Accounts payable	11,893	165,068	216,785
Cash overdraft	-	-	-
Accrued expenses	-	9,735	17,757
Customer deposits	-	157,696	147,520
Net pension liability	327,330	176,153	503,483
Long term liabilities:			
Due within one year	10,131	223,347	206,636
Due in more than one year	6,220	2,750,516	2,691,674
TOTAL LIABILITIES	355,574	3,482,515	3,838,089
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	105,255	56,643	161,898
TOTAL DEFERRED INFLOWS OF RESOURCES	105,255	56,643	161,898
NET POSITION			
Net investment in capital assets	2,304,139	1,153,897	3,690,459
Restricted for:			
Specific purposes	382,673	-	178,925
Unrestricted	(98,408)	1,683,682	1,286,589
TOTAL NET POSITION	$2,588,404	$2,837,579	$ 5,425,983

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

City of Ellaville, Georgia
Statement of Activities
December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities	Net Revenues (Expenses) and Changes in Net Position: Business Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	$ 824,855	$ 34,391	$ 348,649	$ -	$ (441,815)	$ -	$ (441,815)
Public Safety	596,058	72,384	-		(523,558)	-	(523,558)
Public Works	941,251	300,860	-	305,758	(334,633)	-	(334,633)
Parks and Recreation	5,524	-	-	-	(5,524)	-	(5,524)
Community Development	-	-	-	-	-	-	-
Interest Expense		-	-	-	-	-	-
TOTAL GOVERNMENT ACTIVITES	2,367,688	407,635	348,649	305,758	(1,305,530)	-	(1,305,530)
BUSINESS-TYPE ACTIVITIES							
Water and Sewer	696,641	655,544	-	-	-	(41,097)	(41,097)
Electric	3,088,692	3,769,013	-	-	-	680,321	680,321
TOTAL BUSINESS ACTIVITES	3,785,333	4,424,557	-	-	-	639,224	639,224
TOTAL PRIMARY GOVERNMENT	6,153,021	4,832,192	348,649	305,758	(1,305,530)	639,224	(666,306)
		GENERAL REVENUES:					
		Taxes					
		Property Taxes			$140,932	-	140,932
		Local option Sales Taxes			223,538	-	223,538
		Franchise			14,127	-	14,127
		Other Revenues			52,125	-	52,125
		Other Taxes			196,130	-	196,130
		Investment Earnings			-	309,580	309,580
		TOTAL GENERAL REVENUES			$626,852	309,580	936,432
		Net			(678,794)	948,804	1,731,938
		Transfers			631,145	(631,145)	-
		Change in Net Position			(47,649)	317,659	270,010
		Net Position - Beginning of Year			2,636,053	2,519,920	5,155,973
		Prior Period Adjustment			-	-	-
		Net Position - End of Year			$ 2,588,404	$ 2,837,579	$ 5,425,983

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

City of Ellaville, Georgia
Balance Sheet
Governmental Fund
December 31, 2021

	General Fund	TSPLOST	American Rescue Plan	SPLOST 2019	Total
ASSETS					
Current assets					
Cash and cash equivalents	$ 285,783	$ -	$ -	$ -	$285,783
Accounts Receivable, net	22,193	-	-	-	22,193
Property Tax Receivable	11,233	-	-	-	11,233
Due from other funds	-	-	-	-	-
Other current assets	-	-	-	-	-
Restricted assets:					
Cash and Cash equivalents	87,584	71,184	-	199,018	357,786
SPLOST Tax Receivable	-	-	-	24,887	24,887
TOTAL ASSETS	406,793	71,184	-	223,905	701,882
LIABILITIES					
Accounts Payable	7,097	-	-	-	7,097
Accrued expenses	-	-	-	-	-
Other liabilities	4,796	-	-	-	4,796
TOTAL LIABILITIES	11,893	-	-	-	11,893
Deferred Inflows of Resources	4,604	-	-	-	4,604
FUND BALANCES					
Restricted for:					
Specific purposes	87,584	71,184	-	223,905	311,489
Unassigned, reported in:					
General Fund	302,712	-	-	-	302,712
TOTAL FUND BALANCE	390,296	71,184	-	223,905	685,385
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	406,793	71,184	-	223,905	701,882

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

City of Ellaville, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2021

Total governmental fund balances	$	685,385
Amounts reported for governmental activities in the statement of activities are different because:		
Deferred outflows of resources are not financial resources and therefore are not reported in the funds.		
Deferred pension outflows		26,861
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,320,490
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds.		
Long term liabilities - notes payable		(16,351)
Net pension liability		(327,330)
Deferred pension inflows		(105,255)
Deferred property taxes		4,604
Net position of governmental activities	$	2,588,404

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

City of Ellaville, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
December 31, 2021

	General Fund	TSPLOST	American Rescue Plan	SPLOST Fund 2019	Total Governmental Funds
REVENUES					
Property taxes	$141,852	$ -	$ -	$ -	$141,852
Local option sales taxes	223,538	-	-	-	223,538
Other taxes	196,133	-	-	-	196,133
Licenses and permits	34,391	-	-	-	34,391
Fines, forfeitures and fees	72,384	-	-	-	72,384
Charges for services	300,860	-	-	-	300,860
Franchise fees	14,127	-	-	-	14,127
Investment income	-	-	-	75	75
Intergovernmental	112,647	52,223	348,649	140,813	654,332
Other revenues	52,125	-	-	-	52,125
TOTAL REVENUES	1,148,057	52,223	348,649	140,888	1,689,817
EXPENDITURES-CURRENT					
General government	401,804	-	348,649	-	801,253
Public safety	518,841	-	-	(1,231)	517,552
Public works	713,748	47,076	-	32,776	793,600
Recreation, Senior Citizens, Health Dept, & Library*	56,324	-	-		56,324
CAPITAL OUTLAY					
Public safety	9,000			10,800	19,800
INTERGOVEDRMENTAL DEBT SERVICE					
Public Safety	2,086				
TOTAL EXPENDITURES	1,701,803	47,076	348,649	42,345	2,139,873
Excess(deficiency)of revenues over expenditures	(553,746)	5,147	-	98,543	(450,056)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	631,145	-	-	-	631,145
TOTAL OTHER FINANCING SOURCES	631,145	-	-	-	631,145
Net change in fund balances	77,399	5,147	-	98,543	181,089
Fund balances, beginning of year	312,900	66,037	-	125,362	504,299
Fund balances, end of year	$ 390,299	$71,184	$ -	$ 223,905	$ 685,388

*See page 60.

The accompanying notes are an integral part of these financial statements

City of Ellaville, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
December 31, 2021

Net Change in fund balances- total governmental funds	181,086
Amounts reported for governmental activities in the statement of activities are different because:	
Tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental fund financial statements.	
Unavailable revenues- property taxes change	(920)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	2,086
Net Pension Liability change	(8,727)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital ssets purchases capitalized	19,800
Depreciation Expense	(240,974)
Change in net position of governmental activities	(47,649)

The accompanying notes are an integral part of these financial statements

City of Ellaville, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ 151,150	$ 151,150	$ 141,852	$ (9,298)
Local option sales taxes	162,000	162,000	223,538	61,538
Other taxes	175,700	175,700	196,133	20,433
Licenses and permits	22,000	22,000	34,391	12,391
Fines, forfeitures and fees	120,000	120,000	72,384	(47,616)
Charges for services	266,500	266,500	300,860	34,360
Franchise fees	56,691	56,691	14,127	(42,564)
Investment income	-	-	-	0
Intergovernmental	90,839	90,839	112,647	21,808
Other revenues	63,600	63,600	52,125	(11,475)
TOTAL REVENUES	1,108,480	1,108,480	1,148,057	39,577
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT				
Mayor/Counsil	20,638	20,638	21,345	(707)
Administration	391,803	391,803	366,469	(25,466)
Elections	1,500	1,500	1,000	500
Buildings and grounds	12,550	12,550	12,990	(440)
TOTAL GENERAL GOVERNMENT	426,491	426,491	401,804	(26,113)
PUBLIC SAFETY				
Police	562,384	572,884	518,841	(54,043)
Fire	5,000	5,000	-	(5,000)
TOTAL PUBLIC SAFTEY	567,384	577,884	518,841	(59,043)
PUBLIC WORKS				
Sanitation	210,000	210,000	200,302	9,698
Streets and sidewalks	346,989	346,989	513,446	(166,457)
TOTAL PUBLIC WORKS	556,989	556,989	713,748	(156,759)
PARKS AND RECREATION				
Recreation, Parks & Senior Center	48,000	48,000	56,324	(8,324)
TOTAL PARKS AND RECREATION	48,000	48,000	56,324	(8,324)
CAPITAL LAYOUT	-	-	9,000	(9,000)
DEBIT SERVICE:				
Principal	-	-	2,086	(2,086)
Public	-	-	-	-
TOTAL EXPENDITURES	1,598,864	1,609,364	1,701,803	(261,325)
Excess (deficiency) of revenues over expenditures	(490,384)	(500,884)	(553,746)	52,862
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	452,884	452,884	631,145	(178,261)
Transfers to other funds	-	-		-
Debt proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	631,145	(631,145)
Net change in fund balances	8,700	-	77,399	(86,396)
Fund balances, beginning of year	312,900	312,900	312,900	-
Fund balances, end of year	$ 321,600	$ 312,900	$ 390,299	(86,396)

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

City of Ellaville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Electric Revenue Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ -	$ 2,000	$ 2,000
Investments	-	1,805,756	1,805,756
Accounts receivable, net	99,277	302,489	401,766
Inventories	25,000		25,000
Other current assets	-	-	-
TOTAL CURRENT ASSESTS	124,277	2,110,245	2,234,522
NONCURRENT ASSESTS			
Restricted assets - cash	-	-	-
Capital assets:			
Land	142,017	25,225	167,242
Other capital assets,	-	-	-
net of accumulated depreciation	2,795,813	1,164,705	3,960,518
TOTAL ASSETS	3,062,107	3,300,175	6,362,282
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension costs	6,678	7,777	14,455
LIABILITIES			
Current Liabilities			
Accounts payable	3,334	161,734	165,068
Accrued expenses	-	9,735	9,735
Current portion of long - term debt	118,574	104,773	223,347
Customer deposits	44,743	112,953	157,696
Due to other funds	-	-	-
TOTAL CURRENT LIABILITIES	166,651	389,195	555,846
Long-term debt, net of current portion	2,181,153	569,363	2,750,516
Net pension liability	81,382	94,771	176,153
TOTAL LIABILITIES	2,429,186	1,053,329	3,482,515
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	26,169	30,474	56,643
NET POSITION			
Net investment in capital assets	638,103	515,794	1,153,897
Restricted for debt service		-	-
Unrestricted	(24,673)	1,708,355	1,683,682
TOTAL NET POSITION	$ 613,430	$ 2,224,149	$ 2,837,579

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

City of Ellaville, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
December 31, 2021

	Business- Type Activities-Enterprises Funds		
	Water and Sewer Fund	Electric Revenue Fund	Total
OPERATING REVENUES			
Utility revenues	$ -	$3,769,013	3,769,013
Charges for Services	653,994	-	653,994
Miscellaneous	1,550	-	1,550
TOTAL OPERATING REVENUES	655,544	3,769,013	4,424,557
OPERATING EXPENSES			
Salaries and wages	257,255	279,661	536,916
Operating, administrative and maintenance	301,585	2,677,423	2,979,008
Depreciation and Amortization	130,601	110,858	241,459
TOTAL OPERATING EXPENSES	689,441	3,067,942	3,757,383
Operating income (loss)	(33,897)	701,071	667,174
NON OPERATING REVENUE (EXPENSES)			
Investment income (expense)	-	309,580	309,580
Bond issuance costs	-		-
Intergovernmental	-		-
Interest Expense	(7,200)	(20,750)	(27,950)
TOTAL NON OPERATING EXPENSE	(7,200)	288,830	281,630
Income before contributions and transfers	(41,097)	989,901	948,804
Capital contributions			
Transfer Out	-	(684,229)	(684,229)
Transfers In	53,084	-	53,084
Change in Net position	11,987	305,672	317,659
Net Position, beginning of year	601,443	1,918,477	2,519,920
Net Position, end of year	$ 613,430	$ 2,224,149	$ 2,837,579

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

City of Ellaville, Georgia
Statement of Cash Flow
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Electric Revenue Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	$ 645,035	$ 3,713,025	$ 4,358,060
Other operating receipts	1,550	-	1,550
Cash payments to employees	(264,331)	(286,555)	(550,886)
Cash payments to suppliers	(301,321)	(2,722,123)	(3,023,444)
Net cash provided (used) by Operating activities	80,933	704,347	785,280
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	53,084	-	53,084
Transfers to other funds	-	(684,229)	(684,229)
Net cash provided (used) by Noncapital Financing Activities	53,084	(684,229)	(631,145)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from long-term debt	424,303	-	424,303
Acquisition and construction of capital assets (net)	(322,358)	-	(322,358)
Intergovernmental revenue	-		-
Bond issuance costs	-		-
Principal payments on long-term debt	(228,762)	(101,551)	(330,313)
Interest paid	(7,200)	(20,750)	(27,950)
Net cash provided (used) by Capital and Related Financing Activities	(134,017)	(122,301)	(256,318)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	-	-	-
Purchase of investments Gain on investments Interest received	-	(207,397)	(207,397)
Gain on investments	-	309,580	309,580
Interest received	-	-	-
Net cash provided (used) by investing activities	-	102,183	102,183
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	2,000	2,000
Cash and cash equivalents, end of year	$ -	$ 2,000	$ 2,000

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

City of Ellaville, Georgia
Statement of Cash Flows
Proprietary Funds
December 31, 2021

	Business-Type Activies-Enterprise Fund		
	Water and Sewer Fund	Electric Revenue	Total
RECONCILIATION OF NET OPERATING INCOME			
Operating income (loss)	$ (33,897)	$ 701,071	$ 667,174
Adjustments to reconcile operating income			
Operating activities:			
Depreciation	130,601	110,858	241,459
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(12,405)	(62,474)	(74,879)
Inventories	2,847	-	2,847
Other current assets	-	-	-
Due from general fund	-	-	-
Due from other funds	-	-	-
Deferred outflows	24,409	31,080	55,489
Increase (decrease) in:			
Accounts payable	(2,619)	(45,887)	(48,506)
Accrued expenses	(8,909)	887	(8,022)
Deferred inflows	26,169	30,474	56,643
Net pension liability	(48,953)	(68,148)	(117,101)
Compensated Absences	-	-	-
Customer deposits	3,690	6,486	13,808
Net cash provided (used) by operating activitie:	$ 80,933	$ 704,347	$ 785,280

The accompanying notes are an itergral part of these finacial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The City of Ellaville was incorporated in 1859. The City's Charter provides for a Council-Mayor form of government. The City Administrator is the head of the administrative branch of government and is responsible for the day-to-day operations of the City government. The legislative authority of the City is vested in the Mayor and five council members with an appointed City Administrator. The City provides the following services and operations as authorized by its charter: public safety (police and fire), highways and streets, sanitation, planning and zoning, and general administrative services.

The financial reporting entity has been determined by management in accordance with accounting principles generally accepted in the United States of America to be the City of Ellaville. The City's basic financial statements include the accounts of all city operations.

The criteria used to determine financial accountability is the ability of the primary government to appoint a voting majority of the organization's governing body and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the City of Ellaville has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the City.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Certain eliminations have been made as prescribed by GASB Statement of Accounting Standards No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-

type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally 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.

Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Fines are not susceptible to accrual because, generally, they are not measurable until received in cash. The City considers revenues to be available if they are collected within 60 days after year end.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, and investment income. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The General Fund is the principal fund of the City and is used to account for all of its activities not otherwise accounted for by a specified fund.

The SPLOST Capital Projects Fund (2019-2023) is used to account for financial resources for the acquisition or construction of major capital facilities and improvements other than those financed by Proprietary Funds. These projects are financed through sales tax proceeds.

Proprietary Funds are reported using the economic resources measurement focus and the accrual basis of accounting and are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds account for activities that are usually self-sustaining, principally through user charges for services rendered.

The City reports the following major enterprise funds:

The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The Electric Revenue Fund accounts for the provisions of electrical services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored through subsequent years' budget appropriations.

Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity of three months or less.

Statutes authorize the City to invest in obligations of the U.S. Treasury, other U.S. Government agencies, the State of Georgia, other counties, municipal corporations and political subdivisions of the State of Georgia, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. The fair values of investments in external investment pools are the same as the value of the pool shares.

Receivables

Receivables and 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.

All trade 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 upon historical experience rates.

The City maintains no allowance for uncollectible property taxes at December 31, 2021.

Inventories

Inventory in enterprise funds is valued at the lower of cost or market using the first-in / first-out method. The costs of governmental fund type inventories are recorded as expenditures when purchased, therefore, no inventory is presented in governmental type funds.

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

Interfund Receivables/Payables

Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To 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".

Restricted Assets

Certain assets of the City are subject to restrictions imposed by parties outside the government (such as creditors, grantors, contributors, and laws or regulations of other governments).

The City Council established a restricted cash account in the Electric Enterprise Fund for the accumulation of cash to fund the liability for customer security deposits.

The City Council established a restricted cash account in the Water Enterprise Fund for the accumulation of cash for future major asset acquisitions and system improvements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) acquired after December 31, 2003, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy has set the capitalization threshold at $1,000 for reporting capital assets and infrastructure assets. All capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets have an original cost of $5,000 or more and have over three years of useful life. Infrastructure assets capitalized have an original cost of $25,000 or more.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the year ended December 31, 2021 no interest incurred was attributable to the cost of capital assets associated with construction projects.

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

Buildings	20 - 50 years
Utility system	30 - 50 years
Machinery and equipment	3 - 15 years
Infrastructure	20 - 50 years

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item that qualifies for reporting in this category – the retirement contribution for the current year.

Deferred Inflows of Resources

In addition to liabilities, the City will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. Unavailable revenue is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also recognizes the net difference between projected and actual earning on investments related to pensions.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Long-Term Obligations, Debt Premiums and Discounts

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums and discounts are netted against debt payable. On the government-wide financial statements, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. At the government fund reporting level, debt premiums and discounts are reported as other financing sources separately from the face amount of the debt issued.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as net position. GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non spendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes which are imposed by a formal action of the City Commission through adoption of a resolution. Only the City Commission may modify or rescind the commitment;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re- appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At December 31, 2021, there were no encumbrances outstanding.

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events were evaluated through September 09, 2022, which is the date the financial statements were available to be issued.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Budget Process

The annual budget document is the financial plan for the operation of the City. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the City's financial position. An annual operating budget is adopted for the General Fund and Enterprise Funds.

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

1) In August, the Mayor submits to the Council a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
2) The council meeting held in September for the first reading of the proposed budget is open to the public and citizen's participation and comments are welcomed.
3) The council held a public hearing on the budget. Prior notice was published in the official organ of the City.

Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the City in the Capital Projects Funds, are subject to budgetary control on a project basis. The budgets are approved by the City Council and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

Excess of Expenditures Over Appropriations in the General Fund

The following General Fund departments incurred actual expenditures in excess of budgeted amounts for the year ended December 31, 2021:

Department	Excess of Expenditures Over Budgeted Amounts
General Government	26,113
Public Safety	59,043
Public Works	156,759
Recreation	3,724
Debt Service	2,086
	247,725

The excess of actual expenditures over appropriations was funded by inter-fund transfers.

NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2021, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:	$ 287,783
Cash and cash equivalents	-
Investments	1,805,756
Restricted cash and cash equivalents	357,786
Total	$ 2,451,325

The Georgia Code requires that depository institutions collateralize cash deposits of public funds. Depositories of public funds may secure deposits by the insurance of the F.D.I.C., pledged securities, or a combination of these methods. The market value of pledged securities shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance.

Credit Risk

The City does not have a formal credit risk policy. 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 banker's acceptances; the local pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Interest Rate Risk

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The City does not have a formal Custodial Credit Risk Policy. As of December 31, 2021, the City did not have any balances uninsured and uncollateralized as defined by GASB pronouncements.

Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets
- *Level 2:* Observable inputs other than quoted market prices; and
- *Level 3:* Unobservable inputs

Municipal Competitive Trust

The Municipal Electric Authority of Georgia (MEAG) formed a Trust, known as the "Municipal Competitive Trust", for the benefit of its participants, (which includes the City of Ellaville, Georgia, along with forty-nine (49) other Cities and Counties). The Competitive Trust has been funded with certain monies, which have been accumulated in MEAG Power reserves, including certain rate stabilization monies and sums from the debt service reserves, which were released following a successful effort to obtain bondholder consent to amend the Project One and General Resolution Projects Resolutions. Surety bonds were substituted for the debt service reserves, to preserve the security of the bondholders, thus, allowing the accumulated debt service reserves to be transferred to the Competitive Trust. Funds in the Competitive Trust will be invested and reinvested, and will be available to reduce future power supply costs of the participants to meet retail competition.

Discretionary funds from the participants were deposited in the Flexible Trust Account, which is part of the Municipal Competitive Trust, established by MEAG and represents an involuntary participation external investment pool that is not registered with the S.E.C., as an investment company. The City of Ellaville, Georgia has recorded the investments in the Flexible Trust Account, in the Electric Fund, at fair market value which was $242,167 at December 31, 2021. Quoted market prices are used in the determination of fair value. The investment policy of the trust governs permitted investments, which include direct obligations of the United States Government, certain Federal agency discount notes, and money market mutual funds that are permissible securities, as well as repurchase and reverse repurchase agreements collateralized by permissible securities.

Participants may also deposit funds or have funds from the Flexible Trust Account transferred to the Generation Trust Account, which is part of the Municipal Competitive Trust, established by MEAG and represents an external investment pool that is not registered with the S.E.C., as an investment company. The City of Ellaville, Georgia has recorded the investments in the Generation Trust Account, in the Electric Fund, at fair market value which was $1,556,762 at December 31, 2021.

MEAG Power and, therefore, the City of Ellaville, Georgia, to the extent of its portion of the Flexible Trust Account and the Generation Trust Account, are exposed to credit and market risk, relating to its investments. Credit risk arises when an entity is unable to recover its investments, either by an inability to withdraw the funds through non-performance of a counter party or an inability to recover collateral. Market risk could affect the investments adversely when either the value of items purchased or the value of underlying collateral declines.

As of December 31, 2021, the City had the following investments:

	Fair Value
Intermediate Extended Maturity Portfolio-	
Genderation Trust Account	1,363,858
Intermediate Portfolio-	
Flexible Operating Account	6,826
Genderation Trust Account	111,847
Short Term Porftfolio-	
Flexible Operating Account	235,342
Genderation Trust Account	87,883
Grand Total	1,805,756

As of December 31, 2021, the City's investments in the Municipal Competitive Trust Flexible Trust Account and Generation Trust Account consisted of investments in mortgage-backed securities; U.S. Government agency bonds and notes were rated AAA by Moody's and AA+ by S&P, and/or guaranteed by the issuer, which carries the AAA/AA+ ratings. Investments in money market mutual funds were rated AAAm by S&P and Aaa-mf by Moody's. Common equity investment trusts are not rated. A separate financial statement for Municipal Electric Authority of Georgia can be obtained from Municipal Electric Authority of Georgia, 1470 Riveredge Parkway, NW, Atlanta, Georgia 30328-4640 or www.meagpower.org.

Realized and Unrealized Gains and Losses

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increasee in the fair value of investments for the year ending December 31, 2021 is $156,000. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

NOTE 4– RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes are levied in October based on property values assessed as of January 1. The billing representing the current year tax levy is due on or before December 30th. The billings are considered past due sixty (60) days after the billing date and penalties and interest are assessed. Property taxes attach as an enforceable lien on property as of October 30th.

The tax rate levied during fiscal year 2021 for the City's operations was 3.316 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at December 31, 2021.

Sales Tax

Schley County, Georgia has levied 1% Special Purpose Local Option Sales Tax (SPLOST) Programs which were passed by referendum in 2019. The proceeds from these sale tax program are used to finance various capital projects. The SPLOST programs are administered by Schley County, Georgia.

Receivables

Receivables as of December 31, 2021 are as follows:

	General Fund	SPLOST	Water and Sewer Fund	Electric Revenue
Accounts receivable	22,193	-	99,277	302,489
Property tax receivable	11,233	-	-	-
Gross receivables	33,426	-	99,277	302,489
Less:				
Allowance for uncollectibles	(18,322)	-	(30,077)	(57,010)
Net total receivables	15,104		69,200	245,479

	Total
Accounts receivable	423,959
Property tax receivable	11,233
Gross receivables	435,192
Less:	
Allowance for uncollectibles	
Net total receivables	

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

Generally, outstanding balances between funds include outstanding charges by one fund to another for services or goods and other miscellaneous receivables and payables between funds. There were no interfund receivables and payables at December 31, 2021.

Interfund Transfers

Transfers are used to report revenues and expenditures between funds that statute or budget requires to be collected and expended. In addition, transfers are used to report unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations and to return money to the fund from which it was originally provided once a project is completed. All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Transfers between funds during the year were as follows:

Transfers	Debit	Credit
General Fund	$ 631,145	$ -
Water	53,084	-
Electric	-	684,229
	$ 684,229	$ 684,229

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of December 31, 2021:

GOVERNMENTAL ACTIVITIES	Beginning	Increases	Decreases	Ending Balance
CAPITAL ASSESTS, NOT BEING DEPRECIATED				
Land	$ 129,133	$ -	$ -	$ 129,133
TOTAL ASSESTS NOT BEING DEPRECIATED	129,133	-	-	129,133
OTHER CAPITAL ASSESTS				
Building and improvements	461,695	9,000	-	470,695
Machinery and equipment	948,195	10,800	-	958,995
Infrastructure	2,602,112		-	2,602,112
TOTAL OTHER CAPITAL ASSESTS AT COST	4,012,002	19,800	-	4,031,802
LESS ACCUMULATED DEPRECIATION				
Buildings and improvements	(165,636)	(7,592)	-	(173,228)
Machinery and equipment	(1,064,099)	(208,095)	-	(1,272,194)
Infrastructure	(369,736)	(25,287)	-	(395,023)
TOTAL ACCUMLATED DEPRECIATION	(1,599,471)	(240,974)	-	(1,840,445)
Other capital assets, net	2,412,531	(221,174)	-	2,191,357
Governmental activities capital assets, net	$2,541,664	$(221,174)	$ -	$ 2,320,490

City of Ellaville, Georgia
Note to Financial Statements
December 31, 2021

BUSINESS-TYPE ACTIVITES	Beginning Balance Restarted	Increases	Decreases	Adjustments	Ending Balance
CAPITAL ASSESTS, NOT BEING DEPRECIATED					
Land and Land Improvements	$ 167,242	$ -	$ -	$ -	$ 167,242
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	167,242	-	-	-	167,242
OTHER CAPITAL ASSETS					
Buildings and System	8,273,531	289,583	-	-	8,563,114
Machinery and equipment	1,522,261	32,775	-	-	1,555,036
Total Other Capital Assets at Cost	9,795,792	322,358	-	-	10,118,150
LESS ACCUMULATED DEPRECIATION FOR:					
Buildings and improvements	(4,725,898)	(184,353)	-	-	(4,910,251)
Machinery and equipment	(1,190,275)	(57,106)	-	-	(1,247,381)
Total Accumulated Depreciation	(5,916,173)	(241,459)	-	-	(6,157,632)
Other Capital Assets, Net	3,879,619	80,899	-	-	3,960,518
Business-Type Activities Capital Assets, Net	4,046,861	80,899	-	-	4,127,760

Depreciation Expense for the Year Ended December 31, 2021

GOVERNMENTAL ACTIVITES	
General Government	$ 14,875
Public Safety	78,448
Public Works	147,651
Total Government Activities Depreciation Expense	$ 240,974

BUSINESS-TYPE ACTIVITIES	
Water and Sewer	$ 130,601
Electric	110,858
Total Government Activities Depreciation Expense	$ 241,459

NOTE-7-SHORT-TERM DEBT

The city had no short term debt ending December 31, 2021

NOTE-8-LONG-TERM DEBT

Georgia Environmental Facilities Authority
At December 31, 2020, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to $ 501,000. (Note DW2016046)

At December 30, 2020 a total of $ 400,891 had been drawn on the note. Balance due on the note as of December 31, 2020 is $ 400,891.00.

Principal payments in the amount of $ 23,207 was made January 1, 2019 through February 2019 leaving a balance of $ 377,684 with monthly payments of principal and interest in the amount of $ 1732 for a period of 20 years at a rate of interest of 0.8900% per annum.

The following is a summary of the City of Ellaville, Georgia, for the year ended December 31, 2021.

Balance, December 31, 2020		363,123
Payments		(17,620)
Balance, December 31, 2021	$	345,503

Remaining Principal is as follows:

Fiscal Year Ending,	Principal	Interest	Total
2022	17,777	3,003	20,780
2023	17,936	2,844	20,780
2024	18,097	2,683	20,780
2025	18,262	2,518	20,780
2026	18,422	2,358	20,780
2027-2039	255,009	22,428	277,437
	$ 345,503	$35,834	$ 381,337

At December 1, 2021, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to $313433. (Note DW2017035)

At December 30, 2021 a total of $312,352 had been drawn on the note. Balance due on the note as of December 31, 2021 is $ 312,352.

Principal payments in the amount of $ 1,081 was made December 31, 2020 through December 31,2021 leaving a balance of $ 312,352 with monthly payments of principal and interest in the amount of $ 1562 for a period of 20 years at a rate of interest of 1.84% per annum.

The following is a summary of the City of Ellaville, Georgia, for the year ended December 31, 2021.

Balance, December 31, 2020		313,433
Payments		(1,081)
Balance, December 31, 2021	$	312,352

Remaining Principal is as follows:

Fiscal Year Ending,	Principal	Interest	Total
2022	13,107	5,637	18,744
2023	13,350	5,394	18,744
2024	13,597	5,146	18,744
2025	13,850	4,894	18,744
2026	14,107	4,637	18,744
Total	68,010	25,708	93,718
2027-2039	244,342	22,428	266,770
Total	$ 312,352	$ 35,250	$ 347,602

The City of Ellaville (Georgia) Combined Utility Revenue Bonds, (REGIONS) Series 2014 were issued July 17, 2014 in the amount of $2,215,000 for the purpose of (a) financing the acquistition, construction and installation of additions, extensions, and improvements to the waterr and sewerage portion of the system ("Series 2014 Project).

In September 2021, Series 2014 Project was converted to Series 2021 bond in the amount of $1,665,000.

Balance 12-31-20	1,690,000
Payments 7-01-21	(108,128)
Balance 12-31-21	1,605,000
Closing Cost (Approx)	60,000
Balance Refinace- Combine Utility Refunding Revenue Bond	$ 1,641,872

Morris bank of Dublin, GA has financed this bond. The loan amount is $1,665,000 with monthly payments of $11,024 principal and interest to be paid over 15 years. The rate of interest is a fixed rate of 2.40%. The loan matures at 9-21-2036. The balance at December 31, 2021 is $1,641,872.

The annual debt service requirement to maturity of the Series 2021 bonds at December 31, 2021 is as follows:

Finscal Year Ending,	Principal	Interest	Total
2022	93,910	38,376	132,286
2023	96,188	36,098	132,286
2024	98,522	33,764	132,286
2025	100,913	31,373	132,286
2026	103,412	28,874	132,286
2027-2036	1,148,927	487,497	1,636,424
	$1,641,872	$ 655,982	2,297,854

Notes Payable

Governmental Activities

At December 31, 2021, Governmental Activities had notes payable to the USDA in the amount of $16,351 for the purchase of vehicles for the City's public works department. The notes are being serviced by the General Fund and are secured by the vehicles. The terms of the notes are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2022	10,131	531	10,662
2023	6,220	202	6,422
	$ 16,351	$ 733	$ 17,084

Balance, December 31, 2020	18,437
Payments	(2,086)
Balance, December 31, 2021	$ 16,351

Capital Leases

Business-type activities

The City has entered into a lease agreement in the month of October 2017 as lessee for financing the acquisition and construction of electrical system improvements through Municipal Electric Authority of Georgia ("MEAG"). The lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and has been recorded at the present values of the future minimum lease payments as of the date of inception. This lease is being serviced by the Electric Fund with quarterly payments in the amount of $30,575 (principal and interest) and an interest rate of 2.76%. The lease is secured by the underlying assets of the lease. The capital lease obligation at December 31, 2021 was $674,136.

As of December 31, 2021, annual debt service requirements of the notes to maturity are as follows:

Year Ending	Principal	Interest	Total
2022	104,773	17,528	122,301
2023	107,695	14,606	122,301
2024	110,698	11,603	122,301
2025	113,786	8,515	122,301
2026	116,958	5,343	122,301
2027	120,226	2,075	122,301
Total minimum lease payments	$ 674,136	59,670	$ 733,806

Leased system assets under capital lease in capital assets at December 31, 2021, included the following:

	Electric fund
Buildings and system	$1,065,000
Less accumulated amortization	(106,500)
Carrying value	$ 958,500

Amortization of leased systems under capital assets is included with depreciation expense.

Changes in Long-Term Liabilities

Long-Term Liability Activity for the year ended December 31, 2021 was as follows:

	Beginning Balance Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes Payable	$ 18,437	$ -	$ 2,086	$ 16,351	$ 10,131
Total Governmental Activities					
Long-Term Liabilities	18,437	-	2,086	16,351	10,131
Business-Type Activities:					
Revenue Bonds	1,690,000	60,000	108,128	1,641,872	93,910
Capital Leases Payable	776,069	-	101,933	674,136	104,773
GEFA	363,123	-	17,620	345,503	17,777
GEFA	106,117	207,316	1,081	312,352	13,107
Total GEFA Payable	469,240	207,316	18,701	657,855	30,884
Total Bonds, Capital Leases, and GEFA Payable	2,935,309	267,316	228,762	2,973,863	229,567

NOTE 9 – RESTRICTIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of non spendable, restricted and unassigned amounts. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned.

In the proprietary fund financial statements, fund balances consist of net investment in capital assets, restricted and unrestricted amounts. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unrestricted.

Fund balance and net position restrictions at December 31, 2021 include:

Capital Projects Funds	
Restricted to reflect resources legally restricted for specific purposes	$ 357,786

NOTE 10 – DEFICIT FUND BALANCES

The city has no deficient fund balances as of December 31, 2021.

NOTE 11 – BENEFIT PLANS

Primary Government

City of Ellaville Retirement Plan

Plan Description

The City's defined benefit pension plan, City of Ellaville Retirement Plan (CCRP), provides retirement and disability benefits, and death benefits to plan members and beneficiaries. CCRP is affiliated with the Georgia Municipal Employees' Benefit System; an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Constitution of the State of Georgia enables the governing authority of the City, the City Council, to establish and amend the benefit provisions of the plans that participate in CCRP. The Georgia Municipal Employees' Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for CCRP. That report may be obtained by writing to the Georgia Municipal Employees' Benefit System, 201 Pryor Street, Southwest, Atlanta, Georgia 30303.

All full-time City employees are eligible to participate in the Plan. Benefits vest after ten years of service. Participants become eligible to retire at age 65 with 5 years of participation in the Plan.

Funding Policy

The City is required to contribute at an actuarially determined rate in accordance with Section 47-20 of the Georgia Code, which sets forth the minimum funding standards for state and local government pension plans. Plan participants are not required to contribute to the Plan. The Constitution of the State of Georgia enables the governing authority of the City, the City Council, to establish and amend the contribution rates for the City and its plan participants.
The annual City contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual City contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20. The City contributions for the calendar year ending December 31, 2021 were $ 61,482.

Plan membership at December 31, 2021 was as follows:

Active vested participants	22
Vested terminated participants	16
Retired participants and beneficiaries	28

Actuarial assumptions

The total pension liability as of December 31, 2021 was determined by an actuarial valuation as of July 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living adjustment	0%	
Salary increases	2.25%	Plus service based merit increases
Investment rate of return	7.375%	

Mortality rates were based on the RP-2000 Combined Mortality Table. Disability rates were based on RP-2000 Disabled Retiree Mortality Table. 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 investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The guidelines for asset allocation are as follows:

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

Discount rate

The discount rate used to measure the total pension liability was 7.375 %. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. 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.

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2020:	$ 1,638,527	$ 823,934	$ 814,593
Service cost	30,945		30,945
Interest	119,048		119,048
Differences between expected and actual experience	16,805		16,805
Contributions - employer		118,402	(118,402)
Net investment income		374,488	(374,488)
Benefit payments	(110,535)	(110,535)	-
Administrative expense		(14,982)	14,982
Other	-		-
Net changes	56,263	367,373	(311,110)
Balances at September 30, 2021	$ 1,694,790	$ 1,191,307	$ 503,483

Sensitivity of the net pension liability changes in the discount rate.

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

1% Decrease -6.375%	Current Discount Rate -7.375%	1% Increase -8.375%
$ 697,308	$ 503,483	$ 341,682

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

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

For the year ended December 31, 2021, the City recognized pension expense of $122,776. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	$ 25,707	$ -
Post valuation employer contributions		-
Changes of assumptions	15,609	-
Net difference between projected and actual earnings on investments	-	(161,898)
Total	$ 41,316	$ (161,898)

Projected recognition of deferred outflows/(inflows)	Year Ended December 31,	
	2022	$ 2,069
	2023	24,053
	2024	31,663
	2025	62,797
	2026	-

Other Retirement Plans

In addition to the above retirement plan, of which the City is the administrator, the following retirement plans are in effect but are not under the direct control of the City:

- Georgia Firefighters' Pension Fund
- Peace Officers' Annuity and Benefit Fund of Georgia

These plans provide for certain sums from licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims. GASB Statement No. 68 valuation reports and schedule can be found on their respective web sites.

NOTE 12 – RISK MANAGEMENT

The City of Ellaville is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. All major risks are covered by commercial comprehensive insurance.

The City has joined together with other municipalities in the State, as part of the Georgia Municipal Association Group Self-Insurance Worker's Compensation Fund, a public entity risk pool, currently operating as a common risk management and insurance program for member local governments. The purpose of the Georgia Municipal Association Group Self-Insurance Worker's Compensation Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may, at any time, be instituted against them on account of injuries or death within the preview of the Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations or demands may be wholly groundless, false or fraudulent.

As part of these risk pools, the City is obligated to pay all contributions and assessments, as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible and, in accordance with any coverage descriptions issue, all incidents, which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds. The funds are to pay all costs taxed against members in any legal proceedings, defended by members, all interest accruing after judgment, and all expenses incurred for investigation, negotiation or defense.

The City of Ellaville also provides health insurance coverage for its employees through Georgia Municipal Association.

During the year ended December 31, 2021, there were no significant reductions in insurance coverage from the prior year and there have been no settlements exceeding insurance coverage for the past three years.

NOTE 13 – JOINT VENTURES

River Valley Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the West Central Georgia area, is a member of the River Valley Regional Commission (RVRC) and is required to pay annual dues thereto. During the year ended December 31, 2021, the City paid $1,866 in such dues.

Membership in an RVRC is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the RVRC in Georgia. The RVRC Board membership includes the chief elected official of each City and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RVRC. Separate financial statements may be obtained from:

River Valley Regional Commission
228 West Lamar Street
Americus, Georgia 31709

NOTE 14 – RELATED ORGANIZATIONS

The Columbus Housing Authority, of which Ellaville is a part, is a related organization that has not been included in the reporting entity. The Authority's Board consists of eight members, two are appointed by the City of Ellaville. However, the City has no further accountability for this organization.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in a number of legal matters, which either have or could result in litigation. In the opinion of the City's management, the ultimate outcome of these matters will not have a material impact on the financial position of the City.

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City expects such disallowed amounts, if any, would not have a material impact on the financial position of the City.

Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit, unless any such profits inure to the benefit of the public.

In October 1995, the City of Ellaville entered a contract with MEAG and as an electric utility participant in MEAG is obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all its future power and energy requirements at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG.

In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts were $2,152,705 in 2021.

At December 31, 2020, the outstanding debt of MEAG was approximately $6.01 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $16,301,564 at December 31, 2020.

In May 1996, the City entered into a 50 year contract with MEAG to participate in MEAG's telecommunications project. This fiber optic communications project is to enable MEAG to continue to provide the City's power and energy supply and will provide the City with access to a fiber optic

communications system. In the event that the City is unable to make any of its annually determined payments for use of the fiber optic communications system, the City has agreed to assess and collect property tax sufficient to provide such funds for the remainder of the life of this contract.

MEAG was authorized to issue bonds to finance the cost of acquisition and construction of the project. MEAG bills the City monthly for its share of the debt service.

The City and other members of MEAG's telecommunications project created Georgia Public Web (A Georgia not for profit corporation) to provide internet and telecommunications services to customers in Georgia. In August, 2000, the City signed a 50 year commitment to pay, on a monthly basis, a proportionate share of the difference between Georgia Public Web's budgeted cost and revenues. The City's proportionate share is 1.16%.

On February 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (Trust). The Trust was created by MEAG, in anticipation of future deregulation of the electric industry, which will provide customers with a choice among electric suppliers for their retail electric power supply. This is expected to include customers assigned to electrical systems of political subdivisions, which are wholesale power customers of MEAG, such as the City of Ellaville. MEAG expects that after such legislation is effective, market rates for power will result, which will likely be lower for some period of time than the costs of power generated by MEAG facilities. The purpose of the Trust is to provide a means for MEAG and its wholesale customers who elect to become beneficiaries of the Trust to mitigate the change to full competition as a result of anticipated deregulation.

The Trust creates an account for the City of Ellaville and within the account, creates the following subaccounts, in which the City of Ellaville participates:

Flexible Trust Account

The MEAG trust agreement also created a flexible trust account. The City has the right to withdraw these funds. The balance in the flexible trust account, as of December 31, 2020, was $32,132 and has been recorded as an asset of the City.

Reserve Funded Debt Account

The Municipal Competitive Trust also contains a "Reserve Funded Debt Account", which had, on December 31, 2020, a balance of $4,632. The balance in this account is not recognized as an asset of the City of Ellaville as the City's right to control the funds is contingent upon MEAG's consent.

Generation Trust Account

This subaccount may be funded by contributions by the City from any of its own funds that is has available for such purposes, including funds contained within the City's Flexible Operating Trust Account. The trustee is required to pay all or any portion of such amounts contained in the City's New Generation and Capacity Funding Account as directed in writing by the City for any of the following purposes: (1) to be applied as a credit against the City's obligation share of costs in connection with Plant Vogtle Units 3 and 4; (2) to be applied as credit against the City's obligation share of any other future generation project costs created by MEAG; (3) to be applied as a credit against any capital contributions committed to by Ellaville in the event that MEAG provides the City with the option of paying interest expense incurred in connection with the construction of any generation project prior to its commercial operation date; (4) to be applied as a credit against capacity charges incurred by the City in connection with power purchase agreements entered into by MEAG for the purpose of meeting the supplemental power needs of the City; and (5) as a payment to MEAG to mitigate that portion of any budgeted Bulk Power Supply cost increases incurred by the City which exceeds the City's prior year budgeted Bulk Power Supply costs by greater than 12%. The balance in the New Generation Trust Account, as of December 31, 2021, was $1,556,762 and has been recorded as an asset of the City.

Sanitation Contract

The City contracted on August 27, 1997 with Solid Waste Management Authority of Crisp City for a period of 25 years for sanitation services. The Authority will bill the City a fee of $15.87 per month for residential pickup (per resident) and various rates per cubic yard for dumpster pickup. This is approximately $18,900 per month.

Police Department, Jail and Office Lease

The City agreed with the Schley Board of Commissioners to pay $18,000 for use of the City jail, jailers, and utilities for the twelve months ended December 31, 2021.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

The city of Ellaville has no prior period adjustments for the year ended December 31, 2021.

City of Ellaville, Georgia
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2021

For the year ended December 31,	2015	2016	2017	2018	2019	2020	2021
Total pension liability							
Service cost	$ 22,158	$ 21,263	$ 23,602	$ 29,012	$ 27,194	$ 30,945	$ 30,945
Interest	81,867	84,537	87,071	94,716	102,312	119,048	119,048
Differences between expected and actual experience	20,031	17,481	51,980	79,251	36,081	16,805	16,805
Changes of assumptions	321	-	-	22,617	-	-	-
Changes of benefit terms	-	-	34,056	-	-	-	-
Benefit payments	(89,115)	(90,736)	(90,434)	(105,686)	(115,873)	(110,535)	(110,535)
Net change in total pension liability	35,262	32,545	106,275	119,910	49,714	56,263	56,263
Total pension liability, beginning	1,100,905	1,136,167	1,168,712	1,274,987	1,394,897	1,638,527	1,638,527
Total pension liability, ending (a)	1,136,167	1,168,712	1,274,987	1,394,897	1,444,611	1,694,790	1,694,790
Plan fiduciary net position							
Contributions - employer	57,114	68,071	49,527	91,118	65,993	118,402	118,402
Contributions - employee	-	-	-	-	-	-	-
Net investment income	84,194	10,251	84,276	120,884	87,422	374,488	374,488
Benefit payments	(89,115)	(90,736)	(90,434)	(105,686)	(115,873)	(110,535)	(110,535)
Administrative expense	(6,368)	(7,789)	(6,858)	(11,833)	(11,091)	(14,982)	(14,982)
Other	-	-	-	-	-	-	-
Net change in fiduciary net position	45,825	(20,203)	36,511	94,483	26,451	56,263	56,263
Plan fiduciary net position - beginning	746,075	791,900	771,697	808,208	902,691	823,934	823,934
Plan fiduciary net position - ending (b)	791,900	771,697	808,208	902,691	929,142	1,191,307	1,191,307
Net pension liability - ending: (a)-(b)	$ 344,267	$ 397,015	$ 466,779	$ 492,206	$ 515,469	$ 503,483	$ 503,483

Notes to the Schedule:

(1) The schedule will present 10 years of information once it is accumulated.

City of Ellaville, Georgia
Required Supplementary Information
Schedule of Government Contributions
For the Year Ended December 31, 2021

	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	$ 57,114	$ 64,636	$ 69,121	$ 87,990	$ 101,720	$ 113,908	$ -
Contribution in relation to the Actuarially determined contribution	57,114	54,913	79,894	65,993	91,956	123,821	-
Contribution deficiency (excess)	-	9,723	(10,773)	21,997	9764	(9,913)	-
Covered-employee payroll	$ 503,600	$ 554,446	$ 735,468	$ 681,912	$ 827,269	$ 837,221	$ -
Contributions as a percentage of covered-employee payroll	11%	9.90%	10.86%	9.68%	11.12%	14.79%	0.00%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation date	January 1, 2020
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net investment rate of return	7.50%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	0%
Remaining amortization period	11 years

(2) The schedule will present 10 years of information once it is accumulated.

HERBERT E. ALLEN

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INDEPENDENT AUDITORS' 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*

September 09, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Ellaville, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Ellaville, Georgia 's basic financial statements and have issued our report thereon dated September 09, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of internal control

findings as items 20-01, 20-02, 19-01, 19-02, 18-01 and 18-02, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Ellaville, Georgia'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 determination of financial statement amounts. 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 Ellaville, Georgia's Response to Findings

City of Ellaville, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Ellaville, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Americus, Georgia

September 09, 2022

City of Ellaville, Georgia
Schedule of Financial Statement Findings and Responses
December 31, 2021

2021-001

Financial Statement Findings and Responses

Findings noted on the Independent Auditors' 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.*

2020-001 2019-001 2018-001

Criteria:
Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel.

Condition:
City of Ellaville, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the City does not have an adequate number of employees to provide for the proper segregation of duties.

Cause of Condition:
Since the City is a small local government, it is not financially feasible for the City to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition:
The City's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Response of Management:
Management concurs with this finding and is continually working to improve controls to mitigate the risks associated with this condition including the cross-training of staff for rotation of responsibilities.

City of Ellaville, Georgia
Schedule of Financial Statement Findings and Responses
December 31, 2021

2021-002

2020-002 2019-002 2018-002

Criteria:
Generally accepted accounting principles require Governmental Fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting and the Proprietary Fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting.

Condition:
The City's year end closing policies and procedures did not prevent misstatements in the funds.

Cause of Condition:
Additional year end closing entries were required for reporting in accordance with generally accepted accounting principles.

Effect of Condition:
Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

Response of Management:
Management concurs with the finding and is developing additional policies and procedures and monitoring activities over financial reporting.

HERBERT E. ALLEN

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Member of the Georgia Society of Certified Public Accountants

Member of the Florida Institute Of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and City Council
City of Ellaville
Ellaville, Georgia 31806

Gentlemen:

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Ellaville, Georgia, for the year ended December 31, 2021. This schedule is the responsibility of the City of Ellaville's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax is prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of the City of Ellaville's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current and prior year expenditures for each project of the City of Ellaville for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

HERBERT E. ALLEN, CPA
SEPTEMBER 09, 2022

City of Ellaville, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
31-Dec-21

	Expenditures				
	Original Estimated Cost	Prior Years	Current Year	Total	Estimated % of Completion
Special Purpose Local Option Sales Tax - 2019					
City Buildings Improvements/Renovations	$ 200,000	$ 21,185	$ -	$ 21,185	11%
Utility Equipment Improvements	125,000	24,000	10,800	34,800	28%
Police Improvements	150	17,548	-	17,548	-117%
Street/Paving/Sidewalk Improvements	100,000	-	-	-	0%
Drainage Improvements	100,000	-	-	-	0%
Water Utility Improvements	50,000	-	32,775	32,775	0%
TOTAL	**$ 575,150**	**$ 62,733**	**$ 43,575**	**$ 106,308**	

City of Ellaville, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
December 31, 2021

	Special 1% Sales Tax for Road, Water & Emergency Medical 19-24	
	2021	2020
Assets		
Cash-Restricted	$ 199,018	$ 115,124
Receivable- SPLOST	24,887	10,238
Total Assets	$ 223,905	$ 125,362
Liabilities & Fund Equity		
Total Liabilities	-	-
Fund Equity	223,905	125,362
Total Fund Equity	223,905	125,362
Total Liabilities and Fund Equity	223,905	125,362

City of Ellaville, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
December 31, 2021

	Special 1% Sales Tax for Road, Water, & Emergency Medical 19-	
	2021	2020
Revenue:		
Taxes	$ 140,813	$ 129,734
Intergovernmental	-	-
Interest	75	5
Total Revenue	140,888	129,739
Expenditures		
City Building		21,185
Capital Outlay – Water/ Sewer	32,776	24,000
Police Dept	(1,231)	17,548
Street Department	10,800	-
EMS		-
Road Expenses		-
Water Dept		-
Total Expenditures	42,345	-
Excess (Deficit) of Revenues Over Expenditures	98,543	67,006
Fund Balance Beginning of Year	125,362	58,356
Fund Balance End of Year	223,905	125,362

City of Ellaville, Georgia
American Rescue Plan
December 31, 2021

	American Rescue
	2021
Assets	
Cash-Restricted	$ -
Receivable- SPLOST	-
Total Assets	$ -
Liabilities & Fund Equity	
Total Liabilities	-
Fund Equity	-
Total Fund Equity	-
Total Liabilities and Fund Equity	-

City of Ellaville, Georgia
American Rescue Plan
December 31, 2021

	American Rescue
	2021
Revenue:	
Taxes	$ 348,649
Intergovernmental	-
Interest	0
Total Revenue	348,649
Expenditures	
Capital Outlay Recreation	348,649
Total Expenditures	348,649
Excess (Deficit) of Revenues Over Expenditures	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	-

City of Ellaville, Georgia
Schedule of Donations to Support Other Activities in the City For the Year Ended December 31, 2021

Recreation	$	30,524
Senior Citizens		8800
Health Department		5000
Library		7000
Schley County Fire		5000
	$	56,324