CITY OF ETON, GEORGIA

Annual Financial Report
For the Fiscal Year Ended
December 31, 2022

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Vance CPA LLC

Certified Public Accountants
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City of Eton, Georgia
Annual Financial Report
For the Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Mayor and the
Members of the City Council
City of Eton, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the City of Eton, Georgia, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Eton, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the City of Eton, Georgia, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Management has omitted 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 if not affected by this missing information.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eton, Georgia's basic financial statements. The individual comparative fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of projects constructed with special purpose sales tax proceeds, as required by the Georgia code section OCGA 48-8-121, is also not a required part of the basic financial statements.

The individual comparative fund financial statements, budgetary comparison schedules, and the schedule of projects constructed with special purpose sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 individual comparative fund financial statements, budgetary comparison schedules, and the schedule of projects constructed with special purpose sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2023, on our consideration of the City of Eton, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Eton, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eton, Georgia's internal control over financial reporting and compliance.

August 11, 2023
Dalton, Georgia

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BASIC FINANCIAL STATEMENTS

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CITY OF ETON, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,010,085
Receivables:	
Taxes	157,836
Intergovernmental	114,794
Fines and Forfeitures	33,736
Prepaid Items	8,916
Total Current Assets	**1,325,367**
Noncurrent Assets	
Capital Assets:	
Non-depreciable	111,250
Depreciable, net	1,077,674
Total Non-current Assets	**1,188,924**
Total Assets	**2,514,291**
LIABILITIES	
Current Liabilities	
Accounts payable	48,874
Accrued expenses	10,281
Compensated absences payable	29,765
Notes payable	16,127
Capital leases payable	28,179
Total Current Liabilities	**133,226**
Long-term Liabilities: (net of current portion)	
Compensated absences payable	13,642
Notes payable	171,917
Capital leases payable	41,158
Total Long-term Liabilities	**226,717**
Total Liabilities	**359,943**
NET POSITION	
Net investment in capital assets	931,543
Restricted for:	
Public Works	42,792
Capital Outlay	405,512
Unrestricted	774,501
Total Net Position	**$ 2,154,348**

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See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) and Changes in Fund Balance
Primary Government					
Governmental Activities					
General government	$ 347,011	$ 13,836	$ 168,420	$ —	$ (164,755)
Judicial	5,904	—	—	—	(5,904)
Public Safety	487,757	159,631	—	169,047	(159,079)
Public Works	199,506	—	—	197,231	(2,275)
Health and Welfare	1,700	—	—	—	(1,700)
Culture and Recreation	15,661	720	—	—	(14,941)
Housing and Development	826	—	—	—	(826)
Interest	11,631	—	—	—	(11,631)
Total primary government	**$ 1,069,996**	**$ 174,187**	**$ 168,420**	**$ 366,278**	**$ (361,111)**

General Revenues	
Property taxes levied for for general government purposes	336,577
Sales tax	198,566
Franchise tax	96,571
Beer and wine tax	54,226
Distilled spirits tax	21,830
Insurance premium tax	62,215
Occupational tax	12,623
Gain on disposition of capital assets	1,000
Investment earnings	268
Miscellaneous	228
Total General Revenues	784,104
Change in Net Position	422,993
Net position – Beginning of Year, as Restated	1,731,355
Net position – end of year	**$ 2,154,348**

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See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
BALANCE SHEET – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	2013 SPLOST	2019 SPLOST	T-SPLOST	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 692,318	$ —	$ 202,957	$ 114,810	$ 1,010,085
Receivables:					
Taxes	157,836	—	—	—	157,836
Intergovernmental	20,167	—	28,889	65,738	114,794
Fines and forfeitures	33,736	—	—	—	33,736
Prepaid items	8,916	—	—	—	8,916
Total Assets	912,973	—	231,846	180,548	1,325,367
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	11,666	—	30,326	6,882	48,874
Due to other fund	10,281	—	—	—	10,281
Total Liabilities	21,947	—	30,326	6,882	59,155
DEFERRED INFLOWS					
Unavailable Revenues – Property Taxes	26,168	—	—	—	26,168
Unavailable Revenues - Fines	18,888	—	—	—	18,888
Total Deferred Inflows	45,056	—	—	—	45,056
Total Liabilities and Deferred Inflows	67,003	—	30,326	6,882	104,211
FUND BLAANCES					
Nonspendable	8,916	—	—	—	8,916
Restricted	42,792	—	201,520	173,666	417,978
Unassigned	794,262	—	—	—	794,262
Total Fund Balances	845,970	—	201,520	173,666	1,221,156
Total Liabilities, Deferred Inflows & Fund Balance	**$ 912,973**	**$ —**	**$ 231,846**	**$ 180,548**	**$ 1,325,367**

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See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

Total Governmental Fund Balances		$ 1,221,156
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Cost of capital assets	$ 2,692,217	
Less accumulated depreciation	(1,503,293)	1,188,924
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes	$ 26,168	
Fines	18,888	45,056
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.		
Compensated absences	$ (43,407)	
Notes payable	(188,044)	
Capital lease payable	(69,337)	(300,788)
Net position of governmental activities		**$ 2,154,348**

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CITY OF ETON, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	2013 SPLOST	2019 SPLOST	T- SPLOST	Total Governmental Funds
REVENUES					
Property Taxes	$ 340,814	$ —	$ —	$ —	$ 340,814
Selective Taxes	247,465	—	—	—	247,465
Licenses and Permits	13,836	—	—	—	13,836
Intergovernmental	366,986	—	169,047	197,231	733,264
Fines and Forfeitures	163,593	—	—	—	163,593
Investment Earnings	268	—	—	—	268
Miscellaneous	950	—	—	—	950
Total Revenues	1,133,912	—	169,047	197,231	1,500,190
EXPENDITURES					
Current:					
General government	292,889	—	36,914	—	329,803
Judicial	5,904	—	—	—	5,904
Public safety	407,024	20	84,996	—	492,040
Public Works	146,157	—	—	138,180	284,337
Health and Welfare	1,700	—	—	—	1,700
Culture and Recreation	11,719	—	—	—	11,719
Housing and Development	826	—	—	—	826
Debt Service:					
Principal	14,155	1,646	32,170	—	47,971
Interest	9,050	177	2,404	—	11,631
Total Expenditures	889,424	1,843	156,484	138,180	1,185,931
Excess (Deficiency) of revenues over Expenditures	244,488	(1,843)	12,563	59,051	314,259
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1,000	—	—	—	1,000
Proceeds from capital lease	—	—	53,106	—	53,106
Total Other Financing Sources And (Uses)	1,000	—	53,106	—	54,106
Net Change in Fund Balance	245,488	(1,843)	65,669	59,051	368,365
Fund Balances - Beginning	600,482	1,843	135,851	114,615	852,791
Fund Balances - Ending	**$ 845,970**	**$ —**	**$ 201,520**	**$ 173,666**	**$ 1,221,156**

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See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Changes in Fund Balances – Total Governmental Funds		$ 368,365
Amounts reported for governmental activities in statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded the depreciation expense in the current period.		
Depreciation expense	$ (105,889)	
Capital outlay	179,100	73,211
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund operating statement.		
Property Taxes:		
Deferred @ 12/31/22	$ 26,168	
Deferred @ 12/31/21	(30,406)	(4,238)
Fines:		
Deferred @ 12/31/22	18,888	
Deferred @ 12/31/21	(22,852)	(3,964)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(53,106)
The net book value of capital assets that were disposed of are reported in the government-wide statement of activities, but not reported at the fund financial reporting level.		—
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		47,971
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/22	$ (43,407)	
Liability @ 12/31/21	38,161	(5,246)
Change in net position of governmental activities		**$ 422,993**

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City of Eton, Georgia
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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The City of Eton, Georgia, (the City) operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, streets and sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

Note 1 - Summary of Significant Accounting Policies

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. Based upon the application of these criteria no component units exist.

City of Eton Public Facilities Authority (Authority) - The Authority is considered a related party to the City, but not part of the City's reporting entity. Legally separate from the City, the Authority was created in 2017 to provide buildings, facilities, equipment, and services for the citizens of the City of Eton. The Authority shall be composed of three members, who shall be residents of the City of Eton appointed by the affirmative vote of the majority of the governing authority of the City of Eton. No member shall be an elected official or employee of the City of Eton.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements -- The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City. Individual funds are not displayed at this financial reporting level. These statements present governmental activities, which are generally supported by grants, fines, and City general revenues.

The statement of net position presents the financial position of the governmental activities of the City at year end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a function and therefore are clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues inc1ude: (l) charges for services, which includes fees, fines, and other charges to users of the City's services, (2) operating grants and contributions which finance annual operating activities including restricted investment income, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capita1 assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds to aid financial management and to demonstrate lega1 compliance. Fund financial statements are designed to present financia1 information of the City at this more detailed level.

Fund financial statements are provided for governmental funds.

The four major individual funds, which include the general fund and three SPLOST funds, are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses one category of funds: governmental.

Governmental Funds - Governmental funds are those through which most governmental functions typica1ly are financed. Governmental fund reporting focuses on the sources, uses and ba1ances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmenta1 funds:

The General Fund - The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.

2013 SPLOST Fund-The 2013 SPLOST Fund is used to account for 2013 SPLOST designated funds for the acquisition of equipment for street, fire and police departments, expansion of fire department, recreation department enhancements and park restroom expansion, and revita1ization projects.

2019 SPLOST Fund-The 2019 SPLOST Fund is used to account for 2019 SPLOST designated funds for the acquisition of equipment for street, fire, and police departments, and for improvements to city ha11 and public areas.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T-SPLOST Fund-The T-SPLOST Fund is used to account for Transportation Special Purpose Local Option Tax designated funds for projects of resurfacing streets and roads. The T-SPlost tax began on April 1, 2020.

1-C. Measurement Focus

Governmental-wide Financial Statements – The government-wide financia1 statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within sixty days of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis, the following primary revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes and fines.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities, and Fund Equity

1-E-1. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits and cash on hand. Investments consist of certificates of deposit with a maturity date of greater than three months of the date acquired by the government. There were no investments at December 31, 2022.

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

- Georgia law authorizes the City to invest in the following type of obligations;
- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The delinquent taxes, receivable account represents past years of uncollected tax levies.

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental columns of the statement of net position.

1-E-4. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as Nonspendable, as this amount is not available for general appropriation.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1-E-5. Capital Assets

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expenses.

All reported capital assets are depreciated except for land, right-of-way's, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives
Asset Class	Governmental Activities
Buildings	20 – 40 years
Machinery and equipment	5 – 10 years
Vehicles	5 – 7 years
Furniture	5 – 10 years

1-E-6. Compensated Absences

Sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Vacation benefits expire at the end of each year.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "*when due."*

1-E-7. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1-E-8. 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."

In the government-wide financial statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that do not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Town Council, the Town's highest level of decision-making authority. Commitments may be modified or removed only by the Town Council through resolution or ordinance, approval through motions, or some other formal action.

Assigned Fund Balance – includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town's Budget Committee is authorized to make assignments.

Unassigned Fund Balance – is represented by the residual classification of the General Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide financial statements, the City has established a flow assumption policy. It is the city's policy to use restricted – net position first before using unrestricted net position.

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on thir use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-9. Interfund Activity

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

Transfers between funds reported in the governmental activities column are eliminated.

1-E-10 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-11. Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements to provide an understanding of the changes in the financial position and operations of these funds. Also certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

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2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A. Budgetary Information – The City adopts an annual operating budget for the general fund and each special revenue, where applicable. The City also adopts a project length budget for the SPLOST capital projects fund (however the project periods may be the same as an annual basis).

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects funds, which are adopted on a project length basis, and except for certain noncash items including inception of capital leases.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Clerk may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as budget amendment. The 2022 budget was amended.

All unexpended annual appropriations lapse at year-end.

The General Fund has sufficient fund balance to cover expenditures.

3. DETAILED NOTES ON ALL FUNDS

3-A. Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2022, are entirely insured or collateralized with securities held by the City's agent in the City's name in accordance with state statutes which require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 100 percent of the public funds held.

3–B. Receivables

Receivables at December 31, 2022, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. At December 31, 2022, allowances for uncollectibles were reported as follows:

General fund (fines and forfeitures)	$28,244

3–C. Property Taxes

The City Council levied property taxes September 6, 2022. Property taxes attach as an enforceable lien on property as of January 1, 2023. Property taxes were due on December 20, 2022 (January 20, 2023 delinquent date).

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3. DETAILED NOTES ON ALL FUNDS (continued)

3–D. Capital Assets

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

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 111,250	$ —	$ —	$ 111,250
Other capital assets:				
Buildings and improvements	1,057,348	—	—	1,057,348
Vehicles and equipment	1,367,741	179,100	23,222	1,523,619
Total other capital assets	2,425,089	179,100	23,222	2,580,967
Total capital assets	2,536,339	179,100	23,222	2,692,217
Accumulated depreciation:				
Buildings and improvements	279,083	28,946	—	308,029
Vehicles and equipment	1,141,543	76,943	23,222	1,195,264
Total accumulated depreciation	1,420,626	105,889	23,222	1,503,293
Governmental activity capital assets, net	**$ 1,115,713**	**$ 73,211**	**$ —**	**$ 1,188,924**

Depreciation expense was charged to governmental activities as follows:

General Government	$ 16,301
Public Safety	76,642
Public Works	9,004
Culture and Recreation	3,942
	$ 105,889

3–E. Deferred Inflows and Outflows of Resources

Fund Financial Reporting Level – In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports one of these items. This item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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3. DETAILED NOTES ON ALL FUNDS (continued)

3–F Compensated Absences

All full-time employees accumulate vacation benefits in varying annual amounts throughout the year, but the vacation benefits are not carried over to the following year. The City's sick leave policy provides for an accumulation of earned sick leave. Sick leave does not vest for retirement or termination purposes. Unused sick leave may be used for long-term illnesses that may occur.

3–G. Long-Term Debt

The following is a summary of the outstanding long-term debt issues at December 31, 2022:

Governmental Activities Debt – The County reports two outstanding notes payable and four outstanding capital leases for governmental activities at December 31, 2022.

Capital Leases Payable – The City has four outstanding capital leases at December 31, 2022.

Georgia Municipal Association (Magnolia Bank) Capital Lease – In September, 2018, the City entered into a capital lease for two Dodge Charger police vehicles and equipment. The financing period is 60 monthly payments of $1,201 (which includes interest) at 4.5% interest rate. The original amount of the loan was $64,398. The cost of the vehicles and the equipment was $57,260, with accumulated depreciation of $40,114 and a book value at December 31, 2022 of $17,146. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2023	$ 10,605	$ 200	$ 10,805

Georgia Municipal Association (Magnolia Bank) Capital Lease – In December 2019, the city entered into a capital lease for a 2020 Chevrolet Silverado truck for the fire department. The financing period is 60 monthly payments of $559, including interest at 4.51% interest rate. The original amount of the loan was $29,985. The cost of the vehicle was $31,372, with accumulated depreciation of $18,823 and a book value of December 31, 2022 of $12,549. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2023	$ 6,259	$ 449	$ 6,708
2024	6,543	165	6,708
Total	$ 12,802	$ 614	$ 13,416

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3. DETAILED NOTES ON ALL FUNDS (continued

Georgia Municipal Association (Magnolia Bank) Capital Lease – In April, 2019, the City entered into a capital lease for a mosquito sprayer for the public works department. The financing period is 36 monthly payments of $277, including interest at 4.51% interest rate. The original amount of the loan was $9,324. The cost of the equipment was $9,508, with accumulated depreciation of $5,094 and a book value at December 31, 2022 of $4,414. The balance was $0 at December 31, 2022.

Axxon – Capital Lease – In July 2019, the City entered into a capital lease for equipment for the police department. The financing agreement is for five annual payments with one payment of $999 and four payments of $1,164. There is no interest. The original amount was $5,652. The cost of the equipment was $5,652, with accumulated depreciation of $3,862 and a book value at December 31, 2022 of $1,790. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2023	$ 1,094	$ —	$ 1,094

Georgia Municipal Association (Magnolia Bank) Capital Lease- In February, 2022, the City entered into a capital lease for two 2021 Dodge Charger police vehicles. The financing agreement is for sity onthly payments of $959, including interest at 3.21%. The original amount was $53,106. The cost of the vehicles were $53,106, with accumulated depreciation of $7,376 and a book value at December 31, 2022 of $45,730. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2023	$ 10,221	$ 1,290	$ 11,511
2024	10,554	957	11,511
2025	10,897	613	11,510
2026	11,252	258	11,510
2027	1,912	8	1,920
Total	$ 44,836	$ 3,126	$ 47,962

Notes Payable – The City has two outstanding notes payable at December 31, 2022.

Note Payable – On January 19, 2018, the City entered into an Intergovernmental Contract with the *City of Eton Public Facilities Authority* (Authority) to finance the costs of a new fire station for the City. The Authority proposed to obtain a loan for $250,000 from the First National Community Bank. The Authority entered into an assignment intergovernmental contract as collateral for the payment of Authority obligations under the loan agreement. More specifically, the Authority directs the City to pay the lender for the amounts due under the Intergovernmental Contract.

The original amount of debt was $250,000. This loan is being repaid over fifteen years with monthly payments beginning February 2018 of $1,934, which includes interest at of rate 4.6%. As of December 31, 2022, the City owed First National Community Bank $186,745. The loan matures January 2033. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2023	$ 14,828	$ 8,376	$ 23,204
2024	15,512	7,692	23,204
2025	16,274	6,930	23,204
2026	17,049	6,155	23,204
2027	17,862	5,343	23,205
2028-2032	102,896	13,125	116,021
2033	2,324	8	2,332
Total	$ 186,745	$ 47,629	$ 234,374

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3. DETAILED NOTES ON ALL FUNDS (continued

Note Payable - In April 2021, the City entered into an agreement for the purchase of computers for the police department, fire department, and administrative. The agreement is for 24 monthly installments of $331 including interest of 9.8%. The note matures April 12, 2023. The original amount was $7,198. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2023	$ 1,299	$ 27	$ 1,326

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2022:

Governmental Activities	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Due Within One Year
Notes payable					
First National Community Bank	$ 200,900	$ —	$ 14,155	$ 186,745	$ 14,828
Vendor	4,953	—	3,654	1,299	1,299
Capital leases:					
GEMA (Magnolia Bank)	24,201	—	13,596	10,605	10,605
GEMA (Magnolia Bank)	18,785	—	5,983	12,802	6,259
GEMA (Magnolia Bank)	1,149	—	1,149	—	—
Axon	2,258	—	1,164	1,094	1,094
GEMA (Magnolia Bank)	—	53,106	8,270	44,836	10,221
Compensated absences	38,161	44,573	39,327	43,407	29,765
Total Governmental Activities	$ 290,407	$ 97,679	$ 87,298	$ 300,788	$ 74,071

The amortization of the capital assets acquired via capital leases is included in the depreciation expense reported.

The capital leases are retired by SPLOST revenues and the notes payable for the City Hall building and Fire Station are retired from the general fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, normally the general fund.

3-H. Pensions

Defined Contribution Plan

Effective August 1, 2009, the City adopted a 457(b)-deferred compensation plan and a 401(a)-defined contribution plan, administered by the Georgia Municipal Association. The City is assigned the authority to establish and amend benefit provisions of the Plan.

The plans cover all full-time employees (required hours of at least 32) who have been employed for at least six months. The employees are not required to contribute to the Plan. The City matches 100% of employee contributions, up to $25 per weekly payroll period. The City's contributions for each employee are fully vested after five years of employment.

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3. DETAILED NOTES ON ALL FUNDS (continued

Employees who are employed as of August 1, 2009, will be given credit for prior service as an eligible employee.

Contributions to the Plan for the year ended December 31, 2022, totaled $24,130, which consisted of $13,830 contributed by the employee and $10,300 contributed by the City.

Other Plans

The City's public safety employees belong to either one of two pension plans, listed below, established by the Georgia Assembly for providing retirement benefits for these participants. These plans are cost-sharing multiple employer defined benefit pension plans. Further information regarding these plans can be obtained from the plans' annual reports. The two plans are;

- Peace Officer's Annuity and Benefit Fund of Georgia
- Georgia Firefighters' Pension Fund

3-I. Fund Equity

- ***Nonspendable*** - The following fund balances are Nonspendable because they are not in spendable form:

General Fund:	
Prepaid items	$ 8,916

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

General Fund:	
Cemetery services	$ 42,792
Major Capital Projects SPLOST Funds:	
SPLOST 2013 Capital projects	$ —
SPLOST 2019 Capital projects	201,520
T-SPLOST Capital projects	173,666
Total Major Capital Projects SPLOST Funds	$ 375,186

- ***Unassigned*** – The following fund balances include the general fund unassigned amount:

General Fund:	
General Fund	$ 794,262

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2022, is as follows:

Net investment in capital assets:	Governmental Activities
Cost of capital assets	$ 2,692,217
Less accumulated depreciation	1,503,293
Book Value	1,188,924
Less capital related debt	257,381
Net investment in capital assets	**$ 931,543**

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4. OTHER NOTES

4-A. Risk Management

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

As part of these risk pools, the 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 issued, all incidents which could result in the funds being required to pay any claim 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 City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation of law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. There were no significant reductions in insurance coverage in relation to the prior year. For the years ended 2021, 2020, and 2019, there were no settlements in excess of insurance coverage.

Settled claims in the last three years have not exceeded coverage.

4-B. Contingent Liabilities

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

4.C. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the region, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. Membership in NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The NWGRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a NWGRC. Separately issued financial statements may be obtained from the Northwest Georgia Regional Commission, 503 W. Waugh Street, Dalton, Georgia 30720.

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1. OTHER NOTES (continued)

4-D. Subsequent Events

In February, 2023, the City entered into a temporary agreement for Murray County, Georgia to provide fire services.

Management has evaluated subsequent events through August 11, 2023, the date which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF ETON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
REVENUE				
Taxes	$ 568,900	$ 570,115	$ 588,279	$ 18,164
Licenses and permits	14,000	13,830	13,836	6
Intergovernmental	316,051	375,371	366,986	(8,385)
Fines and forfeitures	135,000	165,000	163,593	(1,407)
Investment earnings	—	—	268	268
Miscellaneous	1,000	17,025	950	(16,075)
Total Revenues	1,034,951	1,141,341	1,133,912	(7,429)
EXPENDITURES				
Current:				
General government	543,931	374,877	292,889	81,988
Judicial	8,537	8,537	5,904	2,633
Public safety	416,369	442,615	407,024	35,591
Public works	137,985	150,738	146,157	4,581
Health and welfare	2,000	2,000	1,700	300
Culture and recreation	—	16,873	11,719	5,154
Housing and development	925	925	826	99
Debt Service:				
Principal retirement	14,154	14,154	14,155	(1)
Interest and fiscal charges	9,050	9,475	9,050	425
Total Expenditures	1,132,951	1,020,194	889,424	130,770
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,000)	121,147	244,488	123,341
Other Financing Sources (Uses)				
Proceeds from the sale of assets	—	—	1,000	1,000
Appropriation of fund balance	98,000	—	—	—
Total Other Financing Sources	98,000	—	1,000	1,000
Net Change in Fund Balances	**$ —**	**$ 121,147**	245,488	**$ 124,341**
Fund Balances				
Beginning of Year			600,482	
Fund Balances End of Year			**$ 845,970**	

See accompanying notes to the basic financial statements

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SUPPLEMENTARY INFORMATION

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CITY OF ETON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 692,318	$ 345,776
Receivables: (net, where applicable):		
Property taxes	45,150	147,409
Intergovernmental – sales taxes	20,167	12,388
Franchise taxes	39,831	39,947
Other taxes	72,855	79,439
Fines and forfeitures	33,736	42,009
Prepaid items	8,916	8,544
Total Assets	912,973	675,512
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	11,666	10,322
Accrued expenditures	10,281	9,803
Due to other funds	—	1,647
Total Liabilities	21,947	21,772
DEFERRED INFLOWS		
Unavailable Revenues – Property Taxes	26,168	30,406
Unavailable Revenues – Fines	18,888	22,852
Total Deferred Inflows	45,056	53,258
Total Liabilities and Deferred Inflows	67,003	75,030
FUND BLAANCES		
Nonspendable	8,916	8,544
Restricted	42,792	49,592
Unassigned	794,262	542,346
Total Fund Balances	845,970	600,482
Total Liabilities, Deferred Inflows & Fund Balance	**$ 912,973**	**$ 675,512**

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CITY OF ETON, GEORGIA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUES		
Real and personal property taxes	$ 340,814	$ 273,664
Selective taxes	247,465	275,049
Licenses and permits	13,836	14,197
Intergovernmental	366,986	328,768
Fines and forfeitures	163,593	146,166
Contributions	—	—
Investment earnings	268	182
Rents and royalties	—	3,555
Miscellaneous	950	3,166
Total Revenues	1,133,912	1,044,747
EXPENDITURES		
Current:		
General government	292,889	272,508
Judicial	5,904	8,495
Public safety	407,024	393,621
Public Works	146,157	129,892
Health and welfare	1,700	1,609
Culture and recreation	11,719	9,255
Housing and development	826	902
Debt Service:		
Principal retirement	14,155	50,740
Interest and fiscal charges	9,050	11,362
Total Expenditures	889,424	878,384
(Deficiency) of Revenues (Under) Expenditures	244,488	166,363
OTHER FINANCING SOURCES (USES)		
Proceeds from the sale of capital assets	1,000	50,000
Total Other Financing Sources (Uses)	1,000	50,000
Net Change in Fund Balances	245,488	216,363
Fund Balances Beginning of Year, as Restated	600,482	384,119
Fund Balances End of Year, as Restated	**$ 845,970**	**$ 600,482**

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CITY OF ETON, GEORGIA
SCHEDULE OF REVENUES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Real and personal property taxes				
General property tax –				
Current & delinquent	$ 279,000	$ 300,000	$ 323,836	$ 23,836
Motor vehicle & mobile home	12,900	16,600	16,603	3
Penalties & interest on taxes	—	—	375	375
Total real and personal				
Property taxes	291,900	316,600	340,814	24,214
Selective taxes				
Franchise tax	100,000	96,685	96,571	(114)
Beer and wine tax	70,000	55,100	54,226	(874)
Distilled spirits tax	25,000	22,050	21,830	(220)
Insurance premium tax	72,000	67,680	62,215	(5,465)
Occupational tax	10,000	12,000	12,623	623
Total selective taxes	277,000	253,515	247,465	(6,050)
License & permits				
Beer & Wine	4,000	3,830	3,836	6
Distilled spirits	10,000	10,000	10,000	—
Total licenses & permits	14,000	13,830	13,836	6
Intergovernmental				
State & local – sales tax	131,380	190,700	198,566	7,866
State & local – grants	16,251	16,251	—	(16,251)
State & local – GDOT Funding	168,420	168,420	168,420	—
Total Intergovernmental	316,051	375,371	366,986	(8,385)
Fines and forfeitures	135,000	165,000	163,593	(1,407)
Investment earnings	—	—	268	268
Proceeds from sale of assets	—	—	1,000	1,000
Miscellaneous	1,000	17,025	950	(16,075)
Total Miscellaneous	1,000	17,025	1,950	(15,075)
Total Revenues	$ 1,034,951	$1,141,341	$1,134,912	$ (6,429)

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CITY OF ETON, GEORGIA
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
General Government				
Personal services	$ 154,177	$ 162,370	$ 163,153	$ (783)
Operating	130,275	138,985	129,736	9,249
Contingency	259,479	73,522	—	73,522
Total general government	543,931	374,877	229,889	81,988
Judicial				
Personal services	2,512	2,512	2,496	16
Operating	6,025	6,025	3,408	2,617
Total judicial	8,537	8,537	5,904	2,633
Public safety:				
Police				
Personal services	228,585	241,155	215,150	26,005
Operating	28,000	30,925	27,765	3,160
Total police	256,585	272,080	242,915	29,165
Fire:				
Personal services	148,884	157,905	154,249	3,656
Operating	10,900	12,630	9,860	2,770
Total fire .	159,784	170,535	164,109	6,426
Total public safety	416,369	442,615	407,024	35,591
Public works				
Public works - operations				
Personal services	123,785	127,063	116,661	10,402
Operating	14,200	16,870	22,695	(5,825)
Total public works operations	137,985	143,933	139,356	4,577
Cemetery				
Operating	—	6,805	6,801	4
Total public works	137,985	150,738	146,157	4,581
Health and welfare	2,000	2,000	1,700	300
Culture & recreation				
Recreation:				
Operating	—	16,873	11,719	5,154
Housing and development	925	925	826	99
Debt Service:				
Principal retirement	14,154	14,154	14,155	(1)
Interest & fiscal charges	9,050	9,475	9,050	425
Total debt service	23,204	23,629	23,205	424
Total Expenditures	$1,132,951	$ 1,020,194	$ 889,424	$ 130,770

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CITY OF ETON, GEORGIA
COMPARATIVE BALANCE SHEET
2013 SPLOST FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	$ —	$ 1,843
Liabilities and Fund Balance		
Fund Balances		
Restricted for capital projects	$ —	$ 1,843

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CITY OF ETON, GEORGIA
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
2013 SPLOST FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Intergovernmental	$ —	$ —
Total Revenues	—	—
Expenditures		
Current		
Public safety	20	241
Debt Service		
Principal	1,646	12,999
Interest	177	1,408
Total Expenditures	1,843	14,648
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,843)	(14,648)
Net Change in Fund Balances	(1,843)	(14,648)
Fund Balances Beginning of Year	1,843	16,491
Fund Balances End of Year	$ —	$ 1,843

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CITY OF ETON, GEORGIA
COMPARATIVE BALANCE SHEET
2019 SPLOST FUND
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 202,957	$ 135,346
Intergovernmental receivable	28,889	22,567
Due from general fund	—	1,647
Total Assets	$ 231,846	$ 159,560
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$ 30,326	$ 23,709
Fund Balances		
Restricted for capital projects	201,520	135,851
Total Liabilities and Fund Balance	$ 231,846	$ 159,560

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CITY OF ETON, GEORGIA
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
2019 SPLOST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Intergovernmental	$ 169,047	$ 121,209
Total Revenues	169,047	121,209
Expenditures		
Current		
General government	36,914	23,766
Public safety	84,996	11,834
Public works	—	3,577
Debt Service		
Principal	32,170	12,280
Interest	2,404	1,522
Total Expenditures	156,484	52,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,563	68,230
Other Financing Sources		
Proceeds from capital lease	53,106	7,198
Total Other Financing Sources	53,106	7,198
Net Change in Fund Balances	65,669	75,428
Fund Balances Beginning of Year, as Restated	135,851	60,423
Fund Balances End of Year	$ 201,520	$ 135,851

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CITY OF ETON, GEORGIA
COMPARATIVE BALANCE SHEET
T-SPLOST FUND
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 114,810	$ 93,204
Intergovernmental receivable	65,738	21,411
Total Assets	180,548	114,615
Liabilities		
Accounts payable	6,882	—
Fund Balances		
Restricted for capital projects, as restated	173,666	114,615
Total Liabilities and Fund Balance	$ 180,548	$ 114,615

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CITY OF ETON, GEORGIA
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
T - SPLOST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Intergovernmental	$ 197,231	$ 115,295
Total Revenues	197,231	115,295
Expenditures		
Current		
Public Works – Roads	138,180	67,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	59,051	48,051
Fund Balances Beginning of Year, as Restated	114,615	66,564
Fund Balances End of Year, as Restated	$ 173,666	$ 114,615

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CITY OF ETON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Resolution/ Referendum Authorized Amounts	Original Estimated Costs	Revisions	Revised Estimated Costs	Prior Years	Sales Tax Proceeds Current Years	Total	Estimated % of Completion
2019 SPLOST								
Capital Projects								
City Hall Improvements	$ 100,000	$ —	$ —	$ 100,000	$ 12,256	$ 1,937	$ 14,193	14.2%
Fire department equipment	102,000	—	—	102,000	60,817	7,674	68,491	67.1%
Police department equipment	107,000	—	—	107,000	22,412	110,215	132,627	124.0%
Public areas improvements	175,000	—	—	175,000	62,634	35,548	98,182	56.1%
Street dept equipment	91,000	—	—	91,000	20,444	1,110	21,544	23.7%
Total	575,000	—	—	575,000	178,563	156,484	335,047	
2013 SPLOST								
Capital Projects	$ 540,000	$ 540,000	$ (540,000)	$ —	$ —	$ —	$ —	
Fire station expansion and equipment	—	—	127,700	127,700	271,480	—	271,480	212.6%
Revitalization project	—	—	120,798	120,798	90,828	—	90,828	75.2%
Recreation department enhancements & park restroom expansion	—	—	117,724	117,724	23,584	—	23,584	20.0%
Police department equipment	—	—	92,359	92,359	233,419	1,843	235,262	254.7%
Street equipment equipment	—	—	81,419	81,419	29,381	—	29,381	36.1%
Total	540,000	540,000	—	540,000	648,692	1,843	650,535	
T - SPLOST								
Public Works – Capital Projects	$ 470,000	$ 470,000	$ —	$ 470,000	$ 67,244	$ 138,180	$ 205,424	43.7%

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CITY OF ETON, GEORGIA
NOTES TO SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2022

The accompanying project cost schedules include information required by state statute. This information is presented on the modified accrual basis of accounting, consistent with generally accepted principles for governmental fund financial statements.

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COMPLIANCE SECTION

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Vance CPA LLC

Certified Public Accountants
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Dalton, Georgia 30720
Tel. (706) 278-1221 Fax (706) 272-1085

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

To the Honorable Mayor and City Council
City of Eton, 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, and each major fund of the City of Eton, Georgia, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Eton, Georgia's basic financial statements and have issued our report thereon dated August 11, 2023.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City of Eton, 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 the City of Eton, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Eton, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Eton, 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.*

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.

August 11, 2023
Dalton, Georgia

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Vance CPA LLC

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CITY OF ETON, GEORGIA
SUMMARY SCHEDULE OF AUDIT FINDINGS – CURRENT AND PRIOR YEAR
DECEMBER 31, 2022

CURRENT YEAR FINDING

NONE

PRIOR YEAR FINDING

NONE

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