CITY OF ETON, GEORGIA

Annual Financial Report
For the Fiscal Year Ended
December 31, 2023

Vance CPA LLC

Certified Public Accountants
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City of Eton, Georgia
Annual Financial Report
For the Year Ended December 31, 2023

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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, 2023, 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, 2023, 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.

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

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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 1, 2024, 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 1, 2024
Jasper, Georgia

Vance CPA LLC

Vance CPA LLC

BASIC FINANCIAL STATEMENTS

CITY OF ETON, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,250,587
Receivables:	
Taxes	185,583
Intergovernmental	60,321
Fines and Forfeitures	24,134
Prepaid Items	10,024
Total Current Assets	**1,530,649**
Noncurrent Assets	
Capital Assets:	
Non-depreciable	111,250
Depreciable, net	1,013,422
Total Non-current Assets	**1,124,672**
Total Assets	**2,655,321**
LIABILITIES	
Current Liabilities	
Accounts payable	47,138
Accrued expenses	11,004
Compensated absences payable	25,502
Notes payable	13,935
Capital leases payable	17,097
Total Current Liabilities	**114,676**
Long-term Liabilities: (net of current portion)	
Compensated absences payable	6,375
Notes payable	159,593
Capital leases payable	24,061
Total Long-term Liabilities	**190,029**
Total Liabilities	**304,705**
NET POSITION	
Net investment in capital assets	909,986
Restricted for:	
Public Works	32,819
Capital Outlay	433,449
Unrestricted	974,362
Total Net Position	**$ 2,350,616**

See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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	$ 377,292	$ 14,495	$ 23,746	$ —	$ (339,051)
Judicial	3,761	—	—	—	(3,761)
Public Safety	400,875	123,277	—	117,638	(159,960)
Public Works	205,539	—	—	108,585	(96,954)
Health and Welfare	950	—	—	—	(950)
Culture and Recreation	16,719	757	—	—	(15,962)
Housing and Development	836	—	—	—	(836)
Interest	15,094	—	—	—	(15,094)
Total primary government	**$ 1,021,066**	**$ 138,529**	**$ 23,746**	**$ 226,223**	**$ (632,568)**

General Revenues	
Property taxes levied for for general government purposes	440,014
Sales tax	148,734
Franchise tax	101,562
Beer and wine tax	45,410
Distilled spirits tax	15,600
Insurance premium tax	79,561
Occupational tax	12,835
Loss on disposition of capital assets	(22,824)
Investment earnings	388
Miscellaneous	7,556
Total General Revenues	828,836
Change in Net Position	196,268
Net position – Beginning of Year	2,154,348
Net position – end of year	**$ 2,350,616**

See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
BALANCE SHEET – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	2019 SPLOST	T-SPLOST	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 819,731	$ 190,363	$ 240,493	$ 1,250,587
Receivables:				
Taxes	185,583	—	—	185,583
Intergovernmental	20,540	20,663	19,118	60,321
Fines and forfeitures	24,134	—	—	24,134
Prepaid items	10,024	—	—	10,024
Total Assets	1,060,012	211,026	259,611	1,530,649
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	9,950	36,825	363	47,138
Due to other fund	11,004	—	—	11,004
Total Liabilities	20,954	36,825	363	58,142
DEFERRED INFLOWS				
Unavailable Revenues –				
Property Taxes	42,264	—	—	42,264
Unavailable Revenues - Fines	17,916	—	—	17,916
Total Deferred Inflows	60,180	—	—	60,180
Total Liabilities and Deferred Inflows	81,134	36,825	363	118,322
FUND BLAANCES				
Nonspendable	10,024	—	—	10,024
Restricted	32,819	174,201	259,248	466,268
Unassigned	936,035	—	—	936,035
Total Fund Balances	978,878	174,201	259,248	1,412,327
Total Liabilities, Deferred Inflows & Fund Balance	**$ 1,060,012**	**$ 211,026**	**$ 259,611**	**$ 1,530,649**

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, 2023

Total Governmental Fund Balances		$ 1,412,327
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	$ 2,588,953	
Less accumulated depreciation	(1,464,281)	1,124,672
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes	$ 42,264	
Fines	17,916	60,180
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	$ (31,877)	
Notes payable	(173,528)	
Capital lease payable	(41,158)	(246,563)
Net position of governmental activities		**$ 2,350,616**

See accompanying notes to the basic financial statements

CITY OF ETON, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	2019 SPLOST	T-SPLOST	Total Governmental Funds
REVENUES				
Property Taxes	$ 423,918	$ —	$ —	$ 423,918
Selective Taxes	254,968	—	—	254,968
Licenses and Permits	14,495	—	—	14,495
Intergovernmental	172,480	117,638	108,585	398,703
Fines and Forfeitures	124,249	—	—	124,249
Investment Earnings	388	—	—	388
Miscellaneous	8,313	—	—	8,313
Total Revenues	998,811	117,638	108,585	1,225,034
EXPENDITURES				
Current:				
General government	316,239	61,663	—	377,902
Judicial	3,761	—	—	3,761
Public safety	329,592	27,448	—	357,040
Public Works	175,520	24,403	23,003	222,926
Health and Welfare	950	—	—	950
Culture and Recreation	12,659	—	—	12,659
Housing and Development	836	—	—	836
Debt Service:				
Principal	13,217	29,478	—	42,695
Interest	13,129	1,965	—	15,094
Total Expenditures	865,903	144,957	23,003	1,033,863
Net Change in Fund Balance	132,908	(27,319)	85,582	191,171
Fund Balances - Beginning	845,970	201,520	173,666	1,221,156
Fund Balances - Ending	**$ 978,878**	**$ 174,201**	**$ 259,248**	**$ 1,412,327**

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, 2023

Net Changes in Fund Balances – Total Governmental Funds		$ 191,171
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	$ (112,584)	
Capital outlay	71,157	(41,427)
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 @ 12/31/23	$ 42,264	
Deferred @ 12/31/22	(26,168)	16,096
Fines:		
Deferred @ 12/31/23	17,916	
Deferred @ 12/31/22	(18,888)	(972)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(22,825)
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.		42,695
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 @ 12/31/23	$ (31,877)	
Liability @ 12/31/22	43,407	11,530
Change in net position of governmental activities		**$ 196,268**

See accompanying notes to the basic financial statements

City of Eton, Georgia
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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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.

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.

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.

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, 2023.

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, 2023, 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.

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.

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.

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.

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 2023 budget was amended.

All unexpended annual appropriations lapse at year-end.

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, 2023, 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, 2023, 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, 2023, allowances for uncollectibles were reported as follows:

General fund (fines and forfeitures)	$25,420

3–C. Property Taxes

The City Council levied property taxes October 20, 2023. Property taxes attach as an enforceable lien on property as of January 1, 2024. Property taxes were due on December 20, 2023 (January 20, 2024 delinquent date).

3. DETAILED NOTES ON ALL FUNDS (continued)

3–D. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2023, was as follows:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 111,250	$ —	$ —	$ 111,250
Other capital assets:				
Buildings and improvements	1,057,348	16,408	—	1,073,756
Vehicles and equipment	1,523,619	54,749	174,421	1,403,947
Total other capital assets	2,580,967	71,157	174,421	2,477,703
Total capital assets	2,692,217	71,157	174,421	2,588,953
Accumulated depreciation:				
Buildings and improvements	308,029	29,151	—	337,180
Vehicles and equipment	1,195,264	83,433	151,596	1,127,101
Total accumulated depreciation	1,503,293	112,584	151,596	1,464,281
Governmental activity capital assets, net	**$ 1,188,924**	**$ (41,427)**	**$ 22,825**	**$ 1,124,672**

Depreciation expense was charged to governmental activities as follows:

General Government	$ 22,624
Public Safety	74,966
Public Works	10,934
Culture and Recreation	4,060
	$ 112,584

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.

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, 2023:

Governmental Activities Debt – The County reports two outstanding notes payable and four outstanding capital leases for governmental activities at December 31, 2023.

Capital Leases Payable – The City has two outstanding capital leases at December 31, 2023.

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 $25,098 and a book value of December 31, 2023 of $6,274. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2024	$ 6,543	$ 165	$ 6,708
Total	$ 6,543	$ 165	$ 6,708

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 sixty monthly 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 $16,227 and a book value at December 31, 2023 of $36,879. Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
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	$ 34,615	$ 1,836	$ 36,451

3. DETAILED NOTES ON ALL FUNDS (continued

Notes Payable – The City has the following outstanding note payable at December 31, 2023.

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%. The promissory note states that on January 19, 2023 and January 19, 2028, the interest rate shall adjust to a fixed rate equal to the prevailing Wall Street Journal Prime pls .10% on each such respective dates. On January 19, 2023, the interest rate was adjusted to 7.6%, which changed the payments to $2,219 beginning February 2023. As of December 31, 2023, the City owed First National Community Bank $173,528. The loan matures January 2033.

Future annual payments under this loan to maturity are as follows:

Year	Principal	Interest	Total
2024	$ 13,935	$ 12,697	$ 26,632
2025	15,031	11,600	26,631
2026	16,215	10,417	26,632
2027	17,491	9,141	26,632
2028	18,867	7,764	26,631
2029-2033	91,989	14,992	106,981
Total	$ 173,528	$ 66,611	$ 240,139

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2023:

Governmental Activities	Outstanding 1/1/2023	Additions	Reductions	Outstanding 12/31/2023	Due Within One Year
Notes payable					
First National Community Bank	$ 186,745	$ —	$ 13,217	$ 173,528	$ 13,935
Vendor	1,299	—	1,299	—	—
Capital leases:					
GEMA (Magnolia Bank)	10,605	—	10,605	—	—
GEMA (Magnolia Bank)	12,802	—	6,259	6,543	6,543
Axon	1,094	—	1,094	—	—
GEMA (Magnolia Bank)	44,836	—	10,221	34,615	10,554
Compensated absences	43,407	43,559	55,089	31,877	25,502
Total Governmental Activities	$ 300,788	$ 43,559	$ 97,784	$ 246,563	$ 56,534

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

The financed purchases and the note payable for the computers are retired by SPLOST revenues and the notes payable for the Fire Station is retired from the general fund.

3. DETAILED NOTES ON ALL FUNDS (continued

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.

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, 2023, totaled $21,565, which consisted of $15,345 contributed by the employee and $8,220 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	$ 10,024

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

General Fund:	
Cemetery services	$ 32,819
Major Capital Projects SPLOST Funds:	
SPLOST 2019 Capital projects	$ 174,201
T-SPLOST Capital projects	259,248
Total Major Capital Projects SPLOST Funds	$ 433,449

3. DETAILED NOTES ON ALL FUNDS (continued

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

General Fund:	
General Fund	$ 936,035

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2023, is as follows:

Net investment in capital assets:	Governmental Activities
Cost of capital assets	$ 2,588,953
Less accumulated depreciation	1,464,281
Book Value	1,124,672
Less capital related debt	214,686
Net investment in capital assets	**$ 909,986**

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 2023, 2022, and 2021, there were no settlements in excess of insurance coverage.

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

3. DETAILED NOTES ON ALL FUNDS (continued

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.

1. OTHER NOTES (continued)

4-D. Subsequent Events

Management has evaluated subsequent events through August 1, 2024, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ETON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
REVENUE				
Taxes	$ 647,267	$ 660,645	$ 678,886	$ 18,241
Licenses and permits	14,000	14,400	14,495	95
Intergovernmental	174,574	172,074	172,480	406
Fines and forfeitures	140,000	132,450	124,249	(8,201)
Investment earnings	—	—	388	388
Miscellaneous	13,500	17,500	8,313	(9,187)
Total Revenues	989,341	997,069	998,811	1,742
EXPENDITURES				
Current:				
General government	728,916	696,151	316,239	379,912
Judicial	8,788	8,789	3,761	5,028
Public safety	424,839	447,814	329,592	118,222
Public works	145,519	158,772	175,520	(16,748)
Health and welfare	2,000	2,000	950	1,050
Culture and recreation	13,550	13,550	12,659	891
Housing and development	850	850	836	14
Debt Service:				
Principal retirement	14,828	14,828	13,217	1,611
Interest and fiscal charges	8,376	14,640	13,129	1,511
Total Expenditures	1,347,666	1,357,394	865,903	491,491
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358,325)	(360,325)	132,908	493,233
Net Change in Fund Balances	**$ (358,325)**	**$ (360,325)**	132,908	**$ 493,233**
Fund Balances Beginning of Year			845,970	
Fund Balances End of Year			**$ 978,878**	

See accompanying notes to the basic financial statements

SUPPLEMENTARY INFORMATION

CITY OF ETON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 819,731	$ 692,318
Receivables: (net, where applicable):		
Property taxes	65,787	45,150
Intergovernmental – sales taxes	20,540	20,167
Franchise taxes	42,417	39,831
Other taxes	77,379	72,855
Fines and forfeitures	24,134	33,736
Prepaid items	10,024	8,916
Total Assets	1,060,012	912,973
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	9,950	11,666
Accrued expenditures	11,004	10,281
Total Liabilities	20,954	21,947
DEFERRED INFLOWS		
Unavailable Revenues – Property Taxes	42,264	26,168
Unavailable Revenues – Fines	17,916	18,888
Total Deferred Inflows	60,180	45,056
Total Liabilities and Deferred Inflows	81,134	67,003
FUND BLAANCES		
Nonspendable	10,024	8,916
Restricted	32,819	42,792
Unassigned	936,035	794,262
Total Fund Balances	978,878	845,970
Total Liabilities, Deferred Inflows & Fund Balance	**$ 1,060,012**	**$ 912,973**

CITY OF ETON, GEORGIA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
Real and personal property taxes	$ 423,918	$ 340,814
Selective taxes	254,968	247,465
Licenses and permits	14,495	13,836
Intergovernmental	172,480	366,986
Fines and forfeitures	124,249	163,593
Investment earnings	388	268
Miscellaneous	8,313	950
Total Revenues	998,811	1,133,912
EXPENDITURES		
Current:		
General government	316,239	292,889
Judicial	3,761	5,904
Public safety	329,592	407,024
Public Works	175,520	146,157
Health and welfare	950	1,700
Culture and recreation	12,659	11,719
Housing and development	836	826
Debt Service:		
Principal retirement	13,217	14,155
Interest and fiscal charges	13,129	9,050
Total Expenditures	865,903	889,424
Excess (Deficiency) of Revenues over (under) Expenditures	132,908	244,488
OTHER FINANCING SOURCES (USES)		
Proceeds from the sale of capital assets	—	1,000
Total Other Financing Sources (Uses)	—	1,000
Net Change in Fund Balances	132,908	245,488
Fund Balances Beginning of Year, as Restated	845,970	600,482
Fund Balances End of Year, as Restated	**$ 978,878**	**$ 845,970**

CITY OF ETON, GEORGIA
SCHEDULE OF REVENUES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Real and personal property taxes				
General property tax –				
Current & delinquent	$ 360,467	$ 400,000	$ 406,967	$ 6,967
Motor vehicle & mobile home	17,800	13,750	13,752	2
Penalties & interest on taxes	—	—	3,199	3,199
Total real and personal				
Property taxes	378,267	413,750	423,918	10,168
Selective taxes				
Franchise tax	109,000	98,975	101,562	2,587
Beer and wine tax	55,000	45,945	45,410	(535)
Distilled spirits tax	23,000	16,475	15,600	(875)
Insurance premium tax	72,000	73,000	79,561	6,561
Occupational tax	10,000	12,500	12,835	335
Total selective taxes	269,000	246,895	254,968	8,073
License & permits				
Beer & Wine	4,000	4,400	4,495	95
Distilled spirits	10,000	10,000	10,000	—
Total licenses & permits	14,000	14,400	14,495	95
Intergovernmental				
State & local – sales tax	158,000	155,500	148,734	(6,766)
State & local – GDOT Funding	16,574	16,574	16,575	1
Intergovernmental grants	—	—	7,171	7,171
Total Intergovernmental	174,574	172,074	172,480	406
Fines and forfeitures	140,000	132,450	124,249	(8,201)
Investment earnings	—	—	388	388
Miscellaneous	13,500	17,500	8,313	(9,187)
Total Revenues	$ 989,341	$ 997,069	$ 998,811	$ 1,742

CITY OF ETON, GEORGIA
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
General Government				
Personal services	$ 154,948	$ 158,150	$ 163,130	$ (4,980)
Operating	135,655	162,833	153,109	9,724
Contingency	438,313	375,168	—	375,168
Total general government	728,916	696,151	316,239	379,912
Judicial				
Personal services	2,588	2,589	2,788	(199)
Operating	6,200	6,200	973	5,227
Total judicial	8,788	8,789	3,761	5,028
Public safety:				
Police				
Personal services	239,135	254,450	255,795	(1,345)
Operating	28,000	33,790	30,720	3,070
Total police	267,135	288,240	286,515	1,725
Fire:				
Personal services	145,504	145,504	36,595	108,909
Operating	12,200	14,070	6,482	7,588
Total fire .	157,704	159,574	43,077	116,497
Total public safety	424,839	447,814	329,592	118,222
Public works				
Public works - operations				
Personal services	121,544	129,448	144,370	(14,922)
Operating	14,700	20,049	20,678	(629)
Total public works operations	136,244	149,497	165,048	(15,551)
Cemetery -Operating	9,275	9,275	10,472	(1,197)
Total public works	145,519	158,772	175,520	(16,748)
Health and welfare	2,000	2,000	950	1,050
Culture & recreation				
Recreation -Operating	13,550	13,550	12,659	891
Housing and development	850	850	836	14
Debt Service:				
Principal retirement	14,828	14,828	13,217	1,611
Interest & fiscal charges	8,376	14,640	13,129	1,511
Total debt service	23,204	29,468	26,346	3,122
Total Expenditures	$1,347,666	$ 1,357,394	$ 865,903	$ 491,491

CITY OF ETON, GEORGIA
COMPARATIVE BALANCE SHEET
2019 SPLOST FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 190,363	$ 202,957
Intergovernmental receivable	20,663	28,889
Total Assets	$ 211,026	$ 231,846
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$ 36,825	$ 30,326
Fund Balances		
Restricted for capital projects	174,201	201,520
Total Liabilities and Fund Balance	$ 211,026	$ 231,846

CITY OF ETON, GEORGIA
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
2019 SPLOST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenues		
Intergovernmental	$ 117,638	$ 169,047
Total Revenues	117,638	169,047
Expenditures		
Current		
General government	61,663	36,914
Public safety	27,448	84,996
Public works	24,403	—
Debt Service		
Principal	29,478	32,170
Interest	1,965	2,404
Total Expenditures	144,957	156,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,319)	12,563
Other Financing Sources		
Proceeds from capital lease	—	53,106
Total Other Financing Sources	—	53,106
Net Change in Fund Balances	(27,319)	65,669
Fund Balances Beginning of Year, as Restated	201,520	135,851
Fund Balances End of Year	$ 174,201	$ 201,520

CITY OF ETON, GEORGIA
COMPARATIVE BALANCE SHEET
T-SPLOST FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 240,493	$ 114,810
Intergovernmental receivable	19,118	65,738
Total Assets	259,611	180,548
Liabilities		
Accounts payable	363	6,882
Fund Balances		
Restricted for capital projects, as restated	259,248	173,666
Total Liabilities and Fund Balance	$ 259,611	$ 180,548

CITY OF ETON, GEORGIA
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
T - SPLOST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenues		
Intergovernmental	$ 108,585	$ 197,231
Total Revenues	108,585	197,231
Expenditures		
Current		
Public Works – Roads	23,003	138,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,582	59,051
Fund Balances Beginning of Year, as Restated	173,666	114,615
Fund Balances End of Year, as Restated	$ 259,248	$ 173,666

CITY OF ETON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Resolution/ Referendum Authorized Amounts	Original Estimated Costs	Revisions	Revised Estimated Costs	Sales Tax Proceeds Prior Years	Sales Tax Proceeds Current Years	Total	Estimated % of Completion
2019 SPLOST								
Capital Projects								
City Hall Improvements	$ 100,000	$ —	$ —	$ 100,000	$ 14,193	$ 1,793	$ 15,986	16.0%
Fire department equipment	102,000	—	—	102,000	68,491	6,970	75,461	74.0%
Police department equipment	107,000	—	—	107,000	132,627	51,730	184,357	172.30%
Public areas improvements	175,000	—	—	175,000	98,182	60,061	158,243	90.4%
Street dept equipment	91,000	—	—	91,000	21,554	24,403	45,957	50.5%
Total	575,000	—	—	575,000	335,047	144,957	480,004	
T - SPLOST								
Public Works –								
Capital Projects	$ 470,000	$ 470,000	$ —	$ 470,000	$ 343,604	$ 23,003	$ 366,607	78.0%

CITY OF ETON, GEORGIA
NOTES TO SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

COMPLIANCE SECTION

Vance CPA LLC

Certified Public Accountants

5210 Grandview Road

Jasper, Georgia 30143

Tel. (706) 442-3084 Fax (800) 532-1015

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, 2023, 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 1, 2024.

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.

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 1, 2024
Jasper, Georgia

Vance CPA LLC

Vance CPA LLC

CITY OF ETON, GEORGIA
SUMMARY SCHEDULE OF AUDIT FINDINGS – CURRENT AND PRIOR YEAR
DECEMBER 31, 2023

CURRENT YEAR FINDING

NONE

PRIOR YEAR FINDING

NONE