

**CITY OF EASTMAN  
EASTMAN, GEORGIA**

**AUDIT REPORT**

**FOR YEAR ENDED DECEMBER 31, 2024**

*City of Eastman*  
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*For the Year Ended December 31, 2024*

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## INDEPENDENT AUDITOR'S REPORT

To The Honorable Members of City Council  
City of Eastman, Georgia

### Report on the Audit of the Financial Statements

#### Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Eastman, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Eastman, Georgia's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Eastman, Georgia, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and American Rescue Plan of 2021 Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the General Fund Statement of Revenues, Expenditures, and Changes In Fund Balances Budget And Actual on page 36, the American Rescue Plan of 2021 Fund Statement of Revenues, Expenditures, and Changes In Fund Balances Budget And Actual on page 37, and the pension plan schedules on pages 38-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Eastman, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, supporting schedules, compliance schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements, supporting schedules, compliance schedules, schedule of expenditures of federal awards, and the schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

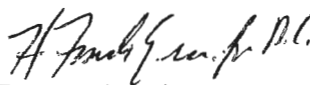
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatements of the other information exists, I am required to describe it in my report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2025, on my consideration of the City of Eastman, Georgia's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Eastman's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Eastman, Georgia's internal control over financial reporting and compliance.

  
Eastman, Georgia  
June 30, 2025

## **BASIC FINANCIAL STATEMENTS**

*City of Eastman*  
*Statement of Net Position*  
*For the Year Ended December 31, 2024*

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Equivalents	\$ 4,245,269	\$ 1,054,729	\$ 5,299,998
Investments	520,000	20,000	540,000
Accounts Receivable, Net	695,221	737,123	1,432,344
Lease Receivable	-	40,502	40,502
Due To Other Funds	-	158,948	158,948
Inventory	653	653	1,306
Noncurrent Assets			
Lease Receivable	-	1,070,183	1,070,183
Restricted Assets			
Bond Sinking Fund	-	647,748	647,748
Reserve Fund	-	338,895	338,895
Capital Assets			
Nondepreciable	277,161	63,057	340,218
Depreciable, net	1,936,888	14,310,065	16,246,953
<b>Total Assets</b>	<u>7,675,192</u>	<u>18,441,903</u>	<u>26,117,095</u>
<b>Deferred Outflows of Resources</b>			
Related To Pension	104,070	533,147	637,217
<b>Total Deferred Outflows of Resources</b>	<u>104,070</u>	<u>533,147</u>	<u>637,217</u>
<b>Liabilities</b>			
Accounts Payable	173,986	356,099	530,085
Accrued Liabilities	16,000	-	16,000
Due From Other Funds	1,156	157,792	158,948
Unearned Revenue	868,026	-	868,026
Noncurrent Liabilities			
Due Within One Year			
Deposits Payable	-	131,433	131,433
Note Payable	54,859	-	54,859
Due In More Than One Year			
Note Payable	30,345	975,749	1,006,094
Bond Payable	-	5,160,000	5,160,000
Net Pension Liability	642,049	646,445	1,288,494
<b>Total Liabilities</b>	<u>1,786,421</u>	<u>7,427,518</u>	<u>9,213,939</u>
<b>Deferred Inflows of Resources:</b>			
Related To Leases	-	803,382	803,382
Related To Pension	69,341	69,341	138,682
<b>Total Deferred Inflows of Resources</b>	<u>69,341</u>	<u>872,723</u>	<u>942,064</u>

*City of Eastman*  
*Statement of Net Position*  
*For the Year Ended December 31, 2024*

**Net Position**

Net Investment In Capital Assets	2,128,846	9,048,312	11,177,158
Restricted For			
Capital Projects	1,180,944	-	1,180,944
Public Safety	67,850	-	67,850
Public Works	311,997	-	311,997
Culture/Recreation	7,175	-	7,175
Tourism	559,451	-	559,451
Debt Service	-	647,748	647,748
Renewal and Extension	-	338,895	338,895
Unrestricted	1,667,237	639,854	2,307,091
<b>Total Net Position</b>	<u>\$ 5,923,500</u>	<u>\$ 10,674,809</u>	<u>\$ 16,598,309</u>

*City of Eastman*  
*Statement of Activities*  
*Year Ended December 31, 2024*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Governmental Activities:</b>							
General Government	\$ 1,424,665	\$ 65,931	\$ 9,900	\$ -	\$ (1,348,834)		\$ (1,348,834)
Judicial	8,805	268,123	-	-	259,318		259,318
Public Safety	1,926,583	318,273	58,327	35,000	(1,514,983)		(1,514,983)
Public Works	1,548,656	97,905	-	968,331	(482,420)		(482,420)
Health & Welfare	11,208	-	-	-	(11,208)		(11,208)
Culture / Recreation	147,655	-	64,103	-	(83,552)		(83,552)
Housing and Development	55,246	-	-	-	(55,246)		(55,246)
Interest	2,811	-	-	-	(2,811)		(2,811)
Total government activities	<u>5,125,629</u>	<u>750,232</u>	<u>132,330</u>	<u>1,003,331</u>	<u>(3,239,736)</u>		<u>(3,239,736)</u>
<b>Business - Type Activities:</b>							
Water and Sewer	4,553,465	2,976,370	-	979,230		(597,865)	(597,865)
Solid Waste	636,021	745,392	-	-		109,371	109,371
Industrial Development	4,933	-	-	-		(4,933)	(4,933)
Total business - type activities	<u>5,194,419</u>	<u>3,721,762</u>	<u>-</u>	<u>979,230</u>		<u>(493,427)</u>	<u>(493,427)</u>
<b>Total</b>	<u>\$ 10,320,048</u>	<u>\$ 4,471,994</u>	<u>\$ 132,330</u>	<u>\$ 1,982,561</u>	<u>\$ (3,239,736)</u>	<u>\$ (493,427)</u>	<u>\$ (3,733,163)</u>
General Revenues:							
Ad Valorem Taxes					\$ 1,425,274	\$ -	\$ 1,425,274
Insurance Premium Tax					551,767	-	551,767
Sales Tax					891,624	-	891,624
Franchise Fees					456,227	-	456,227
Other Taxes					349,938	-	349,938
Interest					5,674	44,334	50,008
Other Revenues					108,531	54,983	163,514
Transfers					40,000	(40,000)	-
Gain/(Loss) on Disposal					-	-	-
Total general revenues and transfers					<u>3,829,035</u>	<u>59,317</u>	<u>3,888,352</u>
Change in Net Position					589,299	(434,110)	155,189
Net Position - beginning					5,334,201	11,108,919	16,443,120
Prior Period Adjustment					-	-	-
Net Position - ending					<u>\$ 5,923,500</u>	<u>\$ 10,674,809</u>	<u>\$ 16,598,309</u>

*See Accompanying Notes to Financial Statements*

*City of Eastman  
Balance Sheet  
Governmental Funds  
December 31, 2024*

**ASSETS**

	<b>General</b>	<b>American Rescue Plan of 2021</b>	<b>2019 SPLOST</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b><u>ASSETS</u></b>				
<b>Current Assets:</b>					
Cash	\$ 1,704,085	\$ 868,026	\$ 936,546	\$ 736,612	\$ 4,245,269
Investments	520,000	-	-	-	520,000
Inventory	653	-	-	-	653
Receivables	695,221	-	-	-	695,221
<b>Total Assets</b>	<b><u>\$ 2,919,959</u></b>	<b><u>\$ 868,026</u></b>	<b><u>\$ 936,546</u></b>	<b><u>\$ 736,612</u></b>	<b><u>\$ 5,461,143</u></b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>					
Accounts Payable	\$ 68,794	\$ -	\$ -	\$ 105,192	\$ 173,986
Accrued Liabilities	16,000	-	-	-	16,000
Unearned Revenue	-	868,026	-	-	868,026
Due to Other Funds	1,156	-	-	-	1,156
<b>Total Liabilities</b>	<b><u>85,950</u></b>	<b><u>868,026</u></b>	<b><u>-</u></b>	<b><u>105,192</u></b>	<b><u>1,059,168</u></b>
<b>Deferred Inflows of Resources:</b>					
Deferred Taxes	103,504	-	-	-	103,504
<b>Fund Balance</b>					
Nonspendable					
Inventories	653	-	-	-	653
Restricted for					
Capital Projects	-	-	936,546	244,398	1,180,944
Public Health	-	-	-	-	-
Public Safety	-	-	-	67,850	67,850
Public Works	-	-	-	311,997	311,997
Culture/Recreation	-	-	-	7,175	7,175
Tourism	559,451	-	-	-	559,451
Unassigned	2,170,401	-	-	-	2,170,401
<b>Total Fund Balances</b>	<b><u>2,730,505</u></b>	<b><u>-</u></b>	<b><u>936,546</u></b>	<b><u>631,420</u></b>	<b><u>4,298,471</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 2,919,959</u></b>	<b><u>\$ 868,026</u></b>	<b><u>\$ 936,546</u></b>	<b><u>\$ 736,612</u></b>	<b><u>\$ 5,461,143</u></b>

*See accompanying notes to financial statements*

*City of Eastman*  
*Reconciliation of the Balance Sheet of Governmental Funds*  
*To the Statement of Net Position*  
*Year Ended December 31, 2024*

**TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 4,298,471**

Amounts reported for governmental activities in the Statement  
of Net Position are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the Governmental  
Funds Balance Sheet:

Governmental capital assets	\$ 5,464,968	
Less: accumulated depreciation	<u>(3,250,919)</u>	2,214,049

Other receivables are not available to pay for current period  
expenditures and therefore are reported as unavailable  
revenue in the Governmental Funds as unavailable revenue  
in the Governmental Funds Balance Sheet -

Property taxes		103,504
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Deferred outflows and inflows of resources related to pensions  
are applicable to future reporting periods, and, therefore, are  
not reported on the Governmental Funds Balance Sheet:

Deferred outflows	104,070	
Deferred inflows	<u>(69,341)</u>	34,729

Long-term liabilities, including notes payable, capital leases payable,  
and pensions, are not due and payable in the current period and  
therefore are not reported in the Governmental Funds Balance Sheet:

Notes payable	(85,204)	
Net pension liability	<u>(642,049)</u>	<u>(727,253)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 5,923,500**

*See accompanying notes to financial statement.*

*City of Eastman  
Governmental Funds  
Combined Statement of Revenues, Expenditures  
and Changes In Fund Balance  
Year Ended December 31, 2023*

	General	American Rescue Plan of 2021	2019 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 3,600,228	\$ -	\$ -	\$ 53,241	\$ 3,653,469
Interest	5,674	-	-	-	5,674
Licenses and Permits	62,690	-	-	-	62,690
Fines and Forfeitures	268,893	-	-	-	268,893
Intergovernmental	17,300	5,166	595,639	497,156	1,115,261
Contribution & Donation	20,400	-	-	-	20,400
Charges for Services	418,649	-	-	-	418,649
Other Revenues	97,747	-	2,500	8,284	108,531
<b>Total Revenues</b>	<u>4,491,581</u>	<u>5,166</u>	<u>598,139</u>	<u>558,681</u>	<u>5,653,567</u>
<b>Expenditures:</b>					
Current:					
General Government	1,308,400	-	98,563	-	1,406,963
Judicial	8,805	-	-	-	8,805
Public Safety	1,755,950	-	27,680	46,389	1,830,019
Public Works	725,185	-	404,253	294,634	1,424,072
Health & Welfare	11,208	-	-	-	11,208
Culture / Recreation	142,489	5,166	-	-	147,655
Housing & Development	32,300	-	-	22,946	55,246
Debt Service:					
Principle Payments	48,823	-	-	-	48,823
Interest	2,811	-	-	-	2,811
<b>Total Expenditures</b>	<u>4,035,971</u>	<u>5,166</u>	<u>530,496</u>	<u>363,969</u>	<u>4,935,602</u>
Excess (Deficiency) of Revenues over Expenditures	<u>455,610</u>	<u>-</u>	<u>67,643</u>	<u>194,712</u>	<u>717,965</u>
<b>Other Financing Sources (uses):</b>					
Loan Proceeds	-	-	-	-	-
Sale of Assets	-	-	-	-	-
Grants	-	-	-	-	-
Transfers, Net	126,884	-	-	(86,884)	40,000
<b>Total Other Financing Sources (uses)</b>	<u>126,884</u>	<u>-</u>	<u>-</u>	<u>(86,884)</u>	<u>40,000</u>
<b>Net Change in Fund Balance</b>	582,494	-	67,643	107,828	757,965
<b>Fund Balance, Beginning</b>	2,148,011	-	868,903	523,592	3,540,506
<b>Prior Period Adjustments</b>	-	-	-	-	-
<b>Fund Balance, Ending</b>	<u>\$ 2,730,505</u>	<u>\$ -</u>	<u>\$ 936,546</u>	<u>\$ 631,420</u>	<u>\$ 4,298,471</u>

*See accompanying notes to financial statement*

*City of Eastman*  
*Reconciliation of the Statement of Revenues, Expenditures,*  
*and Changes in Fund Balances of Governmental Funds*  
*To the Statement of Activities*  
*For the Fiscal Year Ended December 31, 2024*

**NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 757,965**

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for capital assets	\$ 38,612	
Less: current year depreciation	<u>(254,520)</u>	(215,908)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds:

Property taxes		21,360
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City pension contributions are reported as expenditures in Governmental Funds when made. However, they are reported as deferred outflows of resources in the Statement of net position because the net pension liability is measured nine months prior to the City's report date. Pension expense which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities:

Pension expense		(27,836)
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Issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principle of long-term debt consumes current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position:

Notes and leases principle paid	<u>53,718</u>	<u>53,718</u>
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 589,299**

*See accompanying notes to financial statement.*

*City of Eastman  
Proprietary Funds  
Statement of Net Position  
December 31, 2024*

	<u>Water And Sewer</u>	<u>Solid Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
<b>Assets</b>				
Cash and Equivalents	\$ 927,170	\$ 127,559	\$ -	\$ 1,054,729
Investments	20,000	-	-	20,000
Accounts Receivable, Net	568,149	168,974	-	737,123
Lease Receivable	40,502	-	-	40,502
Due To Other Funds	-	158,948	-	158,948
Inventory	653	-	-	653
Noncurrent Assets				
Lease Receivable	1,070,183	-	-	1,070,183
Restricted Assets				
Bond Sinking Fund	647,748	-	-	647,748
Reserve Fund	338,895	-	-	338,895
Capital Assets				
Nondepreciable	63,057	-	-	63,057
Depreciable, net	14,228,680	-	81,385	14,310,065
<b>Total Assets</b>	<u>17,905,037</u>	<u>455,481</u>	<u>81,385</u>	<u>18,441,903</u>
<b>Deferred Outflows of Resources</b>				
Related To Pension	533,147	-	-	533,147
<b>Total Deferred Outflows of Resources</b>	<u>533,147</u>	<u>-</u>	<u>-</u>	<u>533,147</u>
<b>Liabilities</b>				
Accounts Payable	356,099	-	-	356,099
Due From Other Funds	157,792	-	-	157,792
Noncurrent Liabilities				
Due Within One Year				
Deposits Payable	131,433	-	-	131,433
Due In More Than One Year				
Note Payable	975,749	-	-	975,749
Bond Payable	5,160,000	-	-	5,160,000
Net Pension Liability	646,445	-	-	646,445
<b>Total Liabilities</b>	<u>7,427,518</u>	<u>-</u>	<u>-</u>	<u>7,427,518</u>
<b>Deferred Inflows of Resources:</b>				
Related To Leases	803,382	-	-	803,382
Related To Pension	69,341	-	-	69,341
<b>Total Deferred Inflows of Resources</b>	<u>872,723</u>	<u>-</u>	<u>-</u>	<u>872,723</u>
<b>Net Position</b>				
Net Investment In Capital Assets	8,966,927	-	81,385	9,048,312
Restricted For				
Debt Service	647,748	-	-	647,748
Renewal and Extension	338,895	-	-	338,895
Unrestricted	184,373	455,481	-	639,854
<b>Total Net Position</b>	<u>\$ 10,137,943</u>	<u>\$ 455,481</u>	<u>\$ 81,385</u>	<u>\$ 10,674,809</u>

*See Accompanying Notes to Financial Statements*

*City of Eastman  
Proprietary Funds  
Statement Of Revenues, Expenses,  
And Changes In Fund Net Position  
Year Ended December 31, 2024*

	<u>Water And Sewer</u>	<u>Soild Waste</u>	<u>Industrial Development</u>	<u>Combined Total</u>
<b>Operating Revenues:</b>				
Charge for Services	\$ 2,912,202	\$ 745,392	\$ -	\$ 3,657,594
Other	64,168	-	-	64,168
<b>Total Operating Revenue</b>	<u>2,976,370</u>	<u>745,392</u>	<u>-</u>	<u>3,721,762</u>
<b>Operating Expenses:</b>				
Sewage Collection and Disposal	554,759	636,021	-	1,190,780
Water - Administration	905,328	-	-	905,328
Water - Supply	350,391	-	-	350,391
Water - Distribution	2,044,583	-	-	2,044,583
Depreciation	511,147	-	4,933	516,080
<b>Total Operating Expenses</b>	<u>4,366,208</u>	<u>636,021</u>	<u>4,933</u>	<u>5,007,162</u>
Operating Income (loss)	<u>(1,389,838)</u>	<u>109,371</u>	<u>(4,933)</u>	<u>(1,285,400)</u>
<b>Nonoperating Revenues (expenses)</b>				
Interest Revenues	44,334	-	-	44,334
Rents & Royalties	51,895	-	-	51,895
Sale of Assets	-	-	-	-
Other	3,088	-	-	3,088
Interest Expense	<u>(187,257)</u>	<u>-</u>	<u>-</u>	<u>(187,257)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(87,940)</u>	<u>-</u>	<u>-</u>	<u>(87,940)</u>
<b>Income (loss) before Transfers</b>	<u>(1,477,778)</u>	<u>109,371</u>	<u>(4,933)</u>	<u>(1,373,340)</u>
<b>Capital Contributions</b>	<u>979,230</u>	<u>-</u>	<u>-</u>	<u>979,230</u>
<b>Transfers In (out), Net</b>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
<b>Net Income (loss)</b>	<u>(538,548)</u>	<u>109,371</u>	<u>(4,933)</u>	<u>(434,110)</u>
<b>Net Position, Beginning</b>	10,676,491	346,110	86,318	11,108,919
<b>Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position, Ending</b>	<u>\$ 10,137,943</u>	<u>\$ 455,481</u>	<u>\$ 81,385</u>	<u>\$ 10,674,809</u>

See Accompanying Notes to Financial Statements

*City of Eastman  
Proprietary Fund  
Combining Statement Of Cash Flows  
For the Year Ended December 31, 2024*

	Water And Sewer	Solid Waste	Industrial Development	Total
<b>Cash Flow From Operating Activities</b>				
Cash Received From Customers	\$ 2,943,694	\$ 712,175	\$ -	\$ 3,655,869
Cash Received From Other	64,168	-	-	64,168
Cash Payment To Suppliers	(2,913,358)	(636,021)	-	(3,549,379)
Cash Payment to Employees	(586,186)	-	-	(586,186)
Net Cash Provided (Used) by operating activities	<u>(491,682)</u>	<u>76,154</u>	<u>-</u>	<u>(415,528)</u>
<b>Cash Flow From Noncapital Financing Activities:</b>				
Rents & Royalties	51,895	-	-	51,895
Other	3,088	-	-	3,088
Transfers In (Out) from other Funds	(40,000)	-	-	(40,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>14,983</u>	<u>-</u>	<u>-</u>	<u>14,983</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Principal Paid on Bonds	(245,000)	-	-	(245,000)
Interest on Loan	(187,257)	-	-	(187,257)
Loan Proceeds	877,426	-	-	877,426
Interest	42,529	-	-	42,529
Grant & Contracts	619,883	-	-	619,883
Capital Assets Purchased	(82,164)	-	-	(82,164)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,025,417</u>	<u>-</u>	<u>-</u>	<u>1,025,417</u>
<b>Cash Flow From Investing Activities</b>				
Interest On Investments	1,805	-	-	1,805
Proceeds From Investments	-	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>1,805</u>	<u>-</u>	<u>-</u>	<u>1,805</u>
<b>Net Increase (decrease) In Cash</b>	550,523	76,154	-	626,677
<b>Cash, Beginning</b>	1,383,290	51,405	-	1,434,695
<b>Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, Ending</b>	<u>\$ 1,933,813</u>	<u>\$ 127,559</u>	<u>\$ -</u>	<u>\$ 2,061,372</u>

*See Accompanying Notes to Financial Statements*

*City of Eastman*  
*Proprietary Funds*  
*Combining Statement Of Cash Flows*  
*For the Year Ended December 31, 2024*

RECONCILIATION OF NET INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

	<u>Water And Sewer</u>	<u>Solid Waste</u>	<u>Industrial Development</u>	<u>Total</u>
<b>Net Income (loss) From Operations</b>	<u>\$(1,389,838)</u>	<u>\$ 109,371</u>	<u>\$ (4,933)</u>	<u>\$(1,285,400)</u>
Adjustment To Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	511,147	-	4,933	516,080
Pension Expense	27,836	-	-	27,836
Contributions	(10,872)	-	-	(10,872)
Changes In Assets And Liabilities:				
Decreases (increases) in Inventory	(133)	-	-	(133)
Decreases (increases) in Accounts Receivable	(32,926)	(18,799)	-	(51,725)
Decreases (increases) in Lease Receivable	35,675	-	-	35,675
Decreases (increases) in Due From Other Funds	13,262	(14,418)	-	(1,156)
Increases (decreases) in Accounts payable	338,686	-	-	338,686
Increases (decreases) in Deposits Payable	<u>15,481</u>	<u>-</u>	<u>-</u>	<u>15,481</u>
	<u>898,156</u>	<u>(33,217)</u>	<u>4,933</u>	<u>869,872</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$ (491,682)</u></u>	<u><u>\$ 76,154</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (415,528)</u></u>

*See accompanying note to financial statements.*

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Eastman was incorporated in 1872. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, development services, culture, recreation and waterworks.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Eastman has no component units.

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

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

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

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

**Fund Financial Statements:**

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

**General Fund-**

General fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Special Revenue Funds-**

Special revenue funds are used to account for revenues and expenditures of hotel/motel tax, confiscated assets, and various grant/contracts that the City had entered into.

American Rescue Plan of 2021 Fund- Established to account for all Local Fiscal Recovery Funds received by the City through the American Rescue Plan (ARP) Act of 2021 (HR1319, 117<sup>th</sup> Congress; Public Law No. 117-2). This special revenue fund is reserved exclusively for the accounting of these funds, in accordance with guidance from the United States Department of the Treasury.

**Capital Project Funds-**

Capital project funds are used to account for revenues and expenditures of Special Purpose Local Option Sales Tax and various grant agreements/contracts that the City had entered into.

2019 SPLOST Fund- Established to separately account for Special Purpose Local Option Sales Tax, which was approved by the citizens of Dodge County in November 2019. The proceeds of this levy are designated for renovations, improvements, additions to water and sewer system, storm drainage systems, road work, economic development, and capital improvement projects for the City totaling \$2,310,000. The proceeds of this levy began on November 2019. Under Georgia law, this tax can remain in effect for six years.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

Proprietary Funds-

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Assets. The City has presented the following major proprietary funds:

Water and Sewer Fund-

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Solid Waste Fund-

Solid Waste Fund is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Industrial Development Fund-

Industrial Development Fund is used to account for properties owned by the City used for industrial development within the City limits.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets.

Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

E. Cash, Cash Equivalents, and Investments

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

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

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

It is the Policy of the City to deposit any available excess funds into interest-bearing money market accounts or certificates of deposits.

F. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Inventory

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of other supplies which are recorded as assets at the time of purchase and as expenditures as the supplies are used. These inventories are valued at cost using the first-in/first-out method.

H. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

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

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses.

Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on capital assets.

Infrastructure assets reported in the Governmental Activities include assets acquired subsequent to January 1, 2004. The City's management has elected not to include infrastructure assets acquired prior to this date.

Assets capitalized, have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 Years
Water & Sewer System	30-50 Years
Infrastructure	20-40 Years
Machinery and Equipment	5-10 Years
Improvements	20 Years

J. Accumulated Unpaid Vacation, Sick Pay, and Other Benefits

Accumulated unpaid vacation, sick pay, and other employee benefits are not accrued since the amounts do not exceed a normal year's accumulation. These expenses are recorded when payment is made.

K. Accrued Liabilities and Long-term Obligations

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

In general, governmental funds payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

L. Deferred Outflows / Inflows of Resources

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2013. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item, which arises under the accrual basis of accounting, that qualifies for reporting in this category. Pension plan contributions made subsequent to the measurement date of the Pension plan are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewer Fund. These amounts are deferred and recognized as outflows of resources in the period that the amounts become applicable.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. Under the modified accrual basis of accounting, unavailable revenue from property taxes is reported only in the governmental funds balance sheet. Under the accrual basis of accounting, pension related items are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewer Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is classified as net position.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. Fund balances are classified as follows:

**Nonspendable:** Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

**Restricted:** Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Committed:** Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints by formal action of the City Council through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. Only the Council may modify or rescind the commitment.

**Assigned:** Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Council has authorized the City's Manager to assign fund balances. The Council may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. Positive unassigned fund balance may be reported only when in the General Fund. Negative unassigned fund balances may be reported in all governmental funds.

Net Position

Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net positions is reported as restricted using the same definition as used for restricted fund balances as described in the section above. The residual amount of equity not classified as net investment in capital assets or net position restricted is reported as net position unrestricted.

Flow Assumptions – Fund Balance

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Flow Assumptions – Net Position

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net positions applied.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and solid waste programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each program.

O. Leases

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

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

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

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

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

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

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

**P. Use of Estimates**

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reported period. Actual results could differ from those estimates.

**Q. Post Employment Health Care Benefits**

The City will pay 60% of the health insurance premiums for eligible retirees. Employees with 25 years of service or employees with 5 years and are at least 62 years of age are eligible for medical coverage until 3 years from date of retirement or until Medicare eligible, whichever occurs first.

**R. Tax Abatement Agreements**

During the year ended December 31, 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of December 31, 2024, the City did not have any such agreements, either entered into by the City or by other governments.

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(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City's Council adopted, in a timely manner, an operating budget, including proposed expenditures and the means of financing them for the year ended December 31, 2024 as required by its charter, generally accepted accounting principles, and Georgia law O.C.G.A. 36-81-3, and various other agencies' requirements. The operating budget may not be revised or changed during the year without approval by a majority of the members of the City Council.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Each budget is prepared on a detailed line item basis. Annual appropriated budgets are adopted for the general fund, special revenue funds, and project length capital project funds. All annual budget appropriations lapse at fiscal year end.

The level of legal budgetary control (the level at which expenditures may no exceed appropriations) is the department level with each fund within the following provisions:

- The City Manager may authorize transfers of appropriations between line items within any departmental budget without Council approval.
- The City Council may amend the budget by motion during the fiscal year.

B. Excess of Expenditures Over Appropriations

The following funds reported expenditures/expenses over appropriations:

<u>Fund</u>	<u>Appropriation</u>	<u>Encumbrance/ Expenditures</u>	<u>Over- Appropriation</u>
General:			
Public Safety	\$ 1,696,969	\$ 1,755,951	\$ 58,982
Health and Welfare	6,249	11,208	4,959
Culture/Recreation	92,404	142,489	50,085
Housing and Development	30,181	32,300	2,119
Hotel/Motel Taxes:			
Economic Development	21,603	22,946	1,343

(3) DEPOSITS

It is the City's policy to include only cash and certificates of deposit as cash. The City maintains its cash accounts in local commercial banks. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The City's deposits, including certificates of deposit, were not fully insured or collateralized as required at December 31, 2024. At year-end, the carrying amount of the City's deposits was \$6,628,051 and the respective bank balances totaled \$6,826,641. Included in the bank balances are Certificates of Deposit totaling \$700,500. Of the total deposits, \$3,694,078 was covered by the Federal Depository Insurance Corporation (FDIC) and \$2,933,973 was covered by collateral held by the pledging financial institutions in the City's name. At December 31, 2024 the City's deposits were insured and as a result there were no bank balances exposed to custodial credit risk. Georgia statute requires collateral at 110% of government's deposits, less the amount of Federal Deposit Insurance Corporation insurance, to be held in the government's name by the safekeeping agent.

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(4) PROPERTY TAX

Property taxes were levied on September 23, 2024 for the calendar year based on assessed property values set by the county assessors. Tax notices were mailed on approximately October 18, 2024, and the notices are considered due upon receipt by the taxpayer, however the actual due date was December 20th. After the actual due date the bill becomes delinquent, at which time penalties and interest are assessed.

The City levied taxes on the assessed value of all taxable property in the government as follows:

Gross	16.14 mils
Sales tax credit	<u>6.59 mils</u>
Net	9.55 mils
	=====

Property values are obtained from the Dodge County, Georgia property tax digest.

The City Charter sets the maximum amount of property taxes that can be charged at 10 mils.

(5) RESTRICTED ASSETS

Certain proceeds of the Water and Sewer Enterprise Fund revenue bonds, as well as certain resources set aside for their payment are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. The "revenue bond sinking fund" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond renewals and extension" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

(6) HOTEL/MOTEL LODGING TAX

The City of Eastman levies a 5% lodging tax in accordance with O. C. G. A. 45-13-51. A summary of the transactions for the year ended December 31, 2024 is as follows:

	<u>Amount</u>	<u>Percentage of Tax Receipts</u>
Receipts:		
Lodging tax receipts	<u>\$ 53,241</u>	
Expenditures:		
Disbursements to Eastman/Dodge Chamber of Commerce for promotion of tourism	\$ 22,946	43.10%
Disbursements by the City for promotion of tourism	<u>    --    </u>	0.00%
Total expenditures	<u>\$ 22,946</u>	
Balance of lodging tax funds on hand at end of year	<u>\$559,451</u>	

The City received the Chamber's annual report covering the lodging tax monies that were expended for promotion of tourism as required by O.C.G.A. 48-13-51.

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(7) ACCOUNTS RECEIVABLES

Amounts other than leases receivable are aggregated into a single receivables (net of allowances for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables as of December 31, 2024, including applicable allowances for uncollectable accounts:

	General	Water and Sewer	Solid Waste	Total
Receivables:				
Taxes	\$ 664,807	\$ -	\$ -	\$ 664,807
Accounts	49,400	568,399	168,974	786,773
Other	1,916	-		1,916
Gross receivables	716,123	568,399	168,974	1,453,496
Less allowance for uncollectibles	(20,902)	(250)	-	(21,152)
Net receivable	<u>\$ 695,221</u>	<u>\$ 568,149</u>	<u>\$ 168,974</u>	<u>\$ 1,432,344</u>

(8) LEASE RECEIVABLE

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

On June 12, 2009 the City entered into a 60 month lease for the use of water tower space to install communications equipment. An initial lease receivable was recorded in the amount of \$296,221. At December 31, 2024 the value of the lease receivable was \$215,877. The lessee is required to make monthly payments of \$1,300 for the first 60 months and increase in each of the extension option periods. The lease has an interest rate of 5.28%. The value the deferred inflow of resources as of December 31, 2024 was \$113,550. The lease has 4 extension options, each for five years.

On June 12, 2009 the City entered into a 60 month lease for the use of water tower space to install communications equipment. An initial lease receivable was recorded in the amount of \$449,511. At December 31, 2024, the value of the lease receivable was \$345,969. The lessee is required to make monthly payments of \$1,300 that increase by 3% annually on the anniversary date. The lease has an interest rate of 3.125%. The value the deferred inflow of resources as of December 31, 2024 was \$217,262. The lease has 5 extension options, each for five years.

On June 9, 2020 the City entered into a 5 year lease for the use of water tower space to install communications equipment. An initial lease receivable was recorded in the amount of \$585,087. At December 31, 2024, the value of the lease receivable was \$548,839. The lessee is required to make annual payment of \$24,252 that increase by 3% annually on the anniversary date. The lease has an interest rate of 3.125%. The value the deferred inflow of resources as of December 31, 2024 was \$472,570. The lease has 5 extension options, each for five years.

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The future principal and interest payments as of December 31, 2024, were as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 40,502	\$ 38,773	\$ 79,275
2026	43,716	37,117	80,833
2027	47,098	35,340	82,438
2028	50,656	33,435	84,091
2029	55,895	31,383	87,278
2030-2034	340,350	104,738	445,088
2035-2039	285,935	65,792	351,727
2040-2044	198,755	26,890	225,645
2045	47,778	1,493	49,271
	<u>\$ 1,110,685</u>	<u>\$ 374,961</u>	<u>\$ 1,485,646</u>

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(9) CAPITAL ASSETS

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

	Balance 12/31/23	Additions/ Completions	Retirements/ Adjustments	Balance 12/31/24
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 192,353	\$ --	\$ --	\$ 192,353
Construction in Progress	<u>84,808</u>	<u>--</u>	<u>--</u>	<u>84,808</u>
Total capital assets not being depreciated	<u>277,161</u>	<u>--</u>	<u>--</u>	<u>277,161</u>
Capital assets being depreciated:				
Buildings	1,181,815	--	--	1,181,815
Building Improvements	172,851	--	--	172,851
Right-To-Use Leased Equipment	21,347	--	--	21,347
Equipment	2,532,905	38,612	--	2,571,517
Infrastructure	<u>1,240,277</u>	<u>--</u>	<u>--</u>	<u>1,240,277</u>
Total capital assets being depreciated	<u>5,149,195</u>	<u>38,612</u>	<u>--</u>	<u>5,187,807</u>
Less Accumulated Depreciation for:				
Buildings	464,314	23,143	--	487,457
Building Improvements	86,802	4,935	--	91,737
Right-To-Use Leased Equipment	9,337	4,817	--	14,154
Equipment	1,759,920	175,979	--	1,935,899
Infrastructure	<u>676,026</u>	<u>45,646</u>	<u>--</u>	<u>721,672</u>
Total Accumulated Depreciation	<u>2,996,399</u>	<u>254,520</u>	<u>--</u>	<u>3,250,919</u>
Total Capital Assets being depreciated ( net)	<u>2,152,796</u>	<u>(215,908)</u>	<u>--</u>	<u>1,936,888</u>
Governmental activities capital assets, net	<u>\$2,429,957</u>	<u>\$ (215,908)</u>	<u>\$ --</u>	<u>\$ 2,214,049</u>

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

General government	\$ 31,092
Police	82,415
Fire	16,429
Street	95,882
Storm Drainage	<u>28,702</u>

Total depreciation/amortization expense - governmental activities \$ 254,520

***City of Eastman***  
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	Balance 12/31/2023	Additions/ Completions	Retirements/ Adjustments	Balance 12/31/2024
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 63,057	\$ -	\$ -	\$ 63,057
Construction In Progress	-	-	-	-
Total Capital Assets not being depreciated	<u>63,057</u>	<u>-</u>	<u>-</u>	<u>63,057</u>
Depreciable capital assets:				
Water & Sewer System	24,168,154	254,645	-	24,422,799
Water & Sewer Equipment	655,169	148,401	-	803,570
Building	<u>263,440</u>	<u>-</u>	<u>-</u>	<u>263,440</u>
Total capital assets being depreciated	25,086,763	403,046	-	25,489,809
Less Accumulated Depreciation for:				
Water & Sewer System	9,974,759	468,137	-	10,442,896
Water & Sewer Equipment	520,183	43,010	-	563,193
Building	<u>168,722</u>	<u>4,933</u>	<u>-</u>	<u>173,655</u>
Accumulated depreciation	<u>10,663,664</u>	<u>516,080</u>	<u>-</u>	<u>11,179,744</u>
Total capital assets being depreciated, net	<u>14,423,099</u>	<u>(113,034)</u>	<u>-</u>	<u>14,310,065</u>
Buisness-type activities capital assets, net	<u>\$ 14,486,156</u>	<u>\$ (113,034)</u>	<u>\$ -</u>	<u>\$ 14,373,122</u>

Depreciation expense for the year ended December 31, 2024 for the Water and Sewer Enterprise Fund was \$511,147 and for the Industrial Development \$4,933.

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(10) DEFERRED OUFLOWS AND INFLOWS OF RESOURCES

The following table provides detail regarding the deferred outflows and inflows of resources on the government-wide Statement of Net Position for governmental activities and business-type activities, and on the proprietary funds statement of net position for the Water and Sewer Fund:

	<u>Government-Wide</u>		<u>Proprietary Fund</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water and Sewer Fund</u>
<u>Deferred Outflows</u>			
Pensions -			
Differences between expected and actual experience	\$ 57,805	\$ 296,868	\$ 296,868
Changes of assumptions	-	-	-
Net differences between projected and actual earnings on pension investments	-	-	-
City contributions subsequent to measurement date	46,265	236,279	236,279
Total deferred outflows	<u>\$ 104,070</u>	<u>\$ 533,147</u>	<u>\$ 533,147</u>
<u>Deferred Inflows</u>			
Pensions -			
Differences between expected and actual experience	\$ -	\$ -	\$ -
Net differences between projected and actual earnings on pension investments	(69,341)	(69,341)	(69,341)
Total deferred inflows	<u>\$ (69,341)</u>	<u>\$ (69,341)</u>	<u>\$ (69,341)</u>

(11) REVENUE BONDS PAYABLE

Revenue bond payable at December 31, 2024 is comprised of the following:

2012 Series Water & Sewer Refunding Revenue Bonds were issued for the purpose of refinancing the 2008 Series Sewer Revenue Bonds. They are due in annual installments of \$25,000 to \$415,000 through January 1, 2041; interest rates range from 2.00% to 3.80%.

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The following is a summary of bond transactions for the year ended December 31, 2024:

Revenue bonds payable at January 1, 2024	\$ 5,405,000
Bonds payments	245,000
Bonds refunding	-
Revenue bonds payable at December 31, 2024	<u>\$ 5,160,000</u>

Annual debt service requirements to maturity for the revenue bonds as of December 31, 2024, are as follows:

Year ending December 31	Principal	Interest	Total
2025	-	90,260	90,260
2026	250,000	177,020	427,020
2027	260,000	169,782	429,782
2028	265,000	162,070	427,070
2029	275,000	153,970	428,970
2030-2034	1,500,000	630,247	2,130,247
2035-2039	1,795,000	329,333	2,124,333
2040-2041	815,000	31,255	846,255
Total	<u>\$ 5,160,000</u>	<u>\$ 1,743,937</u>	<u>\$ 6,903,937</u>

**(12) NOTES PAYABLE**

Notes payable at December 31, 2024 consisted of the following:

	Beginnng Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>Governmental Activities</b>					
Notes	\$ 126,340	\$ -	\$ (48,823)	\$ 77,517	\$ 49,917
Leases	12,582	-	(4,895)	7,687	4,942
Total	<u>\$ 138,922</u>	<u>\$ -</u>	<u>\$ (53,718)</u>	<u>\$ 85,204</u>	<u>\$ 54,859</u>
<b>Business-type Activities</b>					
Notes	\$ 98,322	\$ 877,427	\$ -	\$ 975,749	\$ -
Total	<u>\$ 98,322</u>	<u>\$ 877,427</u>	<u>\$ -</u>	<u>\$ 975,749</u>	<u>\$ -</u>

**Governmental Activities**

**Notes Payable**

United States Department of Agriculture Facility Loan

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

United States Department of Agriculture Facility Loan

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

***City of Eastman***  
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United States Department of Agriculture Facility Loan

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

United States Department of Agriculture Facility Loan

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

Year ending December 31	Principal	Interest	Total
2025	49,917	1,717	51,634
2026	27,600	590	28,190
	-	-	-
	-	-	-
Total	<u>\$ 77,517</u>	<u>\$ 2,307</u>	<u>\$ 79,824</u>

**Leases**

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

On December 1, 2020 the City entered into a 60 month lease for the use of a copier machine. An initial lease liability was recorded in the amount of \$8,489. At December 31, 2024, the value of the lease liability was \$1,657. The City is required to make monthly payments of \$153. The lease has an interest rate of 3.125%. The value the right-to-use asset as of December 31, 2024 was \$1,556 with accumulated amortization of \$6,933. At the end of the lease, the City has a purchase option.

On October 19, 2021 the City entered into a 60 month lease for the use of a copier machine. An initial lease liability was recorded in the amount of \$8,489. At December 31, 2024, the value of the lease liability was \$3,267. The City is required to make monthly payments of \$153. The lease has an interest rate of 3.125%. The value the right-to-use asset as of December 31, 2024 was \$3,112 with accumulated amortization of \$5,376. At the end of the lease, the City has a purchase option.

On March 1, 2021 the City entered into a 60 month lease for the use of a postage meter. An initial lease liability was recorded in the amount of \$4,123. At December 31, 2024, the value of the lease liability was \$1,154. The City is required to make quarterly payments of \$241. The lease has an interest rate of 6.149%. The value the right-to-use asset as of December 31, 2024 was \$1,031 with accumulated amortization of \$3,092.

On April 1, 2022 the City entered into a 60 month lease for the use of a postage meter. An initial lease liability was recorded in the amount of \$2,987. At December 31, 2024, the value of the lease liability was \$1,608. The City is required to make quarterly payments of \$175. The lease has an interest rate of 6.149%. The value the right-to-use asset as of December 31, 2024 was \$1,494 with accumulated amortization of \$1,494.

Year ending December 31	Principal	Interest	Total
2025	4,942	238	5,180
2026	2,401	68	2,469
2027	344	5	349
	-	-	-
	-	-	-
Total	<u>\$ 7,687</u>	<u>\$ 311</u>	<u>\$ 7,998</u>

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**Business-type Activities**

**Notes Payable**

**Georgia Environmental Finance Authority Loan**

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

**Georgia Environmental Finance Authority Loan**

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

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

Interfund receivables and payables for the year ended December 31, 2024, consisted of the following:

Solid Waste Fund due from Water and Sewer Fund \$157,792.  
Solid Waste Fund due from General Fund \$1,156.

Balances occur due to the billing process that is used by the City. Transactions are accounted for in the Water and Sewer Fund and then are transferred to the Solid Waste Fund and General Fund.

Interfund transfers for the year ended December 31, 2024, consisted of the following:

	General Fund	Hotel/Motel Taxes Fund	Multiple Grant Fund	Water Fund
General Fund	-	(30,295)	(56,589)	(40,000)
Hotel/Motel	30,295	-	-	-
Multiple Grant	56,589	-	-	-
Water Fund	40,000	-	-	-
Total	126,884	(30,295)	(56,589)	(40,000)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the water fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**(14) PENSION PLAN**

**Plan Description** – Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The City's defined contribution plan, City of Eastman Retirement Plan (Plan), is administered through the Board of Trustees

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of the Georgia Municipal Employees Benefit System Retirement Fund (GMEBS) an agent multi-employer pension fund. The GEMBS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained at City Hall in Eastman, Georgia, or by contacting the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Benefits – The Plan provides benefits upon retirement, death, disablement, and termination of employment to Plan participants and beneficiaries, if certain eligibility conditions are met. All employees who work at least thirty (30) hours per week and have been employed on or after March 1, 2008 are eligible to participate. Employees were eligible to participate after completion of one year of service. Elected officials are immediately eligible to participate. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. Employees are considered vested after 10 years and City officials are vested immediately. The Plan was established by a City ordinance under authority of Georgia law. The authority to establish and amend the benefit provisions of the Plan rests with the City.

Employees who retire at or after age 65 with a minimum of 5 years of service are entitled to an annual retirement benefit, payable monthly for life. An employee may elect early retirement at age 55 with a minimum of 10 years of service to receive full benefits. Elected officials are entitled to \$9 for each year of service after reaching normal retirement age. Effective March 1, 2017, both Employees and Officials are eligible for alternative normal retirement upon meeting the Rule of 90. If hired on or after March 1, 2008, an employee is entitled to an amount equal to 1.50% of their final average earnings. If hired prior to August 1, 1980 and employed on March 1, 2008, an employee is entitled to an amount equal to 1.00% of their final average earnings up to Covered Compensation break point plus 1.75% of their final average earnings in excess of the Covered Compensation break point multiplied by years and months of service to a maximum of 35 years. If hired on or after August 1, 1980 and employed on March 1, 2008, an employee is entitled to an amount equal to 1.00% of their final average earnings up to Covered Compensation break point plus 1.75 of their final average earnings in excess of the Dynamic break point multiplied by years and months of the participant's earnings over 5 consecutive Plan years in which the participant's earnings are the highest. The Covered Compensation break point is based on the year of the participant's birth per a table in the Plan's documents. The Dynamic break point is determined by the year of termination of employment by tracking an average of the maximum amount of earnings for which Social Security taxes are payable over a period of approximately 35 years.

Plan Membership – As of July 1, 2024, the most recent actuarial valuation date, the Plan membership consisted of the following categories of participants:

<u>Group</u>	<u>Number of Employees</u>
Retirees and beneficiaries currently receiving benefits	59
Vested terminated employees not yet receiving benefits	13
Active employees:	
Vested	15
Nonvested	34
	<u>49</u>
Total membership in the plan	<u><u>121</u></u>

Contributions – The plan is noncontributory for plan members; however, the City's funding policy for the Plan is to contribute an amount equal to the recommended contribution in each year. These contributions are determined under the projected unit credit actuarial cost method. The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for applicable assumptions and cost methods. These amortization periods, if applicable, are closed for the plan year. The contribution requirement for the year ended December 31, 2024, was \$282,743 which was 13.53% of the covered payroll. The amount of the covered payroll is \$2,067,068.

*City of Eastman*  
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The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is \$184,962. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Net pension liability

Actuarial assumptions – The total pension liability was determined as part of an actuarial valuation at July 1, 2024. Significant actuarial assumptions used include (a) an investment rate of return of 7.375% per year net of investment expenses, including inflation and (b) projected salary increases of 2.25% per year plus service merit increases. Mortality rates were based on the Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries; Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants; and Sex-distinct Pri-2012 head-count weighted Employee Mortality Table for active participants, terminated vested participants, and deferred beneficiaries. The mortality and economic actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.91%
International equity	20%	7.21%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
Cash	0%	
Total	100%	

Discount rate – The discount rate used to measure the total pension liability was 7.375%.

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

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	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net pension liability	\$ 1,897,352	\$ 1,288,493	\$ 769,758

Change in the Net pension Liability – The measurement date of the net pension liability was March 31, 2024. The date of the actuarial valuation on which the total pension liability is based was July 1, 2024.

	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
Balances at March 31, 2023	\$ 6,137,005	\$ 4,448,620	\$ 1,688,385
Changes for the year:			
Service cost	69,484	-	69,484
Interest	438,595	-	438,595
Differences between expected and actual experience	30,595	-	30,595
Contributions - employer	-	230,412	(230,412)
Net investment income	-	718,784	(718,784)
Benefit payments, including refunds of employee contributions	(518,864)	(518,864)	-
Administrative expenses	-	(10,630)	10,630
Other	-	-	-
Net changes	19,810	419,702	(399,892)
Balances at March 31, 2024	\$ 6,156,815	\$ 4,868,322	\$ 1,288,493

Changes of assumptions:

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

Benefit changes:

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

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Pension expense –

Service cost	\$ 69,484
Interest on TPL	438,595
Administrative expenses	10,630
Expected return on assets	(317,057)
Expensed portion of current year period differences between expected and actual experience in TPL	7,648
Expensed portion of current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	(80,347)
Current year recognition of deferred inflows and outflows established in prior years	<u>226,639</u>
Total pension expense	<u>\$ 355,592</u>

Deferred outflows / inflows of resources related to pensions:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 354,673	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(138,683)
City contributions subsequent to the measurement date	<u>282,544</u>	<u>-</u>
Total deferred outflows / inflows of resources related to pensions	<u>\$ 637,217</u>	<u>\$ (138,683)</u>

The \$282,544 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Projected recognition of deferred outflows / inflows:

<u>Year</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ -	\$ (18,939)
2026	246,145	-
2027	69,129	-
2028	<u>-</u>	<u>(80,345)</u>
Total projected recognition of deferred outflows / inflows	<u>\$ 315,274</u>	<u>\$ (99,284)</u>

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**Notes To Financial Statements**  
**December 31, 2024**

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

The “net investment in capital assets” reported in the government-wide financial statement of net position as of December 31, 2024 are as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	\$ 5,464,968	\$ 25,552,866	\$ 31,017,834
Less accumulated depreciation	(3,250,919)	(11,179,744)	(14,430,663)
Book value	2,214,049	14,373,122	16,587,171
Less: note payable	(77,517)	(164,810)	(242,327)
Less: lease payable	(7,686)	-	(7,686)
Less: revenue bonds	-	(5,160,000)	(5,160,000)
Net investment in capital assets	<u>\$ 2,128,846</u>	<u>\$ 9,048,312</u>	<u>\$ 11,177,158</u>

**(16) RISK MANAGEMENT**

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

As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool’s agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The Government is also to allow the pool’s agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

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

**(17) CONTINGENCIES**

**Litigation** - The City is subjected to various lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits would not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

**Grant Programs** - The City participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2024 may be impaired. In the opinion of the City there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

*City of Eastman*  
*Notes To Financial Statements*  
*December 31, 2024*

(18) JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the sixteen county middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2024, the city paid \$ 5,658 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC.

Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission  
5405 Oak Street  
Eastman, Georgia 31023

(19) RELATED ORGANIZATIONS

The City's council is responsible for all of the board appointments of the Housing Authority of the City of Eastman. However, the City has no further accountability for the Housing Authority.

(20) SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 30, 2025, the date of the auditor's report. No events occurred during this period which would require disclosure in these financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

*City of Eastman*  
**General Fund**  
*Statement of Revenues, Expenditures, and Changes*  
*In Fund Balances Budget And Actual*  
*Year Ended December 31, 2024*

	<b>Budgeted Amounts</b>			<b>Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 3,006,199	\$ 2,971,348	\$ 3,600,228	\$ 628,880
Interest	311	1,100	5,674	4,574
Licenses and Permits	48,562	65,387	62,690	(2,697)
Fines and Forfeitures	177,458	177,458	268,893	91,435
Intergovernmental	-	-	17,300	17,300
Contribution & Donation	15,570	-	20,400	20,400
Charges for Service	5,317	378,225	418,649	40,424
Miscellaneous	202,233	109,384	97,747	(11,637)
<b>Total Revenues</b>	<b>3,455,650</b>	<b>3,702,902</b>	<b>4,491,581</b>	<b>788,679</b>
<b>Expenditures:</b>				
General Government	1,275,058	1,338,199	1,308,400	29,799
Judicial	9,245	9,245	8,805	440
Public Safety	1,846,773	1,696,969	1,755,950	(58,981)
Public Works	869,456	866,666	725,185	141,481
Health and Welfare	6,249	6,249	11,208	(4,959)
Culture / Recreation	92,404	92,404	142,489	(50,085)
Housing and Development	54,181	30,181	32,300	(2,119)
<b>Total Expenditures</b>	<b>4,153,366</b>	<b>4,039,913</b>	<b>3,984,337</b>	<b>55,576</b>
Excess (Deficiency) of Revenues Over Expenditures	(697,716)	(337,011)	507,244	94,282
<b>Other Financing Sources (uses):</b>				
Principle Payments	-	-	(48,823)	(47,795)
Interest	-	-	(2,811)	(2,811)
Transfers, Net	697,716	337,011	126,884	(210,127)
<b>Total Other Financing Sources (uses):</b>	<b>697,716</b>	<b>337,011</b>	<b>75,250</b>	<b>125,063</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	582,494	582,494
<b>Fund Balance, Beginning</b>	<b>2,148,011</b>	<b>2,148,011</b>	<b>2,148,011</b>	<b>-</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ 2,148,011</b>	<b>\$ 2,148,011</b>	<b>\$ 2,730,505</b>	<b>\$ 582,494</b>

*See Accompanying Notes to Financial Statements*

*City of Eastman*  
*American Rescue Plan of 2021 Fund*  
*Statement of Revenues, Expenditures, and Changes*  
*In Fund Balances Budget And Actual*  
*Year Ended December 31, 2024*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental	\$ 962,424	\$ 962,424	\$ 5,166	\$ (957,258)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>962,424</u>	<u>962,424</u>	<u>5,166</u>	<u>(957,258)</u>
<b>Expenditures:</b>				
Public Safety	-	-	-	-
Public Works	180,000	180,000	-	180,000
Culture and Recreation	<u>162,500</u>	<u>162,500</u>	<u>5,166</u>	<u>157,334</u>
<b>Total Expenditures</b>	<u>342,500</u>	<u>342,500</u>	<u>5,166</u>	<u>337,334</u>
Excess (Deficiency) of Revenues Over Expenditures	619,924	619,924	-	(619,924)
<b>Other Financing Sources (uses):</b>				
Transfers, Net	<u>(619,924)</u>	<u>(619,924)</u>	<u>-</u>	<u>619,924</u>
<b>Total Other Financing Sources (uses):</b>	<u>(619,924)</u>	<u>(619,924)</u>	<u>-</u>	<u>619,924</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	-
<b>Fund Balance, Beginning</b>	-	-	-	-
<b>Prior Period Adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See Accompanying Notes to Financial Statements*

**CITY OF EASTMAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**EMPLOYEE PENSION PLAN**  
**December 31, 2024**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>										
Service cost	\$ 69,484	\$ 56,323	\$ 51,734	\$ 56,412	\$ 53,910	\$ 56,519	\$ 54,458	\$ 57,648	\$ 59,340	\$ 66,090
Interest	438,595	392,383	379,576	384,035	363,825	352,602	342,357	312,125	290,312	279,596
Differences between expected and actual experience	30,595	663,450	187,073	(96,873)	85,718	16,974	(8,205)	55,261	130,146	8,560
Changes of assumptions	-	-	-	-	177,965	-	-	-	-	(27,529)
Changes of benefit terms	-	-	-	-	-	-	-	175,175	-	-
Benefit payments, including refunds of employee contributions	(518,864)	(478,538)	(420,102)	(378,613)	(276,719)	(270,979)	(214,689)			
Other	-	-	-	-	-	-	81,561	(205,558)	(191,136)	(185,751)
Net change in total pension liability	19,810	633,618	198,281	(35,039)	404,699	155,116	255,482	394,651	288,662	140,966
Total pension liability - beginning	6,137,005	5,503,387	5,305,106	5,340,145	4,935,446	4,780,330	4,524,848	4,130,197	3,841,535	3,700,569
Total pension liability - ending	<u>\$ 6,156,815</u>	<u>\$ 6,137,005</u>	<u>\$ 5,503,387</u>	<u>\$ 5,305,106</u>	<u>\$ 5,340,145</u>	<u>\$ 4,935,446</u>	<u>\$ 4,780,330</u>	<u>\$ 4,524,848</u>	<u>\$ 4,130,197</u>	<u>\$ 3,841,535</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 230,412	\$ 212,584	\$ 249,416	\$ 238,362	\$ 239,313	\$ 235,100	\$ 211,179	\$ 196,486	\$ 206,145	\$ 212,196
Net investment income	718,784	(345,301)	302,740	1,579,750	(266,423)	134,803	416,567	377,018	9,337	262,677
Benefit payments, including refunds of employee contributions	(518,864)	(478,538)	(420,102)	(378,613)	(276,719)	(270,979)	(214,689)	(205,558)	(191,136)	(185,751)
Administrative expense	(10,630)	(12,626)	(11,965)	(11,542)	(12,698)	(12,199)	(12,009)	(12,159)	(8,246)	(7,511)
Net change in fiduciary net position	419,702	(623,881)	120,089	1,427,957	(316,527)	86,725	401,048	355,787	16,100	281,611
Plan fiduciary net position - beginning	4,448,620	5,072,501	4,952,412	3,524,455	3,840,982	3,754,257	3,353,209	2,997,422	2,981,322	2,699,711
Plan fiduciary net position - ending	<u>\$ 4,868,322</u>	<u>\$ 4,448,620</u>	<u>\$ 5,072,501</u>	<u>\$ 4,952,412</u>	<u>\$ 3,524,455</u>	<u>\$ 3,840,982</u>	<u>\$ 3,754,257</u>	<u>\$ 3,353,209</u>	<u>\$ 2,997,422</u>	<u>\$ 2,981,322</u>
<b>Net pension liability - ending</b>	<u>\$ 1,288,493</u>	<u>\$ 1,688,385</u>	<u>\$ 430,886</u>	<u>\$ 352,694</u>	<u>\$ 1,815,690</u>	<u>\$ 1,094,464</u>	<u>\$ 1,026,073</u>	<u>\$ 1,171,639</u>	<u>\$ 1,132,775</u>	<u>\$ 860,213</u>
<b>Plan's fiduciary net position as a percentage of the total pension liability</b>	79.07%	72.49%	92.17%	93.35%	66.00%	77.82%	78.54%	74.11%	72.57%	77.61%
<b>Covered employee payroll</b>	\$ 2,067,068	\$ 1,897,990	\$ 1,651,059	\$ 1,521,678	\$ 1,647,716	\$ 1,576,186	\$ 1,586,163	\$ 1,546,941	\$ 1,488,948	\$ 1,292,208
<b>Net pension liability as a percentage of covered employee payroll</b>	62.33%	88.96%	26.10%	23.18%	110.19%	69.44%	64.69%	75.74%	76.08%	66.57%

**CITY OF EASTMAN  
REQUIRED SUPPLEMENTARY INFORMATION  
EMPLOYEE PENSION PLAN  
December 31, 2024**

**SCHEDULE OF CONTRIBUTIONS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 282,544	\$ 213,035	\$ 212,434	\$ 257,920	\$ 235,667	\$ 240,528	\$ 233,291	\$ 203,808	\$ 194,045	\$ 210,178
Contributions in relation to the actuarially determined contribution	282,544	213,035	212,434	257,920	235,667	240,528	233,291	203,808	194,045	211,978
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	(1,800)
Covered-employee payroll	2,067,068	1,897,990	1,651,059	1,521,678	1,647,716	1,576,186	1,586,163	1,546,941	1,488,948	1,292,208
Contributions as a percentage of covered- employee payroll	13.67%	11.22%	12.87%	16.95%	14.30%	15.26%	14.71%	13.17%	13.03%	16.40%

## **COMBINING SCHEDULES**

**CITY OF EASTMAN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds				Capital Project Fund	
	Hotel/Motel Tax	Multiple Grant	Confiscated Assets	Community Development Block Grant	TSPLOST	Total Nonmajor Governmental Funds
Assets:						
Cash & Equivalents	\$ -	\$ 349,872	\$ 37,150	\$ -	\$ 349,590	\$ 736,612
Total assets	<u>\$ -</u>	<u>\$ 349,872</u>	<u>\$ 37,150</u>	<u>\$ -</u>	<u>\$ 349,590</u>	<u>\$ 736,612</u>
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 105,192	\$ 105,192
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,192</u>	<u>105,192</u>
Fund balances:						
Reserved:						
Capital Projects	-	-	-	-	244,398	244,398
Public Safety	-	30,700	37,150	-	-	67,850
Public Works	-	311,997	-	-	-	311,997
Culture/Recreation	-	7,175	-	-	-	7,175
Unrestricted	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>349,872</u>	<u>37,150</u>	<u>-</u>	<u>244,398</u>	<u>631,420</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 349,872</u>	<u>\$ 37,150</u>	<u>\$ -</u>	<u>\$ 349,590</u>	<u>\$ 736,612</u>

**CITY OF EASTMAN, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds				Capital Project Funds	
	Hotel/Motel Taxes	Multiple Grant	Confiscated Assets	Community Development Block Grant	TSPLOST	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ 53,241	\$ -	\$ -	\$ -	\$ -	\$ 53,241
Intergovernmental	-	349,310	-	-	147,846	497,156
Interest	-	-	-	-	-	-
Other	-	-	8,284	-	-	8,284
Total revenues	<u>53,241</u>	<u>349,310</u>	<u>8,284</u>	<u>-</u>	<u>147,846</u>	<u>558,681</u>
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	35,000	11,389	-	-	46,389
Public Works	-	5,902	-	-	288,732	294,634
Housing & Development	22,946	-	-	-	-	22,946
Total expenditures	<u>22,946</u>	<u>40,902</u>	<u>11,389</u>	<u>-</u>	<u>288,732</u>	<u>363,969</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(30,295)	(56,589)	-	-	-	(86,884)
Total other financing sources and (uses)	<u>(30,295)</u>	<u>(56,589)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,884)</u>
Net change in fund balances	<u>-</u>	<u>251,819</u>	<u>(3,105)</u>	<u>-</u>	<u>(140,886)</u>	<u>107,828</u>
Fund balances - beginning	-	98,053	40,255	-	385,284	523,592
Adjustment	-	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 349,872</u>	<u>\$ 37,150</u>	<u>\$ -</u>	<u>\$ 244,398</u>	<u>\$ 631,420</u>

## **SUPPORTING SCHEDULES**

## **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund. Revenues and expenditures of the federal revenue sharing program are accounted for in this fund.

*City of Eastman  
General Fund  
Balance Sheet  
December 31, 2024*

**ASSETS**

**Current Assets:**

Cash & Equivalents	\$ 1,704,085
Investments	520,000
Inventory	653
Receivables	<u>695,221</u>

<b>Total Assets</b>	<u><u>\$ 2,919,959</u></u>
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**LIABILITIES AND FUND BALANCE**

**Current Liabilities:**

Accounts Payable	\$ 68,794
Accrued Liabilities	16,000
Due From Other Funds	1,156
Deferred Revenue	<u>103,504</u>

<b>Total Liabilities</b>	<u>189,454</u>
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Fund Balance	
Fund Balance-Unassigned	<u>2,730,505</u>

<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 2,919,959</u></u>
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*City of Eastman  
General Fund  
Statement of Revenues, Expenditures  
and Changes In Fund Balance  
Year Ended December 31, 2024*

<b>Revenues (Schedule A-1):</b>	
Taxes	\$ 3,600,228
Interest	5,674
Licenses & Permits	62,690
Fines & Forfeitures	268,893
Intergovernmental	17,300
Contribution & Donation	20,400
Charges for Services	418,649
Miscellaneous	97,747
<b>Total Revenues</b>	<u>4,491,581</u>
<b>Expenditures:</b>	
General Government	
(Schedule A-2)	1,308,400
Judicial	
(Schedule A-3)	8,805
Public Safety	
(Schedule A-4)	1,755,950
Public Works	
(Schedule A-5)	725,185
Health and Welfare	
(Schedule A-6)	11,208
Culture / Recreation	
(Schedule A-7)	142,489
Housing and Development	
(Schedule A-8)	32,300
<b>Total Expenditures</b>	<u>3,984,337</u>
Excess (Deficiency) of Revenues over Expenditures	<u>507,244</u>
<b>Other Financing Sources (uses):</b>	
Principle Payments	(48,823)
Interest	(2,811)
Loan Proceeds	-
Sale of Assets	-
Transfers, Net	126,884
<b>Total Other Financing Sources (uses):</b>	<u>75,250</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	582,494
<b>Fund Balance, Beginning</b>	2,148,011
<b>Adjustments</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 2,730,505</u></u>

*City of Eastman*  
*General Fund*  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balances Budget (GAAP Basis) And Actual*  
*Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Taxes	\$ 2,971,348	\$ 3,600,228	\$ 628,880
Interest	1,100	5,674	4,574
Licenses and Permits	65,387	62,690	(2,697)
Fines and Forfeitures	177,458	268,893	91,435
Intergovernmental	-	17,300	17,300
Contribution & Donation	-	20,400	20,400
Charges for Service	378,225	418,649	40,424
Miscellaneous	109,384	97,747	(11,637)
<b>Total Revenues</b>	<u>3,702,902</u>	<u>4,491,581</u>	<u>788,679</u>
<b>Expenditures:</b>			
General Government	1,338,199	1,308,400	29,799
Judicial	9,245	8,805	440
Public Safety	1,696,969	1,755,951	(58,982)
Public Works	866,666	725,185	141,481
Health and Welfair	6,249	11,208	(4,959)
Culture / Recreation	92,404	142,489	(50,085)
Housing and Development	30,181	32,300	(2,119)
<b>Total Expenditures</b>	<u>4,039,913</u>	<u>3,984,338</u>	<u>55,575</u>
Excess (Deficiency) of Revenues Over Expenditures	(337,011)	507,243	844,254
<b>Other Financing Sources (uses):</b>			
Principle Payments	-	(48,823)	(48,823)
Interest	-	(2,811)	(2,811)
Loan Proceeds	-	-	-
Sale of Assets	-	-	-
Transfers, Net	337,011	126,885	(210,126)
<b>Total Other Financing Sources (uses):</b>	<u>337,011</u>	<u>75,251</u>	<u>(261,760)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	582,494	582,494
<b>Fund Balance, Beginning</b>	2,148,011	2,148,011	-
<b>Adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 2,148,011</u>	<u>\$ 2,730,505</u>	<u>\$ 582,494</u>

## **SPECIAL REVENUE FUNDS**

Hotel/Motel Taxes – Established to account for revenues and expenditures of hotel/motel taxes received by the City.

Multiple Grant – Consist of all other grants and contracts not reported separately.

Confiscated Assets – Established to account for revenues and expenditures of confiscated assets received by the Police Department.

Community Development Block Grant – Established to account for revenues and expenditures of the 2019 Community Development Block Grant award received from the Georgia Department of Community Affairs.

American Rescue Plan of 2021 – Established to account for all Local Fiscal Recovery Funds received by the City through the American Rescue Plan (ARP) Act of 2021 (HR1319, 117<sup>th</sup> Congress; Public Law No. 117-2). This Special Revenue Fund is reserved exclusively for the accounting of these funds, in accordance with guidance from the United States Department of the Treasury.

*City of Eastman*  
*Hotel / Motel Taxes Special Revenue Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

**Current Assets:**

Due From Other Funds

\$ -

**Total Current Assets**

-

**Total Assets**

\$ -

**LIABILITIES AND FUND BALANCES**

**Current Liabilities:**

Accounts Payable

\$ -

**Total Current Liabilities**

-

**Fund Balance**

Fund Balance - Reserved for Tourism

-

**Total Liabilities and Fund Balances**

\$ -

*City of Eastman*  
*Hotel / Motel Taxes Special Revenue Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

<b>Revenues:</b>	
Hotel / Motel Tax	\$ 53,241
<b>Total Revenues</b>	<u>53,241</u>
<b>Expenditures:</b>	
Economic Development	<u>22,946</u>
<b>Total Expenditures</b>	<u>22,946</u>
Excess (Deficiency) of Revenues over Expenditures	<u>30,295</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>(30,295)</u>
<b>Total Other Financing Sources (uses):</b>	<u>(30,295)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
<b>Fund Balance, Beginning</b>	-
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>

*City of Eastman*  
*Hotel / Motel Taxes Special Revenue Fund*  
*Schedule of Revenues, Expenditures*  
*and Changes In Fund Balance/Budgetary Comparison And Actual*  
*Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Hotel / Motel Tax	\$ 53,720	\$ 53,241	\$ 479
<b>Total Revenues</b>	<u>53,720</u>	<u>53,241</u>	<u>479</u>
<b>Expenditures:</b>			
Economic Development	<u>21,603</u>	<u>22,946</u>	<u>(1,343)</u>
<b>Total Expenditures</b>	<u>21,603</u>	<u>22,946</u>	<u>(1,343)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>32,117</u>	<u>30,295</u>	<u>(1,822)</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>(32,117)</u>	<u>(30,295)</u>	<u>(1,822)</u>
<b>Total Other Financing Sources (uses):</b>	<u>(32,117)</u>	<u>(30,295)</u>	<u>(1,822)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
<b>Fund Balance, Beginning</b>	-	-	-
<b>Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*City of Eastman*  
*Multiple Grant Special Revenue Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

**Current Assets:**

Cash & Equivalents	\$ 349,872
Due From Other Governments	<u>-</u>

<b>Total Current Assets</b>	<u>349,872</u>
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<b>Total Assets</b>	<u><u>\$ 349,872</u></u>
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**LIABILITIES AND FUND BALANCES**

**Long-Term Liabilities:**

Notes Payable	<u>-</u>
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<b>Total Long-Term Liabilities</b>	<u>-</u>
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**Fund Balance**

Fund Balance - Reserved for Public Safety	30,700
Fund Balance - Reserved for Public Works	311,997
Fund Balance - Reserved for Culture/Recreation	<u>7,175</u>

<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 349,872</u></u>
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*City of Eastman*  
*Multiple Grant Special Revenue Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

<b>Revenues:</b>	
Intergovernmental	\$ 349,310
Other revenue	-
<b>Total Revenues</b>	<u>349,310</u>
<b>Expenditures:</b>	
Public Safety	35,000
Public Works	<u>5,902</u>
<b>Total Expenditures</b>	<u>40,902</u>
Excess (Deficiency) of Revenues over Expenditures	<u>308,408</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>(56,589)</u>
<b>Total Other Financing Sources (uses):</b>	<u>(56,589)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	251,819
<b>Fund Balance, Beginning</b>	<u>98,053</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 349,872</u></u>

*City of Eastman*  
*Multiple Grant Special Revenue Fund*  
*Schedule of Revenues, Expenditures*  
*and Changes In Fund Balance/Budgetary Comparison And Actual*  
*Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 143,000	\$ 349,310	\$ 206,310
Other Revenue	-	-	-
<b>Total Revenues</b>	<u>143,000</u>	<u>349,310</u>	<u>206,310</u>
<b>Expenditures:</b>			
Public Safety	-	35,000	(35,000)
Public Works	<u>95,000</u>	<u>5,902</u>	<u>89,098</u>
<b>Total Expenditures</b>	<u>95,000</u>	<u>40,902</u>	<u>54,098</u>
Excess (Deficiency) of Revenues over Expenditures	<u>48,000</u>	<u>308,408</u>	<u>260,408</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>(48,000)</u>	<u>(56,589)</u>	<u>8,589</u>
<b>Total Other Financing Sources (uses):</b>	<u>(48,000)</u>	<u>(56,589)</u>	<u>8,589</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	251,819	251,819
<b>Fund Balance, Beginning</b>	<u>98,053</u>	<u>98,053</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 98,053</u>	<u>\$ 349,872</u>	<u>\$ 251,819</u>

*City of Eastman*  
*Confiscated Assets Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	\$ 37,150
Dues From Other Governments	<u>-</u>
<b>Total Current Assets</b>	<u>37,150</u>
 <b>Total Assets</b>	 <u><u>\$ 37,150</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Fund Balance</b>	
Fund Balance - Reserved for Public Safety	<u>\$ 37,150</u>
 <b>Total Liabilities and Fund Balances</b>	 <u><u>\$ 37,150</u></u>

*City of Eastman*  
*Confiscated Assets Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

<b>Revenues:</b>	
Other Revenues	\$ 8,284
<b>Total Revenues</b>	<u>8,284</u>
<b>Expenditures:</b>	
Public Safety	11,389
Other	<u>-</u>
<b>Total Expenditures</b>	<u>11,389</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,105)</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(3,105)
<b>Fund Balance, Beginning</b>	<u>40,255</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 37,150</u></u>

*City of Eastman*  
*Confiscated Assets Fund*  
*Schedule of Revenues, Expenditures*  
*and Changes In Fund Balance/Budetary Comparison And Actual*  
*Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Other Revenues	\$ 12,000	\$ 8,284	\$ (3,716)
<b>Total Revenues</b>	<u>12,000</u>	<u>8,284</u>	<u>(3,716)</u>
<b>Expenditures:</b>			
Public Safety	12,000	11,389	611
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>12,000</u>	<u>11,389</u>	<u>611</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(3,105)</u>	<u>(3,105)</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	(3,105)	6,717
<b>Fund Balance, Beginning</b>	<u>40,255</u>	<u>40,255</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 40,255</u>	<u>\$ 37,150</u>	<u>\$ 6,717</u>

*City of Eastman*  
*Community Development Block Grant Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

**Current Assets:**

Cash & Equivalents

\$ -

Dues From Other Governments

-

**Total Current Assets**

-

**Total Assets**

\$ -

**LIABILITIES AND FUND BALANCES**

**Current Liabilities:**

Deferred Revenue

\$ -

**Total Current Liabilities**

-

**Fund Balance**

Fund Balance - Reserved for Public Works

-

**Total Liabilities and Fund Balances**

\$ -

*City of Eastman*  
*Community Development Block Grant Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

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

*City of Eastman*  
*Community Development Block Grant Fund*  
*Schedule of Revenues, Expenditures*  
*and Changes In Fund Balance/Budgetary Comparison And Actual*  
*Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$1,000,000	\$ -	\$ (1,000,000)
<b>Total Revenues</b>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
<b>Expenditures:</b>			
Public Works	1,000,000	-	1,000,000
Other	-	-	-
<b>Total Expenditures</b>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	-	-	-
<b>Total Other Financing Sources (uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*City of Eastman*  
*American Rescue Plan of 2021 Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	\$ 868,026
Dues From Other Governments	<u>-</u>
<b>Total Current Assets</b>	<u>868,026</u>
 <b>Total Assets</b>	 <u><u>\$ 868,026</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Current Liabilities:</b>	
Unearned Revenue	<u>\$ 868,026</u>
 <b>Total Current Liabilities</b>	 <u>868,026</u>
 <b>Fund Balance</b>	
Fund Balance - Reserved for Public Health	<u>-</u>
 <b>Total Liabilities and Fund Balances</b>	 <u><u>\$ 868,026</u></u>

*City of Eastman*  
*American Rescue Plan of 2021 Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

<b>Revenues:</b>	
Intergovernmental Revenues	\$ 5,166
<b>Total Revenues</b>	<u>5,166</u>
<b>Expenditures:</b>	
Public Safety	-
Public Works	-
Culture and Recreation	5,166
<b>Total Expenditures</b>	<u>5,166</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>
<b>Other Financing Sources (uses):</b>	
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and	
Other Sources Over Expenditures and Other Uses	-
<b>Fund Balance, Beginning</b>	-
<b>Prior Period Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>

*City of Eastman*  
*American Rescue Plan of 2021 Fund*  
*Schedule of Revenues, Expenditures*  
*and Changes In Fund Balance/Budetary Comparison And Actual*  
*Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 962,424	\$ 5,166	\$ (957,258)
<b>Total Revenues</b>	<u>962,424</u>	<u>5,166</u>	<u>(957,258)</u>
<b>Expenditures:</b>			
Public Works	180,000	-	180,000
Community and Recreation	162,500	5,166	157,334
Housing and Development	-	-	-
<b>Total Expenditures</b>	<u>342,500</u>	<u>5,166</u>	<u>337,334</u>
Excess (Deficiency) of Revenues over Expenditures	<u>619,924</u>	<u>-</u>	<u>(619,924)</u>
<b>Other Financing Sources (uses):</b>			
Transfers, Net	<u>(619,924)</u>	<u>-</u>	<u>(619,924)</u>
<b>Total Other Financing Sources (uses):</b>	<u>(619,924)</u>	<u>-</u>	<u>(619,924)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-
<b>Fund Balance, Beginning</b>	-	-	-
<b>Prior Period Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **CAPITAL PROJECT FUNDS**

2019 SPLOST Capital Project Fund –Established to separately account for Special Purpose Local Option Sales Tax, which was approved by the citizens of Dodge County in November 2019. The proceeds of this levy are designated for water and sewer projects for the City of Eastman.

TSPLOST Capital Project Fund—Established to separately account for Transportation Investment Act Special Purpose Local Option Sales Tax. The proceeds of this levy are for transportation projects.

*City of Eastman*  
*2019 SPLOST Capital Project Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	936,546
Intergovernmental Receivable	<u>-</u>
<b>Total Current Assets</b>	<u>936,546</u>
<b>Total Assets</b>	<u><u>\$ 936,546</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>	
Accounts Payable	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>
<b>Fund Balance</b>	
Fund Balance - Reserved for Capital Projects	<u>936,546</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 936,546</u></u>

*City of Eastman*  
*2019 SPLOST Capital Project Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

<b>Revenues:</b>	
Intergovernmental Revenue	\$ 595,639
Other Revenue	<u>2,500</u>
<b>Total Revenues</b>	<u>598,139</u>
<b>Expenditures:</b>	
Capital Projects	<u>530,496</u>
<b>Total Expenditures</b>	<u>530,496</u>
Excess (Deficiency) of Revenues over Expenditures	<u>67,643</u>
<b>Other Financing Sources (uses):</b>	
Interest	-
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	67,643
<b>Fund Balance, Beginning</b>	868,903
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 936,546</u></u>

*City of Eastman*  
*TSPLOST Capital Project Fund*  
*Balance Sheet*  
*December 31, 2024*

**ASSETS**

<b>Current Assets:</b>	
Cash & Equivalents	\$ 349,590
Intergovernmental Receivable	<u>-</u>
<b>Total Current Assets</b>	<u>349,590</u>
<b>Total Assets</b>	<u><u>\$ 349,590</u></u>

**LIABILITIES AND FUND BALANCES**

<b>Current Liabilities:</b>	
Accounts Payable	<u>\$ 105,192</u>
<b>Total Current Liabilities</b>	<u>105,192</u>
<b>Fund Balance</b>	
Fund Balance - Reserved for Capital Projects	<u>244,398</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 349,590</u></u>

*City of Eastman*  
*TSPLOST Capital Project Fund*  
*Statement of Revenues, Expenditures*  
*and Changes In Fund Balance*  
*Year Ended December 31, 2024*

<b>Revenues:</b>	
Intergovernmental Revenues	\$ 147,846
<b>Total Revenues</b>	<u>147,846</u>
<b>Expenditures:</b>	
Paved Streets	200,625
Capital Projects	88,107
<b>Total Expenditures</b>	<u>288,732</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(140,886)</u>
<b>Other Financing Sources (uses):</b>	
Interest	-
Transfers, Net	<u>-</u>
<b>Total Other Financing Sources (uses):</b>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(140,886)
<b>Fund Balance, Beginning</b>	385,284
<b>Adjustment</b>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 244,398</u></u>

## **PROPRIETARY FUNDS**

Water and Sewer Fund – To account for the provision of water and sewer services to the residents of the city and some residents of the county. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service, and billing and collection.

Solid Waste Fund – To account for the provisions of sanitation services to residents of the city. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Industrial Development – To account for the provision of rental space provided for the Department of Health and Human Services for a mental health facility. This separate facility is owned by the city. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, rent collection, maintenance, financing, and related debt service.

*City of Eastman*  
*Water and Sewer Fund*  
*Statement of Net Position Continued*  
*December 31, 2024*

<b>Assets</b>	
Cash and Equivalents	\$ 927,170
Investments	20,000
Accounts Receivable, Net	568,149
Lease Receivable	40,502
Inventory	653
Noncurrent Assets	
Lease Receivable	1,070,183
Restricted Assets	
Bond Sinking Fund	647,748
Reserve Fund	338,895
Capital Assets	
Nondepreciable	63,057
Depreciable, net	14,228,680
<b>Total Assets</b>	<u>17,905,037</u>
<b>Deferred Outflows of Resources</b>	
Related To Pension	533,147
<b>Total Deferred Outflows of Resources</b>	<u>533,147</u>
<b>Liabilities</b>	
Accounts Payable	356,099
Due From Other Funds	157,792
Noncurrent Liabilities	
Due Within One Year	
Deposits Payable	131,433
Due In More Than One Year	
Note Payable	975,749
Bond Payable	5,160,000
Net Pension Liability	646,445
<b>Total Liabilities</b>	<u>7,427,518</u>
<b>Deferred Inflows of Resources:</b>	
Related To Leases	803,382
Related To Pension	69,341
<b>Total Deferred Inflows of Resources</b>	<u>872,723</u>
<b>Net Position</b>	
Net Investment In Capital Assets	8,966,927
Restricted For	
Debt Service	647,748
Renewal and Extension	338,895
Unrestricted	184,373
<b>Total Net Position</b>	<u>\$ 10,137,943</u>

*City of Eastman*  
*Water and Sewer Fund*  
*Statement of Revenues, Expenses*  
*And Changes In Net Position*  
*Year Ended December 31, 2024*

<b>Operating Revenues:</b>	
Charge For Services	\$ 2,912,202
Other	<u>64,168</u>
<b>Total Operating Revenue</b>	<u>2,976,370</u>
 <b>Operating Expenses:</b>	
Sewage Collection and Disposal	554,759
Water - Administration	905,328
Water - Supply	861,538
Water - Distribution	<u>2,044,583</u>
<b>Total Operating Expenses</b>	<u>4,366,208</u>
<b>Income From Operations</b>	<u>(1,389,838)</u>
 <b>Nonoperating Revenues (Expenses)</b>	
Interest Revenues	44,334
Rents and Royalties	51,895
Intergovernmental	979,230
Sale of Assets	-
Other	3,088
Interest Expense	<u>(187,257)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>891,290</u>
 <b>Transfers In (out)</b>	
Transfers In	566,400
Transfers Out	<u>(606,400)</u>
<b>Total Transfers In (out)</b>	<u>(40,000)</u>
 <b>Net Income (loss)</b>	(538,548)
 <b>Net Position, Beginning</b>	10,676,491
<b>Prior Period Adjustment</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ 10,137,943</u></u>

*City of Eastman*  
*Water And Sewer Enterprise Fund*  
*Statement Of Cash Flows*  
*For the Year ended December 31, 2024*

<b>Cash Flows Provided From Operating Activities:</b>	
Cash Received From Customers	\$ 2,943,694
Cash Received From Other	64,168
Cash Payments to Suppliers	(2,913,358)
Cash Payments to Employees	(586,186)
<b>Net Cash Provided from Operating Activities</b>	<u>(491,682)</u>
<b>Cash Flows from noncapital Financing Activities:</b>	
Rents & Royalties	51,895
Grant & Contracts	619,883
Other	3,088
Operating Transfers-In (out) From Other Funds	(40,000)
<b>Net Cash Used By Noncapital Financing Activities</b>	<u>634,866</u>
<b>Cash flows from Capital and related Financing Activities:</b>	
Principal Paid On Bonds	(245,000)
Interest	(187,257)
Loan Proceeds	877,426
Interest	42,529
Capital Assets Purchased	(82,164)
Proceeds From Disposal Of Assets	-
<b>Net Cash Provided for Capital and Related Financing Activities:</b>	<u>405,534</u>
<b>Cash Flows from Investing Activities:</b>	
Interest On Investments	1,805
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,805</u>
<b>Net Increase (Decrease) in Cash</b>	550,523
<b>Cash, Beginning</b>	1,383,290
<b>Adjustment</b>	-
<b>Cash, Ending</b>	<u><u>\$ 1,933,813</u></u>

RECONCILIATION OF NET INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

Net Income (loss) From Operations	<u>\$ (1,389,838)</u>
Adjustments To Reconcile Net Income To Net	
Cash Provided By Operating Activities:	
Depreciation Expense	511,147
Pension Expense	27,836
Contributions	(10,872)
Changes In Assets and Liabilities	
Decrease (increase) In Inventory	(133)
Decrease (increase) In Accounts Receivable	(32,926)
Decrease (increase) In Lease Receivable	35,675
Increase (decrease) In Accounts Payable	338,686
Increase (decrease) In Due From Other Funds	13,262
Increase (decrease) In Deposits Payable	15,481
Total Adjustments	<u>898,156</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$ (491,682)</u></u>

*City of Eastman*  
*Solid Waste Enterprise Fund*  
*Statement of Net Position*  
*December 31, 2024*

<b>Assets</b>	
Cash	\$ 127,559
Accounts Receivable	168,974
Due to Other Funds	<u>158,948</u>
<b>Total Assets</b>	<u>455,481</u>
 <b>Liabilities</b>	
Accounts Payable	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>
 <b>Net Position</b>	
Unrestricted	<u>455,481</u>
<b>Total Net Position</b>	<u><u>\$ 455,481</u></u>

*City of Eastman  
Solid Waste Enterprise Fund  
Statement of Revenues, Expenses  
and Changes in Net Position  
Year Ended December 31, 2024*

<b>Operating Revenues:</b>	
Charge For Services	\$ 745,392
Intergovernmental	-
<b>Total Operating Revenues</b>	<u>745,392</u>
<b>Operating Expenses:</b>	
Solid Waste Collection	<u>636,021</u>
<b>Total Operating Expenses</b>	<u>636,021</u>
<b>Income From Operations</b>	<u>109,371</u>
<b>Transfers In (out)</b>	<u>-</u>
<b>Net Income</b>	109,371
<b>Net Position, Beginning</b>	<u>346,110</u>
<b>Net Position, Ending</b>	<u><u>\$ 455,481</u></u>

*City of Eastman*  
*Solid Waste Enterprise Fund*  
*Statement of Cash Flow*  
*Year Ended December 31, 2024*

<b>Cash Flow From Operating Activities</b>	
Cash Received From Customers	\$ 712,175
Cash Received From Other	-
Cash Payment To Suppliers	(636,021)
Cash Payment to Employees	-
Net Cash Provided By operating Activities	<u>76,154</u>
<b>Cash Flow From Noncapital Financing Activities:</b>	
Transfers-in From Other Funds	-
Net Cash Used By Noncapital Financing Activities	<u>-</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>	
Acquisition of Capital Assets	-
Net Cash Used By Capital And Related Financing Activities	<u>-</u>
Net Increase (Decrease) In Cash	76,154
Cash, Beginning	<u>51,405</u>
Cash, Ending	<u><u>\$ 127,559</u></u>

RECONCILIATION OF NET INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

Net Income (loss) From Operations	\$ <u>109,371</u>
Adjustments To Reconcile Net Income To Net	
Cash Provided By Operating Activities:	
Depreciation Expense	-
Changes In Assets And Liabilities:	
(Decrease) Increase In Accounts Payable	-
(Increase) Decrease In Accounts Receivable	(18,799)
(Increase) Decrease In Due From Other Funds	(14,418)
Total Adjustments	<u>(33,217)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 76,154</u></u>

*City of Eastman*  
*Industrial Development Enterprise Fund*  
*Statement of Net Position*  
*December 31, 2024*

**Assets**

Capital Assets	
Depreciable, net	<u>\$ 81,385</u>
<b>Total Assets</b>	<u>81,385</u>

**Net Position**

Net Investment In Capital Assets	<u>81,385</u>
<b>Total Net Position</b>	<u><u>\$ 81,385</u></u>

*City of Eastman*  
*Industrial Development Enterprise Fund*  
*Statement of Revenues, Expenses*  
*And Changes In Net Position*  
*Year Ended December 31, 2024*

<b>Operating Revenues:</b>	
Rent Revenue	<u>\$ -</u>
<b>Total Operating Revenue</b>	<u>-</u>
<b>Operating Expenses:</b>	
Depreciation	<u>4,933</u>
<b>Total Operating Expenses</b>	<u>4,933</u>
Income From Operations	<u>(4,933)</u>
Net Income	(4,933)
<b>Net Position, Beginning</b>	<u>86,318</u>
<b>Net Position, Ending</b>	<u><u>\$ 81,385</u></u>

*City of Eastman*  
*Industrial Development Enterprise Fund*  
*Statement of Cash Flows For The*  
*Year Ended December 31, 2024*

Cash Flows From Operating Activities:	
Cash Received From Customers	\$ -
Cash Paid To Suppliers	<u>-</u>
Net Cash Provided By Operating Activities	<u>-</u>
Net Increase (Decrease) In Cash	-
Cash At Beginning Of Year	<u>-</u>
Cash At Ending Of Year	<u><u>\$ -</u></u>

RECONCILIATION OF NET INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

Net Income (Loss) From Operations	<u>\$ (4,933)</u>
Adjustments To Reconcile Net Income To	
Net Cash Provided By Operating Activities:	
Depreciation	<u>4,933</u>
Net Cash Provided By Operating Activities	<u><u>\$ -</u></u>

*City of Eastman*  
*General Fund*  
*Schedule of Revenues Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Taxes:</b>			
General Property	\$ 1,474,268	\$ 1,866,454	\$ 392,186
General Sales and Use	780,000	893,686	113,686
Selective Sales and Use	254,080	273,930	19,850
Business	455,000	551,767	96,767
Penalties & Interest on Delinquent Taxes	8,000	14,391	6,391
<b>Total Taxes</b>	<u>\$ 2,971,348</u>	<u>\$ 3,600,228</u>	<u>\$ 628,880</u>
<b>Investment Income:</b>			
Interest Revenues	1,100	5,674	4,574
<b>Total Interest Investment Income</b>	<u>\$ 1,100</u>	<u>\$ 5,674</u>	<u>\$ 4,574</u>
<b>Licenses and Permits:</b>			
Business	\$ 45,000	\$ 45,025	\$ 25
Non - Business	20,387	17,665	(2,722)
<b>Total Licenses and Permits</b>	<u>\$ 65,387</u>	<u>\$ 62,690</u>	<u>\$ (2,697)</u>
<b>Charges for Services:</b>			
General Government	\$ -	\$ 90	\$ 90
Public Safety	286,970	318,273	31,303
Street	86,565	97,905	11,340
Other	4,690	2,381	(2,309)
<b>Total Charges For Services</b>	<u>\$ 378,225</u>	<u>\$ 418,649</u>	<u>\$ 40,424</u>
<b>Fines And Forfeitures:</b>			
Code Enforcement	\$ -	\$ 770	\$ 770
Recorder's Court	177,458	268,123	90,665
<b>Total Fines and Forfeitures</b>	<u>\$ 177,458</u>	<u>\$ 268,893</u>	<u>\$ 91,435</u>
<b>Intergovernmental:</b>			
Federal Grants	\$ -	\$ 17,300	\$ 17,300
State Grants	-	-	-
State Governmental payment in lieu	-	-	-
<b>Total intergovernmental</b>	<u>\$ -</u>	<u>\$ 17,300</u>	<u>\$ 17,300</u>
<b>Contributions &amp; Donations:</b>			
Donations	-	10,500	10,500
Safety Grant	-	9,900	9,900
<b>Total Interest Investment Income</b>	<u>\$ -</u>	<u>\$ 20,400</u>	<u>\$ 20,400</u>
<b>Miscellaneous Revenues:</b>			
Rents and Royalties	\$ 500	\$ 250	\$ (250)
Other	108,884	97,497	(11,387)
<b>Total Miscellaneous Revenue</b>	<u>\$ 109,384</u>	<u>\$ 97,747</u>	<u>\$ (11,637)</u>
<b>Total Revenues</b>	<u>\$ 3,702,902</u>	<u>\$ 4,491,581</u>	<u>\$ 788,679</u>

*City of Eastman  
General Fund  
Supporting Schedule of General Government  
Expenditures, Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government:			
Legislative	\$ -	\$ -	\$ -
Governing Body	45,045	44,868	177
Executive	115,525	114,586	939
Elections	-	268	(268)
General Administration	<u>1,177,629</u>	<u>1,148,678</u>	<u>28,951</u>
Total General Government	<u>\$ 1,338,199</u>	<u>\$ 1,308,400</u>	<u>\$ 29,799</u>

*City of Eastman  
General Fund  
Supporting Schedule of Judicial  
Expenditures, Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Judicial:			
Recorder's Court	<u>\$ 9,245</u>	<u>\$ 8,805</u>	<u>\$ 440</u>
 Total Judicial	 <u><u>\$ 9,245</u></u>	 <u><u>\$ 8,805</u></u>	 <u><u>\$ 440</u></u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Public Safety*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Safety:			
Police	\$ 1,062,020	\$ 1,132,190	\$ (70,170)
Fire	603,497	603,131	366
E-911	25,960	19,470	6,490
Other Protection	<u>5,492</u>	<u>1,159</u>	<u>4,333</u>
Total Public Safety	<u><u>\$ 1,696,969</u></u>	<u><u>\$ 1,755,950</u></u>	<u><u>\$ (58,981)</u></u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Public Works*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Works:			
Highways and Streets	\$ 745,623	\$ 711,387	\$ 34,236
Roadways and Streets	15,214	115	15,099
Storm Drainage	104,589	11,510	93,079
Maintenance and Shop	1,217	2,173	(956)
Cemetery	<u>23</u>	<u>-</u>	<u>23</u>
 Total Public Works	 <u><u>\$ 866,666</u></u>	 <u><u>\$ 725,185</u></u>	 <u><u>\$ 141,481</u></u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Health and Welfare*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Health and Welfare:			
Health	\$ -	\$ 4,959	\$ (4,959)
Community Services	<u>6,249</u>	<u>6,249</u>	<u>-</u>
Total Health and Welfare	<u>\$ 6,249</u>	<u>\$ 11,208</u>	<u>\$ (4,959)</u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Culture and Recreation*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Culture and Recreation:			
Community Center	\$ 3,500	\$ 3,500	\$ -
Recreation	86,173	138,989	(52,816)
Parks	2,731	-	2,731
Library	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>\$ 92,404</u>	<u>\$ 142,489</u>	<u>\$ (50,085)</u>

*City of Eastman*  
*General Fund*  
*Supporting Schedule of Housing and Development*  
*Expenditures, Compared to Budget (GAAP Basis)*  
*For the Year Ended December 31, 2024*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Housing and Development:			
Protective Inspections	\$ 520	\$ 1,365	\$ (845)
Planning and Zoning	7,631	5,685	1,946
Economic Development and Assistance	21,500	25,250	(3,750)
Downtown Development	530	-	530
Airport	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Housing and Development	<u>\$ 30,181</u>	<u>\$ 32,300</u>	<u>\$ (2,119)</u>

## **INTERNAL CONTROLS AND COMPLIANCE**

City of Eastman  
SPECIAL-PURPOSE LOCAL OPTION SALES TAX 2019  
SCHEDULE OF EXPENDITURES  
(Construction and Other Projects)  
Year ended December 31, 2024

<u>Project Description</u>	(Unaudited) Original/ Latest Estimated Cost	Prior Years Cumulative Expenditures	Total Current Year Expenditure	Total Cumulative Expenditures	(Unaudited) Estimated Percentage of Completion
Renovations, improvements, and additions to water and sewer system, storm drainage systems, road work, economic development, & capital improvements	\$2,310,000	\$ 803,332	\$ 530,496	\$ 1,333,828	57.74%

City of Eastman  
TIA SPECIAL-PURPOSE LOCAL OPTION SALES TAX  
SCHEDULE OF EXPENDITURES  
(Construction and Other Projects)  
Year ended December 31, 2024

Project <u>Description</u>	(Unaudited) Original/ Latest Estimated Cost	Prior Years Cumulative Expenditures	Total Current Year Expenditure	Total Cumulative Expenditures	(Unaudited) Estimated Percentage of Completion
Transportation improvements	\$1,704,437	\$ 2,714,431	\$ 288,732	\$ 3,003,163	176.20%

Community Development  
Block Grant Program  
Project Cost Schedule

Recipient Name: City of Eastman  
Grant Award Number: 23p-x-045-2-6367  
For the Period Ending: 12/31/20234

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (if applicable)
Sewer	P-03J-02	1,095,193.00	-	-	-	N/a
Engineering	T-03J-00	141,523.00	-	55,325.00	55,325.00	N/a
Administration	A-21A-00	60,000.00	-	-	-	N/a
<b>Totals:</b>		1,296,716.00	-	55,325.00	55,325.00	N/a

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the City Council  
City of Eastman, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Eastman, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Eastman, Georgia's basic financial statements, and have issued my report thereon dated June 30, 2025.

**Report on Internal Control over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that I consider to be a significant deficiency.

**Report on Compliance and Other Matters**

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

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Eastman, Georgia's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs.

The City of Eastman, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

**Purpose of this Report**

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



Eastman, Georgia  
June 30, 2025

CITY OF EASTMAN, GEORGIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency: Pass-Through from Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund	66.458	CW2021005	\$ 142,190
Drinking Water State Revolving Fund	66.468	DW2021004	<u>576,015</u>
Total - U.S. Environmental Protection Agency			<u>718,205</u>
U.S. Department of the Treasury:			
COVID-19 - Coronavirus Relief Fund	21.019		<u>5,166</u>
Total - U.S. Department of the Treasury			<u>5,166</u>
U.S. Department of Justice:			
Body-Worn Camera Policy and Implementation Program	16.835	2020-BC-BX-K001	10,327
Pass-Through from Criminal Justice Coordinating Council			
Public Safety Partnership and Community Policing Grants	16.710	K92-8-010	17,300
Pass-Through from Georgia Association of Chiefs of Police			
Community Oriented Policing Services Program	16.710	GA-2024-405cM3DA-027-R1	<u>35,000</u>
Total - U.S. Dept of Housing and Urban Development			<u>62,627</u>
Total expenditures of federal awards			<u>\$ 785,998</u>

See accompanying notes to schedule of expenditures of federal awards

CITY OF EASTMAN, GEORGIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of City of Eastman, Georgia under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Eastman, Georgia, it is not intended to and does not present the financial position and changes in net position of City of Eastman, Georgia.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The balance of the loans outstanding at December 31, 2024 consist of:

Assistance		Outstanding Balance	
Listing			
Number	Program Name		at 12/31/2024
66.458	Drinking Water State Revolving Fund	\$	164,811
66.468	Clean Water State Revolving Fund	\$	697,006

NOTE C – INDIRECT COST RATE

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

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

CERTIFIED PUBLIC ACCOUNTANT

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MEMBER  
Georgia Society of  
Certified Public Accountants

MEMBER  
American Institute of  
Certified Public Accountants

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

To the City Council  
City of Eastman, Georgia

### Report on Compliance for Each Major Federal Program

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

I have audited City of Eastman, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Eastman, Georgia's major federal programs for the year ended December 31, 2024. City of Eastman, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, City of Eastman, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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

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

I am required to be independent of City of Eastman, Georgia and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of City of Eastman, Georgia's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

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

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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Eastman, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of City of Eastman, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Eastman, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Other Matters**

The results of my auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-002. My opinion on each major federal program is not modified with respect to these matters.

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


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

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

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

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

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

  
Eastman, Georgia  
June 30, 2025

CITY OF EASTMAN, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024

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

1. The auditor's report expresses an unmodified opinion on whether the financial statements of City of Eastman, Georgia were prepared in accordance with GAAP.
2. One significant deficiency disclosed during the audit of the financial statements is reported. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of City of Eastman, Georgia were disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs disclosed during the audit are reported. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for City of Eastman, Georgia expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as major program was: Drinking Water State Revolving Fund Assistance Listing # 66.468.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. City of Eastman, Georgia was determined not to be a low-risk auditee.

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

Significant Deficiencies

**2024-001 Segregation of Duties**

*Condition:* There is not appropriate segregation of duties between those who receipt cash payments, open the mail, prepare deposits, and deposit cash receipts and other operational functions in the various funds.

*Criteria:* Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

*Cause:* Due to the limited number of personnel in the City's offices.

*Effect:* Failure to properly segregate duties between receipting cash payments, opening the mail, preparing deposits, and depositing cash receipts can lead to misappropriation of funds that is not detected during the normal course of business.

*Recommendation:* The duties of receipting cash payments, opening the mail, preparing deposits, and depositing cash receipts should be segregated between employees.

*Views of Responsible Officials and Planned Corrective Action:* The Council members concur with the recommendation. Due to the size, of the City's staff, this condition cannot be totally addressed; however, management will continue to monitor this issue.

CITY OF EASTMAN, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024

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

**2024-002**

<b>Assistance Listing Number:</b>	<b>66.468</b>
<b>Program Title:</b>	<b>Drinking Water State Revolving Fund</b>
<b>Federal Grantor:</b>	<b>Environmental Protection Agency</b>
<b>Award Number:</b>	<b>DW2021004</b>

*Condition:* Nonfederal entities must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards, for the acquisition of property or services required under a federal award or subaward. The City does not have written procurement policies and procedures for federal awards and subawards.

*Criteria:* The Uniform Guidance and Single Audit Standards require that local entities receiving federal and state awards establish and maintain internal control designed to reasonably ensure compliance with laws, regulations, and program compliance requirements. The Uniform Guidance and Single Audit Standards further require auditors to obtain an understanding of the local entity's internal control over federal and state programs. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the procurement procedures.

*Cause:* The City does not have written procurement policies and procedures for federal awards and subawards.

*Effect:* The City is not in compliance with the Uniform Guidance and Single Audit Standards.

*Questioned Costs:* None noted.

*Recommendation:* Management needs to develop and document procurement procedures, consistent with Uniform Guidance and Single Audit Standards for federal awards and subawards.

*Views of Responsible Officials and Planned Corrective Action:* The Council concur with the recommendation. We will document the procurement procedures for federal awards and subawards.

CITY OF EASTMAN, GEORGIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2024

FINDING 2023-001 Unsecured Cash Balances

*Condition:* This finding was an instance of noncompliance stating that at December 31, 2023 the City had deposits that were uninsured and as a result there were bank balances exposed to custodial credit risk.

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

*Current Status:* The issue was resolved in the current year.

FINDING 2023-002

Assistance Listing Number:	21.019
Program Title:	COVID-19 – Coronavirus Relief Fund
Federal Grantor:	U.S. Department of the Treasury
Award Number:	ARPA

*Condition:* Nonfederal entities must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards, for the acquisition of property or services required under a federal award or subaward. The City does not have written procurement policies and procedures for federal awards and subawards.

*Recommendation:* Management needs to develop and document procurement procedures, consistent with Uniform Guidance and Single Audit Standards for federal awards and subawards.

*Current Status:* Unresolved, see current year finding 2024-002.

## **STATISTICAL INFORMATION**

**City of Eastman  
Ten Largest Water & Sewer Customers  
2024**

**WATER**

<b>Customer</b>	<b>Annual Thousand Gallons of Water Billed</b>	<b>Annual Water Revenue</b>	<b>Revenues as a Percent of Total Water Sales</b>
Dodge County Hospital	4,578	8,432.05	0.80
AZ Operator, LLC	3,306	9,815.20	0.94
Bio Med App of Eastman Sp	3,040	5,363.00	0.51
Eastman Garden Apts	3,017	11,542.30	1.10
Dodge Court Apartments	2,682	12,677.40	1.21
Middle GA State College	2,660	17,651.28	1.69
Harrell St Project	2,352	11,256.84	1.08
Global Eastman, LLC	2,062	5,113.45	0.49
East Side Court Apartments	1,755	7,609.66	0.73
Imperial Pines	1,737	6,168.07	0.59

**SEWER**

<b>Customer</b>	<b>Annual Thousand Gallons of Sewage Treated</b>	<b>Annual Sewer Revenue</b>	<b>Revenues as a Percent of Total Sewer Sales</b>
Dodge County Hospital	4,578	46,386.95	2.86
AZ Operator, LLC	3,306	27,448.20	1.69
Bio Med App of Eastman Sp	3,040	25,111.65	1.54
Eastman Garden Apts	3,017	31,704.89	1.95
Dodge Court Apartments	2,682	26,408.40	1.62
Middle GA State College	2,660	23,839.62	1.47
Harrell St Project	2,352	22,695.36	1.39
Global Eastman, LLC	2,062	31,318.70	1.93
East Side Court Apartments	1,755	15,160.74	0.93
Imperial Pines	1,737	12,979.68	0.80

2024

WATER PEAK AND AVERAGE MGD FOR PRODUCTION

AVERAGE 1.154 MGD

PEAK 1.899 MGD

SEWER PEAK AND AVERAGE MGD TREATED

AVERAGE .725 MGD

PEAK 2.44 MGD

TOTAL NUMBER OF WATER CUSTOMERS

3220

TOTAL NUMBER OF SEWER CUSTOMERS

2,362