



City of East Point, Georgia

Annual Financial Report

For the fiscal year ended June 30, 2021

CITY OF EAST POINT, GEORGIA
Annual Financial Report
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

Financial Section

Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities.....	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances.....	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities.....	21
Proprietary Funds:	
Statement of Net Position.....	22
Statement of Revenues, Expenses and Changes in Fund Net Position.....	24
Statement of Cash Flows.....	25
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	27
Statement of Changes in Fiduciary Net Position.....	28
Component Unit:	
Statement of Net Position.....	29
Statement of Activities.....	30
Notes to the Basic Financial Statements	31
Required Supplementary Information (Unaudited)	
Schedule of Changes in Net Pension Liability.....	69
Schedule of Contributions.....	70
Schedule of Changes in Total OPEB Liability.....	71
<i>General Fund</i> - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	72
Major Funds:	
<i>T-SPLOST</i> Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	73
Restricted Grants Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	74

**City of East Point, Georgia
Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

TABLE OF CONTENTS

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet – By Fund Type.....	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund.....	76

Nonmajor Special Revenue Funds:

Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78

Nonmajor Special Revenue Funds:

<i>City Hall Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	79
<i>Hotel-Motel Tax Fund</i> - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual.....	80
<i>Police Grants Fund</i> - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual.....	81
<i>Confiscated Assets Fund</i> - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual.....	82
<i>E-911 Fund</i> - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual.....	83

Nonmajor Debt Service Funds:

Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenditures and Change in Fund Balances.....	85

Nonmajor Debt Service Funds:

<i>Camp Creek Tax Allocation District Fund</i> - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual.....	86
<i>East Point Corridors Tax Allocation District Fund</i> - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	87

Nonmajor Capital Projects Funds:

Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	89
<i>Capital Project Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
<i>50 Worst Properties Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	91

State of Georgia Reporting Section:

Schedule of Expenditures of Special District Mass Transportation Sales and Use Tax (T-SPLOST).....	92
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Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
City of East Point, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of East Point, Georgia (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the East Point Employees Retirement Pension Plan, blended component units of the City, which, in the aggregate, represent 100% of the assets in that position of the pension trust funds, within the fiduciary funds. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such pension trust funds, is based solely of the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Point, Georgia, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S generally accepted accounting principles require that the management's discussion and analysis (pages 4 - 14), schedule of changes in net pension liability, schedule of contributions, schedule of changes in total OPEB liability, general fund - statement of revenues, expenditures and changes in fund balance - budget to actual, and major funds - schedules of revenues, expenditures, and changes in fund balances - budget to actual (pages 69 -74) are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special district mass transportation sales and use tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special district mass transportation sales and use tax is presented for additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A") 48-8-269.5 and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special district mass transportation sales and use tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of special district mass transportation sales and use tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2023 on our consideration of the City of East Point, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's, internal control over financial reporting and compliance.



October 2, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Annual Financial Report (AFR) for City of East Point (the City), provides interested parties and the general public with a narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Management prepared this discussion that should be read in conjunction with the basic financial statements, notes and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City's finances.

FISCAL YEAR 2021 FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$155,755,623 (total net position) as of June 30, 2021.
- Total net positions are comprised of the following:
 - (1) Capital assets, net investments in capital assets, of \$132,459,388 includes property and equipment, net of accumulated depreciation, and reduction for outstanding debt related to the purchase or construction of capital assets.
 - (2) Restricted net position is \$53,234,551; restrictions include debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position is \$(29,938,316).
- The City's governmental funds reported total ending fund balance of \$52,966,006 at June 30, 2021. This compares to the prior fiscal year ending fund balance of \$50,969,379 showing an increase of \$1,996,627 during the current fiscal year. Unassigned fund balance for the General Fund was \$14,311,443 at June 30, 2021, a \$(10,031,890) decrease from the prior fiscal year amount at June 30, 2020.
- Governmental funds' revenue increased by \$2551,514, or 5% during fiscal year 2021 when compared to fiscal year 2020 due to an increase in intergovernmental grant revenues.
- In the City's business-type activities, revenues decreased by \$(1,845,108) or (3)% from the prior fiscal year. Expenses decreased by \$(8,298,626) or (11)% from the prior year. The decreases are due to the impact COVID-19 had on the City's operations during fiscal year 2021.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The City's AFR includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

As of and For the Fiscal Year Ended June 30, 2021

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current fiscal year revenues and expenditures are included regardless of when received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, community development, public safety, public works, parks, recreation and culture, planning and community development and health and welfare. Business-type activities include the water and sewer system, the electric system, storm water, and solid waste activities.

The government-wide financial statements are presented on pages 15-17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the fiscal year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as four enterprise funds and a single internal service fund. The enterprise fund essentially encompasses the same function reported as business-type activities in the government-wide statements. The internal service fund is reported as part of the business-type activities at the government-wide financial reporting level.

The basic proprietary fund financial statements are presented on pages 22 - 26 of this report.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. The City's pension plan (a pension trust fund) and collections of municipal court fees (an custodial fund) are reported as fiduciary funds. The fiduciary fund financial statements are presented on pages 27 and 28 of this report.

The discretely presented component unit is reported on pages 29 and 30.

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 31 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's Single Employer Pension Plan. The required supplementary information can be found on pages 69 - 74 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Comparative information for major funds and combining and individual statements and schedules for nonmajor funds, including budgetary comparison schedules are presented in a supplementary information section of this report beginning on page 76.

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*As of and For the Fiscal Year Ended June 30, 2021***FINANCIAL ANALYSIS OF THE CITY**

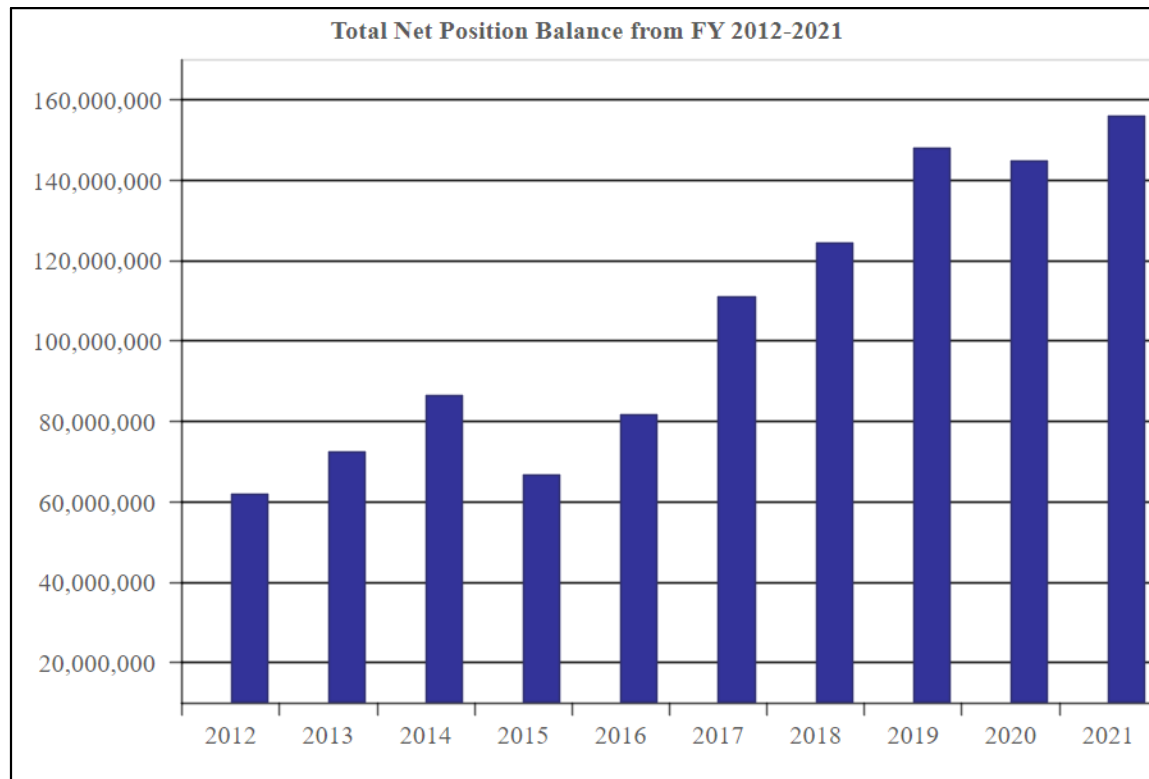
The City's net position at fiscal year end is \$155,755,623. The following table provides a summary of the City's net position:

SUMMARY OF CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current assets	\$ 63,814,317	\$ 66,911,764	\$ 51,055,625	\$ 45,729,232	\$114,869,942	\$ 112,640,996
Noncurrent assets:						
Capital	<u>101,610,405</u>	<u>99,676,532</u>	<u>81,872,292</u>	<u>84,178,709</u>	<u>183,482,697</u>	<u>183,855,241</u>
Total assets	<u>165,424,722</u>	<u>166,588,296</u>	<u>132,927,917</u>	<u>129,907,941</u>	<u>298,352,639</u>	<u>296,496,237</u>
Deferred outflow of resources	<u>16,682,630</u>	<u>20,011,081</u>	<u>6,611,398</u>	<u>8,074,864</u>	<u>23,294,028</u>	<u>28,085,945</u>
Total assets and deferred outflow of resources	<u>182,107,352</u>	<u>186,599,377</u>	<u>139,539,315</u>	<u>137,982,805</u>	<u>321,646,667</u>	<u>324,582,182</u>
Liabilities:						
Current liabilities	8,837,332	12,416,713	28,147,392	29,847,769	36,984,724	42,264,482
Long term liabilities	<u>57,494,703</u>	<u>71,766,831</u>	<u>47,041,475</u>	<u>51,266,687</u>	<u>104,536,178</u>	<u>123,033,518</u>
Total liabilities	<u>66,332,035</u>	<u>84,183,544</u>	<u>75,188,867</u>	<u>81,114,456</u>	<u>141,520,902</u>	<u>165,298,000</u>
Deferred inflow of resources	<u>16,031,467</u>	<u>6,684,041</u>	<u>8,338,675</u>	<u>8,041,235</u>	<u>24,370,142</u>	<u>14,725,276</u>
Total liabilities and deferred inflow of resources	<u>82,363,502</u>	<u>90,867,585</u>	<u>83,527,542</u>	<u>89,155,691</u>	<u>165,891,044</u>	<u>180,023,276</u>
Net position:						
Net investment in capital assets	84,621,502	79,369,143	47,837,886	47,989,167	132,459,388	127,358,310
Restricted	33,342,069	23,546,242	19,892,482	18,875,076	53,234,551	42,421,318
Unrestricted	<u>(18,219,721)</u>	<u>(7,183,593)</u>	<u>(11,718,595)</u>	<u>(18,037,129)</u>	<u>(29,938,316)</u>	<u>(25,220,722)</u>
Total net position	<u>\$ 99,743,850</u>	<u>\$ 95,731,792</u>	<u>\$ 56,011,773</u>	<u>\$ 48,827,114</u>	<u>\$155,755,623</u>	<u>\$ 144,558,906</u>

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The following chart reports the City’s total net position balances from fiscal year 2012 - 2021.



<u>Fiscal Year</u>	<u>Net Position</u>
2021	\$155,755,623
2020	\$144,558,906
2019	\$147,948,292
2018	\$124,344,515
2017	\$110,993,467
2016	\$81,542,726
2015	\$66,547,968
2014	\$86,530,340
2013	\$72,285,225
2012	\$61,802,399

Current assets decreased in governmental activities and increased in business-type activities for fiscal year June 30, 2021.

The City reported positive balances in net position for both governmental and business-type activities. During 2021, net position increased \$7,054,753 for governmental activities and increased \$7,184,659 for business-type activities.

Capital assets represents approximately 61% of total assets for governmental activities. The City uses these capital assets to provide services to its citizens. Business-type capital assets make up approximately 62% of total assets. The City uses these capital assets to provide services to its customers. Combining governmental activities with business type activities, the City has invested approximately 61% of its total assets in capital assets, as presented in the government-wide statement of net position.

As of and For the Fiscal Year Ended June 30, 2021

The following table provides a summary of the City's changes in net position at June 30, 2021 and 2020:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program:						
Charges for services and fines	\$ 3,875,606	\$ 5,716,491	\$ 70,615,582	\$ 72,030,178	\$ 74,491,188	\$ 77,746,669
Operating grants	3,432,165	2,351,292	-	-	3,432,165	2,351,292
General:						
Property taxes	19,678,666	17,978,371	-	-	19,678,666	17,978,371
Sales taxes	18,237,569	16,909,533	-	-	18,237,569	16,909,533
Other taxes	6,831,076	7,709,347	209,878	255,612	7,040,954	7,964,959
Other	<u>1,185,396</u>	<u>1,211,028</u>	<u>339,618</u>	<u>724,396</u>	<u>1,525,014</u>	<u>1,935,424</u>
Total revenues	<u>53,240,478</u>	<u>51,876,062</u>	<u>71,165,078</u>	<u>73,010,186</u>	<u>124,405,556</u>	<u>124,886,248</u>
Program Expenses:						
General government	6,504,098	4,534,377	-	-	6,504,098.00	4,534,377.00
Judicial	812,617	1,044,752	-	-	812,617	1,044,752
Public safety	23,400,315	26,667,244	-	-	23,400,315	26,667,244
Public works	3,301,123	3,783,129	-	-	3,301,123	3,783,129
Culture and recreation	1,855,334	1,905,384	-	-	1,855,334	1,905,384
Planning and community development	3,211,860	3,904,666	-	-	3,211,860	3,904,666
Interest	768,069	711,538	-	-	768,069	711,538
Water & sewer	-	-	21,184,844	24,995,005	21,184,844	24,995,005
Electrical system	-	-	41,425,692	45,403,874	41,425,692	45,403,874
Stormwater	-	-	1,553,379	1,600,804	1,553,379	1,600,804
Solid waste management	-	-	6,148,813	6,611,671	6,148,813	6,611,671
Total expenses	<u>39,853,416</u>	<u>42,551,090</u>	<u>70,312,728</u>	<u>78,611,354</u>	<u>110,166,144</u>	<u>121,162,444</u>
Revenues over expenses	13,387,062	9,324,972	852,350	(5,601,168)	14,239,412	3,723,804
Transfers in and (out)	<u>(6,332,309)</u>	<u>-</u>	<u>6,332,309</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	7,054,753	9,324,972	7,184,659	(5,601,168)	14,239,412	3,723,804
Net position - Beginning of the fiscal year	<u>92,689,107</u>	<u>86,406,820</u>	<u>48,827,114</u>	<u>54,428,282</u>	<u>141,516,221</u>	<u>140,835,102</u>
Net position - End of the fiscal year	<u>\$ 99,743,860</u>	<u>\$ 95,731,792</u>	<u>\$ 56,011,773</u>	<u>\$ 48,827,114</u>	<u>\$ 155,755,633</u>	<u>\$ 144,558,906</u>

Note 1 - Adjustment to prior fiscal year ending net position - beginning of the fiscal year in the amount of (\$3,042,695.)

Governmental Activity Revenues

The City is heavily reliant on both property and sales taxes to support governmental operations. In fiscal year 2021, property taxes provided 37% of the City's total governmental activities revenues as compared to 35% in fiscal year 2020. Sales and use taxes provided 34% of the City's total revenues compared to 33% in the fiscal year 2020.

Note that program revenues and operating grants covered 18% of governmental operating cost as compared to 19% in fiscal year 2020. Also, in fiscal year 2021, General Fund revenues funded 88% of the governmental activities, primarily from property and sales taxes. As a result, the economy and the success of local businesses have a major impact on the City's revenue streams.

*As of and For the Fiscal Year Ended June 30, 2021***Governmental Activity Expenses**

General government expenses decreased approximately \$(2,697,674) from prior year, primarily due to decreases in public safety personnel, equipment capital cost and public works infrastructure.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

	GOVERNMENT ACTIVITIES					
	Total Cost of Service		Percentage Change	Net of Service		Percentage Change
	2021	2020		2021	2020	
General government	\$ 6,504,098	\$ 4,534,377	43.4 %	\$ 6,266,818	\$ 4,534,377	38.2 %
Judicial	812,617	1,044,752	(22.2)%	31,326	1,044,752	(97.0)%
Public safety	23,400,315	26,667,244	(12.3)%	22,040,449	26,667,244	(17.4)%
Public works	3,301,123	3,783,129	(12.7)%	50,379	3,783,129	(98.7)%
Culture and recreation	1,855,334	1,905,384	(2.6)%	1,855,334	1,905,384	(2.6)%
Economic and community development	3,211,860	3,904,666	(17.7)%	1,533,270	3,904,666	(60.7)%
Interest and fiscal charges	768,069	711,538	7.9 %	768,069	711,538	7.9 %
Total	\$ 39,853,416	\$ 42,551,090	(6.3)%	\$ 32,545,645	\$ 42,551,090	(23.5)%

Business-Type Activities

Overall Analysis – Charges for services and fines decreased by \$(1,414,596) or (2)% in fiscal year 2021. Operating expenses decreased by \$(8,298,626) or (11)% in the same fiscal year. In total, operating income increased \$6,453,518. The factors contributing to these results include:

- Decrease in personal services \$ 4,388,267
- Decrease in purchased services \$ 4,247,148
- Decrease in depreciation expense \$ 622,533
- Decrease in sanitary sewer costs \$ 175,623

After all cost allocations and net transfers, the change in net position for each utility was as follows:

- Water and Sewage \$ (1,430,565)
- Electrical System \$ 1,405,085
- Storm Water \$ 5,488,988
- Solid Waste \$ 1,721,151

The following includes an analysis of the fiscal year 2021 financial activities for each utility.

Water and Sewerage Fund – Operating revenue increased by \$194,615 and operating expenses decreased by \$(3,559,357) from fiscal year 2020. In total, the change in net position is negative, \$(1,430,565). The primary cause of these changes were decreases in personnel costs, material and supplies cost, and depreciation expense. At fiscal year end, net position totaled \$10,794,987, a decrease from June 30, 2020.

Electric Fund – Operating revenue decreased by \$(2,635,333) and operating expenses decreased \$(4,026,239). The decrease in revenue was the result of decrease in power consumption due to COVID-19. The wholesale cost of electricity, which decreased by approximately \$(1.6) million from fiscal year 2020 is a main factor resulting in decreased operational expenses. At fiscal year end, the net position totaled \$36,743,829 an increase of \$1,405,085 from June 30, 2020.

As of and For the Fiscal Year Ended June 30, 2021

Storm Water Fund – The Storm Water Fund earned its initial revenues from the enactment of Stormwater Ordinance 018-12 approved December 2012. Storm water revenues are collected by placing Storm Water Utility Fees on property tax bills. The City re-evaluated property sizes, which attributed to the increase of \$836,887 in operating revenues. Operating expenses decreased by \$(41,695). At fiscal year end, net position totaled \$8,448,767 up by \$1,721,151 from the June 30, 2020 total of \$6,727,616.

Solid Waste Fund – Operating revenue increased by \$118,063 and operating expenses decreased by \$(450,484). The major cause of the decline in the current fiscal year operating expenses is the decrease in personnel services, and purchase services expenses. At fiscal year end, net position totaled \$24,190 an increase of \$5,488,988 from June 30, 2020.

FUND ANALYSIS

Governmental Funds

Governmental Funds are reported in the Fund Statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the fiscal year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$52,966,006 compared to a balance of \$50,969,379 at June 30, 2020. Of this fiscal year end total, \$18,428,341 is unassigned indicating availability for continuing City service delivery requirements.

Legally restricted fund balances include \$33,342,069 set aside for debt service, capital projects and public safety purposes. The total ending fund balances of governmental funds show an increase of \$1,996,627 over fiscal year 2020.

Major Governmental Fund

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The ending unassigned fund balance represents an equivalent of 40% of annual expenditures.

Total General Fund's Property and Local Option Sales taxes increased by \$1,485,574 or 5% from 2020. 2021 tax revenues were \$30,873,229 compared to \$29,387,655 for fiscal year 2020.

In fiscal year 2021, the general fund recognized \$(119,347) less in total revenues than from the prior year. The fiscal year 2021 general fund expenditures decreased by \$(543,713) when compared to 2020 expenditures. The net change in fund balance was a decrease of \$(11,916,097) from fiscal year 2020.

- Public safety expenditures decreased by \$(575,105) due to less personnel, supplies and vehicles purchased.
- General government cost increased due to cost allocation and personnel cost.

T-SPLOST Fund - In fiscal year 2021, the T-SPLOST fund balance increased by \$3,533,075 this is attributed to total revenues of \$6,727,166 and total expenditures of \$3,194,091. Compared these numbers to the prior year's total revenues of \$6,065,856 and the related total expenditures of \$5,765,308. The total fund balance for fiscal year 2021 is \$11,614,184 compared to \$8,081,109 in fiscal year 2020.

Restricted Grants Fund - In fiscal year 2021, the Restricted Grant fund balance increased by \$5,088,925 due to the transfer in from the General Fund of \$5,674,123. The transfer reduced the amount the General Fund owed to the Restricted Grant fund.

The most significant changes from fiscal year 2021 are described below:

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the City's enterprise funds.

*As of and For the Fiscal Year Ended June 30, 2021***GENERAL FUND BUDGETARY HIGHLIGHTS**

The original overall revenue budget for fiscal year 2021 was amended. Total actual revenues were \$35,053,671, \$1,054,195 more than budgeted amounts. The major revenue streams in the original budget are property and sales taxes which had a combined variances in the budget versus actual in the amount of \$1,531,229. Property values increased slightly resulting in increased property tax revenue. In total, the City realized approximately 103% of the projected revenue budget.

Actual expenditures were \$29,577,021 or approximately 83.0% of the budget. The main factors include the following:

- General government - Expenditures were less than budget in the amounts of \$(382,634) \$(781,573) for executive and cost allocations to utilities, respectively.
- Public safety - Police expenditures, including the jail and code enforcement, were \$(2,816,704) less than budget.
- Public works expenditures was \$(777,081) less than budget.
- Economic and community development expenditures were \$(519,714) less than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2021 and June 30, 2020 was \$84,621,502 and \$47,837,886 respectively. See Note 3-E for additional information about changes in capital assets during the fiscal year.

The following table provides a summary of capital asset activity:

	CAPITAL ASSETS					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Non-depreciable assets						
Land	\$ 7,250,515	\$ 7,093,826	\$ -	\$ -	\$ 7,250,515	\$ 7,093,826
Construction in progress	<u>17,088,953</u>	<u>14,717,461</u>	<u>11,331,637</u>	<u>9,324,887</u>	<u>28,420,590</u>	<u>24,042,348</u>
Total non-depreciable assets	<u>24,339,468</u>	<u>21,811,287</u>	<u>11,331,637</u>	<u>9,324,887</u>	<u>35,671,105</u>	<u>31,136,174</u>
Non-current depreciable assets:						
Building and improvements	43,356,148	42,599,992	151,194,633	149,124,706	194,550,781	191,724,698
Machinery, equipment, furniture and vehicles	43,532,246	41,942,271	29,905,158	29,110,496	73,437,404	71,052,767
Infrastructure	<u>69,574,899</u>	<u>72,447,296</u>	<u>-</u>	<u>-</u>	<u>69,574,899</u>	<u>72,447,296</u>
Total non-current depreciable assets	156,463,293	156,989,559	181,099,791	178,235,202	337,563,084	335,224,761
Less accumulated depreciation	<u>79,192,356</u>	<u>79,780,312</u>	<u>110,559,136</u>	<u>103,381,377</u>	<u>189,751,492</u>	<u>183,161,689</u>
Book value - non-current depreciable assets	<u>77,270,937</u>	<u>77,209,247</u>	<u>70,540,655</u>	<u>74,853,825</u>	<u>147,811,592</u>	<u>152,063,072</u>
Percentage depreciated	<u>50.6 %</u>	<u>50.8 %</u>	<u>61.0 %</u>	<u>58.0 %</u>	<u>56.2 %</u>	<u>54.6 %</u>

*As of and For the Fiscal Year Ended June 30, 2021***Long-term Debt**

During fiscal year 2021, the City retired \$3,084,859 or 14% of outstanding debt for governmental activities and \$14,827,511 or 26% of outstanding debt for business-type activities.

The following table reports long-term debt balances at June 30, 2021 and 2020:

	OUTSTANDING BORROWING					
	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Building Authority Bonds	\$ 443,118	\$ 523,908	\$ 29,855,000	\$ 31,390,000	\$ 30,298,118	\$ 31,913,908
Tax Allocation Bonds	4,780,000	7,620,000	-	-	4,780,000	7,620,000
GA COPS Bond	12,605,000	12,705,000	-	-	12,605,000	12,705,000
Other-utility credit payable	-	60,000	-	-	-	60,000
Financed purchases	<u>600,000</u>	<u>-</u>	<u>222,486</u>	<u>652,586</u>	<u>822,486</u>	<u>652,586</u>
Total	<u>\$ 18,428,118</u>	<u>\$20,908,908</u>	<u>\$ 30,077,486</u>	<u>\$ 32,042,586</u>	<u>\$ 48,505,604</u>	<u>\$ 52,951,494</u>

The Tax Allocation Bonds will be paid off in period ending in 2026. The business-type activities Building Authority Bonds will be retired in the period ending in 2035.

See Note 3-H for additional information about the City's long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE CITY

The City is included in the Atlanta, Georgia Metropolitan area, with close proximity to Hartsfield-Jackson International airport. The City has an estimated 2020 population per the Census of 38,358. In addition, the City has with 16,033 housing units with an average household size of 2.50. Median house value is \$177,500 and median household income is \$50,371. Unemployment is estimated at 5.1% and is declining.

The City is the third largest city in Fulton County, which is most urbanized county in the state of Georgia. Neighborhoods are continually being revitalized as is downtown East Point, which is geared toward mixed-use development. New businesses are being developed and existing businesses are relocating to the City. The City has created the Corridors Tax Anticipation District to encourage improvements to downtown.

The primary revenue streams for the City are property and sales taxes. This is a good revenue mix as property taxes are "inelastic" revenues, slow to adjust when there is a change in the economy. Sales taxes are "elastic", and adjust quickly to changes in the economy and is highly sensitive to fluctuations in the economy. The current economy has definitely affected the City's 2021 revenue streams, and no-frills operational budget. Departments engaged in belt tightening measures and only funded critical capital projects. The City is constantly monitoring the economic conditions and positioning itself to make the necessary adjustments as the economy fluctuates.

Coronavirus Pandemic (COVID-19) Response

In March 2020, the World Health Organization declared COVID-19 as a global pandemic which continues to spread throughout the United States. COVID-19 has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The pandemic responses have created disruption in global supply chains and adversely impacting many industries. The outbreak continues to adversely impact economic and market conditions and has resulted in a global economic slowdown.

As of and For the Fiscal Year Ended June 30, 2021

In the Spring semester of 2020, COVID-19 began impacting the State of Georgia and there were numerous operational adjustments to respond to the effects of COVID-19, including transitioning the workforce to remote working, adjusting operations based upon the health and wellness of the public, and modifying/suspending various operations to comply with health guidelines. The Federal Government provided stimulus funding to the State, Fulton County and the City of East Point under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help cover expenses related to operations and assist residents impacted by COVID-19. The City received a total of \$1,455,013 from the CARES Act funding. Those funds were used to provide food to residents negatively impacted by COVID-19. Additionally, funds were received for technology costs to operate remotely and defray other COVID-19 expenditures such as PPE, cleaning, COVID testing, and related payroll expenditures for public safety employees.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Finance Director, 2757 East Point Street, East Point, Georgia 30344.

BASIC FINANCIAL STATEMENTS

CITY OF EAST POINT, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Unit
	Government Activities	Business-type Activities	Total	
Assets and deferred outflows of resources				
Current assets				
Cash and cash equivalents	\$ 11,649,992	\$ 23,563,740	\$ 35,213,732	\$ 286,846
Restricted cash and cash equivalents	37,107,004	19,892,482	56,999,486	-
Receivables				
Accounts, net	2,735,419	7,898,093	10,633,512	140,000
Property taxes, net	4,111,949	-	4,111,949	-
Sales taxes	371,407	-	371,407	-
Intergovernmental	3,890,847	-	3,890,847	-
Component unit	<u>175,528</u>	<u>-</u>	<u>175,528</u>	<u>-</u>
Total receivables	11,285,150	7,898,093	19,183,243	140,000
Internal balance	2,576,575	(2,576,575)	-	-
Inventory	405,924	1,198,616	1,604,540	-
Prepaid items	<u>789,672</u>	<u>1,079,269</u>	<u>1,868,941</u>	<u>52,500</u>
Total current assets	<u>63,814,317</u>	<u>51,055,625</u>	<u>114,869,942</u>	<u>479,346</u>
Noncurrent assets				
Capital assets				
Nondepreciable				
Land	7,250,515	-	7,250,515	-
Construction in progress	17,088,953	11,331,637	28,420,590	-
Depreciable, net	<u>77,270,937</u>	<u>70,540,655</u>	<u>147,811,592</u>	<u>428,000</u>
Total noncurrent assets	<u>101,610,405</u>	<u>81,872,292</u>	<u>183,482,697</u>	<u>428,000</u>
Total assets	<u>165,424,722</u>	<u>132,927,917</u>	<u>298,352,639</u>	<u>907,346</u>
Deferred outflows of resources				
Difference in pension/OPEB investment earnings	<u>16,682,630</u>	<u>6,611,398</u>	<u>23,294,028</u>	<u>-</u>
Total deferred outflows of resources	<u>16,682,630</u>	<u>6,611,398</u>	<u>23,294,028</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 182,107,352</u>	<u>\$ 139,539,315</u>	<u>\$ 321,646,667</u>	<u>\$ 907,346</u>

CITY OF EAST POINT, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Units
	Government Activities	Business-Type Activities	Total	
Liabilities and deferred inflow of resources				
Current liabilities				
Accounts payable	\$ 1,422,667	\$ 20,161,326	\$ 21,583,993	-
Contracts retainage payable	603,181	92,173	695,354	-
Accrued expenses	1,270,042	1,030,315	2,300,357	-
Accrued interest payable	313,821	-	313,821	-
Deposits payable	85,507	-	85,507	-
Due to primary government	-	-	-	175,528
Unearned revenue	646,757	-	646,757	-
Capital lease obligation payable	80,900	302,766	383,666	-
Worker's compensation payable	505,000	-	505,000	-
Bonds payable	1,587,364	1,835,319	3,422,683	-
Compensated absences payable	131,783	487,331	619,114	-
Claims payable	-	467,000	467,000	-
Other post employment benefits payable	<u>400,000</u>	<u>180,000</u>	<u>580,000</u>	<u>-</u>
Total current liabilities	<u>7,047,022</u>	<u>24,556,230</u>	<u>31,603,252</u>	<u>175,528</u>
Current liabilities payable from restricted assets				
Customer deposits	-	3,022,441	3,022,441	49,458
Accrued interest payable	-	568,721	568,721	-
Capital projects	998,479	-	998,479	-
Tourism	706,908	-	706,908	-
Public safety	<u>84,923</u>	<u>-</u>	<u>84,923</u>	<u>-</u>
Total current liabilities payable from restricted assets	<u>1,790,310</u>	<u>3,591,162</u>	<u>5,381,472</u>	<u>49,458</u>
Total current liabilities and payable from restricted assets	<u>8,837,332</u>	<u>28,147,392</u>	<u>36,984,724</u>	<u>224,986</u>
Long-term liabilities (net of current portion)				
Compensated absences payable	1,480,798	-	1,480,798	-
Worker's compensation payable	1,119	-	1,119	-
Other post employment benefits payable	24,668,171	10,485,868	35,154,039	-
Net pension liability	13,687,799	4,751,459	18,439,258	-
Capital lease obligation payable	519,100	-	519,100	-
Bonds payable	<u>17,137,716</u>	<u>31,804,148</u>	<u>48,941,864</u>	<u>-</u>
Total long-term liabilities	<u>57,494,703</u>	<u>47,041,475</u>	<u>104,536,178</u>	<u>-</u>
Total liabilities	<u>66,332,035</u>	<u>75,188,867</u>	<u>141,520,902</u>	<u>224,986</u>
Deferred inflow of resources	<u>16,031,467</u>	<u>8,338,675</u>	<u>24,370,142</u>	<u>-</u>
Total liabilities and deferred inflow of resources	<u>82,363,502</u>	<u>83,527,542</u>	<u>165,891,044</u>	<u>224,986</u>
Net position				
Net investment in capital assets	84,621,502	47,837,886	132,459,388	-
Restricted for:				
Debt service	7,821,757	-	7,821,757	-
Public safety	4,162,789	-	4,162,789	-
Capital projects	20,232,124	19,892,482	40,124,606	-
Tourism	1,125,399	-	1,125,399	-
Unrestricted	<u>(18,219,721)</u>	<u>(11,718,595)</u>	<u>(29,938,316)</u>	<u>682,360</u>
Total net position	<u>\$ 99,743,850</u>	<u>\$ 56,011,773</u>	<u>\$ 155,755,623</u>	<u>\$ 682,360</u>

CITY OF EAST POINT, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

Function/program	Program revenues		Net (expenses) revenues and changes in net position				
	Expenses	Charges for services and fines	Operating grants and contributions	Primary government			Component unit
				Governmental activities	Business-type activities	Total	
Primary government							
Government activities							
General government	\$ 6,504,098	\$ 237,280	\$ -	\$ (6,266,818)	\$ -	\$ (6,266,818)	\$ -
Judicial	812,617	781,291	-	(31,326)	-	(31,326)	-
Public safety	23,400,315	1,178,445	181,421	(22,040,449)	-	(22,040,449)	-
Public works	3,301,123	-	3,250,744	(50,379)	-	(50,379)	-
Culture and recreation	1,855,334	-	-	(1,855,334)	-	(1,855,334)	-
Economic and community development	3,211,860	1,678,590	-	(1,533,270)	-	(1,533,270)	-
Interest and fiscal charges	<u>768,069</u>	<u>-</u>	<u>-</u>	<u>(768,069)</u>	<u>-</u>	<u>(768,069)</u>	<u>-</u>
Total governmental activities	<u>39,853,416</u>	<u>3,875,606</u>	<u>3,432,165</u>	<u>(32,545,645)</u>	<u>-</u>	<u>(32,545,645)</u>	<u>-</u>
Business-type activities							
Water and sewer	21,184,844	20,487,231	-	-	(697,613)	(697,613)	-
Electric system	41,425,692	42,500,226	-	-	1,074,534	1,074,534	-
Storm water	1,553,379	3,274,530	-	-	1,721,151	1,721,151	-
Solid waste	<u>6,148,813</u>	<u>4,353,595</u>	<u>-</u>	<u>-</u>	<u>(1,795,218)</u>	<u>(1,795,218)</u>	<u>-</u>
Total business-type activities	<u>70,312,728</u>	<u>70,615,582</u>	<u>-</u>	<u>-</u>	<u>302,854</u>	<u>302,854</u>	<u>-</u>
Total primary government	<u>\$ 110,166,144</u>	<u>\$ 74,491,188</u>	<u>\$ 3,432,165</u>	<u>(32,545,645)</u>	<u>302,854</u>	<u>(32,242,791)</u>	<u>-</u>
Component unit							
East Point Business & Industrial Development Authority	<u>\$ 38,179</u>	<u>\$ -</u>	<u>\$ 34,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,929)</u>
General revenues							
Property taxes levied for general government purposes				15,296,724	-	15,296,724	-
Property taxes levied for debt services				4,381,942	-	4,381,942	-
Transportation and local option sales taxes				18,237,569	-	18,237,569	-
Franchise taxes				798,333	209,878	1,008,211	-
Insurance premium taxes				2,686,579	-	2,686,579	-
Alcoholic beverage taxes				559,425	-	559,425	-
Hotel/motel taxes				2,786,739	-	2,786,739	-
Unrestricted investment earnings				37,892	6,090	43,982	-
Miscellaneous				<u>1,147,504</u>	<u>333,528</u>	<u>1,481,032</u>	<u>-</u>
Total general revenues				<u>45,932,707</u>	<u>549,496</u>	<u>46,482,203</u>	<u>-</u>
Transfers in (out)				<u>(6,332,309)</u>	<u>6,332,309</u>	<u>-</u>	<u>-</u>
Change in net position				7,054,753	7,184,659	14,239,412	(3,929)
Net position, beginning of the fiscal year				95,731,792	48,827,114	144,558,906	686,289
Prior period adjustment				<u>(3,042,695)</u>	<u>-</u>	<u>(3,042,695)</u>	<u>-</u>
Net position, beginning of the fiscal year, restated				<u>92,689,097</u>	<u>48,827,114</u>	<u>141,516,211</u>	<u>686,289</u>
Net position, end of the fiscal year				<u>\$ 99,743,850</u>	<u>\$ 56,011,773</u>	<u>\$ 155,755,623</u>	<u>\$ 682,360</u>

See Accompanying Notes to the Financial Statements.

CITY OF EAST POINT, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2021

	<u>General</u>	<u>T-SPLOST</u>	<u>Restricted Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 10,907,691	\$ -	\$ -	\$ 742,301	\$ 11,649,992
Restricted cash	-	11,640,975	-	25,466,029	37,107,004
Receivables:					
Accounts, net	1,424,712	-	1,310,707	371,407	3,106,826
Property taxes, net	4,023,949	-	-	88,000	4,111,949
Intergovernmental	1,125,161	629,587	-	2,136,099	3,890,847
Component units	175,528	-	-	-	175,528
Interfund	4,469,193	-	-	2,316,226	6,785,419
Inventory	405,924	-	-	-	405,924
Prepaid items	789,672	-	-	-	789,672
Total assets	<u>\$ 23,321,830</u>	<u>\$ 12,270,562</u>	<u>\$ 1,310,707</u>	<u>\$ 31,120,062</u>	<u>\$ 68,023,161</u>
Liabilities, deferred inflow of resources and fund balances					
Liabilities					
Accounts payable	\$ 1,422,579	\$ 119,490	\$ 264,996	\$ 1,405,827	\$ 3,212,892
Accrued expenditures payable	1,249,154	-	-	20,888	1,270,042
Contract retainage payable	-	536,888	-	66,293	603,181
Interfund payable	113,121	-	-	4,095,718	4,208,839
Deposits payable	-	-	-	85,507	85,507
Unearned revenue	-	-	345,971	300,786	646,757
Total liabilities	<u>2,784,854</u>	<u>656,378</u>	<u>610,967</u>	<u>5,975,019</u>	<u>10,027,218</u>
Deferred inflow of resources	<u>5,029,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,029,937</u>
Total liabilities and deferred inflow of resources	<u>7,814,791</u>	<u>656,378</u>	<u>610,967</u>	<u>5,975,019</u>	<u>15,057,155</u>
Fund balances					
Nonspendable	1,195,596	-	-	-	1,195,596
Restricted	-	11,614,184	699,740	21,028,145	33,342,069
Unassigned	14,311,443	-	-	4,116,898	18,428,341
Total fund balances	<u>15,507,039</u>	<u>11,614,184</u>	<u>699,740</u>	<u>25,145,043</u>	<u>52,966,006</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 23,321,830</u>	<u>\$ 12,270,562</u>	<u>\$ 1,310,707</u>	<u>\$ 31,120,062</u>	<u>\$ 68,023,161</u>

CITY OF EAST POINT, GEORGIA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2021

Total governmental funds balances		\$ 52,966,006
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Cost of capital assets	\$ 180,802,761	
Less accumulated depreciation	<u>(79,192,356)</u>	101,610,405
Other long-term assets in the statements of activities that do not provide current financial resources and are reported as inflows of resources in the governmental funds:		
Property taxes		5,029,937
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the pension and other postretirement employee benefits (OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position:		
Deferred outflows of resources - pension related	11,190,201	
Deferred outflows of resources - OPEB related	5,492,429	16,682,630
Deferred inflows of resources - pension related	(8,939,154)	
Deferred inflows of resources - OPEB related	<u>(7,092,313)</u>	(16,031,467)
Accrued interest not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.		
		(313,821)
Liabilities that are not due and payable the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position:		
Bonds payable	(17,828,118)	
Capital lease obligation	(600,000)	
Workers' compensation payable	(506,119)	
Other post employment benefits payable	(25,068,171)	
Compensated absences payable	(1,612,671)	
Pension liability	<u>(13,687,799)</u>	(59,302,878)
The governmental funds report the effect of premiums, discounts, refundings and similar items when debt is first issued. These amounts are deferred and amortized in the government-wide statement of activities:		
Premium on limited obligation bonds		<u>(896,962)</u>
Net position of governmental activities		<u>\$ 99,743,850</u>

CITY OF EAST POINT, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2021

	<u>General</u>	<u>T-SPLOST</u>	<u>Restricted Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 30,873,229	\$ 6,727,166	\$ -	\$ 7,168,682	\$ 44,769,077
Intergovernmental	-	-	3,250,744	181,421	3,432,165
Licenses and permits	1,960,330	-	-	-	1,960,330
Charges for services	254,527	-	-	800,985	1,055,512
Fines and forfeitures	781,291	-	-	78,459	859,750
Investment earnings	36,790	-	-	1,102	37,892
Miscellaneous	<u>1,147,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147,504</u>
Total revenues	<u>35,053,671</u>	<u>6,727,166</u>	<u>3,250,744</u>	<u>8,230,649</u>	<u>53,262,230</u>
Expenditures					
Current					
General government	1,937,959	-	1,738,716	1,710,821	5,387,496
Judicial	833,580	-	-	-	833,580
Public safety	21,425,709	-	-	1,211,380	22,637,089
Public works	1,376,428	8,857	-	-	1,385,285
Culture and recreation	1,395,154	-	163,387	-	1,558,541
Economic and community development	1,816,871	-	168,260	1,213,791	3,198,922
Capital outlay	585,698	3,185,234	1,765,579	1,035,030	6,571,541
Debt service					
Principal retirement	140,790	-	-	2,940,000	3,080,790
Interest and fiscal charges	<u>64,832</u>	<u>-</u>	<u>-</u>	<u>815,218</u>	<u>880,050</u>
Total expenditures	<u>29,577,021</u>	<u>3,194,091</u>	<u>3,835,942</u>	<u>8,926,240</u>	<u>45,533,294</u>
Excess (deficiency) of revenues (under) expenditures	<u>5,476,650</u>	<u>3,533,075</u>	<u>(585,198)</u>	<u>(695,591)</u>	<u>7,728,936</u>
Other financing sources (uses)					
Transfers in	1,787,042	-	5,674,123	7,031,339	14,492,504
Transfer out	(19,779,789)	-	-	(1,045,024)	(20,824,813)
Proceeds from capital lease obligation	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Total other financing sources (uses)	<u>(17,392,747)</u>	<u>-</u>	<u>5,674,123</u>	<u>5,986,315</u>	<u>(5,732,309)</u>
Net change in fund balances	(11,916,097)	3,533,075	5,088,925	5,290,724	1,996,627
Fund balances, beginning of fiscal year	<u>27,423,136</u>	<u>8,081,109</u>	<u>(4,389,185)</u>	<u>19,854,319</u>	<u>50,969,379</u>
Fund balances, end of fiscal year	<u>\$ 15,507,039</u>	<u>\$ 11,614,184</u>	<u>\$ 699,740</u>	<u>\$ 25,145,043</u>	<u>\$ 52,966,006</u>

**CITY OF EAST POINT, GEORGIA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021**

Net changes in fund balances - total governmental funds \$ 1,996,627

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

Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period:

Capital outlays	\$ 2,001,915	
Depreciation expense	<u>587,956</u>	2,589,871

Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues but as deferred inflows of resources in the governmental funds:

Deferred inflows of resources at June 30, 2021	5,029,937	
Deferred inflows of resources at June 30, 2020	<u>(5,051,701)</u>	(21,764)

The issuance of long-term debt provides current financial resources to the governmental funds. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect on the differences in treatment of long-term debt:

Principal payments on bonds	3,020,790	
Proceeds from capital lease obligation	(600,000)	
Payment of premium	64,069	
Payments on utility credit	<u>60,000</u>	2,544,859

Some expenses and other items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Accrued interest payable at June 30, 2021	(313,821)	
Accrued interest payable at June 30, 2020	<u>421,733</u>	107,912
Compensation absences payable at June 30, 2021	(1,612,581)	
Compensation absences payable at June 30, 2020	<u>1,545,200</u>	(67,381)
Workers compensation payable at June 30, 2021	(506,119)	
Workers compensation payable at June 30, 2020	<u>441,158</u>	(64,961)
OPEB payable at June 30, 2021	(25,068,171)	
OPEB payable at June 30, 2020	<u>27,974,354</u>	2,906,183
Net pension liability at June 30, 2021	(13,687,799)	
Net pension liability at June 30, 2020	<u>23,427,068</u>	<u>9,739,269</u>

Pension and OPEB related items reported in the statement of activities that do not require the use of current resources in the governmental funds:

Deferred outflows of resources - pension related	(4,098,014)	
Deferred outflows of resources - OPEB related	769,563	
Deferred inflows of resources - pension related	(3,179,165)	
Deferred inflows of resources - OPEB related	<u>(6,168,246)</u>	<u>(12,675,862)</u>

Change in net position of governmental activities \$ 7,054,753

**CITY OF EAST POINT, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2021**

	Business-type Activities Enterprise Funds				Total	Business-type Activities
	Major Funds			Nonmajor Fund		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund		
Assets and deferred outflows of resources						
Current assets						
Cash and cash equivalents	\$ 2,207,970	\$ 14,057,111	\$ -	\$ 6,643,510	\$ 22,908,591	\$ 655,149
Restricted cash and cash equivalents	50,384	19,842,098	-	-	19,892,482	-
Accounts receivable	3,053,033	3,254,712	572,164	691,258	7,571,167	-
Accrued revenues	274,017	-	52,909	-	326,926	-
Interfund	4,492	38,359	-	-	42,851	-
Inventory	82,262	1,116,354	-	-	1,198,616	-
Prepaid items	214,753	237,172	199,806	140,022	791,753	287,516
Total current assets	<u>5,886,911</u>	<u>38,545,806</u>	<u>824,879</u>	<u>7,474,790</u>	<u>52,732,386</u>	<u>942,665</u>
Noncurrent assets						
Capital assets						
Non depreciable	6,837,407	4,447,571	-	46,659	11,331,637	-
Depreciable, net	55,386,204	9,837,408	2,560,975	2,369,738	70,154,325	386,330
Total noncurrent assets	<u>62,223,611</u>	<u>14,284,979</u>	<u>2,560,975</u>	<u>2,416,397</u>	<u>81,485,962</u>	<u>386,330</u>
Total assets	<u>68,110,522</u>	<u>52,830,785</u>	<u>3,385,854</u>	<u>9,891,187</u>	<u>134,218,348</u>	<u>1,328,995</u>
Deferred outflows of resources						
Difference in pension and OPEB investment earnings	2,936,728	2,392,811	1,040,241	241,618	6,611,398	-
Total deferred outflow of resources	<u>2,936,728</u>	<u>2,392,811</u>	<u>1,040,241</u>	<u>241,618</u>	<u>6,611,398</u>	<u>-</u>
Total assets and deferred outflow of resources	<u>\$ 71,047,250</u>	<u>\$ 55,223,596</u>	<u>\$ 4,426,095</u>	<u>\$ 10,132,805</u>	<u>\$ 140,829,746</u>	<u>\$ 1,328,995</u>

**CITY OF EAST POINT, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2021**

	Business-type Activities- Enterprise Fund					Business-type Activities	
	Major Funds			Nonmajor Fund	Total		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund			
Liabilities and deferred inflow of resources							
Current liabilities:							
Accounts payable	\$ 12,877,874	\$ 6,832,176	\$ 153,154	\$ 101,918	\$ 19,965,122	\$ 196,200	
Contracts retainage payable	-	-	-	92,173	92,173	-	
Accrued expenses	605,344	230,248	30,127	12,037	877,756	152,559	
Compensated absences payable	165,101	234,101	66,322	21,807	487,331	-	
Interfund payable	133,710	1,189,579	109,205	206,700	1,639,194	980,236	
Revenue bonds payable	1,835,319	-	-	-	1,835,319	-	
Capital lease obligation	80,280	76,924	145,562	-	302,766	-	
Claims payable	-	-	-	467,000	467,000	-	
Other post employment benefits payable	80,280	59,762	33,617	6,341	180,000	-	
Total current liabilities	<u>15,777,908</u>	<u>8,622,790</u>	<u>537,987</u>	<u>907,976</u>	<u>25,846,661</u>	<u>1,328,995</u>	
Current liabilities payable from restricted assets							
Accrued interest payable	568,721	-	-	-	568,721	-	
Customer deposits	931,094	2,091,347	-	-	3,022,441	-	
Total current liabilities payable from restricted assets	<u>1,499,815</u>	<u>2,091,347</u>	<u>-</u>	<u>-</u>	<u>3,591,162</u>	<u>-</u>	
Total current liabilities	17,277,723	10,714,137	537,987	907,976	29,437,823	1,328,995	
Long-term liabilities (net of current portion)							
Other post employment benefits payable	4,632,202	3,508,078	1,973,339	372,249	10,485,868	-	
Net pension liability	2,140,498	1,693,698	772,544	144,719	4,751,459	-	
Revenue bonds payable	31,804,148	-	-	-	31,804,148	-	
Total long-term liabilities	38,576,848	5,201,776	2,745,883	516,968	47,041,475	-	
Total liabilities	<u>55,854,571</u>	<u>15,915,913</u>	<u>3,283,870</u>	<u>1,424,944</u>	<u>76,479,298</u>	<u>1,328,995</u>	
Deferred inflows of resources	4,397,692	2,563,854	1,118,035	259,094	8,338,675	-	
Total liabilities and deferred inflow of resources	<u>60,252,263</u>	<u>18,479,767</u>	<u>4,401,905</u>	<u>1,684,038</u>	<u>84,817,973</u>	<u>1,328,995</u>	
Net position							
Net investment in capital assets	28,503,864	14,208,055	2,415,413	2,324,224	47,451,556	386,330	
Restricted	50,384	19,842,098	-	-	19,892,482	-	
Unrestricted	(17,759,261)	2,693,676	(2,391,223)	6,124,543	(11,332,265)	(386,330)	
Total net position	<u>\$ 10,794,987</u>	<u>\$ 36,743,829</u>	<u>\$ 24,190</u>	<u>\$ 8,448,767</u>	<u>\$ 56,011,773</u>	<u>\$ -</u>	

CITY OF EAST POINT, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the fiscal year ended June 30, 2021

	Business-Type Activities Enterprise Fund					Business-Type Activities	
	Major Funds			Nonmajor Fund	Total		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund			
Operating revenues							
Charges for services, net	\$ 20,487,231	\$ 42,500,226	\$ 4,353,595	\$ 3,274,530	\$ 70,615,582	\$ 4,842,137	
Taxes	-	-	209,878	-	209,878	-	
Miscellaneous	9,067	324,461	-	-	333,528	-	
Total operating revenues	<u>20,496,298</u>	<u>42,824,687</u>	<u>4,563,473</u>	<u>3,274,530</u>	<u>71,158,988</u>	<u>4,842,137</u>	
Operating expenses							
Personal services	3,863,081	3,244,528	1,698,935	428,224	9,234,768	1,277,041	
Purchased services	2,682,997	1,314,377	1,719,323	436,229	6,152,926	2,851,060	
Cost allocations	4,694,220	5,020,589	2,388,131	340,050	12,442,990	-	
Materials and supplies	584,988	704,659	11,555	4,223	1,305,425	629,603	
Wholesale electric	-	30,010,978	-	-	30,010,978	-	
Sanitary sewers	2,949,625	-	-	-	2,949,625	-	
Depreciation	5,391,091	1,056,727	314,574	344,653	7,107,045	84,433	
Total operating expenses	<u>20,166,002</u>	<u>41,351,858</u>	<u>6,132,518</u>	<u>1,553,379</u>	<u>69,203,757</u>	<u>4,842,137</u>	
Operating income (loss)	<u>330,296</u>	<u>1,472,829</u>	<u>(1,569,045)</u>	<u>1,721,151</u>	<u>1,955,231</u>	<u>-</u>	
Nonoperating revenue (expenses)							
Interest expense	(1,018,842)	(73,834)	(16,295)	-	(1,108,971)	-	
Investment earnings	-	6,090	-	-	6,090	-	
Total nonoperating revenue (expenses)	<u>(1,018,842)</u>	<u>(67,744)</u>	<u>(16,295)</u>	<u>-</u>	<u>(1,102,881)</u>	<u>-</u>	
Income (loss) before transfers in (out)	(688,546)	1,405,085	(1,585,340)	1,721,151	852,350	-	
Transfers - in (out)	(742,019)	-	7,074,328	-	6,332,309	-	
Change in net position	(1,430,565)	1,405,085	5,488,988	1,721,151	7,184,659	-	
Net position, beginning of the fiscal year	<u>12,225,552</u>	<u>35,338,744</u>	<u>(5,464,798)</u>	<u>6,727,616</u>	<u>48,827,114</u>	<u>-</u>	
Net position, end of fiscal year	<u>\$ 10,794,987</u>	<u>\$ 36,743,829</u>	<u>\$ 24,190</u>	<u>\$ 8,448,767</u>	<u>\$ 56,011,773</u>	<u>\$ -</u>	

CITY OF EAST POINT, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2021

	Business-Type Activities Enterprise Fund					Business-Type Activities	
	Major Funds			Nonmajor Fund	Total		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund			
Cash flows from operating activities							
Cash received from customers	\$ 20,091,048	\$ 43,420,703	\$ 4,467,378	\$ 3,176,426	\$ 71,155,555	\$ -	
Cash received from interfund services	-	-	-	-	-	4,842,137	
Cash payments for personnel services	(4,254,617)	(3,205,748)	(1,620,438)	(1,132,747)	(10,213,550)	(1,270,504)	
Cash payments to suppliers for goods and services	(11,048,820)	(37,153,227)	(4,193,791)	(825,918)	(53,221,756)	-	
Cash payments for interfund services	-	-	-	-	-	(4,415,944)	
Net cash provided by (used in) operating activities	<u>4,787,611</u>	<u>3,061,728</u>	<u>(1,346,851)</u>	<u>1,217,761</u>	<u>7,720,249</u>	<u>(844,311)</u>	
Cash flows from noncapital financing activities							
Increase (decrease) in interfund loan payable	133,710	1,768,054	(5,306,910)	-	(3,405,146)	980,236	
(Increase) decrease in interfund receivable	(4,492)	(616,835)	-	206,700	(414,627)	-	
Transfer in (out)	(742,019)	-	7,074,328	-	6,332,309	-	
Net cash provided by (used in) noncapital financing activities	<u>(612,801)</u>	<u>1,151,219</u>	<u>1,767,418</u>	<u>206,700</u>	<u>2,512,536</u>	<u>980,236</u>	
Cash flows from capital and related financing activities							
Principal paid on revenue bonds	(1,535,000)	-	-	-	(1,535,000)	-	
Interest paid on revenue bonds	(1,031,634)	-	-	-	(1,031,634)	-	
Capital lease payment	80,280	-	-	-	80,280	-	
Principal paid on notes and leases	-	(7,706)	(422,395)	-	(430,101)	-	
Interest paid on notes and leases	-	(73,834)	(16,296)	-	(90,130)	-	
Payments for capital acquisitions	(2,287,036)	(2,553,182)	-	(9,943)	(4,850,161)	-	
Net cash used in capital and related financing activities	<u>(4,773,390)</u>	<u>(2,634,722)</u>	<u>(438,691)</u>	<u>(9,943)</u>	<u>(7,856,746)</u>	<u>-</u>	
Cash flows from investing activities							
Investment earnings	-	6,090	-	-	6,090	-	
Net cash provided by investing activities	<u>-</u>	<u>6,090</u>	<u>-</u>	<u>-</u>	<u>6,090</u>	<u>-</u>	
Net increase (decrease) in cash and cash equivalents	<u>(598,580)</u>	<u>1,584,315</u>	<u>(18,124)</u>	<u>1,414,518</u>	<u>2,382,129</u>	<u>135,925</u>	
Cash and cash equivalents at the beginning of fiscal year	<u>2,856,934</u>	<u>32,314,894</u>	<u>18,124</u>	<u>5,228,992</u>	<u>40,418,944</u>	<u>519,224</u>	
Cash and cash equivalents at the end of the fiscal year	<u>\$ 2,258,354</u>	<u>\$ 33,899,209</u>	<u>\$ -</u>	<u>\$ 6,643,510</u>	<u>\$ 42,801,073</u>	<u>\$ 655,149</u>	
Cash and cash equivalents	\$ 2,207,970	\$ 14,057,111	\$ -	\$ 6,643,510	\$ 22,908,591	\$ 655,149	
Restricted cash and cash equivalents	50,384	19,842,098	-	-	19,892,482	-	
Total	<u>\$ 2,258,354</u>	<u>\$ 33,899,209</u>	<u>\$ -</u>	<u>\$ 6,643,510</u>	<u>\$ 42,801,073</u>	<u>\$ 655,149</u>	

CITY OF EAST POINT, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2021

	Business-Type Activities Enterprise-Type Activities					Business-Type Activities	
	Major Funds			Nonmajor Fund	Total		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund			
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	\$ 330,296	\$ 1,472,829	\$ (1,569,044)	\$ 1,721,151	\$ 1,955,232	\$ -	
Adjustments							
Depreciation	5,391,091	1,056,727	314,574	344,653	7,107,045	84,433	
(Increase) decrease in assets							
Accounts receivable and accrued revenues	(427,270)	874,774	(96,096)	(98,104)	253,304	-	
Inventory	(79,645)	553,394	1,578	-	475,327	1,066	
Prepaid items	(124,841)	(130,329)	(123,668)	(105,210)	(484,048)	(214,448)	
Increase (decrease) in liabilities							
Accounts payable	67,496	(525,689)	47,308	59,794	(351,091)	(721,899)	
Accrued expenses	607	30,090	2,501	4,038	37,236	6,537	
Unearned revenue	-	-	-	(715,404)	(715,404)	-	
Deposits payable	-	(278,758)	-	-	(278,758)	-	
Compensated absences	(1,711)	18,391	10,391	2,379	29,450	-	
Other post employment benefit	(709,821)	(485,564)	(252,500)	(54,531)	(1,502,416)	-	
Customer deposit	22,020	-	-	-	22,020	-	
Net pension liability	319,389	475,863	318,105	58,995	1,172,352	-	
Net cash provided by (used in) operating activities	<u>\$ 4,787,611</u>	<u>\$ 3,061,728</u>	<u>\$ (1,346,851)</u>	<u>\$ 1,217,761</u>	<u>\$ 7,720,249</u>	<u>\$ (844,311)</u>	

CITY OF EAST POINT, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020 and June 30, 2021

	December 31, 2020	June 30, 2021
	<u>Pension Trust</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 2,920,815	\$ 1,419,170
Accrued interest and dividends receivable	147,155	-
Investments		
U.S. government obligations	4,290,901	-
Corporate bonds	17,980,229	-
Foreign bonds	461,239	-
Common stock	36,702,625	-
Convertible preferred stock	8,663,513	-
Core real estate property fund	14,506,432	-
Mutual funds	<u>55,114,540</u>	<u>-</u>
Total investments	<u>137,719,479</u>	<u>-</u>
Prepaid insurance	<u>2,904</u>	<u>-</u>
Total assets	<u>140,790,353</u>	<u>1,419,170</u>
Liabilities		
Accounts payable	<u>231,286</u>	<u>-</u>
Total liabilities	<u>231,286</u>	<u>-</u>
Net position		
Restricted for pension benefits	140,559,067	-
Restricted for individuals and organizations	<u>-</u>	<u>1,419,170</u>
Total net position	<u>\$ 140,559,067</u>	<u>\$ 1,419,170</u>

CITY OF EAST POINT, GEORGIA
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended December 31, 2020 and June 30, 2021

	December 31, 2020	June 30, 2021
	<u>Pension Trust</u>	<u>Agency Fund</u>
Additions		
Contributions		
Employer	\$ 9,322,981	\$ -
Employee	<u>1,446,435</u>	<u>-</u>
Total contributions	<u>10,769,416</u>	<u>-</u>
Collections from individuals and organizations	<u>-</u>	<u>344,956</u>
Investment Earnings		
Net (depreciation) in fair value of investments	13,539,485	-
Interest and dividends	2,946,910	-
Less: investment expenses	<u>(713,596)</u>	<u>-</u>
Net investment income	<u>15,772,799</u>	<u>-</u>
Other income	<u>6,007</u>	<u>-</u>
Total additions	<u>26,548,222</u>	<u>344,956</u>
Deductions		
Benefits paid including refunds of employee contributions	9,449,719	-
Refunds and transfers to individual and organizations	-	187,461
Administrative expense	<u>204,572</u>	<u>840</u>
Total deductions	<u>9,654,291</u>	<u>188,301</u>
Increase in net position	16,893,931	156,655
Net position, beginning of fiscal year	<u>123,665,136</u>	<u>1,262,515</u>
Net position, end of fiscal year	<u>\$ 140,559,067</u>	<u>\$ 1,419,170</u>

**CITY OF EAST POINT, GEORGIA
 COMPONENT UNIT
 STATEMENT OF NET POSITION
 June 30, 2021**

	East Point Business and Industrial Development Authority
Assets	
Current	
Cash and cash equivalents	\$ 286,846
Accounts receivable, net	140,000
Prepaid items	<u>52,500</u>
Total current assets	479,346
Noncurrent assets	
Nondepreciable capital assets for resale	<u>428,000</u>
Total assets	<u><u>\$ 907,346</u></u>
Liabilities	
Current liabilities	
Due to primary government	\$ 175,528
Customer deposits	<u>49,458</u>
Total liabilities	<u>224,986</u>
Net position	
Unrestricted	<u>682,360</u>
Total liabilities and net position	<u><u>\$ 907,346</u></u>

**CITY OF EAST POINT, GEORGIA
 COMPONENT UNIT
 STATEMENT OF ACTIVITIES
 For the fiscal year ended June 30, 2021**

	<u>East Point Business and Industrial Development Authority</u>
Intergovernmental Revenues	
Intergovernmental	\$ <u>34,250</u>
Total general revenues	<u>34,250</u>
Expenses	
Economic development	<u>38,179</u>
Total expenses	<u>38,179</u>
Change in net position	(3,929)
Net position, beginning of fiscal year	<u>686,289</u>
Net position, end of fiscal year	<u>\$ 682,360</u>

**NOTES TO THE
FINANCIAL STATEMENTS**

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

The City of East Point, Georgia (the "City") was incorporated on August 10, 1887 under the provisions of Georgia Law 133, as amended. The City operates under a Council-Manager form of government and provides the following services: general government, judicial, public safety, public works, culture and recreation, economic and community development, water and sewer, electricity, storm water and solid waste disposal.

Note 1 - Summary of Significant Accounting Policies

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

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

1-A. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or (3) the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The City's component units are presented either as "blended" or "discretely presented". If blended, it is reported as if it were a fund of the City throughout the fiscal year. It is included at both the government-wide and fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

A brief description of the blended component units is as follows:

East Point Building Authority (the "Authority") - The Authority was established to acquire, construct and equip capital projects for the City. The Mayor and City Council appoint members of the Authority. The City has lease agreements that require lease payments to the Authority from the City in amounts equivalent to the principal and interest on the Authority's outstanding debt. Capital assets owned by the Authority are included in capital assets; related debt and debt service are included in long-term debt in the government-wide financial statements and in the debt service fund. Assets owned by the Authority and leased for use by enterprise funds are included in the enterprise funds, along with the related capital debt. The Authority does not issue separate financial statements.

City of East Point Retirement Plan (the Plan) Pension Trust Fund. The City provides pension benefits to its employees through the Plan. The Retirement Committee for the Employees of the City of East Point administers the Plan. Separate audited financial statements for the Plan may be obtained by writing to the City Clerk's office at 2757 East Point Street, East Point, Georgia 30344.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

The following component units are discretely presented in the reporting entity:

East Point Business and Industrial Development Authority (EPBIDA) and the Downtown Development Authority of East Point (DDAEP) - The EPBIDA and the DDAEP, collectively referred to as EPBIDA, were established to assist in the promotion, rejuvenation and commercial development of the City. The board members of the Authorities are appointed by the City Council. The Authorities receive a substantial portion of their operating revenues and all of their office facilities from the City. While these entities are legally established as two separate authorities, they are operated and reported on as one entity. The EPBIDA and the DDAEP do not issue separate financial statements.

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the discretely presented component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The operating activity of the internal service funds is eliminated to avoid duplicating revenues and expenses.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component units at fiscal year end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities, for each identifiable activity of the business-type activities of the City and for each major component unit. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

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

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - During the fiscal year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

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

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

T-SPLOST Fund - Transportation Special Purpose Local Option Sales Tax (TSPLOST) Fund accounts for the revenues and capital outlays for transportation purposes only.

Restricted Grants Fund - Restricted Grants Fund accounts for grants received by the City with donor restrictions. It is presented as a major fund for consistency with prior fiscal years and because of its significance in relation to the General Fund.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The following are the City's major enterprise funds.

Water and Sewer Fund - This fund provides water and sewer services to City residents.

Electric Fund - This fund provides electrical services to City residents.

Solid Waste Fund - This fund provides sanitation services to City residents.

Internal Service Fund - The internal service fund accounts for the operation and administration activity of the motor transport and IT programs of the City.

Fiduciary Funds - Fiduciary fund reporting focuses on net position. The City's fiduciary funds include pension trust funds and an agency fund. The pension trust fund provides pensions to City employees and City elected officials. The Agency Fund accounts for receipts held in escrow for individuals and outside organizations.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets plus deferred outflows of resources and all liabilities plus deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

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

Like the government-wide statements, all proprietary fund types and fiduciary funds are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets plus deferred outflows of resources and all liabilities plus deferred inflows of resources associated with the operation of these funds are included on the statements of net position. The statements of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

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

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of fiscal year end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property taxes, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied, (Note 3-B). Revenue from grants and donations is recognized in the calendar fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days subsequent to fiscal year end) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred Inflows of Financial Resources - The government fund financial statements, revenues are deferred inflows for:

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances)
Property taxes receivable not collected within 60 days of fiscal year end.

Deferred Outflows of Financial Resources - The government fund financial statements, assets are deferred outflows for:

Prepaid items paid before services are rendered or the City becomes obligated.
Investments earnings that will be used to pay future liabilities.

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

1-E. Assets, Liabilities and Fund Equity

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

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. Cash and cash equivalents are reported on balance sheets, statements of net position and in cash flow statements.

Cash balances of most City funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each fund based on the fund's average equity balance in the pooled fund.

Investments - The City is authorized by the City charter and Georgia statutes to invest in:

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

Assets of the City's pension plans are invested in accordance with Georgia statutes. These statutes authorize the City to invest these assets in:

Obligations of the United States Treasury or its agencies and instrumentalities,
Bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions,
Certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations,
Common stocks,
Money market instruments, and
Corporate bonds and debentures, which are not in default as to principal and interest.

Investments of the City are stated at fair value based upon quoted market prices.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

For the City's pension plan, securities traded on the national securities markets are valued at the last reported sales price on the last business day of the fiscal year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at fair value determined by the trustee on the last reported bid and asked prices. Short term investments, corporate bonds, U.S. Government agency obligations and corporate stock are reported at fair value as of December 31, 2020 and 2019.

1-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectables, where applicable.

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

On the government-wide financial statements, inventories are presented at a moving average cost basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds and proprietary funds are stated a moving average cost basis. For all funds, cost is determined on a first in, first out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ending June 30, 2021, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the fiscal year in which services are consumed. At the fund reporting level, an equal amount of fund balance is stated as non-expendable, as this amount is not available for general appropriation.

1-E-6. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted assets in the governmental funds relate to specific programs for which cash is restricted for use by the donor or the nature of the program, debt service payments and for capital projects.

1-E-7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary fund's statement of net position.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, bridges, storm sewers, traffic islands, street lights, traffic signals and street signs. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized, less the amount of interest earned during the same qualifying period.

The City has elected not to capitalize works of art and historical treasures based on its policy that these items are not held for financial gain, they will be preserved and any proceeds from the sale of the items will be used to acquire other collections.

All reported capital assets are depreciated except for land, right-of-ways, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

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

Description	Governmental Activities	Enterprise Activities	Component Units
Land improvements	10-25 years	10-25 years	-
Buildings	20-50 years	20-50 years	-
Building improvements	20 years	20 years	-
Machinery and equipment	3-10 years	5-20 years	7 years
Furniture and fixtures	3-8 years	3-8 years	3-8 years
Vehicles	5-15 years	5-15 years	-
Infrastructure	25-50 years	10-50 years	-

1-E-8. Compensated Absences

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

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

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

1-E-9. Workers' Compensation

The reserves for claims are determined when a probable loss has occurred and the amount of the loss can be reasonably estimated. The reserves are conservatively estimated with no interest imputed in determining the amount of the claims or reserves (Note 4-A).

The total workers' compensation liability is reported on the government-wide financial statements. Proprietary funds report the total workers' compensation liability in each individual fund at the fund reporting level. Governmental funds report the workers' compensation liability at the fund reporting level only "when due."

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. Bonds and financed purchases are recognized as liabilities in the governmental fund financial statements “*when due*.”

1-E-11. Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method and bond refunding gains and losses are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of refunding debt or the refunded debt using the straight-line method. Bond issuance costs are recognized as current expenses in the reporting period in which they are incurred.

At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

1-E-12. Fund Equity (See Note 3-K)

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 – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. 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 not 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 the enabling legislation adopted by the City Council 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 imposed by formal action of the City Council through the approval of a motion to adopt an ordinance prior to the end of the fiscal year. Only, the City Council may modify or rescind the commitment by adopting another ordinance to remove or revise the limitation as passed.

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 City Council has authorized the City manager or designee to assign fund balances.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other funds.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has not spent) for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position are reported as unrestricted.

1-E-13. Operating Revenues and Expenses - Proprietary Funds

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 water and sewer, electric, storm water and sanitation services.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the proprietary funds. All other revenues and expenses are classified as non-operating including investment earnings, withdrawals from the Municipal Competitive Trust, interest expense and the gain or loss on the disposition of capital assets.

1-E-14. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-15. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. On the government-wide statement of activities, the exchange transactions between the internal service funds and the user funds are eliminated. 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 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.

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.

1-E-16. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-17. General Services Costs

The City allocates a portion of general services costs (such as purchasing, accounting, budgeting, personnel administration, and certain other costs) to the Water and Sewer Fund, Electric Fund, Solid Waste Fund and the Internal Service Fund in order to more fully reflect the actual cost of providing these services.

1-E-18. Net Pension Liability

For the purpose of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions and pensions expense, information about the fiduciary net position of the City of East Point Employees Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

1-E-19. Reclassifications

Certain amounts previously reported have been reclassified in order to be consistent with the current year.

1-E-20. Impact of Recently Issued Accounting Pronouncements

Pronouncements Effective for the 2021 Financial Statements:

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement were effective for reporting periods beginning after June 15, 2019. The Statement had no impact on the City's financial statements.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement were effective for reporting periods beginning after December 15, 2019. The Statement had no impact on the City's financial statements.

In October 2021, the GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This statement establishes the term Annual Comprehensive Financial Report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021. The Statement had no impact on the City's financial statements.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Pronouncements Issued, but not Effective, which the City will Adopt in Future fiscal years:

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (LIBOR)-most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March, 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for fiscal years beginning after June 15, 2022. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In March 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Statements 83, 84, 88, 89, 90, 91, 92, and 93 implementation dates are delayed by one year. Statement 87, Leases, implementation is postponed by 18 months.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and end users (governments). This Statement is effective for fiscal years beginning after June 15, 2022. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

1-E-20. Prior Period Adjustment

During fiscal year 2020, the City incorrectly reflected the following items in the governmental activities of the government-wide financial statements:

Grant revenue and the related receivable included twice as providing current financial resources	\$ (1,425,565)
Bond premium excluded from long-term liabilities	(961,031)
Capital assets balance not adjusted for retired assets	<u>(656,099)</u>
Total reduction in net position at the beginning of the fiscal year	<u>\$ (3,042,695)</u>

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CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information

The City adopts an annual operating budget for all governmental funds except the Capital Projects Fund, which has project adopted budget. Budgets are adopted on a basis consistent with GAAP with the exception of the capital projects funds, which have project length budgets, rather than annual budgets. The City adopts budgets for its enterprise funds and internal service fund, however, the reporting of the budget to actual comparison is not required.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level as defined in the adopted budget, within each individual fund. The City manager is authorized to transfer appropriations within a single department from one line to another. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

For the fiscal year ended June 30, 2021, expenditures for the following exceeded appropriations:

General fund, transfers out	\$ 17,304,295
East Point corridors tax allocation district, debt service	\$ 500,000

To ensure adequate appropriations, budget amendments are implemented during the fiscal year. In fiscal year 2021, transfers were adjusted for amounts appropriated but were not made in prior fiscal years.

2-B. Encumbrances

As discussed in note 2-A, Budgetary Information, the budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at fiscal year end are as follows:

General fund	\$ 580,947
Restricted grant funds	4,563,018
T-SPLOST funds	4,373,902
Non-major governmental funds	<u>616,193</u>
Total	<u>\$ 10,134,060</u>

2-C. Department of Community Affairs (DCA) – Hotel/Motel Compliance Audit

In January 2020, the Department of Community Affairs concluded the audit of the City’s Hotel Motel Tax. It was determined that the City was not in compliance with O.C.G.A 48-13-50.2 which states tourism, conventions, and trade show costs shall be incurred by a qualifying organization to promote tourism, conventions, and trade show or to support or operate a qualifying facility. It was determined that the City save the 2% of the Hotel/Motel Tax for the purpose of constructing an auditorium to draw tourism to the City instead of paying the additional funds to a qualifying organization to promote tourism, conventions and trade shows. The City is currently seeking approval from the State Legislative to allow the destination marketing organization and the City to work together on expending the funds.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits - State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

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

The City limits its custodial risk by requiring deposits to be collateralized in accordance with state law. As of June 30, 2021, the City was not exposed to custodial credit risk.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor’s criteria for AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net fair value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed based on a \$1.00 per share value. The fair value of the City’s position in the pool is the same as the value of pool shares (\$1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of State Treasurer.

Funds included in this Pool are not required to be collateralized.

The fair value of the City’s position in the pool approximates the value of the City’s pool shares. Credit risk, value, and interest risk at June 30, 2021, are as follows:

Credit Risk	Value	Interest Risk
AAA rated	\$ 3,416	36 day WAM

The City classifies its investments in Georgia Fund I as cash and cash equivalents.

Also, the East Point Business and Industrial Development Authority’s deposits were covered either by FDIC coverage or were entirely insured or collateralized with securities held by the component unit's agent in the component unit's name.

Investments (Governmental and Enterprise Funds)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from volatility of interest rates.

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CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2021, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Period: Under 30 days</u>
Short-term government securities	\$ 19,842,098	\$ 19,842,098

Because of the maturity date, the investments above have been reported as cash equivalents in the accompanying financial statements.

Credit Quality Risk – Credit quality risk is that an issuer or other counter-party to an investment will not fulfill its obligations. The City’s investment policy does not address credit risk. The above money market funds are rated “AAA”.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank or investment firm failure, the City’s investments may not be recovered. The City’s investment policy does not address custodial credit risk

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City does not have a formally adopted investment policy for managing concentration of credit risk. The only investments in excess of 5% of the City’s investment portfolio are federal securities and money market funds.

Deposits (Pension Trust Fund)

Plan assets are to be invested in investment authorized by the Georgia Public Retirement Systems Investment Authority Law, OCGA 47-20-80. Those investments include obligations of the U.S Treasury or Agencies and instrumentalities, collateralized mortgage obligations, asset and mortgage back securities, taxable bonds that are obligation of any state and its agencies, instrumentalities, and political subdivisions, and in certificates of deposit of national or state banks that are fully insured, or collateralized by United States obligations, additionally, the plan is authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest.

Credit Risk - Credit risk is the risk that an insurer or other party to an investment will not fulfill its obligations to the plan. Stale law limits investment to investment grade securities.

For equity investments, the decision as to individual security selection, security size and quality, number of industries and holdings, current income level, turnover, and other tools employed by equity investment managers are left to each manager’s discretion, except that investment in micro-cap stocks (those securities with market capitalization less than \$100 million) are prohibited.

For fixed income investments, decisions as to individual security selection, turnover, number of industries and holdings, and the other tools employed by fixed income investment managers are left to each manager’s discretion, subject to the standards of fiduciary prudence. The minimum quality rating of each fixed income security in any separate account portfolio is to be BAA or better.

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CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2020, the Plan had \$137,719,479 invested in the type of investment as categorized by credit risk.

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Quality</u>
United States Treasury notes and bonds	\$ 4,043,978	AA+
United States government agencies	246,922	AA+
Corporate bonds	63,729	AAA
Corporate bonds	222,520	AA+
Corporate bonds	300,585	AA
Corporate bonds	261,778	AA-
Corporate bonds	565,046	A+
Corporate bonds	2,815,960	A
Corporate bonds	3,455,966	A-
Corporate bonds	2,242,583	BBB+
Corporate bonds	4,567,105	BBB
Corporate bonds	1,731,670	BBB-
Corporate bonds	1,753,288	Not rated
Foreign bonds	81,423	A
Foreign bonds	379,816	Not rated
Mutual Funds	55,114,540	Not rated
Core real estate property fund	14,506,432	Not rated
Preferred stock- domestic	8,663,513	Not rated
Common stock - domestic	<u>36,702,625</u>	Not rated
	<u>\$ 137,719,479</u>	

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. At December 31, 2020, the Pension Trust Fund had the following investments and maturities:

<u>Investment Type</u>	<u>December 31, 2020</u>	<u>Total Investment</u>	<u>Duration (Years)</u>
U.S. Treasury notes and bonds	\$ 4,043,979	2.94 %	5.68
U.S. government agencies	246,922	0.18 %	6.70
Corporate bonds	17,980,229	13.06 %	5.75
Foreign bonds	461,239	0.33 %	3.51
Mutual funds	55,114,540	40.02 %	-
Preferred stock - domestic	8,663,513	6.29 %	-
Common stock - domestic	36,702,625	26.65 %	-
Core real estate property fund	<u>14,506,432</u>	<u>10.53 %</u>	-
Total	<u>\$ 137,719,479</u>	<u>100 %</u>	

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counter-party, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2020, the Plan was not exposed to custodial credit risk with respect to its deposits or investments.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of government’s investment in a single issue. The Plan is generally not authorized to hold more than 5% of plan assets in the securities of any individual security or in the securities of a single cooperate issue. Individual asset managers may hold positions above 5% so long as the aggregate holding across asset managers does not exceed 5% of Plan assets. At December 31, 2020, the Plan was not exposed to concentration of credit risk

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Foreign Currency Risk – At December 31, 2020, the Plan had no exposure to foreign currency risk. The Plan did not have any investments in the stock of foreign companies.

Fair Value Measurement - The Plan has the following recurring fair value measurements, separated into the fair value hierarchy as of December 31, 2020:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
United States government issues	\$ 4,043,979	\$ 246,922	\$ -	\$ 4,290,901
Corporate bonds	12,289,360	5,690,869	-	17,980,229
Foreign bonds	81,423	379,816	-	461,239
Mutual funds	55,114,540	-	-	55,114,540
Equity securities	<u>45,366,138</u>	<u>-</u>	<u>-</u>	<u>45,366,138</u>
	<u>\$ 116,895,440</u>	<u>\$ 6,317,607</u>	<u>\$ -</u>	123,213,047

Investments recorded at net asset value:

Core real estate property fund	<u>14,506,432</u>
	<u>\$ 137,719,479</u>

Debt equity and mutual fund securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Level 3 pricing is based on best available information, including primarily unobservable inputs and assumptions market participants would use in pricing.

In addition to the three levels discussed above, if an investment does not have a readily determined fair value, the investment can be measured using net asset value per share (or its equivalent). Investments valued at net asset value are not listed as Level 1, 2, or 3.

The Plan invests in a core real estate property fund - the JP Morgan Strategic Property Fund. This fund invests in core real properties seeking to realize capital appreciation on its portfolio while also generating a high level of current income. This fund makes strategic property acquisitions primarily in the United States. As part of JP Morgan's valuation process, independent appraisers value properties on an annual basis (at a minimum). The fund is valued at net asset value monthly.

Cash and investment reconciliation at June 30, 2021:

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Investments</u>	<u>Total</u>
Fund Level Reporting:			
Governmental Fund Type - Statement of Net Position			
Unrestricted	\$ 11,649,992	\$ -	\$ 11,649,992
Restricted	37,107,004	-	37,107,004
Proprietary Fund Type - Statement of Net Position			
Enterprise Funds			
Unrestricted	23,563,740	-	23,563,740
Restricted	<u>19,892,482</u>	<u>-</u>	<u>19,892,482</u>
Total Fund Level	<u>\$ 92,213,218</u>	<u>\$ -</u>	<u>\$ 92,213,218</u>
Fiduciary Fund Type - Statement of Fiduciary Net Position			
Restricted as of December 31, 2020	<u>\$ 2,920,815</u>	<u>\$ 137,719,479</u>	<u>\$ 140,640,294</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at June 30, 2021, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

The City's individual major funds and nonmajor funds consist of the following:

Fund/receivable, by type	Taxes	Grants	Utility	Other	Allowance	Net Receivables
General fund	\$5,029,937	\$ 1,125,161	\$ -	\$ 1,424,712	\$ (1,005,988)	\$ 6,573,822
Restricted grant fund	-	-	-	1,310,707	-	1,310,707
T-SPLOST fund	629,587	-	-	-	-	629,587
Nonmajor governmental funds	88,000	276,063	-	2,231,443	-	2,595,506
Water and sewer fund	-	-	5,961,727	-	(2,908,694)	3,053,033
Electric fund	-	-	9,281,415	-	(6,026,703)	3,254,712
Solid waste fund	-	-	1,318,555	-	(746,391)	572,164
Nonmajor enterprise funds	-	-	864,073	-	(172,815)	691,258
Total	<u>\$5,747,524</u>	<u>\$ 1,401,224</u>	<u>\$ 17,425,770</u>	<u>\$ 4,966,862</u>	<u>\$(10,860,591)</u>	<u>\$18,680,789</u>

3-C. Property Taxes

Property taxes for the June 30, 2021 fiscal year were levied on October 15, 2020, based on property values assessed as of January 1, 2020. The taxes were billed December 15, 2020 and were payable within 60 days of the billing date. An interest penalty of 10% per annum is charged on property taxes not paid within 90 days of the due date. Property taxes become an enforceable lien on April 15, 2021.

3-D. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The amount for pensions and OPEB relates to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

	Governmental	Enterprise	Total
Deferred outflows:			
Pension liability	\$ 11,190,201	\$ 4,255,438	\$ 15,445,639
OPEB liability	<u>5,492,429</u>	<u>2,355,960</u>	<u>7,848,389</u>
Total	<u>\$ 16,682,630</u>	<u>\$ 6,611,398</u>	<u>\$ 23,294,028</u>

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred gain on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

These amounts are reported as follows:

	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Deferred inflows:			
Pension liability	\$ 8,939,154	\$ 3,757,181	\$ 12,696,335
OPEB liability	7,092,313	3,269,990	10,362,303
Refunding of debt	<u>-</u>	<u>1,311,504</u>	<u>1,311,504</u>
Total	<u>\$ 16,031,467</u>	<u>\$ 8,338,675</u>	<u>\$ 24,370,142</u>

3-E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, for governmental funds was as follows:

<u>Asset Class</u>	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements Reclasses</u>	<u>Balance June 30, 2021</u>
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 7,093,826	\$ 156,689	\$ -	\$ 7,250,515
Construction	<u>14,717,461</u>	<u>2,371,492</u>	<u>-</u>	<u>17,088,953</u>
	<u>\$ 21,811,287</u>	<u>\$ 2,528,181</u>	<u>\$ -</u>	<u>\$ 24,339,468</u>
Depreciable capital assets:				
Land improvements	\$ 7,240,693	\$ 691,340	\$ -	\$ 7,932,033
Buildings	35,359,299	64,816	-	35,424,115
Furniture	1,737,820	-	-	1,737,820
Machinery and equipment	21,264,057	671,535	-	21,935,592
Vehicles	18,940,394	918,440	-	19,858,834
Infrastructure	<u>72,447,296</u>	<u>2,297,229</u>	<u>(5,169,626)</u>	<u>69,574,899</u>
Total depreciable capital assets	<u>156,989,559</u>	<u>4,643,360</u>	<u>(5,169,626)</u>	<u>156,463,293</u>
Total capital assets	<u>178,800,846</u>	<u>7,171,541</u>	<u>(5,169,626)</u>	<u>180,802,761</u>
Less accumulated depreciation:				
Land improvements	4,475,705	323,394	-	4,799,099
Buildings	9,595,499	910,247	-	10,505,746
Furniture	962,730	126,637	-	1,089,367
Machinery and equipment	17,426,961	736,974	-	18,163,935
Vehicles	14,641,328	694,584	-	15,335,912
Infrastructure	<u>32,678,089</u>	<u>1,789,834</u>	<u>(5,169,626)</u>	<u>29,298,297</u>
Total accumulated depreciation	<u>79,780,312</u>	<u>4,581,670</u>	<u>(5,169,626)</u>	<u>79,192,356</u>
Governmental capital assets, net	<u>\$ 99,020,534</u>	<u>\$ 2,589,871</u>	<u>\$ -</u>	<u>\$ 101,610,405</u>
Depreciation Expense by governmental activities:				
General government		\$ 1,135,218		
Public safety		1,309,774		
Public works		1,872,670		
Culture and recreation		<u>264,008</u>		
Total depreciation expense by governmental activities		<u>\$ 4,581,670</u>		

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The following are the changes in the capital assets for the City's four enterprise funds and the internal service fund:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements Reclasses</u>	<u>2021</u>
Business-type activities				
Nondepreciable capital assets:				
Construction in progress	\$ 9,324,887	\$ 2,006,750	\$ -	\$ 11,331,637
Total nondepreciable capital assets	<u>9,324,887</u>	<u>2,006,750</u>	<u>-</u>	<u>11,331,637</u>
Depreciable capital assets:				
Land improvements	1,779,368	-	-	1,779,368
Building and other structures	147,345,338	2,069,927	-	149,415,265
Machinery and equipment	15,842,196	794,662	-	16,636,858
Vehicles	<u>13,268,300</u>	<u>-</u>	<u>-</u>	<u>13,268,300</u>
Total depreciable capital assets	<u>178,235,202</u>	<u>2,864,589</u>	<u>-</u>	<u>181,099,791</u>
Total capital assets	<u>187,560,089</u>	<u>4,871,339</u>	<u>-</u>	<u>192,431,428</u>
Less accumulated depreciation:				
Land improvements	569,312	177,937	-	747,249
Buildings and other structures	83,940,574	4,840,356	-	88,780,930
Machinery and equipment	12,064,595	1,187,764	-	13,252,359
Vehicles	<u>6,806,896</u>	<u>971,702</u>	<u>-</u>	<u>7,778,598</u>
Total accumulated depreciation	<u>103,381,377</u>	<u>7,177,759</u>	<u>-</u>	<u>110,559,136</u>
Business-type activities capital assets, net	<u>\$ 84,178,712</u>	<u>\$ (2,306,420)</u>	<u>\$ -</u>	<u>\$ 81,872,292</u>

Capital asset activity for the component units for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements Reclasses</u>	<u>Balance 2021</u>
East Point Business and Industrial Development Authority				
Nondepreciable:				
Assets held for resale	\$ 428,000	\$ -	\$ -	\$ 428,000
Depreciable capital assets:				
Buildings, machinery and equipment	<u>36,136</u>	<u>-</u>	<u>-</u>	<u>36,136</u>
Total capital assets	<u>464,136</u>	<u>-</u>	<u>-</u>	<u>464,136</u>
Less accumulated depreciation:				
Buildings, machinery and equipment	<u>36,136</u>	<u>-</u>	<u>-</u>	<u>36,136</u>
East Point Business and Industrial Development Authority capital assets, net	<u>\$ 428,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,000</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Interfund Balances and Transfers

Interfund balances at June 30, 2021, consisted of interfund loans between funds for cash flow purposes and the reclassification of cash overdrafts in the City's cash and investment pool.

<u>Due From</u>	<u>Due To</u>							<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Gov't Funds</u>	<u>Water Sewer Fund</u>	<u>Electric Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Enterprise Fund</u>	<u>Internal Service Fund</u>	
General Fund	\$ -	\$2,001,795	\$133,633	\$1,185,087	\$ -	\$ 168,442	\$980,236	\$4,469,193
Nonmajor Government Funds	113,121	2,093,923	-	-	109,182	-	-	2,316,226
Water and Sewer Fund	-	-	-	4,492	-	-	-	4,492
Electric Fund	-	-	77	-	24	38,258	-	38,359
Total	<u>\$113,121</u>	<u>\$4,095,718</u>	<u>\$133,710</u>	<u>\$1,189,579</u>	<u>\$109,206</u>	<u>\$ 206,700</u>	<u>\$980,236</u>	<u>\$6,828,270</u>

Interfund transfers for the fiscal year ended June 30, 2021, consisted of the following:

<u>Transfers out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Restricted Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Solid Waste Fund</u>	
General fund	\$ -	\$ 5,674,123	\$ 7,031,339	\$ 7,074,328	\$ 19,779,790
Nonmajor governmental funds	1,045,023	-	-	-	1,045,023
Water Sewer Fund	742,019	-	-	-	742,019
Total	<u>\$ 1,787,042</u>	<u>\$ 5,674,123</u>	<u>\$ 7,031,339</u>	<u>\$ 7,074,328</u>	<u>\$ 21,566,832</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

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CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's governmental activities long-term obligations for the fiscal year ended June 30, 2021 are as follows (net of premiums of \$896,962):

	<u>Outstanding June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2021</u>	<u>Amount Due in One Year</u>
Governmental activities					
Revenue bonds:					
Intergovernmental agreement	\$ 523,908	\$ -	\$ 80,790	\$ 443,118	\$ 83,295
Limited obligations bonds:					
Series 2015 Tax Allocation					
Bonds - Camp Creek	6,420,000	-	2,340,000	4,080,000	1,330,000
Series 2015 Tax Allocation					
Bonds - East Point Corridors	1,200,000	-	500,000	700,000	-
Series 2017 GMA COPS	<u>12,705,000</u>	<u>-</u>	<u>100,000</u>	<u>12,605,000</u>	<u>110,000</u>
Subtotal bonded debt reported	20,848,908	-	3,020,790	17,828,118	1,523,295
Net unamortized premiums	<u>961,031</u>	<u>-</u>	<u>64,069</u>	<u>896,962</u>	<u>64,069</u>
Total bonded debt reported	<u>21,809,939</u>	<u>-</u>	<u>3,084,859</u>	<u>18,725,080</u>	<u>1,587,364</u>
Financed purchases	-	600,000	-	600,000	80,900
Compensated absences	1,545,202	120,791	53,412	1,612,581	131,783
Workers' compensation	441,158	1,163,155	1,098,194	506,119	505,000
Other-utility credit payable	60,000	-	60,000	-	-
Net OPEB obligation	27,974,354	5,867,951	8,774,134	25,068,171	400,000
Net pension obligation	<u>23,427,068</u>	<u>10,418,705</u>	<u>20,157,974</u>	<u>13,687,799</u>	<u>-</u>
Total governmental activities	<u>\$ 75,257,721</u>	<u>\$ 18,170,602</u>	<u>\$ 33,228,573</u>	<u>\$ 60,199,750</u>	<u>\$ 2,705,047</u>

The general fund has been used historically to liquidate net OPEB and compensated absence liabilities

Change in the City's business-type activities long-term obligations consisted of the following for the fiscal year ended June 30, 2021:

	<u>Outstanding June 30, 2020</u>	<u>Addition</u>	<u>Reductions</u>	<u>Outstanding June 30, 2021</u>	<u>Amount Due in One Year</u>
Business-type activities					
Limited obligation bonds:					
2017 Building Authority revenue refunding bonds	\$ 31,390,000	\$ -	\$ 1,535,000	\$ 29,855,000	\$ 1,565,000
Net unamortized premium	<u>4,054,786</u>	<u>-</u>	<u>270,319</u>	<u>3,784,467</u>	<u>270,319</u>
Total bonded debt reported	<u>35,444,786</u>	<u>-</u>	<u>1,805,319</u>	<u>33,639,467</u>	<u>1,835,319</u>
Net OPEB obligation	12,168,284	2,871,552	4,293,688	10,746,148	180,000
Net pension obligation	9,124,480	3,860,518	8,233,539	4,751,459	-
Financed purchases	<u>652,586</u>	<u>64,865</u>	<u>494,965</u>	<u>222,486</u>	<u>222,486</u>
Total business-type activities	<u>\$ 57,390,136</u>	<u>\$ 6,796,935</u>	<u>\$ 14,827,511</u>	<u>\$ 49,359,560</u>	<u>\$ 2,237,805</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-Term Debt

Governmental Activities Bonds and Financed purchases - The following is a summary of the outstanding long-term bonds and financed purchases at June 30, 2021:

2015 Tax Allocation Bonds (Camp Creek) – In 2015, the City issued tax allocation bonds, Series 2015, in the amount of \$13,925,000 with an average coupon rate of 3.71%. Debt service payments for the Series 2015 Bonds are payable on February 1 and August 1 of each year with principal maturing on or before February 1, 2026.

Annual debt service requirements to amortize this debt, as of June 30, 2021 are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,330,000	\$ 117,100	\$ 1,447,100
2023	1,400,000	62,850	1,462,850
2024	<u>1,350,000</u>	<u>20,925</u>	<u>1,370,925</u>
Total	<u>\$ 4,080,000</u>	<u>\$ 200,875</u>	<u>\$ 4,280,875</u>

2015 Tax Allocation Bonds (Corridors) In November 2015, the City issued tax allocation bonds, for the corridors tax allocation district projects, in the amount of \$1,200,000 at an interest rate of 5.125% debt service payment for the Series 2015 Bonds are payable on August 1st of each year with principal maturing August 1, 2040.

Annual debt service requirements to amortize this debt, as of June 30, 2021, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 35,875	\$ 35,875
2023	-	35,875	35,875
2024	-	35,875	35,875
2025	-	35,875	35,875
2026	-	35,875	35,875
2027-2031	-	179,375	179,375
2032-2036	-	179,375	179,375
2037-2040	<u>700,000</u>	<u>161,437</u>	<u>861,437</u>
Total	<u>\$ 700,000</u>	<u>\$ 699,562</u>	<u>\$ 1,399,562</u>

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CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

2011 Building Authority Revenue Bonds – In 2011, the City issued revenue bonds in the amount of \$1,150,000 at an interest rate of 6.1%. The purpose of the bonds is to purchase property known as “the Wachovia Bank Building” and make needed renovations. Semi-annual principal installments are made in decreasing amounts with principal maturing December 1, 2025. There is an intergovernmental agreement between the City and the East Point Building Authority. Annual debt service requirements to amortize the revenue bonds, as of June 30, 2021, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 83,295	\$ 29,911	\$ 113,206
2023	85,878	19,606	105,484
2024	88,540	14,244	102,784
2025	91,286	5,750	97,036
2026	<u>94,119</u>	<u>5,821</u>	<u>99,940</u>
Total	<u>\$ 443,118</u>	<u>\$ 75,332</u>	<u>\$ 518,450</u>

2017 GMA City Hall Project Certificate of Participation- On November 20, 2017, the City issued \$12,835,000 Georgia Municipal Association, Inc. Installment Sale Program Certificate of Participation (COPS) (City of East Point City Hall Project), Series 2017, to be used to construct a new city hall. The COPS will be payable from fiscal years 2019 through 2035 with interest rates ranging from 2.0% to 5.0%.

Annual debt service requirements to amortize this debt, as of June 30, 2021, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,000	\$ 542,725	\$ 652,725
2023	115,000	538,325	653,325
2024	120,000	533,725	653,725
2025	315,000	528,928	843,928
2026	315,000	528,928	843,928
2027-2031	1,485,000	2,427,275	3,912,275
2032-2036	2,140,000	2,079,900	4,219,900
2037-2041	2,550,000	1,677,750	4,227,750
2042-2046	3,155,000	1,063,750	4,218,750
2047-2048	<u>2,300,000</u>	<u>233,750</u>	<u>2,533,750</u>
Total	<u>\$ 12,605,000</u>	<u>\$ 10,155,056</u>	<u>\$ 22,760,056</u>

Financed purchases/capital lease obligations - The City has entered into numerous purchase agreements relative to its governmental activities with Santander Bank. The following assets were included in these financed purchases:

<u>Purchase Number</u>	<u>Purchase Date</u>	<u>Purchase Description</u>	<u>Interest Rate</u>	<u>Initial Purchase Amount</u>
55	May 14, 2021	Fire Pumper Truck	2.83%	\$ 600,000

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements for these financed purchase payable as of June 30, 2021, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 80,900	\$ 14,385	\$ 95,285
2023	80,595	14,690	95,285
2024	82,876	12,409	95,285
2025	85,221	10,064	95,285
2026	87,633	7,652	95,285
2027-2028	<u>182,775</u>	<u>7,795</u>	<u>190,570</u>
Total	<u>\$ 600,000</u>	<u>\$ 66,995</u>	<u>\$ 666,995</u>

Business-type Activity Debt – The City reports three building authority debt issuances and a variety of financed purchases for business-type activities:

2017 Building Authority Revenue Refunding Bonds – On May 3, 2017, the City issued revenue refunding bonds in the amount of \$46,055,000 at an interest rate ranging from 2% - 5%, to fund a water and sewer project. The purpose of advance refunding was to refund \$39,295,000 of Series 2006A Revenue Bonds (Water and Sewer Project) and \$10,325,000 of Series 2007 Revenue Bonds (Water and Sewer Project), to purchase a municipal bond insurance policy relating to the Series 2017 Bonds and to pay certain costs of issuing the Series 2017 Bonds. The Series 2017 bonds have varying semi-annual principal and interest payments due (February 1 and August 1) commencing August 1, 2017 through February 2035. The refunding transaction resulted in aggregate debt service savings of \$7,781,356 and an economic gain (net present value of the aggregate debt service savings) of \$6,022,698.

Annual debt service requirements to amortize this debt, as of June 30, 2021, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,565,000	\$ 1,364,932	\$ 2,929,932
2023	1,645,000	1,286,681	2,931,681
2024	1,695,000	1,237,331	2,932,331
2025	1,775,000	1,152,581	2,927,581
2026-2030	10,320,000	4,337,406	14,657,406
2031-2035	<u>12,855,000</u>	<u>1,808,283</u>	<u>14,663,283</u>
Total	<u>\$ 29,855,000</u>	<u>\$ 11,187,214</u>	<u>\$ 41,042,214</u>

Financed purchases/capital lease obligations - The City has entered into numerous purchase agreements relative to its business-type activities with Koch Company and Kansas State Bank. The following equipment and improvements were included in these financed purchases:

<u>Purchase Number</u>	<u>Purchase Date</u>	<u>Purchase Description</u>	<u>Interest Rate</u>	<u>Initial Purchase Amount</u>
52	July 1, 2017	Three Trucks	2.72%	\$ 1,080,500
53	December 8, 2017	Two Sanitation Trucks	3.02%	557,181
54	July 1, 2017	Freightliner R Load Truck	5.32%	<u>364,078</u>
Total				<u>\$ 2,001,759</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements for these financed purchase payable as of June 30, 2021, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 222,484</u>	<u>\$ 9,004</u>	<u>\$ 231,488</u>

As of fiscal year June 30, 2021, the gross amount of capital assets under financed purchases for the City’s business type activities is \$2,001,759, and the related accumulated depreciation is \$672,757.

The general fund services the governmental activities Building Authority bonds and financed purchases. The tax allocation bonds are being serviced by the tax allocation district funds 2015 Camp Creek and 2015 Corridors. The business-type activities revenue bonds are serviced by the water fund. The business-type activities financed purchases are being serviced by the water and sewer, electric, solid waste and the storm water funds. Compensated absences are being paid by the fund in which the employee works, primarily the general fund, the enterprise funds and the internal service fund. The liabilities for worker’s compensation and claims are being paid by the general fund.

Arbitrage Rebate – The arbitrage rebate liability is treated as a claim or judgment upon occurrence, on all City obligations. Certain City long-term debt obligations are subject to Internal Revenue Code Section 148, which requires that interest earned on proceeds from the issuance of tax-exempt debt be rebated to the Federal government to the extent that those earnings exceed the interest costs on the related tax-exempt debt. At June 30, 2021, the City has no arbitrage rebate liability on any of its tax-exempt debt issuances.

3-I. Pension Plan

The City provides pension benefits to its employees through the City of East Point Employees Retirement Plan (the Plan). The Retirement Committee for the employees of the City administers the Plan. The City’s general fund is required to liquidate any net pension obligation or make up any deficiencies when benefit payments are due. The cost of administering the Plan is primarily paid by investment earnings.

The City’s pension is part of the City financial reporting entity and is therefore included in this financial statement as a pension trust fund. Furthermore, the City issues publicly an available financial statement report for the Plan. The report may be obtained by writing to the City Clerk’s office at the following address:

City of East Point, 2757 East Point Street, East Point, Georgia 30344

Plan Description – The Plan is a single employer, contributory defined benefit pension plan. Effective July 1, 1998, the Plan covers all City employees employed prior to April 1, 1992. Also, effective July 1, 1998, the City established an additional class of eligible employees or class 5 for employees hired subsequent to March 31, 1992. These benefit provisions and all other requirements are established by State statute and City ordinance.

Benefits are different for each class of employee. The Plan defines each class as follows:

- Class 1 - Transferred from old plan on June 19, 1975.
- Class 2 - General employees and elected officials hired before April 1, 1992.
- Class 3 - Police and fire employees hired before April 1, 1992.
- Class 5 - Eligible full-time employees hired on or after April 1, 1992 and elected officials.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Vesting for each class is as follows:

- Class 1 - Vesting begins after 8 years of service. (closed)
- Class 2 and 3 - Vesting begins after 10 years of service.
- Class 5 - Vesting begins after 10 years of service; if elected official, 5 years of service.

Normal retirement ages and years of service required in order to receive benefits for each class are as follows:

- Class 1 - Age 50 and 8 years of service (closed plan).
- Class 2 Age 65 and 10 years of service; if elected official, age 60 and 5 years of service.
- Class 3 - Age 55 and 10 years of service.
- Class 5 - Age 65 (55 for police officers and firefighters) and 10 years of service; elected officials, age 60 and 5 years of service.

Early retirement is allowed for Class 2 and Class 3 employees, if they are 50 years of age and have 10 years of service. The benefit payable immediately is the accrued benefit reduced by 3% for each year retirement precedes normal retirement date. Class 5 participants may retire as early as Age 55 (50 for Police Officers and Firefighters) with ten years of credited service using the applicable percentage. The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute and City ordinance.

Plan Membership - At January 1, 2020, the date of the most recent actuarial valuation, there were 849 participants respectively, consisting of the following:

Retirees and beneficiaries currently receiving benefits	351
Terminated members entitled to but not yet receiving benefits	25
Current active employees vested	131
Current active employees non-vested	<u>342</u>
Total	<u>849</u>

Funding Policy – The contribution requirements of Plan members and the City are established in accordance with the applicable pension law. The City's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The City is currently contributing 38.26% of covered payroll and the active participants are contributing 6% of their base pay.

Net Pension Liability – The net pension liability is the difference between the total pension liability and the Plan's fiduciary net position. The total pension liability is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The total pension liability includes benefits related to projected salary and service and automatic cost of living adjustments (COLA). In addition, ad hoc COLA are also included in the total pension liability to the extent they are substantively automatic. The Plan's fiduciary net position is determined on the same basis used by other pension plans. The City's net pension liability was measured on December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Measurement date:	December 31, 2020
Total pension liability	\$ 158,998,325
Fiduciary net position	<u>140,559,067</u>
Net pension liability	<u>\$ 18,439,258</u>
Plan fiduciary net position as a percentage of total pension liability	88.40%

A schedule of net pension liability, in addition to the information above, (beginning with fiscal year 2020) and is presented in the Required Supplementary Information section on page 69.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Schedule of Changes in Net Pension Liability - Changes in the City's net pension liability presented below are calculated on the same basis as each of the plans. The change in net pension liability for the Plan for the calendar year ended December 31, 2020, is as follows:

	Total Pension Liability	Plan Net Position	Pension Liability
	(a)	(b)	(a)-(b)
Changes for the calendar year:			
Service cost	\$ 3,667,163	\$ -	\$ 3,667,163
Interest	10,407,488	-	10,407,488
Difference in expected and actual experience	(1,843,291)	-	(1,843,291)
Contributions - employer	-	9,322,981	(9,322,981)
Contributions - participant	-	1,446,435	(1,446,435)
Net investment income	-	15,778,806	(15,778,806)
Refund of contributions	(516,930)	(516,930)	-
Benefits paid	(8,932,789)	(8,932,789)	-
Plan administrative expenses	-	(204,572)	204,572
Net changes	<u>2,781,641</u>	<u>16,893,931</u>	<u>(14,112,290)</u>
Net pension liability, beginning	<u>156,216,684</u>	<u>123,665,136</u>	<u>32,551,548</u>
Net pension liability, ending	<u>\$ 158,998,325</u>	<u>\$140,559,067</u>	<u>\$ 18,439,258</u>

The governmental activities column reports a net pension obligation of \$13,687,799 and the enterprise funds report a net pension obligation of \$4,751,459.

Pension Expense – The pension cost for the calendar year ended December 31, 2020 is \$5,755,391. The governmental activities column report pension cost of \$3,997,038 and the enterprise funds report \$1,758,353.

Discount Rate - The discount rate used to measure the total pension liability was 6.87%. The projection of cash flows used to determine the discount rate assumed the City would contribute the actuarially required contribution in the future. Based on those assumptions and considering the Plan's net position as of December 31, 2020, the Plan's net position was projected to be available to make projected future benefit payments of current plan members through 2120. Therefore, the long-term expected rate of return on pension plan investments (6.87%) becomes the discount rate and thus is applied to all projected future benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability of the City, calculated using the discount rate of 6.87%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.87%) or one-percentage-point higher (7.87%) than the current rate:

	5.87%	6.87%	7.87%
City's net pension liability	<u>\$ 38,522,438</u>	<u>\$ 18,439,258</u>	<u>\$ 1,837,321</u>

Schedule of Deferred Outflows and Inflows of Resources - Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2021, for the pension plan are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,476,685	\$ 1,513,693
Changes of assumption	13,968,954	-
Net difference between projected and actual earnings on plan investments	<u>-</u>	<u>11,182,642</u>
Net deferred outflows and inflows	<u>\$ 15,445,639</u>	<u>\$ 12,696,335</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021 will be recognized in pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows (Inflows) of Resources
2022	\$ 2,048,794
2023	3,231,870
2024	(784,863)
2025	<u>(1,746,497)</u>
Net deferred outflows and inflows	<u>\$ -</u>

Actuarial Assumptions Used to Calculate the Net Pension Liability - The total pension liability was determined by an actuarial valuation as of January 1, 2020, with updates performed by the actuary to roll forward to the total pension liability measured as of December 31, 2020. The following actuarial assumptions apply to all periods included in the measurement:

Investment rate of return	6.87%, net of pension plan investment expense, including inflation
Salary increase	3.50%, including inflation
Inflation	2.40%
Mortality	The rates of mortality for the period after service retirement are according to the PUB 2010 Headcount Weighted Above Median Tables, generational projected with Scale MP 2019.
Cost of Living Adjustment:	
Class 1-3	The yearly percentage increase of the Consumer Price Index (CPI) of the most recent November CPI reading, with maximum increase of 3% and there is no reduction of benefits if the CPI decreases
Class 5	Retirement benefits are subject to a cost of living review and possible adjustment each two years by the City Council.

The long-term expected rate of return on Plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2020, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate Rate of Return
U. S. Large Cap Equity	35%	6.19%
U. S. Small/Mid Cap Equity	20%	7.37%
U.S Direct Real Estate	10%	5.74%
Pfds/Converts	15%	3.97%
U.S Aggregate Bond	<u>20%</u>	1.57%
Total	<u>100%</u>	

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Defined Contribution Plan

The City’s 401 Governmental Money Purchase Deferred Retirement Plan (the “Deferred Plan”) is a defined contribution plan which is administered by ICMA-Retirement Corporation. Employees at the director level are eligible to participate in the Deferred Plan. The Deferred Plan participants can contribute a maximum of 6% of their annual salary with matching contribution of (6%-12%) made by the City depending on the number of years of service of the employee. The City Council established and can amend the Deferred Plan. At June 30, 2021 there were nine participants in the Deferred Plan. There were no employees and employer contributions during the fiscal year.

3-J. Other Postemployment Benefits (OPEB)

The City of East Point Retiree Healthcare Plan (the “Healthcare Plan”) is a single-employer defined benefit healthcare plan which provides other postemployment benefits (OPEB) to eligible retirees, dependents and their beneficiaries.

The City Council has the authority to establish the benefit provisions and may amend them as necessary. The Healthcare Plan was established by legislative acts and functions in accordance with existing City laws. OPEB of City retirees includes health, dental, and vision care and life insurance. Separate financial statements are not prepared for the Healthcare Plan.

At June 30, 2020, the most recent actuarial valuation date, the Healthcare Plan had 475 active participants and 293 retired participants and beneficiaries receiving benefits.

Funding Policy – The City has not advance-funded or established a funding methodology for the annual OPEB costs or to retire the net OPEB obligation. The City Council is the authority that sets the contribution rates for active employees and retirees. Active employees do not contribute and retirees pay approximately 40% of the premium. The balance of the premium is paid by the City. The City covers the cost of administering the plan.

Schedules of Changes in Net OPEB Liability – The following table includes the City’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and the changes in the City’s net OPEB obligation:

	<u>2021</u>
Service cost	\$ 1,872,539
Interest	1,395,822
Difference between expected and actual experience	(12,543,794)
Changes of assumptions	5,471,122
Benefit payments	<u>(524,008)</u>
Net change in net OPEB obligation	(4,328,319)
Total OPEB obligation, beginning of fiscal year	<u>40,142,638</u>
Total OPEB obligation, end of fiscal year	<u><u>\$ 35,814,319</u></u>

The governmental activities column reports a net OPEB obligation of \$25,068,171 and the enterprise funds report \$10,746,148 net OPEB obligation.

OPEB expense - The OPEB cost for the fiscal year ended June 30, 2020 is \$42,36,247. The governmental activities report an OPEB cost of \$2,844,362 and the enterprise funds report an OPEB cost of \$1,391,885.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation involves estimates of the value of the reported amounts and assumptions about the probability of events or far into the future. Examples include assumptions of future employment, mortality and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The City’s actuarial valuation information is as follows:

Current Valuation Date	June 30, 2020
Actuarial Assumptions:	
Inflation	2.25%
Salary increases, including wage inflation	3.50%
Municipal Bond Index Rate at:	
Prior Measurement Date	3.50%
Measurement Date	2.19%
Health Care Cost Trends:	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.75% by 2029
Post-Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.75% by 2023
Dental	4.00%

The discount rate used to measure the total OPEB liability was based on the June average of the bond buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond buyer.

Mortality rates were based on the PUB 2010 mortality tables, generational projection using Scale MP 2020.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates - The following presents the total OPEB liability for the City’s plan, calculated using the discount rate, as well as what the City’s total OPEB liability would have been if it were calculated using a health care cost trend that is 1-percent-point lower and 1-percent-point higher than the current rate:

	1% Decrease Healthcare cost trend rate <u>(6% decreasing to 3%)</u>	Current Healthcare cost trend rate <u>(7% decreasing to 4%)</u>	1% Increase Healthcare cost trend rate <u>(8% decreasing to 5%)</u>
City's total OPEB liability	\$ 29,742,125	\$ 35,814,318	\$ 43,848,191

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability for each of the City's plan, calculated using the discount rate, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1-percent-point lower and 1-percent-point higher than the current rate:

	1% Decrease in discount rate 1.19%	Current 2.19%	1% Increase in discount rate 3.19%
City's total OPEB liability	\$ 43,355,313	\$ 35,814,318	\$ 30,027,905

Schedule of Deferred Outflows and Inflows of Resources - Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2021 for the OPEB plan are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 329,075	\$ 10,159,042
Net difference between projected and actual earnings on plan investment	7,519,314	203,261
Net deferred outflows and inflows	\$ 7,848,389	\$ 10,362,303

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits at June 30, 2021 will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources
Measurement period ended June 30:	
2021	\$ 1,068,851
2022	(543,937)
2023	(1,344,615)
2024	(1,344,615)
Thereafter	(349,597)
Total OPEB obligation, end of fiscal year	\$ (2,513,913)

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CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-K. Fund Equity

Fund Balances – Fund balances are classified as follows:

Nonspendable – The following fund balances are nonexpendable because they are not in expendable form:

General Fund:	
Prepaid	\$ 405,924
Inventories	<u>789,672</u>
Total	<u>\$ 1,195,596</u>

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

Governmental Funds:	
Major Funds:	
Restricted Grants	\$ 699,740
T-SPLOST	<u>11,614,184</u>
Subtotal Major funds	<u>12,313,924</u>
Nonmajor Funds:	
Capital projects	6,883,148
City Hall	1,035,052
Tourism	1,125,399
Debt Service	7,821,757
Public Safety	<u>4,162,789</u>
Subtotal Nonmajor funds	<u>21,028,145</u>
Total	<u>\$ 33,342,069</u>

Net Investment in Capital Assets

The “*Net investment in capital assets*” amount as reported on the government-wide statement of net position as of June 30, 2021 is as follows:

<u>Net investment in capital assets</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Cost of capital assets	\$ 180,802,761	\$192,431,428
Less accumulated depreciation	<u>(79,192,356)</u>	<u>110,559,136)</u>
Book value	101,610,405	81,872,292
Less capital related debt - bonds	(17,828,118)	(29,855,000)
Less capital related debt - financed purchases	-	(222,486)
Less capital related debt - contract retainage	(603,181)	(92,173)
Add unspent bond proceeds	2,339,358	-
Less premium on bonds	<u>(896,962)</u>	<u>(3,784,467)</u>
Net investment in capital assets	<u>\$ 84,621,502</u>	<u>\$ 47,918,166</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City established a fully self-insured program for workers' compensation (See below) whereby any claims exceeding \$500,000 are paid through a private insurance carrier. The City, through a third-party administrator, pays any others.

According to the General Assembly of the State of Georgia, Section 36-33-1 of the official Code of Georgia Annotated, as amended, municipal corporations (i.e., the City of East Point), via sovereign immunity, shall be immune from liability for damages for actions based upon tort, but not contract. This immunity is still subject to actions brought based upon federal constitutional or statutory rights. The City carries liability insurance for the types of claims and in amounts that are customary for similar entities for those categories of claims not subject to the defense of sovereign immunity. The City maintains commercial property and casualty insurance for property damage, earthquake, or flood damage. The various City assets consisting of its mechanical systems, computers, and other equipment is insured for over \$3,000,000, subject to limits for the individual asset types.

The City has purchased liability insurance for its general liability, its automobiles, its employees, public safety officers, public officials, and a blanket fidelity bond. Performance surety bonds and builders' risk insurance is required of all contractors and subcontractors involved in the construction and renovation of municipal facilities or assets. Any surety bonds are to be issued by firms having a rating of "A" or better by A.M. Best & Co. and builder's risk insurance must equal the sums of the contract.

There has not been a significant reduction in insurance coverage from the previous fiscal year. Settlement claims have not exceeded commercial coverage in any of the past three (3) years.

The following represents the changes in approximate liabilities for workers' compensation from July 1, 2019 to June 30, 2021:

<u>Fiscal year ending June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2019	\$202,115	\$240,462	\$329,231	\$113,346
2020	\$113,346	\$967,342	\$639,530	\$441,158
2021	\$441,158	\$1,163,155	\$1,098,194	\$506,119

4-B. Commitments

Construction Commitments - As of June 30, 2021, the City has the following construction commitments outstanding:

<u>Contractor</u>	<u>Total Contract</u>	<u>Project-to-date Expenditures</u>	<u>Remaining Commitments</u>	<u>Remaining Percentage</u>
Baldwin Paving Company	\$ 669,838	\$ 573,445	\$ 96,393	5.0 %
Lewallen Construction	3,201,320	2,916,949	284,371	14.7 %
Mullins Brothers Paving	5,369,783	4,832,895	536,888	27.7 %
Tantalus Systems	2,513,311	1,475,438	1,037,873	53.5 %
Tantalus Systems	1,352,213	1,366,746	(14,533)	(0.7)%
Willow Construction	<u>185,000</u>	<u>185,000</u>	-	-
Total	<u><u>\$ 13,291,465</u></u>	<u><u>\$ 11,350,473</u></u>	<u><u>\$ 1,940,992</u></u>	<u><u>100 %</u></u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 4 - Other Notes (Continued)

Contract Commitments - Municipal Electric Authority of Georgia – The City has entered into a power sales contract with the Municipal Electric Authority of Georgia (MEAG). The contract requires the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's future minimum payment obligations to MEAG will be based on MEAG's costs and the City's yearly demand for bulk power supply. The City's payment obligations under this contract are general obligations for which the City's full faith, credit and taxing powers are pledged. In order to continue to purchase from MEAG, the City is contingently liable for MEAG liabilities in the event of a default by MEAG. The City is current on all of its obligations to MEAG for power sales contracts.

Subsequent amendments to the MCT allowed the City and other participants to withdraw funds (covering the period from January 2009 through December 31, 2018) from the Credit Support Operating Account and the Flexible Operating Account. The sum of these accounts is reported in the City's Electric Utility Fund with the balance at June 30, 2021 of \$19,842,098. Funds within the Reserve Funded Debt account may be withdrawn only pursuant to the terms of the MCT agreement as amended; however, due to the restricted nature of the withdrawals from this account, it is not recorded in the Electric Utility Fund's financial statements. The balance in the account as of June 30, 2021 was \$177,175

Contract Commitments - TSPLOST Intergovernmental Agreement - In 2016 the State of Georgia passed Senate Bill 369 authorizing counties to consider a Special Purpose Local Option Sales Tax for transportation purposes (TSPLOST). On July 18, 2016, the City of East Point, Georgia approved the resolution to enter into an Intergovernmental Agreement with Fulton County (the County) for the use and distribution of proceeds by the Special Purpose Local Option Sales Tax Referendum for transportation purposes (TSPLOST). On November 8, 2016, voters approved the referendum to allow the County to impose a .075 percent Metropolitan County Transportation Special Purpose Local Option Sales Tax. The funding is to be generated from within Fulton county, outside of the City of Atlanta. The tax collection began on April 1, 2017 and will last no more than 5-years, until March 30, 2022 or when the maximum amount of \$655 million is reached. Fourteen municipalities are participants in the TSPLOST Intergovernmental Agreement for the Use and Distribution of TSPLOST Proceeds with approximately \$40 million estimated at Tier 1, 2 & 3 for the City of East Point. Funds collected can only be spent for transportation improvements, such as roads, bridges, sidewalks, bicycle paths and other transportation-related purposes included in the legislation. Each city is responsible for managing and implementing its approved projects list. See page 137 for the schedule of TSPLOST projects.

4-C. Contingent Liabilities

Various claims and lawsuits are pending against the City. After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, it is the opinion of the City Attorney and City Management that the potential ultimate liability resulting from these actions, if any, will not have a material adverse financial effect on the City.

The City is a plaintiff in action against Fulton County, Georgia alleging breach of contract and duties relative to agreements entered into by the parties for the construction, maintenance, operation and expansion of a sewage treatment plant intended to serve all parties. According to the plaintiffs, the agreements set forth provisions for sharing the cost of construction of the plant and methods for allocating operations and maintenance costs. At some point subsequent to executing the agreements, the County, according to the complaint filed by the plaintiffs, assumed sole ownership rights to the plant, subsequently sold excess capacity to other municipalities within the county, and billed the plaintiffs under methods inconsistent with the proportional use of the facility.

The plaintiffs are seeking declaratory judgment on several issues, including that the various agreements entered into by the parties are valid and enforceable contracts; that the County wrongly sold portions of the plant to other municipalities; that the County has improperly billed the plaintiffs; that they are entitled to shares of the monies received from the other municipalities utilizing the plant and that the percentages used in allocating operations and maintenance costs should be adjusted due to the additional users of the plant. The City is currently pursuing settlement negotiations.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

Note 4 - Other Notes (Continued)

4-D. Joint Venture

The City participates in the following joint venture.

Atlanta Regional Commission (ARC) – Under Georgia law, the City, in conjunction with other counties and cities within the metropolitan Atlanta area, is a member of the Atlanta Regional Commission (ARC), the Regional Commission (RC) for the metropolitan Atlanta area. By agreement with the ARC, dues for cities within Fulton County, outside the City of Atlanta, are paid by Fulton County on a per capita basis. Also by agreement with ARC, Board representation for cities within south Fulton County is determined by the mayors of the cities in south Fulton County. The mayor of East Point is not the south Fulton County representative on the ARC.

Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1).

Separately issued financial statements are available at the ARC’s administrative office, 40 Courtland Street, N.E., Atlanta, Georgia 30303.

4-E. Related Organization – The City has a limited relationship with the following organization:

Housing Authority of the City of East Point – The Housing Authority of the City of East Point (the “Housing Authority”) is considered a related organization and not incorporated into the reporting entity. The Housing Authority is a legally separate entity from the City, having a board composed of members originally appointed by the mayor of the City. The City is not able to impose its will upon the Housing Authority and a financial burden/benefit relationship does not exist between them. Therefore, based on these criteria, the Housing Authority is a related organization. The Housing Authority issues separate financial statements.

Atlanta Housing Authority – the City Council appoints one member of the Atlanta Housing Authority and that is the extent of their involvement.

4-F. Hotel-Motel Lodging Tax

On April 18, 2011 the City passed an ordinance 003-11 to amend part 5, chapter 1, article B, section 5-1052 of the City’s code in accordance with O.C.G.A. 48-13-51 effective July 1, 2011, to increase the lodging tax from 3% to 8%. The City has contracted with the Atlanta Airport District Destination Marketing Organization, Inc (the "DMO") as a destination marketing organization to meet the expenditure requirements of Section 48-13-51(e) of the O.C.G.A. The City shall expend the proceeds of the tax imposed as follow:

City’s General fund	3.0%
City’s tourism development projects (facilities)	2.0%
Tourism, convention and trade promotion contract with the DMO	1.5%
Tourism and trade promotion projects	1.5%

During the fiscal year the City collected \$2,786,739 and transferred \$1,045,024 to general fund and paid \$522,512 to the DMO. The balance of the remaining funds is used to cover other approved tourism projects and remains in the Hotel-motel fund until expended.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

4-J. Subsequent Events

American Rescue Plan Act (ARPA) - During the fiscal year, the City was awarded ARPA grant funds from the U.S. Treasury department in the amount of \$13,023,592. Treasury made payments to States from the Local Fiscal Recovery Fund for distribution to NEUs in two tranches, with the second tranche payment to be made no earlier than 12 months after the date on which the First Tranche payment is paid to the State. The City received the first tranche amount of \$6,511,796 in the beginning of fiscal year 2022 and the balance in fiscal year 2023.

Cyber security incident - In fiscal year 2022, the City experienced a cyber security incident which led to a loss of funds. Payments were approved and disbursed, during the months of July through September 2021, to a fictitious vendor. The amount disbursed totaled \$1,219,287 of which the City subsequently recovered \$434,651. The net incident related loss totaled \$784,636. The incident is still under investigation by various jurisdictions and law enforcement agencies. At the time of the incident, the City had insurance coverage applicable to cyber security incidents and claims have been appropriately filed and are pending. The City has taken steps to strengthen its security related to information technology systems and has implemented a training program for staff to avoid future incidents.

Camp Creek Tax Allocation District - The City, issued its Tax Allocation Refunding Bonds (Camp Creek TAD Project), Series 2015, in an aggregate principal amount of \$13,925,000 (the “Series 2015 Bonds”) which, together with certain other funds provided by the City, were used to refund, pay the Series 2002 Bonds, and pay certain costs associated with the issuance of the Series 2015 Bonds. The Series 2015 Bonds had a final maturity of February 1, 2026, revenues pledged to the payment of the Series 2015 Bonds were sufficient to pay the Series 2015 Bonds on January 31, 2022, forty-eight (48) months earlier than the scheduled final maturity date.

Destination Marketing Organization - The City is authorized by O.C.G.A. § 48-13-51(b)(2) to levy a hotel-motel tax at a rate not to exceed 8%. Pursuant to O.C.G.A. § 48-13-51(b)(5)(A) and (b)(6), and as previously determined by the Hotel Motel Tax Performance Review Board, the City must remit 43.75% of the total hotel-motel tax collected (3.5% out of the 8%) to the destination marketing organization designated by the City. ATL Airport District (the “DMO”) was the destination marketing organization designated by the City at June 30, 2021.

Pursuant to O.C.G.A. § 48-13-51(a)(3) (as incorporated by O.C.G.A. § 48-13-51(b)(6), and applicable to 2% out of the 8% of hotel-motel taxes collected in the City), the DMO is required to expend the hotel-motel tax revenues it receives from the City in the fiscal year during which the tax is collected. Similarly, pursuant to O.C.G.A. § 48-13-51(b)(5)(A) (applicable to 1.5% of the 8% of hotel-motel taxes collected in the City), the DMO is required to expend the hotel-motel tax revenues it receives from the City to promote tourism, conventions, and trade shows in the fiscal year during which the tax is collected. The DMO failed to expend the funds it received from the City in the year ended June 30, 2022 (as well as prior years). The contract between the City and the DMO expired on June 30, 2022, at which point the City designated a successor destination marketing organization.

On June 30, 2022, City Council approved the contract of a new designated destination marketing organization. On July 1, 2022, the City contracted with the East Point Convention and Visitors Bureau as the new designated destination marketing organization to meet the expenditures requirements of section 48-13-51€ of the O.C.G.A. The City shall expend the proceeds of the tax imposed as follows:

City’s general fund	3.0%
City’s tourism development projects (facilities)	2.0%
Tourism, convention, and trade promotion contract with destination marketing organization	1.5%
Tourism and trade promotion contract projects	1.5%

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

4-J. Subsequent Events (Continued)

Municipal Option Sales Tax (MOST) - The City's charter section 1-103(25) authorizes the City to, among other things, operate, maintain, and regulate a system of waterworks, sewers and drains, and sewage disposal, which the City operates as its water and sewer system. The Mayor and Council have determined it is in the best interest of the City to call for a referendum on the imposition of a one percent (1%) water and sewer projects and costs tax pursuant to O.C.G.A. 48-8-200 et seq.

Effective September 1, 2022, a one percent (1%) municipal sales and use tax is to be collected for retail sales and use taking place in the city limits of the City. The proceeds from the tax are used for funding of the City's water and sewer system capital projects, operations, and maintenance costs. The MOST was approved by the City's residents on the May 24, 2022, special election for a period not to exceed four years and for the raising of not more than \$43,308,183.

Local Options Sales Tax (LOST) - The LOST is one-penny sales tax on the purchase, rental, sale, or consumption of tangible personal property and related services. LOST revenues are distributed to local municipalities and counties based on population. The LOST is renegotiated every 10 years between the city governments and county government. LOST is a major funding source in the City's General Fund and contributes the second largest revenue source after property taxes. For the City, the funds are used for major services such as public safety, public works, recreational and park services, and other related services.

On July 15, 2022, the City, along with 14 other cities, began renegotiations with Fulton County over the LOST distribution percentages. The county board passed a proposal regarding the Local Options Sales Tax distribution on November 2, 2022, whereby the county share increases from 5% in 2023 to 12.5% in 2032. This nets the county 9.85% in total collections over the ten-year period.

Transportation Special Local Option Sales tax (T-SPLOST II) - On November 2, 2021, voters approved the referendum for TSPLOST II allowing the County to impose a .075 percent sales tax. The proceeds will be used for transportation improvements within the City.

Georgia Environmental Finance Authority (GEFA) Loans - The City pursued and secured funding from the State of Georgia Environmental Finance Authority for water and sewer projects. The liabilities for these loans will be recorded when the funds are drawn. In fiscal year 2022, the City was approved for \$5,400,000 in GEFA Loans which have not been drawn down to date.

Management has evaluated subsequent events through October 2, 2023, the date on which the financial statements were available to be issued and identified no other events requiring recording or disclosure in the financial statements for the fiscal year ended June 30, 2021.

**REQUIRED SUPPLEMENTARY
INFORMATION**
(Unaudited)

CITY OF EAST POINT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
For the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$ 3,667,163	\$ 3,025,236	\$ 2,846,462	\$ 2,437,624	\$ 2,385,490	\$ 2,154,952	\$ 2,121,348
Interest on total pension liability	10,407,488	9,621,277	9,111,728	9,188,599	9,085,741	8,977,933	8,790,749
Benefit changes	-	-	-	703	-	-	-
Difference in expected and actual experience	(1,843,291)	1,534,433	1,596,897	(372,584)	(1,068,659)	(1,486,574)	-
Change of assumptions	-	22,472,248	2,602,205	-	-	-	-
Benefit payments	(8,932,789)	(8,584,567)	(8,969,433)	(8,148,374)	(7,948,806)	(7,818,041)	(7,653,160)
Refund of contributions	(516,930)	(579,462)	(1,031,489)	(1,467,896)	(689,950)	(514,762)	(1,074,881)
Net change in total pension liability	<u>2,781,641</u>	<u>27,489,165</u>	<u>6,156,370</u>	<u>1,638,072</u>	<u>1,763,816</u>	<u>1,313,508</u>	<u>2,184,056</u>
Total pension liability - beginning	<u>156,216,684</u>	<u>128,727,519</u>	<u>122,571,149</u>	<u>120,933,077</u>	<u>119,169,260</u>	<u>117,855,752</u>	<u>115,671,696</u>
Total pension liability - ending (a)	<u>158,998,325</u>	<u>156,216,684</u>	<u>128,727,519</u>	<u>122,571,149</u>	<u>120,933,076</u>	<u>119,169,260</u>	<u>117,855,752</u>
Plan net position							
Contributions - employer	\$ 9,322,981	\$ 8,975,650	\$ 9,127,127	\$ 8,628,709	\$ 8,674,036	\$ 9,504,258	\$ 9,178,327
Contributions - participant	1,446,435	1,254,455	1,265,307	1,189,472	1,356,521	1,126,534	1,056,133
Net investment income	15,778,806	21,579,667	(2,420,856)	13,702,310	8,210,957	(471,734)	5,165,761
Benefit payments	(8,932,789)	(8,584,567)	(8,969,433)	(8,148,374)	(7,948,806)	(7,818,041)	(7,653,160)
Administrative expenses	(204,572)	(239,679)	(261,834)	(275,589)	(250,881)	(257,170)	(263,308)
Refunds of contributions	(516,930)	(579,462)	(1,031,489)	(1,467,896)	(689,950)	(514,762)	(1,074,881)
Net change in plan in net position	16,893,931	22,406,064	(2,291,178)	13,628,632	9,351,877	1,569,085	6,408,872
Plan fiduciary net position - beginning	<u>123,665,136</u>	<u>101,259,072</u>	<u>103,550,250</u>	<u>89,921,618</u>	<u>80,569,741</u>	<u>79,000,656</u>	<u>72,591,784</u>
Plan fiduciary net position - ending (b)	<u>\$ 140,559,067</u>	<u>\$ 123,665,136</u>	<u>\$ 101,259,072</u>	<u>\$ 103,550,250</u>	<u>\$ 89,921,618</u>	<u>\$ 80,569,741</u>	<u>\$ 79,000,656</u>
Net pension liability - ending (a)-(b)	<u>\$ 18,439,258</u>	<u>\$ 32,551,548</u>	<u>\$ 27,468,447</u>	<u>\$ 19,020,899</u>	<u>\$ 31,011,458</u>	<u>\$ 38,599,519</u>	<u>\$ 38,855,096</u>
Plan net position as a percentage of the total pension liability	88.40 %	79.16 %	78.66 %	84.48 %	74.36 %	67.61 %	67.03 %
Covered payroll	23,603,479	22,125,150	20,545,009	19,192,214	19,171,323	17,949,686	17,920,581
Net pension liability as percentage of covered employee payroll	78.12 %	147.12 %	133.70 %	99.11 %	161.76 %	215.04 %	216.82 %

Note to the Schedule:

The schedule will present 10 years of information, once it is accumulated.

**CITY OF EAST POINT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
RETIREMENT PLAN
For the year end December 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 9,322,981	\$ 8,975,650	\$ 9,127,127	\$ 8,628,709	\$ 8,674,036	\$ 9,504,258	\$ 9,178,327	\$ 9,585,811	\$ 8,106,711	\$ 6,884,678
Actual employer contribution	<u>9,322,981</u>	<u>8,975,650</u>	<u>9,127,127</u>	<u>8,628,709</u>	<u>8,674,036</u>	<u>9,504,258</u>	<u>9,178,327</u>	<u>9,585,811</u>	<u>8,106,711</u>	<u>6,884,678</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$23,603,479	\$22,125,450	\$20,545,009	\$19,192,214	\$19,171,323	\$17,949,686	\$17,920,581	\$17,732,754	\$18,920,699	\$18,471,549
Contributions as a percentage of covered payroll	39.50 %	40.57 %	44.43 %	44.96 %	45.24 %	52.95 %	51.22 %	54.06 %	42.85 %	37.27 %

Notes to the Schedule of Contributions:

A. Changes of benefit terms:

Effective January 1, 2017, Class 5 members are fully vested upon completion of ten years of service regardless of age.

B. Changes of Assumptions:

Effective January 1, 2018, the assumed Cost of Living Adjustment was changed for members to 2.25%.

Effective January 1, 2020, the assumed mortality tables have been updated to the gender specific PUB-2010 Headcount Weighted Above Median Tables, generational mortality using MP-2019 mortality improvement projection scale.

Effective January 1, 2020, the discount rate was changed to 6.87%.

C. Methods and assumptions used in calculations of actuarially determined contributions:

Valuation date	January 1, 2020
Actuarial cost method	Individual entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	5 years
Asset valuation method	5 year smoothed market
Inflation	2.40%
Salary increases	3.50%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

CITY OF EAST POINT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
For the year ended June 30, 2021

Schedule of Changes in Total OPEB Liability - A 10 year schedule of changes in total OPEB liability and related ratios are shown in the following table. Only the initial years are displayed. Additional years will be added in the future.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Normal cost	\$ 1,872,539	\$ 1,336,395	\$ 947,883	\$ 1,160,443
Interest on normal costs	1,395,822	1,176,486	983,394	847,850
Difference between expected and actual experience	(12,543,794)	-	3,320,675	-
Changes of assumptions	5,471,122	7,663,635	(2,051,093)	(1,976,437)
Benefit payments	<u>(524,008)</u>	<u>(555,476)</u>	<u>(605,393)</u>	<u>(546,988)</u>
Net change in total OPEB obligation	(4,328,319)	9,621,040	2,595,466	(515,132)
Total OPEB obligation, beginning of fiscal year	<u>40,142,638</u>	<u>30,521,598</u>	<u>27,926,132</u>	<u>28,441,264</u>
Total OPEB obligation, end of fiscal year	<u>\$ 35,814,319</u>	<u>\$ 40,142,638</u>	<u>\$ 30,521,598</u>	<u>\$ 27,926,132</u>
Covered payroll	\$ 24,474,881	\$ 24,311,172	\$ 19,568,580	\$ 19,192,214
Total OPEB Liability as a percentage of covered-employee payroll	146.33 %	165.12 %	155.97 %	145.51 %

Per the criteria in GASB No. 75, paragraph 4, no assets are accumulated in a trust to pay related benefits for the City's OPEB plan.

CITY OF EAST POINT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 29,342,000	\$ 29,342,000	\$ 30,873,229	\$ 1,531,229
Licenses and permits	2,642,767	2,792,767	1,960,330	(832,437)
Charges for services	915,916	440,916	254,527	(186,389)
Fines and forfeitures	1,105,488	505,488	781,291	275,803
Investment earnings	3,700	3,700	36,790	33,090
Miscellaneous	<u>914,605</u>	<u>914,605</u>	<u>1,147,504</u>	<u>232,899</u>
Total revenues	<u>34,924,476</u>	<u>33,999,476</u>	<u>35,053,671</u>	<u>1,054,195</u>
Expenditures				
Current:				
General governments				
City Council	933,668	1,083,668	896,373	187,295
Executive	4,163,988	4,190,704	3,808,070	382,634
Administrative	7,439,280	7,144,564	7,130,247	14,317
Less cost allocations to utilities	(9,027,978)	(9,027,978)	(9,809,551)	781,573
Judicial	843,076	843,076	833,580	9,496
Public safety:				
Police, jail, and code enforcement	15,584,339	15,439,339	12,622,635	2,816,704
Fire	8,865,964	8,865,964	8,803,074	62,890
Public works	2,407,027	2,652,027	1,874,946	777,081
Culture and recreation	1,550,256	1,460,256	1,395,154	65,102
Economic and community development:				
Community services	1,772,973	1,772,973	1,279,373	493,600
Economic development	623,612	563,612	537,498	26,114
Debt service	<u>645,725</u>	<u>645,725</u>	<u>205,622</u>	<u>440,103</u>
Total expenditures	<u>35,801,930</u>	<u>35,633,930</u>	<u>29,577,021</u>	<u>6,056,909</u>
Excess (deficiency) of revenues over (under) expenditures	(877,454)	(1,634,454)	5,476,650	7,111,104
Other financing sources (uses)				
Proceeds from financing activities	-	-	600,000	-
Transfer in	1,265,428	765,428	1,787,042	1,021,614
Transfer out	(2,720,494)	(2,475,494)	(19,779,789)	(17,304,295)
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,455,066)</u>	<u>(1,710,066)</u>	<u>(17,392,747)</u>	<u>(16,282,681)</u>
Net change in fund balances	<u>\$ (2,332,520)</u>	<u>\$ (3,344,520)</u>	(11,916,097)	<u>\$ (9,171,577)</u>
Fund balance, beginning of fiscal year			<u>27,423,136</u>	
Fund Balances, end of fiscal year			<u>\$ 15,507,039</u>	

T-SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 5,585,555	\$ 5,835,555	\$ 6,727,166	\$ 891,611
Investment earnings	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
Total revenues	<u>5,590,055</u>	<u>5,840,055</u>	<u>6,727,166</u>	<u>887,111</u>
Expenditures				
Purchase services	180,000	180,000	8,857	171,143
Capital outlay	<u>8,917,178</u>	<u>8,917,178</u>	<u>3,185,234</u>	<u>5,731,944</u>
Total expenditures	<u>9,097,178</u>	<u>9,097,178</u>	<u>3,194,091</u>	<u>5,903,087</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,507,123)</u>	<u>(3,257,123)</u>	<u>3,533,075</u>	<u>6,790,198</u>
Other financing sources				
Transfers in	<u>3,511,623</u>	<u>3,257,123</u>	<u>-</u>	<u>(3,257,123)</u>
Total other financing source	<u>3,511,623</u>	<u>3,257,123</u>	<u>-</u>	<u>(3,257,123)</u>
Net change in fund balance	<u>\$ 4,500</u>	<u>\$ -</u>	3,533,075	<u>\$ 3,533,075</u>
Fund balance, beginning of fiscal year			<u>8,081,109</u>	
Fund balances, end of fiscal year			<u>\$ 11,614,184</u>	

CITY OF EAST POINT, GEORGIA
RESTRICTED GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 12,849,006	\$ 3,401,006	\$ 3,250,744	\$ (10,150,262)
Total Revenues	<u>12,849,006</u>	<u>3,401,006</u>	<u>3,250,744</u>	<u>(10,150,262)</u>
Expenditures				
Current				
General government/public works	4,419,843	6,218,793	1,738,716	4,480,077
Public safety	24,424	24,424	-	24,424
Capital outlay	1,765,579	1,765,579	1,765,579	-
Culture and recreation	326,914	689,401	163,387	526,014
Economic and community development	<u>5,606,021</u>	<u>5,606,021</u>	<u>168,260</u>	<u>5,437,761</u>
Total expenditures	<u>12,142,781</u>	<u>4,304,218</u>	<u>3,835,942</u>	<u>10,468,276</u>
Other financing sources				
Transfer in	<u>230,633</u>	<u>330,633</u>	<u>5,674,123</u>	<u>5,343,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 936,858</u>	<u>\$ (572,579)</u>	5,088,925	<u>\$ 5,661,504</u>
Fund balance, beginning of fiscal year			<u>(4,389,185)</u>	
Fund balance, end of fiscal year			<u>\$ 699,740</u>	

SUPPLEMENTARY INFORMATION

CITY OF EAST POINT, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
COMBINING BALANCE SHEET
June 30, 2021

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 742,301	\$ 742,301
Restricted cash and cash equivalents	9,652,910	8,847,843	6,965,276	25,466,029
Receivables:				
Accounts	371,407	-	-	371,407
Property taxes	-	88,000	-	88,000
Intergovernmental	276,063	-	1,860,036	2,136,099
Interfund	<u>8,254</u>	<u>113,122</u>	<u>2,194,850</u>	<u>2,316,226</u>
Total assets	<u>\$ 10,308,634</u>	<u>\$ 9,048,965</u>	<u>\$ 11,762,463</u>	<u>\$ 31,120,062</u>
 Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 791,831	\$ -	\$ 613,996	\$ 1,405,827
Accrued expenditures	20,888	-	-	20,888
Contract retainage payable	-	-	66,293	66,293
Customer deposits payable	85,507	-	-	85,507
Interfund payable	3,087,168	926,422	82,128	4,095,718
Unearned revenues	<u>-</u>	<u>300,786</u>	<u>-</u>	<u>300,786</u>
Total liabilities	<u>3,985,394</u>	<u>1,227,208</u>	<u>762,417</u>	<u>5,975,019</u>
 Fund balances				
Restricted for:				
Capital projects	1,035,052	-	6,883,148	7,918,200
Tourism	1,125,399	-	-	1,125,399
Debt service	-	7,821,757	-	7,821,757
Public safety	4,162,789	-	-	4,162,789
Unrestricted	<u>-</u>	<u>-</u>	<u>4,116,898</u>	<u>4,116,898</u>
Total fund balances	<u>6,323,240</u>	<u>7,821,757</u>	<u>11,000,046</u>	<u>25,145,043</u>
Total liabilities and fund balances	<u>\$ 10,308,634</u>	<u>\$ 9,048,965</u>	<u>\$ 11,762,463</u>	<u>\$ 31,120,062</u>

CITY OF EAST POINT, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 4,381,943	\$ -	\$ 4,381,943
Hotel-motel taxes	2,786,739	-	-	2,786,739
Intergovernmental	181,421	-	-	181,421
Charges for services	681,570	-	119,415	800,985
Fines and forfeitures	78,459	-	-	78,459
Investment earnings	<u>314</u>	<u>788</u>	<u>-</u>	<u>1,102</u>
Total revenues	<u>3,728,503</u>	<u>4,382,731</u>	<u>119,415</u>	<u>8,230,649</u>
Expenditures				
Current				
General government	1,319,319	-	391,502	1,710,821
Public safety	1,211,380	-	-	1,211,380
Culture and recreation	-	-	-	-
Economic and community development	-	1,213,791	-	1,213,791
Capital outlay	95,275	-	939,755	1,035,030
Debt service				
Principal payments	100,000	2,840,000	-	2,940,000
Interest and fiscal charges	<u>548,088</u>	<u>267,130</u>	<u>-</u>	<u>815,218</u>
Total expenditures	<u>3,274,062</u>	<u>4,320,921</u>	<u>1,331,257</u>	<u>8,926,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>454,441</u>	<u>61,810</u>	<u>(1,211,842)</u>	<u>(695,591)</u>
Other financing sources (uses)				
Transfers in	2,344,322	-	4,687,017	7,031,339
Transfers out	<u>(1,045,024)</u>	<u>-</u>	<u>-</u>	<u>(1,045,024)</u>
Total other financing sources (uses)	<u>1,299,298</u>	<u>-</u>	<u>4,687,017</u>	<u>5,986,315</u>
Net change in fund balances	1,753,739	61,810	3,475,175	5,290,724
Fund balances, beginning of fiscal year	<u>4,569,501</u>	<u>7,759,947</u>	<u>7,524,871</u>	<u>19,854,319</u>
Fund balances, end of fiscal year	<u>\$ 6,323,240</u>	<u>\$ 7,821,757</u>	<u>\$ 11,000,046</u>	<u>\$ 25,145,043</u>

**CITY OF EAST POINT, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2021**

	Nonmajor Special Revenue Funds					Total
	City Hall Fund	Hotel/Motel Tax	Police Grants	Confiscated Assets	Enhanced 911	Nonmajor Special Revenue Funds
Assets						
Restricted cash and cash equivalents	\$ 3,120,720	\$ 2,050,520	\$ 122,254	\$ 1,798,556	\$ 2,560,860	\$ 9,652,910
Receivables						
Accounts	-	371,407	-	-	-	371,407
Intergovernmental	-	-	276,063	-	-	276,063
Interfund receivable	-	-	8,254	-	-	8,254
Total assets	<u>\$ 3,120,720</u>	<u>\$ 2,421,927</u>	<u>\$ 406,571</u>	<u>\$ 1,798,556</u>	<u>\$ 2,560,860</u>	<u>\$10,308,634</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 706,908	\$ 43,426	\$ 40,939	\$ 558	\$ 791,831
Accrued expenditures	-	-	-	-	20,888	20,888
Customer deposits	-	-	-	85,507	-	85,507
Interfund payable	<u>2,085,668</u>	<u>589,620</u>	<u>245,344</u>	<u>100,289</u>	<u>66,247</u>	<u>3,087,168</u>
Total liabilities	<u>2,085,668</u>	<u>1,296,528</u>	<u>288,770</u>	<u>226,735</u>	<u>87,693</u>	<u>3,985,394</u>
Fund balances						
Restricted for						
Capital projects	1,035,052	-	-	-	-	1,035,052
Tourism	-	1,125,399	-	-	-	1,125,399
Public safety	-	-	117,801	1,571,821	2,473,167	4,162,789
Total fund balances	<u>1,035,052</u>	<u>1,125,399</u>	<u>117,801</u>	<u>1,571,821</u>	<u>2,473,167</u>	<u>6,323,240</u>
Total liabilities and fund balances	<u>\$ 3,120,720</u>	<u>\$ 2,421,927</u>	<u>\$ 406,571</u>	<u>\$ 1,798,556</u>	<u>\$ 2,560,860</u>	<u>\$10,308,634</u>

CITY OF EAST POINT, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	<u>Nonmajor Special Revenue Funds</u>					Total Nonmajor Special Revenue Funds
	<u>City Hall Fund</u>	<u>Hotel/Motel Tax</u>	<u>Police Grants</u>	<u>Confiscated Assets</u>	<u>Enhanced 911</u>	
Revenues						
Hotel-motel taxes	\$ -	\$ 2,786,739	\$ -	\$ -	\$ -	\$ 2,786,739
Intergovernmental	-	-	181,421	-	-	181,421
Charges for services	-	-	-	-	681,570	681,570
Fines and forfeitures	-	-	-	78,459	-	78,459
Investment earnings	<u>314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314</u>
Total Revenues	<u>314</u>	<u>2,786,739</u>	<u>181,421</u>	<u>78,459</u>	<u>681,570</u>	<u>3,728,503</u>
Expenditures						
Current:						
General government	-	1,319,319	-	-	-	1,319,319
Public safety	-	-	27,052	70,405	1,113,923	1,211,380
Capital outlay	-	5,501	41,750	48,024	-	95,275
Debt service						
Principal payments	100,000	-	-	-	-	100,000
Interest payments	<u>548,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>548,088</u>
Total expenditures	<u>648,088</u>	<u>1,324,820</u>	<u>68,802</u>	<u>118,429</u>	<u>1,113,923</u>	<u>3,274,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(647,774)</u>	<u>1,461,919</u>	<u>112,619</u>	<u>(39,970)</u>	<u>(432,353)</u>	<u>454,441</u>
Other financing sources (uses)						
Transfers in	647,225	-	5,182	508,595	1,183,320	2,344,322
Transfers out	<u>-</u>	<u>(1,045,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,045,024)</u>
Total other financing sources (uses)	<u>647,225</u>	<u>(1,045,024)</u>	<u>5,182</u>	<u>508,595</u>	<u>1,183,320</u>	<u>1,299,298</u>
Net change in fund balances	(549)	416,895	117,801	468,625	750,967	1,753,739
Fund balances, beginning of fiscal year	<u>1,035,601</u>	<u>708,504</u>	<u>-</u>	<u>1,103,196</u>	<u>1,722,200</u>	<u>4,569,501</u>
Fund balances, end of fiscal year	<u>\$ 1,035,052</u>	<u>\$ 1,125,399</u>	<u>\$ 117,801</u>	<u>\$ 1,571,821</u>	<u>\$ 2,473,167</u>	<u>\$ 6,323,240</u>

CITY OF EAST POINT, GEORGIA
CITY HALL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 314	\$ 314
Total revenues	<u>-</u>	<u>-</u>	<u>314</u>	<u>314</u>
Expenditures				
Capital outlay				
Debt service				
Principal retirement	100,000	100,000	100,000	-
Interest and fiscal charges	<u>625,000</u>	<u>625,000</u>	<u>548,088</u>	<u>76,912</u>
Total expenditures	<u>725,000</u>	<u>725,000</u>	<u>648,088</u>	<u>76,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(725,000)</u>	<u>(725,000)</u>	<u>(647,774)</u>	<u>(77,226)</u>
Other financing sources				
Transfers in	<u>725,000</u>	<u>725,000</u>	<u>647,225</u>	<u>(77,775)</u>
Total other financing sources	<u>725,000</u>	<u>725,000</u>	<u>647,225</u>	<u>(77,775)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(549)	<u>\$ (549)</u>
Fund balance, beginning of the fiscal year			<u>1,035,601</u>	
Fund balance, end of the fiscal year			<u>\$ 1,035,052</u>	

CITY OF EAST POINT, GEORGIA
HOTEL-MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Hotel-motel taxes	\$ 5,474,475	\$ 4,654,475	\$ 2,786,739	(1,867,736)
Total revenue	<u>5,474,475</u>	<u>4,654,475</u>	<u>2,786,739</u>	<u>(1,867,736)</u>
Expenditures				
Current				
General government	4,209,047	3,383,546	1,319,319	2,064,227
Capital outlay	<u>-</u>	<u>5,501</u>	<u>5,501</u>	<u>-</u>
Total expenditures	<u>4,209,047</u>	<u>3,389,047</u>	<u>1,324,820</u>	<u>2,064,227</u>
Excess of revenues over expenditures	<u>1,265,428</u>	<u>1,265,428</u>	<u>1,461,919</u>	<u>196,491</u>
Other financing uses				
Transfers out	<u>(1,265,428)</u>	<u>(1,265,428)</u>	<u>(1,045,024)</u>	<u>220,404</u>
Total other financing uses	<u>(1,265,428)</u>	<u>(1,265,428)</u>	<u>(1,045,024)</u>	<u>220,404</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	416,895	<u>\$ 416,895</u>
Fund balance, beginning of fiscal year			<u>708,504</u>	
Fund balance, end of fiscal year			<u>\$ 1,125,399</u>	

CITY OF EAST POINT, GEORGIA
POLICE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue				
Intergovernmental	\$ 277,969	\$ 277,969	\$ 181,421	(96,548)
Total revenues	<u>277,969</u>	<u>277,969</u>	<u>181,421</u>	<u>(96,548)</u>
Expenditures				
Current				
Public safety	320,070	199,369	27,052	172,317
Capital outlay	<u>41,750</u>	<u>41,750</u>	<u>41,750</u>	<u>-</u>
Total expenditures	<u>361,820</u>	<u>241,119</u>	<u>68,802</u>	<u>172,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(83,851)</u>	<u>36,850</u>	<u>112,619</u>	<u>75,769</u>
Other financing sources				
Transfers-In	<u>83,851</u>	<u>83,851</u>	<u>5,182</u>	<u>(78,669)</u>
Other financing sources	<u>83,851</u>	<u>83,851</u>	<u>5,182</u>	<u>(78,669)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 120,701</u>	<u>117,801</u>	<u>\$ (2,900)</u>
Fund balances, beginning of fiscal year			-	
Fund balances, end of fiscal year			<u>\$ 117,801</u>	

**CITY OF EAST POINT, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Fines and forfeitures	\$ 200,000	\$ 410,000	\$ 78,459	\$ (331,541)
Total revenue	<u>200,000</u>	<u>410,000</u>	<u>78,459</u>	<u>(331,541)</u>
Expenditure				
Current				
Public safety	156,976	356,976	70,405	286,571
Capital outlay	<u>48,024</u>	<u>48,024</u>	<u>48,024</u>	<u>-</u>
Total expenditures	<u>156,976</u>	<u>356,976</u>	<u>118,429</u>	<u>286,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,024</u>	<u>53,024</u>	<u>(39,970)</u>	<u>(44,970)</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>508,595</u>	<u>508,595</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>508,595</u>	<u>508,595</u>
Net change in fund balance	<u>\$ 43,024</u>	<u>\$ 53,024</u>	468,625	<u>\$ 415,601</u>
Fund balances, beginning of fiscal year			<u>1,103,196</u>	
Fund balances, end of fiscal year			<u>\$ 1,571,821</u>	

CITY OF EAST POINT, GEORGIA
E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Charges for services	\$ 550,000	\$ 550,000	\$ 681,570	\$ 131,570
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>681,570</u>	<u>131,570</u>
Expenditures				
Current				
Public safety	<u>1,656,860</u>	<u>1,656,860</u>	<u>1,113,923</u>	<u>542,937</u>
(Deficiency) of revenues (under) expenditures	<u>(1,106,860)</u>	<u>(1,106,860)</u>	<u>(432,353)</u>	<u>674,507</u>
Other financing sources				
Transfers in	<u>1,183,320</u>	<u>1,183,320</u>	<u>1,183,320</u>	<u>-</u>
Other financing sources	<u>1,183,320</u>	<u>1,183,320</u>	<u>1,183,320</u>	<u>-</u>
Net change in fund balances	<u>\$ 76,460</u>	<u>\$ 76,460</u>	750,967	<u>\$ 674,507</u>
Fund balances, beginning of fiscal year			<u>1,722,200</u>	
Fund balances, end of fiscal year			<u>\$ 2,473,167</u>	

**CITY OF EAST POINT, GEORGIA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2021**

	Camp Creek Tax Allocations District	East Point Corridors Tax Allocations District	Nonmajor Debt Service Funds
Assets			
Restricted cash and cash equivalents	\$ 8,412,749	\$ 435,094	\$ 8,847,843
Taxes receivable	3,414	84,586	88,000
Interfund receivable	16,608	96,514	113,122
Total assets	\$ 8,432,771	\$ 616,194	\$ 9,048,965
 Liabilities and fund balances			
Liabilities			
Interfund payable	\$ 871,307	\$ 55,115	\$ 926,422
Unearned revenue	195,054	105,732	300,786
Total liabilities	1,066,361	160,847	1,227,208
Fund balances			
Restricted for debt service	7,366,410	455,347	7,821,757
Total liabilities and fund balances	\$ 8,432,771	\$ 616,194	\$ 8,267,392

CITY OF EAST POINT, GEORGIA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2021

	Camp Creek Tax Allocations District	East Point Corridors Tax Allocations District	Total Nonmajor Debt Service Funds
Revenues			
Property taxes	\$ 4,052,642	\$ 329,301	\$ 4,381,943
Investment earnings	<u>731</u>	<u>57</u>	<u>788</u>
Total revenues	<u>4,053,373</u>	<u>329,358</u>	<u>4,382,731</u>
Expenditures			
Current			
Economic and community development	1,213,791	-	1,213,791
Debt service			
Principal payments	2,340,000	500,000	2,840,000
Interest and service charges	<u>202,630</u>	<u>64,500</u>	<u>267,130</u>
Total expenditures	<u>3,756,421</u>	<u>564,500</u>	<u>4,320,921</u>
Net change in fund balances	296,952	(235,142)	61,810
Fund balances, beginning of fiscal year	<u>7,069,458</u>	<u>690,489</u>	<u>7,759,947</u>
Fund balances, end of fiscal year	<u><u>\$ 7,366,410</u></u>	<u><u>\$ 455,347</u></u>	<u><u>\$ 7,821,757</u></u>

CITY OF EAST POINT, GEORGIA
CAMP CREEK TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Property taxes	\$ 3,707,000	\$ 4,052,642	\$ 4,052,642	\$ -
Investment earnings	<u>100,000</u>	<u>100,000</u>	<u>731</u>	<u>(99,269)</u>
Total revenues	<u>3,807,000</u>	<u>4,152,642</u>	<u>4,053,373</u>	<u>(99,269)</u>
Expenditures				
Current				
Economic and community development	828,816	1,213,791	1,213,791	-
Debt service				
Principal payments	2,640,000	2,640,000	2,340,000	300,000
Interest and fiscal charges	<u>223,500</u>	<u>223,500</u>	<u>202,630</u>	<u>20,870</u>
Total expenditures	<u>3,692,316</u>	<u>4,077,291</u>	<u>3,756,421</u>	<u>320,870</u>
Net change in fund balance	<u>\$ 114,684</u>	<u>\$ 75,351</u>	296,952	<u>\$ 221,601</u>
Fund balance, beginning of fiscal year			<u>7,069,458</u>	
Fund balance, end of fiscal year			<u>\$ 7,366,410</u>	

CITY OF EAST POINT, GEORGIA
EAST POINT CORRIDORS TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue				
Property taxes	\$ 80,000	\$ 80,000	\$ 329,301	\$ 249,301
Investment earnings	<u>8,500</u>	<u>8,500</u>	<u>57</u>	<u>(8,443)</u>
Total revenues	<u>88,500</u>	<u>88,500</u>	<u>329,358</u>	<u>240,858</u>
Expenditures				
Current				
Debt Service				
Principal	-	-	500,000	(500,000)
Interest and fiscal changes	<u>64,500</u>	<u>64,500</u>	<u>64,500</u>	<u>-</u>
Total expenditures	<u>64,500</u>	<u>64,500</u>	<u>564,500</u>	<u>(500,000)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ 24,000</u>	<u>\$ 24,000</u>	(235,142)	<u>\$ (259,142)</u>
Fund balances, beginning of fiscal year			<u>690,489</u>	
Fund balances, end of fiscal year			<u>\$ 455,347</u>	

**CITY OF EAST POINT, GEORGIA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
June 30, 2021**

	<u>Capital Project Fund</u>	<u>Bond Construction Fund</u>	<u>Government Center Construction Fund</u>	<u>50 Worst Properties Fund</u>	<u>Total Nonmajor Governmental Fund</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 742,301	\$ 742,301
Restricted cash and cash equivalents	-	122,378	6,842,898	-	6,965,276
Intergovernmental receivable	1,860,036	-	-	-	1,860,036
Interfund receivable	<u>2,194,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,194,850</u>
Total assets	<u>\$ 4,054,886</u>	<u>\$ 122,378</u>	<u>\$ 6,842,898</u>	<u>\$ 742,301</u>	<u>\$ 11,762,463</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	581,935	-	-	32,061	613,996
Contract retainage payable	66,293	-	-	-	66,293
Interfund payable	<u>-</u>	<u>82,128</u>	<u>-</u>	<u>-</u>	<u>82,128</u>
Total liabilities	<u>648,228</u>	<u>82,128</u>	<u>-</u>	<u>32,061</u>	<u>762,417</u>
Fund balances					
Restricted for capital projects	-	40,250	6,842,898	-	6,883,148
Unrestricted	<u>3,406,658</u>	<u>-</u>	<u>-</u>	<u>710,240</u>	<u>4,116,898</u>
Total fund balances (deficit)	<u>3,406,658</u>	<u>40,250</u>	<u>6,842,898</u>	<u>710,240</u>	<u>11,000,046</u>
Total liabilities and fund balances	<u>\$ 4,054,886</u>	<u>\$ 122,378</u>	<u>\$ 6,842,898</u>	<u>\$ 742,301</u>	<u>\$ 11,762,463</u>

CITY OF EAST POINT, GEORGIA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	<u>Capital Project Fund</u>	<u>Bond Construction Fund</u>	<u>Government Center Construction Fund</u>	<u>50 Worst Properties Fund</u>	<u>Total Nonmajor Governmental Fund</u>
Revenues					
Charge for services	\$ -	\$ -	\$ -	\$ 119,415	\$ 119,415
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,415</u>	<u>119,415</u>
Expenditures					
Current					
General government	-	-	-	391,502	391,502
Capital outlay	<u>939,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>939,755</u>
Total expenditures	<u>939,755</u>	<u>-</u>	<u>-</u>	<u>391,502</u>	<u>1,331,257</u>
Deficiency of revenues under expenditures	<u>(939,755)</u>	<u>-</u>	<u>-</u>	<u>(272,087)</u>	<u>(1,211,842)</u>
Other financing sources					
Transfers in	<u>4,228,684</u>	<u>-</u>	<u>-</u>	<u>458,333</u>	<u>4,687,017</u>
Total other financing sources	<u>4,228,684</u>	<u>-</u>	<u>-</u>	<u>458,333</u>	<u>4,687,017</u>
Net change in fund balances	3,288,929	-	-	186,246	3,475,175
Fund balances, beginning of fiscal year	<u>117,729</u>	<u>40,250</u>	<u>6,842,898</u>	<u>523,994</u>	<u>7,524,871</u>
Fund balances (deficit), end of fiscal year	<u>\$ 3,406,658</u>	<u>\$ 40,250</u>	<u>\$ 6,842,898</u>	<u>\$ 710,240</u>	<u>\$ 11,000,046</u>

**CITY OF EAST POINT, GEORGIA
CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Capital outlay	<u>2,434,065</u>	<u>2,434,065</u>	<u>939,755</u>	<u>1,494,310</u>
Total expenditures	<u>2,434,065</u>	<u>2,434,065</u>	<u>939,755</u>	<u>1,494,310</u>
Other financing sources				
Transfers in	<u>4,729,826</u>	<u>4,438,476</u>	<u>4,228,684</u>	<u>(209,792)</u>
Other financing sources	<u>4,729,826</u>	<u>4,438,476</u>	<u>4,228,684</u>	<u>(209,792)</u>
Net Change in Fund Balance	<u>\$ 2,295,761</u>	<u>\$ 2,004,411</u>	3,288,929	<u>\$ (1,704,102)</u>
Fund Balances (Deficit), beginning of the fiscal year			<u>117,729</u>	
Fund Balances (Deficit), end of the fiscal year			<u>\$ 3,406,658</u>	

CITY OF EAST POINT, GEORGIA
50 WORST PROPERTIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Charge for services	\$ 69,560	\$ 69,560	\$ 119,415	\$ 49,855
Total revenues	<u>69,560</u>	<u>69,560</u>	<u>119,415</u>	<u>49,855</u>
Expenditures				
General government	364,529	391,502	391,502	-
Capital outlay	<u>9,158,572</u>	<u>9,131,599</u>	<u>939,755</u>	<u>8,191,844</u>
Total expenditures	<u>9,523,101</u>	<u>9,523,101</u>	<u>1,331,257</u>	<u>8,191,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,453,541)</u>	<u>(9,453,541)</u>	<u>(1,211,842)</u>	<u>8,241,699</u>
Other financing sources				
Transfers in	<u>11,814,333</u>	<u>7,084,507</u>	<u>4,687,017</u>	<u>(2,397,490)</u>
Total other financing sources	<u>11,814,333</u>	<u>7,084,507</u>	<u>4,687,017</u>	<u>(2,397,490)</u>
Net change in fund balance	<u>\$ 2,360,792</u>	<u>\$ (2,369,034)</u>	3,475,175	<u>\$ 5,844,209</u>
Fund balances, beginning of fiscal year			<u>7,524,871</u>	
Fund balances, end of fiscal year			<u>\$ 11,000,046</u>	

CITY OF EAST POINT, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL DISTRICT MASS TRANSPORTATION SALES AND USE TAX
(T-SPLOST)
For the fiscal year ended June 30, 2021

List of Projects	Original Estimated Cost (1)	Revised Estimated Cost (1)	Expenditures		
			Prior fiscal years expenditures	Current fiscal year expenditures	Total expenditures
TIER 1 PURPOSES/PROJECTS					
Administrative (Project Management)	\$ -	\$ 25,000	\$ 14,258	\$ 8,857	\$ 23,115
Maintenance and Safety Enhancements	18,540,200	18,540,200	5,035,777	1,945,573	6,981,350
Pedestrian/Bike Improvements	7,915,262	7,915,262	5,352,606	590,914	5,943,520
Operations and Safety	1,462,500	1,462,500	170,243	130,317	300,560
Project Management	890,453	890,453	-	-	-
Emergency/Quick Response	<u>873,355</u>	<u>873,355</u>	<u>166,529</u>	<u>66,183</u>	<u>232,712</u>
TIER 1 TOTAL PURPOSES/PROJECTS	<u>29,681,770</u>	<u>29,706,770</u>	<u>10,739,413</u>	<u>2,741,844</u>	<u>13,481,257</u>
TIER 2 PURPOSES/PROJECTS					
Maintenance and Safety Enhancements	4,408,500	4,408,500	-	-	-
Pedestrian/Bike Improvements	428,000	428,000	81,045	-	81,045
Operations and Safety	237,500	237,500	-	-	-
Project Management	<u>163,960</u>	<u>163,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
TIER 2 TOTAL PURPOSE/PROJECTS	<u>5,237,960</u>	<u>5,237,960</u>	<u>81,045</u>	<u>-</u>	<u>81,045</u>
TIER 3 PURPOSES/PROJECTS					
Maintenance and Safety Enhancements	3,375,976	3,375,976	41,025	385,000	426,025
Operations and Safety	1,700,000	1,700,000	22,057	67,247	89,304
Project Management	<u>182,651</u>	<u>157,651</u>	<u>-</u>	<u>-</u>	<u>-</u>
TIER 3 TOTAL PURPOSE/PROJECTS	<u>5,258,627</u>	<u>5,233,627</u>	<u>63,082</u>	<u>452,247</u>	<u>515,329</u>
TOTAL COSTS - ALL PURPOSES TIERS 1-3	<u>\$ 40,178,357</u>	<u>\$ 40,178,357</u>	<u>\$ 10,883,540</u>	<u>\$ 3,194,091</u>	<u>\$ 14,077,631</u>

Notes:
(1) Unaudited