



**THE CITY OF EAST POINT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**EAST
POINT**
GEORGIA

CITY OF EAST POINT, GEORGIA
Annual Financial Report
For the Fiscal Year Ended June 30, 2022

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.....	16
Statement of Activities.....	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances.....	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities.....	22
Proprietary Funds:	
Statement of Net Position.....	23
Statement of Revenues, Expenses and Changes in Fund Net Position.....	25
Statement of Cash Flows.....	26
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	28
Statement of Changes in Fiduciary Net Position.....	29
Component Unit:	
Statement of Net Position.....	30
Statement of Activities.....	31
Notes to the Basic Financial Statements	32
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, 2022**

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
---	----



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements 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 (the "City") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the East Point Employees Retirement Pension Plan, a blended component unit of the City, which, in the aggregate, represent 100% of the assets in the net position of the pension trust funds, within the fiduciary funds as of December 31, 2021. These financial statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for pension trust funds, is based solely of the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, (Pages 4 - 15) 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) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 (Pages 75 - 91) 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 (Page 92) 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024 on our consideration of the City'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.



February 28, 2024

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, 2022. 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 2022 FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$187,607,861 (total net position) as of June 30, 2022.
- Total net positions are comprised of the following:
 - (1) Capital assets, net investments in capital assets, of \$138,654,303 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 \$61,826,168; restrictions include debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position is \$(12,872,610).
- The City's governmental funds reported total ending fund balance of \$67,474,189 at June 30, 2022. This compares to the prior fiscal year ending fund balance of \$52,966,008 showing an increase of \$14,508,181 during the current fiscal year. Unassigned fund balance for the General Fund was \$23,941,157 at June 30, 2022, a \$9,629,714 increase from the prior fiscal year amount at June 30, 2021.
- The City's governmental funds revenue totaled \$65,819,133, an increase of \$12,556,903 or 24%, during fiscal year 2022 compared to fiscal year 2021. This is comprised of increased revenue from property taxes, sales and use tax, hotel and motel taxes, and various grant revenue sources. Governmental funds expenditures totaled \$49,987,397, a \$4,454,081 or 10 % increase, compared to fiscal year 2021.
- In the City's business-type activities, revenues increased by \$1,312,662 or 2% from the prior fiscal year. Expenses decreased by \$970,914 or 1% from the prior year. These minor fluctuations 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.

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 16 - 18 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 23 - 27 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 28 and 29 of this report.

The discretely presented component unit is reported on pages 30 and 31.

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 32 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, other postemployment benefits, and budgetary comparison schedules for major funds. 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. Information for 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 75.

(This page is continued on the subsequent page)

*As of and For the Fiscal Year Ended June 30, 2022***FINANCIAL ANALYSIS OF THE CITY**

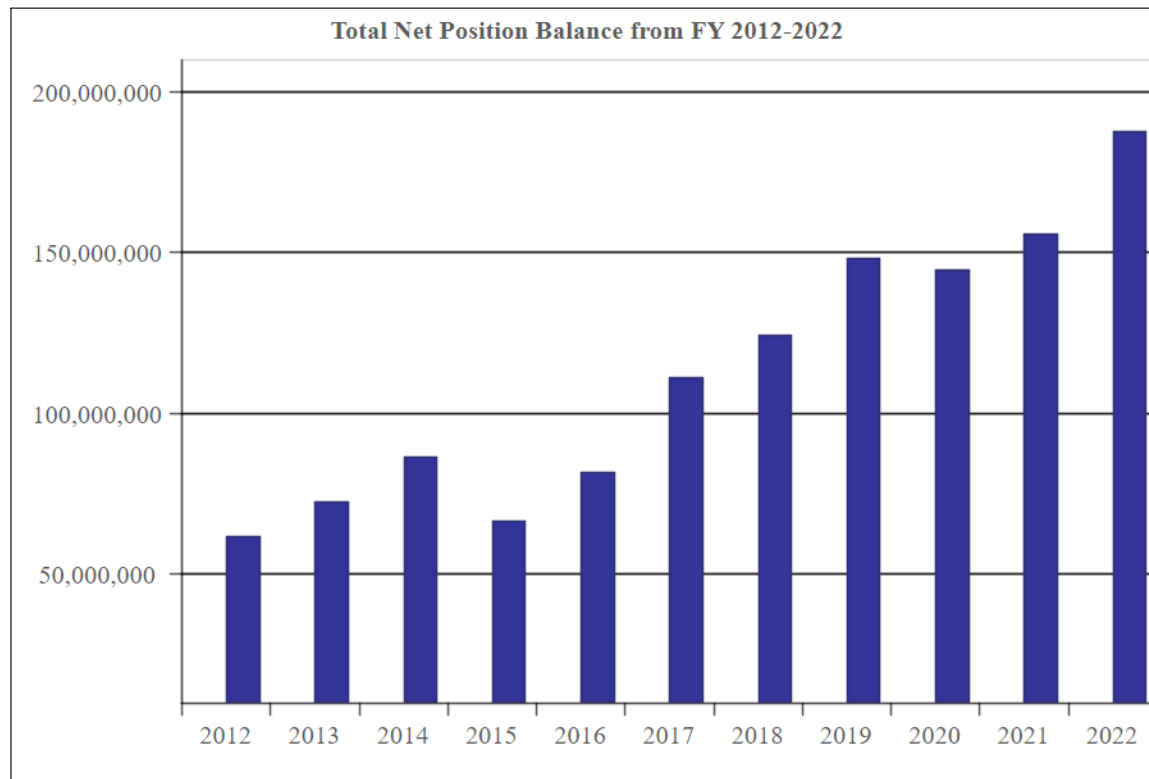
The City's net position at fiscal year end is \$187,607,861. The following table provides a summary of the City's net position:

SUMMARY OF CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current assets	\$ 87,327,943	\$ 63,814,317	\$ 55,704,363	\$ 51,055,625	\$143,032,306	\$ 114,869,942
Noncurrent assets:						
Net pension asset	8,356,625	-	4,950,091	-	13,306,716	-
Capital assets	<u>105,766,731</u>	<u>101,610,405</u>	<u>79,030,546</u>	<u>81,872,292</u>	<u>184,797,277</u>	<u>183,482,697</u>
Total assets	<u>201,451,299</u>	<u>165,424,722</u>	<u>139,685,000</u>	<u>132,927,917</u>	<u>341,136,299</u>	<u>298,352,639</u>
Deferred outflow of resources	<u>10,243,891</u>	<u>16,682,630</u>	<u>3,797,482</u>	<u>6,611,398</u>	<u>14,041,373</u>	<u>23,294,028</u>
Total assets and deferred outflow of resources	<u>211,695,190</u>	<u>182,107,352</u>	<u>143,482,482</u>	<u>139,539,315</u>	<u>355,177,672</u>	<u>321,646,667</u>
Liabilities:						
Current liabilities	14,279,890	8,837,332	15,562,033	28,147,392	29,841,923	36,984,724
Long term liabilities	<u>43,715,270</u>	<u>57,494,703</u>	<u>54,787,058</u>	<u>47,041,475</u>	<u>98,502,328</u>	<u>104,536,178</u>
Total liabilities	<u>57,995,160</u>	<u>66,332,035</u>	<u>70,349,091</u>	<u>75,188,867</u>	<u>128,344,251</u>	<u>141,520,902</u>
Deferred inflow of resources	<u>26,401,442</u>	<u>16,031,467</u>	<u>12,824,118</u>	<u>8,338,675</u>	<u>39,225,560</u>	<u>24,370,142</u>
Total liabilities and deferred inflow of resources	<u>84,396,602</u>	<u>82,363,502</u>	<u>83,173,209</u>	<u>83,527,542</u>	<u>167,569,811</u>	<u>165,891,044</u>
Net position:						
Net investment in capital assets	91,972,193	84,621,502	46,682,110	47,837,886	138,654,303	132,459,388
Restricted	42,024,913	33,342,069	19,801,255	19,892,482	61,826,168	53,234,551
Unrestricted	<u>(6,698,518)</u>	<u>(18,219,721)</u>	<u>(6,174,092)</u>	<u>(11,718,595)</u>	<u>(12,872,610)</u>	<u>(29,938,316)</u>
Total net position	<u>\$ 127,298,588</u>	<u>\$ 99,743,850</u>	<u>\$ 60,309,273</u>	<u>\$ 56,011,773</u>	<u>\$187,607,861</u>	<u>\$ 155,755,623</u>

(This page is continued on the subsequent page)

The following chart reports the City’s total net position balances from fiscal year 2012 - 2022.



<u>Fiscal Year</u>	<u>Net Position</u>
2022	\$187,607,861
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 increased in governmental activities and increased in business-type activities for the fiscal year ended June 30, 2022.

The City reported positive balances in net position for both governmental and business-type activities. During fiscal year 2022, net position increased \$27,554,738 for governmental activities and increased \$4,297,500 for business-type activities.

Capital assets represent approximately 50% 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 55% of total business-type 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 52% 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, 2022

The following table provides a summary of the City's changes in net position at June 30, 2022 and 2021:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program:						
Charges for services and fines	\$ 5,714,721	\$ 3,875,606	\$ 71,891,270	\$ 70,615,582	\$ 77,605,991	\$ 74,491,188
Operating grants	5,718,499	3,432,165	-	-	5,718,499	3,432,165
General:						
Property taxes	23,606,692	19,678,666	-	-	23,606,692	19,678,666
Sales taxes	21,527,788	18,237,569	-	-	21,527,788	18,237,569
Other taxes	9,231,392	6,831,076	218,720	209,878	9,450,112	7,040,954
Other	1,514,605	1,185,396	361,761	339,618	1,876,366	1,525,014
Total revenues	<u>67,313,697</u>	<u>53,240,478</u>	<u>72,471,751</u>	<u>71,165,078</u>	<u>139,785,448</u>	<u>124,405,556</u>
Program Expenses:						
General government	9,770,232	6,504,098	-	-	9,770,232	6,504,098
Judicial	785,640	812,617	-	-	785,640	812,617
Public safety	19,758,833	23,400,315	-	-	19,758,833	23,400,315
Public works	3,354,596	3,301,123	-	-	3,354,596	3,301,123
Culture and recreation	1,504,683	1,855,334	-	-	1,504,683	1,855,334
Economic and community development	2,644,178	3,211,860	-	-	2,644,178	3,211,860
Interest	617,220	768,069	91,227	-	708,447	768,069
Water & sewer	-	-	20,548,850	21,184,844	20,548,850	21,184,844
Electrical system	-	-	41,918,972	41,425,692	41,918,972	41,425,692
Stormwater	-	-	1,553,124	1,553,379	1,553,124	1,553,379
Solid waste management	-	-	5,385,655	6,148,813	5,385,655	6,148,813
Total expenses	<u>38,435,382</u>	<u>39,853,416</u>	<u>69,497,828</u>	<u>70,312,728</u>	<u>107,933,210</u>	<u>110,166,144</u>
Revenues over expenses	28,878,315	13,387,062	2,973,923	852,350	31,852,238	14,239,412
Transfers in and (out)	<u>(1,323,577)</u>	<u>(6,332,309)</u>	<u>1,323,577</u>	<u>6,332,309</u>	<u>-</u>	<u>-</u>
Changes in net position	27,554,738	7,054,753	4,297,500	7,184,659	31,852,238	14,239,412
Net position - Beginning of the fiscal year	<u>99,743,850</u>	<u>92,689,107</u>	<u>56,011,773</u>	<u>48,827,114</u>	<u>155,755,623</u>	<u>141,516,221</u>
Net position - End of the fiscal year	<u>\$ 127,298,588</u>	<u>\$ 99,743,850</u>	<u>\$ 60,309,273</u>	<u>\$ 56,011,773</u>	<u>\$ 187,607,861</u>	<u>\$ 155,755,633</u>

Governmental Activity Revenues

The City is heavily reliant on both property and sales taxes to support governmental operations. In fiscal year 2022, property taxes provided 35% of the City's total governmental activities revenues as compared to 37% in fiscal year 2021. Sales and use taxes provided 32% of the City's total revenues compared to 34% in the fiscal year 2021.

Note that program revenues and operating grants covered 30% of governmental operating cost as compared to 18% in fiscal year 2021. Also, in fiscal year 2022, revenue and expenses from governmental activities represented 43% of the governmental activities revenue.

*As of and For the Fiscal Year Ended June 30, 2022***Governmental Activity Expenses**

General government expenses decreased approximately \$1,418,034 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
	2022	2021		2022	2021	
General government	\$ 9,770,232	\$ 6,504,098	50.2 %	\$ 9,487,516	\$ 6,266,818	51.4 %
Judicial	785,640	812,617	(3.3)%	208,012	31,326	564.0 %
Public safety	19,758,833	23,400,315	(15.6)%	17,510,535	22,040,449	(20.6)%
Public works	3,354,596	3,301,123	1.6 %	(2,207,396)	50,379	(4,481.6)%
Culture and recreation	1,504,683	1,855,334	(18.9)%	1,432,986	1,855,334	(22.8)%
Economic and community development	2,644,178	3,211,860	(17.7)%	(46,711)	1,533,270	(103.0)%
Interest and fiscal charges	<u>617,220</u>	<u>848,069</u>	<u>(27.2)%</u>	<u>617,220</u>	<u>768,069</u>	<u>(19.6)%</u>
Total	<u>\$ 38,435,382</u>	<u>\$ 39,933,416</u>	<u>(3.8)%</u>	<u>\$ 27,002,162</u>	<u>\$ 32,545,645</u>	<u>(17.0)%</u>

Business-Type Activities

Overall Analysis – Charges for services and fines increased by \$1,275,688 or 2% in fiscal year 2022. Operating expenses decreased by \$906,228 or 1% in the same fiscal year. In total, operating income increased \$2,121,573. The factors contributing to these results include:

- Decrease in personal services \$ 1,308,941
- Decrease in purchased services \$ 9,324,042
- Decrease in depreciation expense \$ 356,432
- Decrease in sanitary sewer costs \$ 673,657

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

- Water and Sewage \$ 756,425
- Electrical System \$ 2,121,972
- Storm Water \$ 508,608
- Solid Waste \$ 910,495

The following includes an analysis of the fiscal year 2022 financial activities for each utility.

Water and Sewerage Fund – Operating revenue increased by \$808,979 and operating expenses decreased by \$626,425 from fiscal year 2021. In total, the change in net position is positive, \$756,425. 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 \$11,551,412, an increase from June 30, 2021.

Electric Fund – Operating revenue increased by \$1,307,484 and operating expenses increased \$562,499. The increase in revenue was the result of increases in power consumption. Personal services and purchased services decreased while allocated costs, supplies, and wholesale cost of electricity, increased by approximately \$1.4 million from fiscal year 2021. These are the main factors resulting in increased operational expenses. At fiscal year end, the net position totaled \$38,865,801, an increase of \$2,121,972 from June 30, 2021.

As of and For the Fiscal Year Ended June 30, 2022

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 decrease of \$810,909 in operating revenues. Operating expenses decreased by \$7,306. The change in net position in fiscal year 2022 was \$910,495 even with the re-evaluated property sizes.

Solid Waste Fund – Operating revenue increased by \$7,209 and operating expenses decreased by \$(899,581). The major cause of the decline in the current fiscal year operating expenses is the decrease in personal services, and purchased services expenses. At fiscal year end, net position totaled \$532,798 an increase of \$508,608 from June 30, 2021.

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 \$67,474,189 compared to a balance of \$52,966,008 at June 30, 2021. Of this fiscal year end total, \$23,941,157 is unassigned indicating availability for continuing City service delivery requirements.

Legally restricted fund balances include \$42,024,913 set aside for debt service, capital projects and public safety purposes. The total ending fund balances of governmental funds show an increase of \$14,508,181 over fiscal year 2021.

Major Governmental Funds

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 79% of annual expenditures.

Total General Fund's Property and Local Option Sales taxes increased by \$4,884,633 or 16% from fiscal year 2021. 2022 tax revenues were \$35,757,862 compared to \$30,873,229 for fiscal year 2021.

In fiscal year 2022, the general fund recognized \$6,430,487 more in total revenues than from the prior year. The fiscal year 2022 general fund expenditures increased by \$719,992 when compared to fiscal year 2021 expenditures. The net change in fund balance was an increase of \$9,942,237 from fiscal year 2021.

- Public safety expenditures decreased by \$2,162,455 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 2022, the T-SPLOST fund balance increased by \$4,949,746. This is attributed to total revenues of \$7,589,073 and total expenditures of \$2,639,327. The prior year's total revenues were \$6,727,166 and the related total expenditures were \$3,194,091. The total fund balance for fiscal year 2022 is \$16,563,930 compared to \$11,614,184 in fiscal year 2021.

Restricted Grants Fund - In fiscal year 2022, the Restricted Grant fund balance increased by \$258,608 due to the transfer in from the General Fund of \$2,204,373. The transfer reduced the amount the General Fund owed to the Restricted Grant fund.

The most significant changes from fiscal year 2022 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, 2022***GENERAL FUND BUDGETARY HIGHLIGHTS**

The original overall revenue budget for fiscal year 2022 was amended. Total actual revenues were \$41,484,157, \$1,872,282 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 \$1,198,305. Property values increased slightly resulting in increased property tax revenue. In total, the City realized approximately 105% of the projected revenue budget.

Actual expenditures were \$30,297,013 or approximately 85.6% of the budget. The main factors include the following:

- General government - Executive expenditures were less than budget in the amount of \$40,157. Cost allocations to utilities were \$1,764,432 less than budgeted.
- Public safety - Police expenditures, including the jail and code enforcement, were \$2,322,990 less than budget.
- Public works expenditures were \$150,035 less than budget.
- Economic and community development expenditures were \$462,939 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, 2022 and June 30, 2021 was \$91,972,193 and \$46,682,110 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	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets						
Land	\$ 7,250,515	\$ 7,250,515	\$ -	\$ -	\$ 7,250,515	\$ 7,250,515
Construction in progress	<u>14,489,325</u>	<u>17,088,953</u>	<u>2,189,147</u>	<u>11,331,637</u>	<u>16,678,472</u>	<u>28,420,590</u>
Total non-depreciable assets	<u>21,739,840</u>	<u>24,339,468</u>	<u>2,189,147</u>	<u>11,331,637</u>	<u>23,928,987</u>	<u>35,671,105</u>
Non-current depreciable assets:						
Building and improvements	43,361,378	43,356,148	162,552,893	151,194,633	205,914,271	194,550,781
Machinery, equipment, furniture and vehicles	46,849,409	43,532,246	31,682,789	29,905,158	78,532,198	73,437,404
Infrastructure	<u>77,427,983</u>	<u>69,574,899</u>	<u>-</u>	<u>-</u>	<u>77,427,983</u>	<u>69,574,899</u>
Total non-current depreciable assets	167,638,770	156,463,293	194,235,682	181,099,791	361,874,452	337,563,084
Less accumulated depreciation	<u>83,611,879</u>	<u>79,192,356</u>	<u>117,394,283</u>	<u>110,559,136</u>	<u>201,006,162</u>	<u>189,751,492</u>
Book value - non-current depreciable assets	<u>84,026,891</u>	<u>77,270,937</u>	<u>76,841,399</u>	<u>70,540,655</u>	<u>160,868,290</u>	<u>147,811,592</u>
Percentage depreciated	<u>49.9 %</u>	<u>50.6 %</u>	<u>60.4 %</u>	<u>61.0 %</u>	<u>55.5 %</u>	<u>56.2 %</u>

*As of and For the Fiscal Year Ended June 30, 2022***Long-term Debt**

During fiscal year 2022, the City retired \$4,307,793 or 23% of outstanding debt for governmental activities and \$2,057,486 or 4% of outstanding debt for business-type activities.

The following table reports long-term debt balances at June 30, 2022 and 2021:

	OUTSTANDING BORROWING					
	Governmental Activities		Business Activities		Total	
	2022	2021	2022	2021	2022	2021
Building Authority Bonds	\$ 359,823	\$ 443,118	\$ 28,290,000	\$ 29,855,000	\$ 28,649,823	\$ 30,298,118
Tax Allocation Bonds	700,000	4,780,000	-	-	700,000	4,780,000
GA COPS Bond	12,495,000	12,605,000	-	-	12,495,000	12,605,000
Financed purchases	519,100	600,000	451,796	222,486	970,896	822,486
Total	<u>\$ 14,073,923</u>	<u>\$18,428,118</u>	<u>\$ 28,741,796</u>	<u>\$ 30,077,486</u>	<u>\$ 42,815,719</u>	<u>\$ 48,505,604</u>

The City paid off the Camp Creek tax allocation bond during the fiscal year. The City has the Corridor tax allocation bond remaining which will be paid off in 2040. The business-type activities Building Authority Bonds will be retired in 2035.

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

A SUMMARY OF ECONOMIC AND OTHER FINANCIAL OPERATING CONSIDERATIONS

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 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 the 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 are highly sensitive to fluctuations in the economy. The current economy has definitely affected the City's 2022 revenue streams and no-frills operational budget. Departments engaged in belt tightening measures and only funded critical capital projects. The City is constantly monitoring 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.

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. In addition to the CARES Act funding, the City was awarded \$13,023,592 in American Rescue Plan Act (ARPA) funds and received the first tranche totaling \$6,511,796 during fiscal year 2022. Those funds were partially used to fulfill public safety operations and capital priority improvements.

Contingent Liabilities

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. The City is currently pursuing settlement negotiations. However, the City has accrued this contingency and reclassified this claim as a long-term liability to ensure the liability is properly reflected on the financial statements.

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.

Governmental Accounting Standards Board (GASB) Statement No. 87

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases as of July 1, 2021. Statement No. 87 establishes a single model for lease accounting and requires reporting of certain lease assets, liabilities, and deferred inflows that were previously not reported. The City does not have any significant right of use agreement for fiscal year 2022

Net Pension Liability/Asset

During fiscal year 2022, the City's governmental and business type personnel service experienced a decline in pension liability expenses due to the significant reduction in pension liability. The significant reduction results from the plan asset investment performance gains and actuarial assumptions. For fiscal year 2022, the performance of plan investments resulted in a net pension asset instead of a net pension liability.

Financial Statement Preparation

The financial statements are usually prepared in a timely manner consistent with the reporting regulatory requirements of the state of Georgia. The delay of the preparation of the financial statements is a result of cyclical staffing changes in the finance department, City management, and governance of the City as well as the replacement of the City auditors over the last two years.

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, 2022

	Primary Government			Component Unit
	Government Activities	Business-type Activities	Total	
Assets and deferred outflows of resources				
Current assets				
Cash and cash equivalents	\$ 25,807,425	\$ 21,147,139	\$ 46,954,564	\$ 382,906
Restricted cash and cash equivalents	46,382,270	19,801,255	66,183,525	-
Receivables				
Accounts, net	2,446,837	13,160,695	15,607,532	70,000
Property taxes, net	5,353,710	-	5,353,710	-
Sales taxes	371,276	-	371,276	-
Intergovernmental	3,964,058	-	3,964,058	-
Component unit	<u>175,528</u>	<u>-</u>	<u>175,528</u>	<u>-</u>
Total receivables	12,311,409	13,160,695	25,472,104	70,000
Internal balance	1,318,720	(1,318,720)	-	-
Inventory	185,087	1,207,417	1,392,504	-
Prepaid items	<u>1,323,032</u>	<u>1,706,577</u>	<u>3,029,609</u>	<u>52,500</u>
Total current assets	<u>87,327,943</u>	<u>55,704,363</u>	<u>143,032,306</u>	<u>505,406</u>
Noncurrent assets				
Net pension asset	8,356,625	4,950,091	13,306,716	-
Capital assets				
Nondepreciable				
Land	7,250,515	-	7,250,515	-
Construction in progress	14,489,325	2,189,147	16,678,472	-
Depreciable, net	<u>84,026,891</u>	<u>76,841,399</u>	<u>160,868,290</u>	<u>428,000</u>
Total noncurrent assets	<u>114,123,356</u>	<u>83,980,637</u>	<u>198,103,993</u>	<u>428,000</u>
Total assets	<u>201,451,299</u>	<u>139,685,000</u>	<u>341,136,299</u>	<u>933,406</u>
Deferred outflows of resources				
Difference in pension/OPEB investment earnings	<u>10,243,891</u>	<u>3,797,482</u>	<u>14,041,373</u>	<u>-</u>
Total deferred outflows of resources	<u>10,243,891</u>	<u>3,797,482</u>	<u>14,041,373</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 211,695,190</u>	<u>\$ 143,482,482</u>	<u>\$ 355,177,672</u>	<u>\$ 933,406</u>

CITY OF EAST POINT, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units
	Government Activities	Business-Type Activities	Total	
Liabilities and deferred inflow of resources				
Current liabilities				
Accounts payable	\$ 1,064,887	\$ 8,005,692	\$ 9,070,579	\$ -
Contracts retainage payable	1,635,266	92,173	1,727,439	-
Accrued expenses	2,339,740	882,067	3,221,807	-
Accrued interest payable	234,607	-	234,607	-
Customer deposits	-	-	-	49,458
Due to primary government	-	3,143,552	3,143,552	175,528
Unearned revenue	4,503,798	-	4,503,798	-
Financed purchases payable	80,595	83,518	164,113	-
Bonds payable	235,376	1,915,000	2,150,376	-
Compensated absences payable	-	397,289	397,289	-
Claims payable	-	467,000	467,000	-
Other post employment benefits payable	400,000	-	400,000	-
Total current liabilities	10,494,269	14,986,291	25,480,560	224,986
Current liabilities payable from restricted assets				
Accrued interest payable	-	575,742	575,742	-
Capital projects	3,039,127	-	3,039,127	-
Tourism	707,156	-	707,156	-
Public safety	39,338	-	39,338	-
Total current liabilities payable from restricted assets	3,785,621	575,742	4,361,363	-
Total current liabilities and payable from restricted assets	14,279,890	15,562,033	29,841,923	224,986
Long-term liabilities (net of current portion)				
Compensated absences payable	2,271,709	-	2,271,709	-
Contract claim payable	-	12,853,129	12,853,129	-
Other post employment benefits payable	26,823,145	11,676,184	38,499,329	-
Financed purchases payable	438,505	368,278	806,783	-
Bonds payable	14,181,911	29,889,467	44,071,378	-
Total long-term liabilities	43,715,270	54,787,058	98,502,328	-
Total liabilities	57,995,160	70,349,091	128,344,251	224,986
Deferred inflow of resources	26,401,442	12,824,118	39,225,560	-
Total liabilities and deferred inflow of resources	84,396,602	83,173,209	167,569,811	224,986
Net position				
Net investment in capital assets	91,972,193	46,682,110	138,654,303	-
Restricted for:				
Debt service	7,143,712	-	7,143,712	-
Public safety	4,958,635	-	4,958,635	-
Capital projects	29,039,078	19,801,255	48,840,333	-
Tourism	883,488	-	883,488	-
Unrestricted	(6,698,518)	(6,174,092)	(12,872,610)	708,420
Total net position	\$127,298,588	\$ 60,309,273	\$ 187,607,861	\$ 708,420

CITY OF EAST POINT, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

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	\$ 9,770,232	\$ 282,716	\$ -	\$ (9,487,516)	\$ -	\$ (9,487,516)	\$ -
Judicial	785,640	577,628	-	(208,012)	-	(208,012)	-
Public safety	19,758,833	2,091,791	156,507	(17,510,535)	-	(17,510,535)	-
Public works	3,354,596	-	5,561,992	2,207,396	-	2,207,396	-
Culture and recreation	1,504,683	71,697	-	(1,432,986)	-	(1,432,986)	-
Economic and community development	2,644,178	2,690,889	-	46,711	-	46,711	-
Interest and fiscal charges	617,220	-	-	(617,220)	-	(617,220)	-
Total governmental activities	38,435,382	5,714,721	5,718,499	(27,002,162)	-	(27,002,162)	-
Business-type activities							
Water and sewer	20,548,850	21,301,053	-	-	752,203	752,203	-
Electric system	41,918,972	43,774,632	-	-	1,855,660	1,855,660	-
Storm water	1,553,124	2,463,619	-	-	910,495	910,495	-
Solid waste	5,385,655	4,351,966	-	-	(1,033,689)	(1,033,689)	-
Total business-type activities	69,406,601	71,891,270	-	-	2,484,669	2,484,669	-
Total primary government	\$ 107,841,983	\$ 77,605,991	\$ 5,718,499	(27,002,162)	2,484,669	(24,517,493)	-
Component unit							
East Point Business & Industrial Development Authority	\$ 22,530	\$ -	\$ 48,590	-	-	-	26,060
General revenues							
Property taxes levied for general government purposes				18,972,457	-	18,972,457	-
Property taxes levied for debt services				4,634,235	-	4,634,235	-
Transportation and local option sales taxes				21,527,788	-	21,527,788	-
Franchise taxes				865,102	218,720	1,083,822	-
Insurance premium taxes				2,774,542	-	2,774,542	-
Alcoholic beverage taxes				736,629	-	736,629	-
Hotel/motel taxes				4,855,119	-	4,855,119	-
Unrestricted investment earnings				36,567	(91,227)	(54,660)	-
Miscellaneous				1,478,038	361,761	1,839,799	-
Total general revenues				55,880,477	489,254	56,369,731	-
Transfers in (out)				(1,323,577)	1,323,577	-	-
Change in net position				27,554,738	4,297,500	31,852,238	26,060
Net position, beginning of the fiscal year				99,743,850	56,011,773	155,755,623	682,360
Net position, end of the fiscal year				\$ 127,298,588	\$ 60,309,273	\$ 187,607,861	\$ 708,420

See Accompanying Notes to the Financial Statements.

CITY OF EAST POINT, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

	General	T-SPLOST	Restricted Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 22,961,265	\$ -	\$ -	\$ 2,846,160	\$ 25,807,425
Restricted cash	-	17,149,837	4,536,719	24,695,714	46,382,270
Receivables:					
Accounts, net	1,435,661	-	1,011,176	371,276	2,818,113
Property taxes, net	5,219,554	-	-	134,156	5,353,710
Intergovernmental	1,230,477	648,617	-	2,084,964	3,964,058
Component units	175,528	-	-	-	175,528
Interfund	2,829,285	-	-	2,086,138	4,915,423
Inventory	185,087	-	-	-	185,087
Prepaid items	<u>1,323,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,323,032</u>
Total assets	<u>\$ 35,359,889</u>	<u>\$ 17,798,454</u>	<u>\$ 5,547,895</u>	<u>\$ 32,218,408</u>	<u>\$ 90,924,646</u>
Liabilities, deferred inflow of resources and fund balances					
Liabilities					
Accounts payable	\$ 1,050,003	\$ 1,234,524	\$ 235,684	\$ 2,330,298	\$ 4,850,509
Accrued expenditures payable	2,335,699	-	-	4,041	2,339,740
Contract retainage payable	-	-	-	1,635,266	1,635,266
Interfund payable	470	-	-	3,596,233	3,596,703
Unearned revenue	<u>-</u>	<u>-</u>	<u>4,353,863</u>	<u>149,935</u>	<u>4,503,798</u>
Total liabilities	<u>3,386,172</u>	<u>1,234,524</u>	<u>4,589,547</u>	<u>7,715,773</u>	<u>16,926,016</u>
Deferred inflow of resources	<u>6,524,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,524,441</u>
Total liabilities and deferred inflow of resources	<u>9,910,613</u>	<u>1,234,524</u>	<u>4,589,547</u>	<u>7,715,773</u>	<u>23,450,457</u>
Fund balances					
Nonspendable	1,508,119	-	-	-	1,508,119
Restricted	-	16,563,930	958,348	24,502,635	42,024,913
Unassigned	<u>23,941,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,941,157</u>
Total fund balances	<u>25,449,276</u>	<u>16,563,930</u>	<u>958,348</u>	<u>24,502,635</u>	<u>67,474,189</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 35,359,889</u>	<u>\$ 17,798,454</u>	<u>\$ 5,547,895</u>	<u>\$ 32,218,408</u>	<u>\$ 90,924,646</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, 2022**

Total governmental funds balances		\$ 67,474,189
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	\$ 189,378,610	
Less accumulated depreciation	<u>(83,611,879)</u>	105,766,731
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	6,524,441	
Net pension asset	<u>8,356,625</u>	14,881,066
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	7,066,807	
Deferred outflows of resources - OPEB related	3,177,084	10,243,891
Deferred inflows of resources - pension related	(21,116,935)	
Deferred inflows of resources - OPEB related	<u>(5,284,507)</u>	(26,401,442)
Accrued interest not due and payable in the current period is not reported in the governmental fund balance sheets but is reported on the government-wide statement of net position.		
		(234,607)
Liabilities not due and payable in the current period are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position:		
Bonds payable	(13,554,823)	
Financed purchases payable	(519,100)	
Other post employment benefits payable	(27,223,145)	
Compensated absences payable	(2,271,708)	<u>(43,568,776)</u>
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>(862,464)</u>
Net position of governmental activities		<u>\$ 127,298,588</u>

CITY OF EAST POINT, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2022

	<u>General</u>	<u>T-SPLOST</u>	<u>Restricted Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 35,757,862	\$ 7,589,073	\$ -	\$ 9,524,373	\$ 52,871,308
Intergovernmental	-	-	5,561,992	156,507	5,718,499
Licenses and permits	2,977,630	-	-	-	2,977,630
Charges for services	659,956	-	-	1,192,087	1,852,043
Fines and forfeitures	577,628	-	-	307,420	885,048
Investment earnings	33,044	-	-	3,523	36,567
Miscellaneous	<u>1,478,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,478,038</u>
Total revenues	<u>41,484,158</u>	<u>7,589,073</u>	<u>5,561,992</u>	<u>11,183,910</u>	<u>65,819,133</u>
Expenditures					
Current					
General government	5,289,387	-	1,571,269	3,839,774	10,700,430
Judicial	892,181	-	-	-	892,181
Public safety	19,263,254	-	-	1,360,248	20,623,502
Public works	1,711,399	-	-	-	1,711,399
Culture and recreation	1,284,400	-	327,312	-	1,611,712
Economic and community development	1,761,107	-	1,200,430	1,060,341	4,021,878
Capital outlay	-	2,639,327	-	2,782,719	5,422,046
Debt service					
Principal retirement	80,900	-	-	4,190,000	4,270,900
Interest and fiscal charges	<u>14,385</u>	<u>-</u>	<u>-</u>	<u>718,942</u>	<u>733,327</u>
Total expenditures	<u>30,297,013</u>	<u>2,639,327</u>	<u>3,099,011</u>	<u>13,952,024</u>	<u>49,987,375</u>
Excess (deficiency) of revenues (under) expenditures	<u>11,187,145</u>	<u>4,949,746</u>	<u>2,462,981</u>	<u>(2,768,114)</u>	<u>15,831,758</u>
Other financing sources (uses)					
Transfers in	2,015,837	-	(2,204,373)	3,800,947	3,612,411
Transfer out	<u>(3,260,745)</u>	<u>-</u>	<u>-</u>	<u>(1,675,243)</u>	<u>(4,935,988)</u>
Total other financing sources (uses)	<u>(1,244,908)</u>	<u>-</u>	<u>(2,204,373)</u>	<u>2,125,704</u>	<u>(1,323,577)</u>
Net change in fund balances	9,942,237	4,949,746	258,608	(642,410)	14,508,181
Fund balances, beginning of fiscal year	<u>15,507,039</u>	<u>11,614,184</u>	<u>699,740</u>	<u>25,145,045</u>	<u>52,966,008</u>
Fund balances, end of fiscal year	<u>\$ 25,449,276</u>	<u>\$ 16,563,930</u>	<u>\$ 958,348</u>	<u>\$ 24,502,635</u>	<u>\$ 67,474,189</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, 2022**

Net changes in fund balances - total governmental funds \$ 14,508,181

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	\$ 8,575,849	
Depreciation expense	<u>(4,419,523)</u>	4,156,326

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, 2022	6,524,441	
Deferred inflows of resources at June 30, 2021	<u>(5,029,843)</u>	1,494,598

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	4,273,295	
Payment finance purchase obligation	80,900	
Payment of premium	<u>34,498</u>	4,388,693

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, 2022	(234,607)	
Accrued interest payable at June 30, 2021	313,821	
Compensated absences payable at June 30, 2022	(2,271,709)	
Compensated absences payable at June 30, 2021	1,612,580	
Workers compensation payable at June 30, 2022	-	
Workers compensation payable at June 30, 2021	506,119	
OPEB payable at June 30, 2022	(27,223,145)	
OPEB payable at June 30, 2021	25,068,171	
Net pension asset at June 30, 2022	8,356,625	
Net pension liability at June 30, 2021	<u>13,687,799</u>	19,815,654

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 at June 30, 2022	7,066,807	
Deferred outflows of resources - pension related at June 30, 2021	(11,190,201)	
Deferred outflows of resources - OPEB related at June 30, 2022	3,177,084	
Deferred outflows of resources - OPEB related at June 30, 2021	(5,492,429)	
Deferred inflows of resources - pension related at June 30, 2022	(21,116,935)	
Deferred inflows of resources - pension related at June 30, 2021	8,939,154	
Deferred inflows of resources - OPEB related at June 30, 2022	(5,284,507)	
Deferred inflows of resources - OPEB related at June 30, 2021	<u>7,092,313</u>	<u>(16,808,714)</u>

Change in net position of governmental activities \$ 27,554,738

**CITY OF EAST POINT, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2022**

	Business-type Activities Enterprise Funds					Business-type Activities	
	Major Funds			Nonmajor Fund			Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund	Total		
Assets and deferred outflows of resources							
Current assets							
Cash and cash equivalents	\$ 2,366,026	\$ 11,449,025	\$ 23,905	\$ 7,308,183	\$ 21,147,139	\$ -	
Restricted cash and cash equivalents	50,384	19,750,871	-	-	19,801,255	-	
Accounts receivable	5,507,808	5,784,118	869,028	692,860	12,853,814	-	
Accrued revenues	274,017	-	32,864	-	306,881	-	
Interfund	-	2,473,209	-	-	2,473,209	-	
Inventory	87,296	1,120,121	-	-	1,207,417	-	
Prepaid items	<u>372,192</u>	<u>437,419</u>	<u>267,553</u>	<u>175,025</u>	<u>1,252,189</u>	<u>454,388</u>	
Total current assets	<u>8,657,723</u>	<u>41,014,763</u>	<u>1,193,350</u>	<u>8,176,068</u>	<u>59,041,904</u>	<u>454,388</u>	
Noncurrent assets							
Net pension asset	1,914,783	2,284,748	459,574	290,986	4,950,091	-	
Capital assets							
Non depreciable	2,189,147	-	-	-	2,189,147	-	
Depreciable, net	<u>56,332,241</u>	<u>14,936,322</u>	<u>2,784,781</u>	<u>2,486,158</u>	<u>76,539,502</u>	<u>301,897</u>	
Total noncurrent assets	<u>60,436,171</u>	<u>17,221,070</u>	<u>3,244,355</u>	<u>2,777,144</u>	<u>83,678,740</u>	<u>301,897</u>	
Total assets	<u>69,093,894</u>	<u>58,235,833</u>	<u>4,437,705</u>	<u>10,953,212</u>	<u>142,720,644</u>	<u>756,285</u>	
Deferred outflows of resources							
Difference in pension and OPEB investment earnings	<u>1,729,841</u>	<u>1,308,528</u>	<u>653,651</u>	<u>105,462</u>	<u>3,797,482</u>	<u>-</u>	
Total deferred outflow of resources	<u>1,729,841</u>	<u>1,308,528</u>	<u>653,651</u>	<u>105,462</u>	<u>3,797,482</u>	<u>-</u>	
Total assets and deferred outflow of resources	<u>\$ 70,823,735</u>	<u>\$ 59,544,361</u>	<u>\$ 5,091,356</u>	<u>\$ 11,058,674</u>	<u>\$ 146,518,126</u>	<u>\$ 756,285</u>	

**CITY OF EAST POINT, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2022**

	Business-type Activities- Enterprise Fund				Total	Business-type Activities
	Major Funds			Nonmajor Fund		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund		
Liabilities and deferred inflow of resources						
Current liabilities:						
Accounts payable	\$ 726,530	\$ 6,206,987	\$ 148,391	\$ 233,355	\$ 7,315,263	\$ 690,429
Contracts retainage payable	-	-	-	92,173	92,173	-
Accrued expenses	617,326	156,928	28,482	13,475	816,211	65,856
Compensated absences payable	92,550	197,058	100,843	6,838	397,289	-
Customer deposits	1,064,649	2,078,903	-	-	3,143,552	-
Interfund payable	133,710	3,658,219	-	-	3,791,929	-
Revenue bonds payable	1,915,000	-	-	-	1,915,000	-
Finance purchases	-	-	83,518	-	83,518	-
Claims payable	-	-	-	467,000	467,000	-
Total current liabilities	<u>4,549,765</u>	<u>12,298,095</u>	<u>361,234</u>	<u>812,841</u>	<u>18,021,935</u>	<u>756,285</u>
Current liabilities payable from restricted assets						
Accrued interest payable	<u>575,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,742</u>	<u>-</u>
Total current liabilities	5,125,507	12,298,095	361,234	812,841	18,597,677	756,285
Long-term liabilities (net of current portion)						
Contract claim payable	12,853,129	-	-	-	12,853,129	-
Other post employment benefits payable	5,210,057	3,884,400	2,152,266	429,461	11,676,184	-
Revenue bonds payable	29,889,467	-	-	-	29,889,467	-
Finance purchases	<u>-</u>	<u>-</u>	<u>368,278</u>	<u>-</u>	<u>368,278</u>	<u>-</u>
Total long-term liabilities	47,952,653	3,884,400	2,520,544	429,461	54,787,058	-
Total liabilities	<u>53,078,160</u>	<u>16,182,495</u>	<u>2,881,778</u>	<u>1,242,302</u>	<u>73,384,735</u>	<u>756,285</u>
Deferred inflows of resources	<u>6,194,163</u>	<u>4,496,065</u>	<u>1,676,780</u>	<u>457,110</u>	<u>12,824,118</u>	<u>-</u>
Total liabilities and deferred inflow of resources	<u>59,272,323</u>	<u>20,678,560</u>	<u>4,558,558</u>	<u>1,699,412</u>	<u>86,208,853</u>	<u>756,285</u>
Net position						
Net investment in capital assets	26,716,921	14,936,322	2,332,985	2,393,985	46,380,213	301,897
Restricted	50,384	19,750,871	-	-	19,801,255	-
Unrestricted	<u>(15,215,893)</u>	<u>4,178,608</u>	<u>(1,800,187)</u>	<u>6,965,277</u>	<u>(5,872,195)</u>	<u>(301,897)</u>
Total net position	<u>\$ 11,551,412</u>	<u>\$ 38,865,801</u>	<u>\$ 532,798</u>	<u>\$ 9,359,262</u>	<u>\$ 60,309,273</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, 2022

	Business-Type Activities Enterprise Fund				Total	Business-Type Activities
	Major Funds			Nonmajor Fund		Internal Service Fund
	Water & Sewerage System	Electric System	Solid Waste Fund	Storm Water Fund		
Operating revenues						
Charges for services, net	\$ 21,301,053	\$ 43,774,632	\$ 4,351,966	\$ 2,463,619	\$ 71,891,270	\$ 5,684,250
Taxes	-	-	218,720	-	218,720	-
Miscellaneous	4,222	357,539	-	-	361,761	-
Total operating revenues	<u>21,305,275</u>	<u>44,132,171</u>	<u>4,570,686</u>	<u>2,463,619</u>	<u>72,471,751</u>	<u>5,684,250</u>
Operating expenses						
Personal services	3,150,272	2,885,166	1,435,625	454,764	7,925,827	1,431,892
Purchased services	2,121,450	852,397	1,053,550	406,128	4,433,525	3,171,116
Cost allocations	6,290,183	6,514,245	2,419,773	345,908	15,570,109	-
Materials and supplies	669,906	312,641	5,697	12,578	1,000,822	996,809
Wholesale electric	-	30,275,979	-	-	30,275,979	-
Sanitary sewers	2,275,968	-	-	-	2,275,968	-
Depreciation	5,031,798	1,073,929	318,292	326,695	6,750,714	84,433
Total operating expenses	<u>19,539,577</u>	<u>41,914,357</u>	<u>5,232,937</u>	<u>1,546,073</u>	<u>68,232,944</u>	<u>5,684,250</u>
Operating income (loss)	<u>1,765,698</u>	<u>2,217,814</u>	<u>(662,251)</u>	<u>917,546</u>	<u>4,238,807</u>	<u>-</u>
Nonoperating revenue (expenses)						
Interest expense	(1,009,273)	(4,615)	(152,718)	(7,051)	(1,173,657)	-
Investment earnings	-	(91,227)	-	-	(91,227)	-
Total nonoperating revenue (expenses)	<u>(1,009,273)</u>	<u>(95,842)</u>	<u>(152,718)</u>	<u>(7,051)</u>	<u>(1,264,884)</u>	<u>-</u>
Income (loss) before transfers in (out)	756,425	2,121,972	(814,969)	910,495	2,973,923	-
Transfers - in (out)	-	-	1,323,577	-	1,323,577	-
Change in net position	756,425	2,121,972	508,608	910,495	4,297,500	-
Net position, beginning of the 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>
Net position, end of fiscal year	<u>\$ 11,551,412</u>	<u>\$ 38,865,801</u>	<u>\$ 532,798</u>	<u>\$ 9,359,262</u>	<u>\$ 60,309,273</u>	<u>\$ -</u>

CITY OF EAST POINT, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2022

	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	\$ 18,984,055	\$ 41,590,322	\$ 4,293,867	\$ 2,462,017	\$ 67,330,261	\$ -	
Cash received from interfund services	-	-	-	-	-	5,684,250	
Cash payments for personnel services	(3,777,171)	(3,567,601)	(1,542,571)	(520,350)	(9,407,693)	(1,431,892)	
Cash payments to suppliers for goods and services	(4,516,031)	(32,343,541)	(1,133,407)	(320,880)	(38,313,859)	-	
Cash payments for interfund services	(6,290,183)	(6,514,245)	(2,419,773)	(345,908)	(15,570,109)	(3,927,271)	
Net cash provided by (used in) operating activities	<u>4,400,670</u>	<u>(835,065)</u>	<u>(801,884)</u>	<u>1,274,879</u>	<u>4,038,600</u>	<u>325,087</u>	
Cash flows from noncapital financing activities							
Increase (decrease) in interfund loan payable	-	(2,434,850)	(109,205)	-	(2,544,055)	(980,236)	
(Increase) decrease in interfund receivable	4,492	2,468,640	-	(206,700)	2,266,432	-	
Transfer in (out)	-	-	1,323,577	-	1,323,577	-	
Net cash provided by (used in) noncapital financing activities	<u>4,492</u>	<u>33,790</u>	<u>1,214,372</u>	<u>(206,700)</u>	<u>1,045,954</u>	<u>(980,236)</u>	
Cash flows from capital and related financing activities							
Principal paid on revenue bonds	(1,835,000)	-	-	-	(1,835,000)	-	
Interest paid on revenue bonds	(1,002,252)	-	-	-	(1,002,252)	-	
Principal paid on financed purchases	(80,280)	(76,924)	(145,562)	-	(302,766)	-	
Interest paid on financed purchases	-	(95,842)	(152,718)	(7,051)	(255,611)	-	
Payments for capital acquisitions	(1,329,574)	(1,725,272)	(90,303)	(396,455)	(3,541,604)	-	
Net cash used in capital and related financing activities	<u>(4,247,106)</u>	<u>(1,898,038)</u>	<u>(388,583)</u>	<u>(403,506)</u>	<u>(6,937,233)</u>	<u>-</u>	
Net increase (decrease) in cash and cash equivalents	<u>158,056</u>	<u>(2,699,313)</u>	<u>23,905</u>	<u>664,673</u>	<u>(1,852,679)</u>	<u>(655,149)</u>	
Cash and cash equivalents at the beginning of 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 at the end of the fiscal year	<u>\$ 2,416,410</u>	<u>\$ 31,199,896</u>	<u>\$ 23,905</u>	<u>\$ 7,308,183</u>	<u>\$ 40,948,394</u>	<u>\$ -</u>	
Cash and cash equivalents	\$ 2,366,026	\$ 11,449,025	\$ 23,905	\$ 7,308,183	\$ 21,147,139	\$ -	
Restricted cash and cash equivalents	<u>50,384</u>	<u>19,750,871</u>	<u>-</u>	<u>-</u>	<u>19,801,255</u>	<u>-</u>	
Total	<u>\$ 2,416,410</u>	<u>\$ 31,199,896</u>	<u>\$ 23,905</u>	<u>\$ 7,308,183</u>	<u>\$ 40,948,394</u>	<u>\$ -</u>	

**CITY OF EAST POINT, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the fiscal year ended June 30, 2022**

	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)	\$ 1,765,698	\$ 2,217,815	\$ (662,251)	\$ 917,546	\$ 4,238,808	\$ -	
Adjustments							
Depreciation	5,031,798	1,073,929	318,292	326,695	6,750,714	84,433	
(Increase) decrease in assets							
Accounts receivable and accrued revenues	(2,454,876)	(2,529,406)	(276,819)	(1,602)	(5,262,703)	-	
Inventory	(5,034)	(3,767)	-	-	(8,801)	-	
Prepaid items	(157,439)	(200,247)	(67,747)	(35,003)	(460,436)	(166,872)	
Net pension assets	(1,051,923)	(961,952)	(286,873)	(101,533)	(2,402,281)	-	
Increase (decrease) in liabilities							
Accounts payable	275,474	(3,543,170)	(4,672)	131,436	(3,140,932)	494,229	
Accrued expenses	11,982	(73,320)	(1,645)	1,438	(61,545)	(86,703)	
Contract claims payable	426,411	2,917,980	-	-	3,344,391	-	
Customer deposit	133,555	(12,444)	-	-	121,111	-	
Compensated absences	(72,551)	(37,043)	34,521	(14,969)	(90,042)	-	
Other post employment benefit	497,575	316,560	145,310	50,871	1,010,316	-	
Net cash provided by (used in) operating activities	<u>\$ 4,400,670</u>	<u>\$ (835,065)</u>	<u>\$ (801,884)</u>	<u>\$ 1,274,879</u>	<u>\$ 4,038,600</u>	<u>\$ 325,087</u>	

Schedule of noncash capital and related financing activity:

Acquisition of capital assets with financed purchase	\$ -	\$ -	\$ 451,796	\$ -	\$ 451,796	\$ -
Amortization of bond premium	270,000	-	-	-	270,000	-
Unrealized loss on investments	-	91,227	-	-	91,227	-

**CITY OF EAST POINT, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021 and June 30, 2022**

	December 31, 2021	June 30, 2022
	<u>Pension Trust</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 3,771,997	\$ 1,677,783
Receivables		
Amount due from brokers for securities sold	90,083	-
Accrued interest and dividends receivable	<u>99,043</u>	<u>-</u>
Total receivables	<u>189,126</u>	<u>-</u>
Investments		
U.S. government obligations	2,918,996	-
Corporate bonds	13,386,066	-
Foreign bonds	926,722	-
Foreign stock	7,000,000	-
Common stock	39,773,274	-
Convertible preferred stock	8,325,064	-
Core real estate property fund	10,690,268	-
Mutual funds	<u>75,538,466</u>	<u>-</u>
Total investments	<u>158,558,856</u>	<u>-</u>
Prepaid insurance	<u>21,854</u>	<u>-</u>
Total assets	<u>162,541,833</u>	<u>1,677,783</u>
Liabilities		
Accounts payable	<u>348,465</u>	<u>-</u>
Total liabilities	<u>348,465</u>	<u>-</u>
Net position		
Restricted for pension benefits	162,193,368	-
Restricted for individuals and organizations	<u>-</u>	<u>1,677,783</u>
Total net position	<u>\$ 162,193,368</u>	<u>\$ 1,677,783</u>

CITY OF EAST POINT, GEORGIA
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended December 31, 2021 and June 30, 2022

	December 31, 2021	June 30, 2022
	<u>Pension Trust</u>	<u>Agency Fund</u>
Additions		
Contributions		
Employer	\$ 8,407,637	\$ -
Employee	<u>1,326,841</u>	<u>-</u>
Total contributions	<u>9,734,478</u>	<u>-</u>
Collections from individuals and organizations	<u>-</u>	<u>384,121</u>
Investment Earnings		
Net (depreciation) in fair value of investments	22,237,793	-
Interest and dividends	2,501,748	-
Less: investment expenses	<u>(808,808)</u>	<u>-</u>
Net investment income	<u>23,930,733</u>	<u>-</u>
Other income	<u>5,162</u>	<u>-</u>
Total additions	<u>33,670,373</u>	<u>384,121</u>
Deductions		
Benefits paid including refunds of employee contributions	11,771,020	-
Refunds and transfers to individual and organizations	-	124,488
Administrative expense	<u>265,052</u>	<u>1,020</u>
Total deductions	<u>12,036,072</u>	<u>125,508</u>
Increase in net position	21,634,301	258,613
Net position, beginning of fiscal year	<u>140,559,067</u>	<u>1,419,170</u>
Net position, end of fiscal year	<u>\$ 162,193,368</u>	<u>\$ 1,677,783</u>

**CITY OF EAST POINT, GEORGIA
 COMPONENT UNIT
 STATEMENT OF NET POSITION
 June 30, 2022**

	East Point Business and Industrial Development Authority
Assets	
Current	
Cash and cash equivalents	\$ 382,906
Accounts receivable, net	70,000
Prepaid items	<u>52,500</u>
Total current assets	505,406
Noncurrent assets	
Nondepreciable capital assets for resale	<u>428,000</u>
Total assets	<u><u>\$ 933,406</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>708,420</u>
Total liabilities and net position	<u><u>\$ 933,406</u></u>

**CITY OF EAST POINT, GEORGIA
 COMPONENT UNIT
 STATEMENT OF ACTIVITIES
 For the fiscal year ended June 30, 2022**

	East Point Business and Industrial Development Authority
Intergovernmental Revenues	
Intergovernmental	<u>\$ 48,590</u>
Expenses	
Economic development	<u>22,530</u>
Change in net position	26,060
Net position, beginning of fiscal year	<u>682,360</u>
Net position, end of fiscal year	<u><u>\$ 708,420</u></u>

**NOTES TO THE
FINANCIAL STATEMENTS**

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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 of America (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, 2022

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, 2022

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, 2022

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, 2022

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 - On 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 - Using the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. Using 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, 2022

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, 2021 and 2020.

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, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the 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, 2022

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.

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, 2022

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, 2022

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, 2022

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 (Asset)

For the purpose of measuring the net pension liability (asset), 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 Fiscal Year 2022 Financial Statements:

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting and requires reporting of certain lease assets, liabilities and deferred inflows that were not previously reported. The new standard is effective for periods beginning after June 12, 2021. The City evaluated its three leases and noted that the remaining useful life of the lease was less than one year. Per the statement, these leases do not have to be shown as right-to-use assets. The application of the statement did not have a significant impact on the City for the fiscal year ended June 30, 2022.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred and not longer included in the historical cost of capital assets. The application of the statement did not have a significant impact on the City for the fiscal year ended June 30, 2022.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The statement address a variety of topics related to postemployment benefits and other issues. The standard is effective for reporting periods beginning after June 15, 2021. The application of the statement did not have a significant impact on the City for the fiscal year ended June 30, 2022.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The statement addresses the accounting and financial reporting effects of the replacement of interbank offering rates, mainly the London Interbank Offered Rate (LIBOR), with other reference rates in agreements which reference an interbank offering rate. The application of the statement did not have a significant impact on the City for the fiscal year ended June 30, 2022.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The statements addresses a variety of topics. The requirements related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance and did not have a significant impact on the City for the fiscal year ended June 30, 2022.

Pronouncements Issued, but not Effective, which the City will Adopt in Future Fiscal Years:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of the 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. The 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 the statement are effective for reporting periods beginning after December 15, 2021.

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

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and end users (governments). The statement is effective for fiscal years beginning after June 15, 2022.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The statement defines various types of accounting changes and prescribes accounting, reporting and disclosure requirements for accounting changes and error corrections. The statement is effective for periods beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The statement requires that liabilities for compensated absences be recognized if the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means and established definitions, guidance and disclosure requirement related to compensated absences. The statement is effective for periods beginning after December 15, 2023.

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, 2022, expenditures for the following exceeded appropriations:

City Hall fund, debt service, interest and fiscal charges	\$ 1,860
Hotel-Motel Tax fund, current, general government	\$ 672,374
Hotel-Motel Tax fund, transfers out	\$ 25,595
Camp Creek Tax Allocation District fund, current, economic development	\$ 231,525
Camp Creek Tax Allocation District fund, debt service	\$ 2,750,000

To ensure adequate appropriations, budget amendments are implemented during the fiscal year. In fiscal year 2022, transfers were adjusted for amounts appropriated but were not made in prior fiscal years.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

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	\$ 903,291
Restricted grant funds	999,846
T-SPLOST funds	5,629,542
Non-major governmental funds	<u>2,621,306</u>
 Total	 <u><u>\$ 10,153,985</u></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 decided that the City would save the 2% Hotel/Motel Tax for the purpose of constructing an auditorium to draw tourism to the City instead of paying those 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.

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, 2022, the City was not exposed to custodial credit risk.

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.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2022, 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	\$ 19,750,871	\$ 19,750,871

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)

The City's Employees Retirement Plan (the "Plan") is a single employer defined benefit pension plan. 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.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2021, the Plan had \$158,558,856 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	\$ 2,754,222	AA+
United States government agencies	164,774	AA+
Corporate bonds	31,645	AAA
Corporate bonds	562,320	AA+
Corporate bonds	140,861	AA
Corporate bonds	979,264	AA-
Corporate bonds	1,358,643	A+
Corporate bonds	2,712,428	A
Corporate bonds	3,214,902	A-
Corporate bonds	2,202,817	BBB+
Corporate bonds	1,564,754	BBB
Corporate bonds	221,016	BBB-
Corporate bonds	397,416	Not rated
Foreign bonds	193,293	A
Foreign bonds	655,093	Not rated
Foreign bonds	78,336	Not rated
Preferred stock- domestic	8,325,064	Not rated
Common stock - domestic	39,773,274	Not rated
Mutual Funds	75,538,466	Not rated
Core real estate property fund	10,690,268	Not rated
Commingled pension trust fund	<u>7,000,000</u>	Not rated
	<u>\$ 158,558,856</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, 2021, the Pension Trust Fund had the following investments and maturities:

<u>Investment Type</u>	<u>December 31, 2021</u>	<u>Total Investment</u>	<u>Duration (Years)</u>
U.S. Treasury notes and bonds	\$ 2,754,222	1.74 %	5.68
U.S. government agencies	164,774	0.10 %	6.70
Corporate bonds	13,386,066	8.44 %	5.75
Foreign bonds	926,722	0.58 %	3.51
Mutual funds	75,538,466	47.64 %	-
Preferred stock - domestic	8,325,064	5.25 %	-
Common stock - domestic	39,773,274	25.08 %	-
Core real estate property fund	10,690,268	6.74 %	-
Commingled pension trust fund	<u>7,000,000</u>	<u>4.41 %</u>	-
Total	<u>\$ 158,558,856</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, 2021, 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, 2021, 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, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Foreign Currency Risk – At December 31, 2021, 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, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
United States government issues	\$ 2,754,222	\$ 164,774	\$ -	\$ 2,918,996
Corporate bonds	8,764,350	4,621,716	-	13,386,066
Foreign bonds	78,336	848,386	-	926,722
Mutual funds	75,538,466	-	-	75,538,466
Equity securities	<u>48,098,338</u>	<u>-</u>	<u>-</u>	<u>48,098,338</u>
	<u>\$ 135,233,712</u>	<u>\$ 5,634,876</u>	<u>\$ -</u>	140,868,588

Investments recorded at net asset value:

Core real estate property fund	10,690,268
Commingled pension trust fund	<u>7,000,000</u>
	<u>\$ 158,558,856</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, and a commingled Pension Trust Fund- the JP Morgan Special Situation Property Fund. These funds invest in real estate properties seeking to realize capital appreciation on its portfolio while also generating a moderate to high level of current income. 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, 2022:

	<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	\$ 25,807,425	\$ -	\$ 25,807,425
Restricted	46,382,270	-	46,382,270
Proprietary Fund Type - Statement of Net Position			
Enterprise Funds			
Unrestricted	21,147,139	-	21,147,139
Restricted	<u>19,801,255</u>	<u>-</u>	<u>19,801,255</u>
Total Fund Level	<u>\$ 113,138,089</u>	<u>\$ -</u>	<u>\$ 113,138,089</u>
Fiduciary Fund Type - Statement of Fiduciary Net Position			
Restricted as of December 31, 2021	<u>\$ 3,771,997</u>	<u>\$ 158,558,856</u>	<u>\$ 162,330,853</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at June 30, 2022, 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	\$ 6,524,442	\$ 1,230,477	\$ -	\$ 1,435,661	\$ (1,304,888)	\$ 7,885,692
T-SPLOST fund	648,617	-	-	-	-	648,617
Restricted grant fund	-	-	-	1,011,176	-	1,011,176
Nonmajor governmental funds	134,156	2,084,964	-	371,276	-	2,590,396
Water and sewer fund	-	-	6,539,054	-	(1,031,246)	5,507,808
Electric fund	-	-	10,038,060	-	(4,253,942)	5,784,118
Solid waste fund	-	-	1,615,419	-	(746,391)	869,028
Nonmajor enterprise funds	-	-	866,075	-	(173,215)	692,860
Total	<u>\$ 7,307,215</u>	<u>\$ 3,315,441</u>	<u>\$ 19,058,608</u>	<u>\$ 2,818,113</u>	<u>\$ (7,509,682)</u>	<u>\$ 24,989,695</u>

3-C. Property Taxes

Property taxes for the June 30, 2022 fiscal year were levied and billed on October 13, 2021, based on property values assessed as of January 1, 2021. The taxes were payable within 60 days of the billing date, due on December 13, 2021. An interest penalty of 10% per annum is charged on property taxes not paid within 90 days of the due date. Unpaid property taxes became an enforceable lien on April 13, 2022.

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	\$ 7,066,807	\$ 2,440,771	\$ 9,507,578
OPEB liability	<u>3,177,084</u>	<u>1,356,711</u>	<u>4,533,795</u>
Total	<u>\$ 10,243,891</u>	<u>\$ 3,797,482</u>	<u>\$ 14,041,373</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, 2022

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	\$ 21,116,935	\$ 9,116,510	\$ 30,233,445
OPEB liability	5,284,507	2,489,783	7,774,290
Refunding of debt	-	1,217,825	1,217,825
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 26,401,442</u>	<u>\$ 12,824,118</u>	<u>\$ 39,225,560</u>

3-E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, for governmental funds was as follows:

<u>Asset Class</u>	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Retirements Reclasses</u>	<u>Balance June 30, 2022</u>
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 7,250,515	\$ -	\$ -	\$ 7,250,515
Construction	17,088,953	3,928,362	(6,527,990)	14,489,325
	<u>\$ 24,339,468</u>	<u>\$ 3,928,362</u>	<u>\$ (6,527,990)</u>	<u>\$ 21,739,840</u>
Depreciable capital assets:				
Land improvements	\$ 7,932,033	\$ -	\$ -	\$ 7,932,033
Buildings	35,424,115	5,230	-	35,429,345
Furniture	1,737,820	-	-	1,737,820
Machinery and equipment	21,935,592	1,477,220	-	23,412,812
Vehicles	19,858,834	1,839,943	-	21,698,777
Infrastructure	69,574,899	1,325,094	6,527,990	77,427,983
Total depreciable capital assets	<u>156,463,293</u>	<u>4,647,487</u>	<u>6,527,990</u>	<u>167,638,770</u>
Total capital assets	<u>180,802,761</u>	<u>8,575,849</u>	<u>-</u>	<u>189,378,610</u>
Less accumulated depreciation:				
Land improvements	4,799,099	317,906	-	5,117,005
Buildings	10,505,746	912,408	-	11,418,154
Furniture	1,089,367	126,514	-	1,215,881
Machinery and equipment	18,163,935	740,174	-	18,904,109
Vehicles	15,335,912	643,877	-	15,979,789
Infrastructure	29,298,297	1,678,644	-	30,976,941
Total accumulated depreciation	<u>79,192,356</u>	<u>4,419,523</u>	<u>-</u>	<u>83,611,879</u>
Governmental capital assets, net	<u>\$ 101,610,405</u>	<u>\$ 4,156,326</u>	<u>\$ -</u>	<u>\$ 105,766,731</u>
Depreciation Expense by governmental activities:				
General government		\$ 1,064,439		
Public safety		1,223,345		
Public works		1,871,411		
Culture and recreation		260,328		
Total depreciation expense by governmental activities		<u>\$ 4,419,523</u>		

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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, 2021</u>	<u>Additions</u>	<u>Retirements Reclasses</u>	<u>Balance June 30, 2022</u>
Business-type activities				
Nondepreciable capital assets:				
Construction in progress	\$ 11,331,637	\$ 455,948	\$ (9,598,438)	\$ 2,189,147
Total nondepreciable capital assets	<u>11,331,637</u>	<u>455,948</u>	<u>(9,598,438)</u>	<u>2,189,147</u>
Depreciable capital assets:				
Land improvements	1,779,368	-	-	1,779,368
Building and other structures	149,415,265	1,916,228	9,442,032	160,773,525
Machinery and equipment	16,636,858	1,388,525	156,406	18,181,789
Vehicles	<u>13,268,300</u>	<u>232,700</u>	<u>-</u>	<u>13,501,000</u>
Total depreciable capital assets	<u>181,099,791</u>	<u>3,537,453</u>	<u>9,598,438</u>	<u>194,235,682</u>
Total capital assets	<u>192,431,428</u>	<u>3,993,401</u>	<u>-</u>	<u>196,424,829</u>
Less accumulated depreciation:				
Land improvements	747,249	177,937	-	925,186
Buildings and other structures	88,780,930	4,839,961	-	93,620,891
Machinery and equipment	13,252,359	823,941	-	14,076,300
Vehicles	<u>7,778,598</u>	<u>993,308</u>	<u>-</u>	<u>8,771,906</u>
Total accumulated depreciation	<u>110,559,136</u>	<u>6,835,147</u>	<u>-</u>	<u>117,394,283</u>
Business-type activities capital assets, net	<u>\$ 81,872,292</u>	<u>\$ (2,841,746)</u>	<u>\$ -</u>	<u>\$ 79,030,546</u>

Capital asset activity for the component units for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Retirements Reclasses</u>	<u>Balance June 30, 2022</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, 2022

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Interfund Balances and Transfers

Interfund balances at June 30, 2022, 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	\$ -	\$ 1,510,564	\$ 133,633	\$ 1,185,086	\$ -	\$ -	\$ -	\$ 2,829,283
Nonmajor Government Funds	470	2,085,669	-	-	-	-	-	2,086,139
Electric Fund	-	-	-	-	-	-	-	-
Total	<u>\$ 470</u>	<u>\$ 3,596,233</u>	<u>\$ 133,633</u>	<u>\$ 1,185,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,915,422</u>

Interfund transfers for the fiscal year ended June 30, 2022, consisted of the following:

<u>Transfers out</u>	<u>Transfers In</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Solid Waste Fund</u>	<u>Total</u>
General fund	\$ -	\$ 1,937,168	\$ 1,323,577	\$ 3,260,745
Nonmajor governmental funds	<u>2,015,837</u>	<u>1,863,779</u>	<u>-</u>	<u>3,879,616</u>
Total	<u>\$ 2,015,837</u>	<u>\$ 3,800,947</u>	<u>\$ 1,323,577</u>	<u>\$ 7,140,361</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.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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, 2022 are as follows (net of premiums of \$862,464):

	<u>Outstanding June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2022</u>	<u>Amount Due in One Year</u>
Governmental activities					
Revenue bonds:					
Intergovernmental agreement	\$ 443,118	\$ -	\$ 83,295	\$ 359,823	\$ 85,878
Limited obligations bonds:					
Series 2015 Tax Allocation					
Bonds - Camp Creek	4,080,000	-	4,080,000	-	-
Series 2015 Tax Allocation					
Bonds - East Point Corridors	700,000	-	-	700,000	-
Series 2017 GMA COPS	<u>12,605,000</u>	<u>-</u>	<u>110,000</u>	<u>12,495,000</u>	<u>115,000</u>
Subtotal bonded debt reported	17,828,118	-	4,273,295	13,554,823	200,878
Net unamortized premiums	<u>896,962</u>	<u>-</u>	<u>34,498</u>	<u>862,464</u>	<u>34,498</u>
Total bonded debt reported	<u>18,725,080</u>	<u>-</u>	<u>4,307,793</u>	<u>14,417,287</u>	<u>235,376</u>
Financed purchases	600,000	-	80,900	519,100	80,595
Compensated absences	1,612,581	732,485	73,357	2,271,709	-
Workers' compensation	506,119	1,040,247	1,546,366	-	-
Net OPEB obligation	<u>25,068,171</u>	<u>2,536,986</u>	<u>382,012</u>	<u>27,223,145</u>	<u>400,000</u>
Total governmental activities	<u>\$ 46,511,951</u>	<u>\$ 4,309,718</u>	<u>\$ 6,390,428</u>	<u>\$ 44,431,241</u>	<u>\$ 715,971</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, 2022:

	<u>Outstanding June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2022</u>	<u>Amount Due in One Year</u>
Business-type activities					
Limited obligation bonds:					
2017 Building Authority revenue					
refunding bonds	\$ 29,855,000	\$ -	\$ 1,565,000	\$ 28,290,000	\$ 1,645,000
Net unamortized premium	<u>3,784,467</u>	<u>-</u>	<u>270,000</u>	<u>3,514,467</u>	<u>270,000</u>
Total bonded debt reported	<u>33,639,467</u>	<u>-</u>	<u>1,835,000</u>	<u>31,804,467</u>	<u>1,915,000</u>
Contract claim payable	12,426,718	426,411	-	12,853,129	-
Net OPEB obligation	10,746,148	930,036	-	11,676,184	-
Financed purchases	<u>222,486</u>	<u>451,796</u>	<u>222,486</u>	<u>451,796</u>	<u>83,518</u>
Total business-type activities	<u>\$ 57,034,819</u>	<u>\$ 1,808,243</u>	<u>\$ 2,057,486</u>	<u>\$ 56,785,576</u>	<u>\$ 1,998,518</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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, 2022:

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, 2022, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 359,823</u>	<u>\$ 45,421</u>	<u>\$ 405,244</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, 2022, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 5,125	\$ 5,125
2024	-	5,125	5,125
2025	-	5,125	5,125
2026	-	5,125	5,125
2027	-	25,625	25,625
2028-2032	-	25,625	25,625
2033-2037	-	25,625	25,625
2038-2040	<u>700,000</u>	<u>23,063</u>	<u>723,063</u>
Total	<u>\$ 700,000</u>	<u>\$ 120,438</u>	<u>\$ 820,438</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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 2048 with interest rates ranging from 2.0% to 5.0%.

Annual debt service requirements to amortize this debt, as of June 30, 2022, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 115,000	\$ 538,325	\$ 653,325
2024	120,000	533,725	653,725
2025	315,000	528,925	843,925
2026	330,000	513,175	843,175
2027	350,000	499,975	849,975
2028-2032	1,935,000	2,284,475	4,219,475
2033-2037	2,285,000	1,940,250	4,225,250
2038-2042	2,760,000	1,464,050	4,224,050
2043-2047	3,480,000	740,250	4,220,250
2048	<u>805,000</u>	<u>40,250</u>	<u>20,125</u>
Total	<u>\$ 12,495,000</u>	<u>\$ 9,083,400</u>	<u>\$ 20,753,275</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

Annual debt service requirements for these financed purchase payable as of June 30, 2022, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	90,133	5,152	95,285
2028	<u>92,642</u>	<u>2,643</u>	<u>95,285</u>
Total	<u>\$ 519,100</u>	<u>\$ 52,610</u>	<u>\$ 571,710</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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, 2022, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,865,000	1,063,531	2,928,531
2027	1,965,000	970,581	2,935,581
2028-2032	11,335,000	3,324,126	14,659,126
2033-2035	<u>8,010,000</u>	<u>787,150</u>	<u>8,797,150</u>
Total	<u>\$ 28,290,000</u>	<u>\$ 9,821,981</u>	<u>\$ 38,111,981</u>

Financed purchases/capital lease obligations - The City has entered into numerous purchase agreements relative to its business-type activities with Republic National Corporation. 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>
53	May 17, 2022	Two Rear End Loader Trucks	4.96%	<u>\$ 451,795</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements for these financed purchase payable as of June 30, 2022, are as follows:

<u>Fiscal year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 83,518	\$ 10,150	\$ 93,668
2024	75,940	17,728	93,668
2025	79,596	14,072	93,668
2026	83,427	10,241	93,668
2027	<u>129,315</u>	<u>6,225</u>	<u>135,540</u>
Total	<u>\$ 451,796</u>	<u>\$ 58,416</u>	<u>\$ 510,212</u>

As of fiscal year June 30, 2022, the gross amount of capital assets under financed purchases for the City's business type activities is \$451,795, and the related accumulated depreciation is \$-. No depreciation was recorded on this asset since it was purchased in the last month of the year.

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, 2022, 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, 2022

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 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, 2021, the date of the most recent actuarial valuation, there were 840 participants respectively, consisting of the following:

Current active employees	473
Retirees and beneficiaries currently receiving benefits	347
Terminated members entitled to but not yet receiving benefits	<u>20</u>
Total	<u>840</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 (Asset) – The net pension liability (asset) 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 (asset) was measured on December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Measurement date:	December 31, 2021
Total pension liability	\$ 148,886,652
Fiduciary net position	<u>162,193,368</u>
Net pension liability (asset)	<u>\$ (13,306,716)</u>
Plan fiduciary net position as a percentage of total pension liability	108.94%

A schedule of net pension liability (asset), in addition to the information above, (beginning with fiscal year 2021) and is presented in the Required Supplementary Information section.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Schedule of Changes in Net Pension Liability (Asset) - Changes in the City's net pension liability (asset) presented below are calculated on the same basis as each of the plans. The change in net pension liability (asset) for the Plan for the calendar year ended December 31, 2021, is as follows:

	Total Pension Liability	Plan Net Position	Net Pension (Asset)
	(a)	(b)	(a)-(b)
Changes for the calendar year:			
Service cost	\$ 3,644,550	\$ -	\$ 3,644,550
Interest	10,518,850	-	10,518,850
Benefit changes	58,056	-	58,056
Difference in expected and actual experience	(4,968,273)	-	(4,968,273)
Changes in assumptions	(7,593,836)	-	(7,593,836)
Contributions - employer	-	8,407,637	(8,407,637)
Contributions - participant	-	1,326,841	(1,326,841)
Net investment income	-	23,935,895	(23,935,895)
Refund of contributions	(797,850)	(797,850)	-
Benefits paid	(10,973,170)	(10,973,170)	-
Plan administrative expenses	-	(265,052)	265,052
Net changes	<u>(10,111,673)</u>	<u>21,634,301</u>	<u>(31,745,974)</u>
Net pension liability, beginning	<u>158,998,325</u>	<u>140,559,067</u>	<u>18,439,258</u>
Net pension liability (asset), ending	<u>\$ 148,886,652</u>	<u>\$162,193,368</u>	<u>\$ (13,306,716)</u>

The governmental activities column reports a net pension advance funding of \$8,356,625 and the enterprise funds report a net pension obligation of \$4,950,091.

Pension Expense – The pension cost for the calendar year ended December 31, 2021 is \$160,700. The governmental activities column report pension cost of \$111,590 and the enterprise funds report \$49,110.

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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, 2021, the Plan's net position was projected to be available to make projected future benefit payments of current plan members through 2119. Therefore, the long-term expected rate of return on pension plan investments (7.00%) 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 (asset) of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability (asset)	\$ <u>4,920,879</u>	\$ <u>(13,306,716)</u>	\$ <u>(28,447,253)</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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, 2022, for the pension plan are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 817,457	\$ 5,001,478
Changes of assumption	8,690,121	6,008,484
Net difference between projected and actual earnings on plan investments	-	19,223,483
Net deferred outflows and inflows	\$ 9,507,578	\$ 30,233,445

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2022 will be recognized in pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows (Inflows) of Resources
2023	\$ (2,262,409)
2024	(6,279,142)
2025	(7,240,776)
2026	(4,943,540)
Net deferred outflows and inflows	\$(20,725,867)

Actuarial Assumptions Used to Calculate the Net Pension Liability - The total pension liability was determined by an actuarial valuation as of January 1, 2021, with updates performed by the actuary to roll forward to the total pension liability (asset) measured as of December 31, 2021. The following actuarial assumptions apply to all periods included in the measurement:

Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Salary increase	3.50%, including inflation
Inflation	2.25%
Mortality	The rates of mortality for the period after service retirement are according to the PUB 2010 Headcount Weighted Above Median Tables, generational mortality using MP-2020 mortality improvement projection scale.
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, 2021, are summarized as on the next page:

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U. S. Large Cap Equity	35%	5.79%
U. S. Small/Mid Cap Equity	20%	6.84%
U.S Direct Real Estate	10%	5.48%
Pfds/Converts	15%	3.29%
U.S Aggregate Bond	20%	1.21%
Total	<u>100%</u>	

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:

Service cost	\$ 2,430,930
Interest	778,345
Changes of assumptions	422,616
Benefit payments	<u>(546,880)</u>
Net change in net OPEB obligation	3,085,011
Total OPEB obligation, beginning of fiscal year	<u>35,814,318</u>
Total OPEB obligation, end of fiscal year	<u>\$ 38,899,329</u>

The governmental activities column reports a net OPEB obligation of \$27,223,145 and the enterprise funds report \$11,676,184 net OPEB obligation.

OPEB expense - The OPEB cost for the fiscal year ended June 30, 2022 is \$4,358,471. The governmental activities report an OPEB cost of \$3,044,525 and the enterprise funds report an OPEB cost of \$1,313,946.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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	2.19%
Measurement Date	2.13%
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:

	<u>1% Decrease</u> Healthcare cost trend rate	<u>Current</u> Healthcare cost trend rate	<u>1% Increase</u> Healthcare cost trend rate
City's total OPEB liability	\$ 32,033,806	\$ 38,899,327	\$ 48,032,033

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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 1.13%	Current 2.13%	1% Increase in discount rate 3.13%
City's total OPEB liability	\$ 47,045,369	\$ 38,899,327	\$ 32,648,669

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, 2022 for the OPEB plan are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 7,774,290
Net difference between projected and actual earnings on plan investment	4,533,795	-
Net deferred outflows and inflows	\$ 4,533,795	\$ 7,774,290

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits at June 30, 2022 will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources
Measurement period ended June 30:	
2022	\$ (463,592)
2023	(1,264,270)
2024	(1,264,270)
2025	(269,252)
Thereafter	20,889
Total OPEB obligation, end of fiscal year	\$ (3,240,495)

[INTENTIONALLY LEFT BLANK]

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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:	
Inventories	\$ 185,087
Prepaid	<u>1,323,032</u>
Total	<u>\$ 1,508,119</u>

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

Governmental Funds:	
Major Funds:	
Restricted Grants	\$ 958,348
T-SPLOST	<u>16,563,930</u>
Subtotal Major funds	<u>17,522,278</u>
Nonmajor Funds:	
Capital projects	11,516,800
Tourism	883,488
Debt Service	7,143,712
Public Safety	<u>4,958,635</u>
Subtotal Nonmajor funds	<u>24,502,635</u>
Total	<u>\$ 42,024,913</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, 2022 is as follows:

<u>Net investment in capital assets</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Cost of capital assets	\$ 189,378,610	\$196,424,829
Less accumulated depreciation	<u>(83,611,879)</u>	<u>117,394,283</u>
Book value	105,766,731	79,030,546
Less capital related debt - bonds	(13,554,823)	(28,290,000)
Less capital related debt - financed purchases	-	(451,796)
Less capital related debt - contract retainage	(1,635,266)	(92,173)
Add unspent bond proceeds	2,258,015	-
Less premium on bonds	<u>(862,464)</u>	<u>(3,514,467)</u>
Net investment in capital assets	<u>\$ 91,972,193</u>	<u>\$ 46,682,110</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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 claims liabilities for workers' compensation during the fiscal year ended:

Fiscal year ending June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2021	\$441,158	\$1,163,155	\$1,098,194	\$506,119
2022	\$506,119	\$1,040,247	\$1,546,366	\$-

4-B. Commitments

Construction Commitments - As of June 30, 2022, the City has the following construction commitments outstanding:

Contractor	Total Contract	Project-to-date Expenditures	Remaining Commitments	Remaining Percentage
Baldwin Paving Company	\$ 669,838	\$ 573,445	\$ 96,393	3.7 %
Lewallen Construction	3,201,320	2,916,949	284,371	10.9 %
Mullins Brothers Paving	1,764,306	571,238	1,193,068	45.9 %
Tantalus Systems	2,513,311	1,475,438	1,037,873	40.0 %
Tantalus Systems	<u>1,352,213</u>	<u>1,366,746</u>	<u>(14,533)</u>	<u>(0.6)%</u>
Total	<u>\$ 9,500,988</u>	<u>\$ 6,903,816</u>	<u>\$ 2,597,172</u>	<u>100 %</u>

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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, 2022 of \$19,750,871. 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 Reserve Funded Debt account has been closed.

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 approved the resolution to enter into an Intergovernmental Agreement with Fulton County, Georgia (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, Georgia. 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.

On January 19, 2021, the City approved the resolution to enter into an another Intergovernmental Agreement with the County for the use and distribution of proceeds by the Special Purpose Local Option Sales Tax Referendum for transportation purposes (TSPLOST). On November 2, 2021, 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, Georgia. The tax collection began on April 1, 2022, and will last no more than 5-years, until March 31, 2027 or when the maximum amount of \$546 million is reached. Fourteen municipalities are participants in the TSPLOST Intergovernmental Agreement for the Use and Distribution of TSPLOST Proceeds with approximately \$37 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 92 for the schedule of TSPLOST projects.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

Note 4 - Other Notes (Continued)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, can not be determined as to the financial effect on the City.

The City is a plaintiff in action against Fulton County, Georgia (the "County") 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 has been pursuing a negotiated settlement for over 15 years. The City shows the value of the services as determined by the County as a contract claim payable of \$12,853,129 in the proprietary funds statement of position.

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.

CITY OF EAST POINT, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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 \$4,855,119 and transferred \$1,675,243 to general fund and paid \$2,140,370 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.

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.

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(e) 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, 2022

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.

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 February 28, 2024, 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, 2022.

**REQUIRED SUPPLEMENTARY
INFORMATION**
(Unaudited)

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

	<u>2021</u>	<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	\$ 3,644,550	\$ 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	10,518,850	10,407,488	9,621,277	9,111,728	9,188,599	9,085,741	8,977,933	8,790,749
Benefit changes	58,056	-	-	-	703	-	-	-
Difference in expected and actual experience	(4,968,273)	(1,843,291)	1,534,433	1,596,897	(372,584)	(1,068,659)	(1,486,574)	-
Change of assumptions	(7,593,836)	-	22,472,248	2,602,205	-	-	-	-
Benefit payments	(10,973,170)	(8,932,789)	(8,584,567)	(8,969,433)	(8,148,374)	(7,948,806)	(7,818,041)	(7,653,160)
Refund of contributions	<u>(797,850)</u>	<u>(516,930)</u>	<u>(579,462)</u>	<u>(1,031,489)</u>	<u>(1,467,896)</u>	<u>(689,950)</u>	<u>(514,762)</u>	<u>(1,074,881)</u>
Net change in total pension liability	<u>(10,111,673)</u>	<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>158,998,325</u>	<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>148,886,652</u>	<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	\$ 8,407,637	\$ 9,322,981	\$ 8,975,650	\$ 9,127,127	\$ 8,628,709	\$ 8,674,036	\$ 9,504,258	\$ 9,178,327
Contributions - participant	1,326,841	1,446,435	1,254,455	1,265,307	1,189,472	1,356,521	1,126,534	1,056,133
Net investment income	23,935,895	15,778,806	21,579,667	(2,420,856)	13,702,310	8,210,957	(471,734)	5,165,761
Benefit payments	(10,973,170)	(8,932,789)	(8,584,567)	(8,969,433)	(8,148,374)	(7,948,806)	(7,818,041)	(7,653,160)
Administrative expenses	(265,052)	(204,572)	(239,679)	(261,834)	(275,589)	(250,881)	(257,170)	(263,308)
Refunds of contributions	<u>(797,850)</u>	<u>(516,930)</u>	<u>(579,462)</u>	<u>(1,031,489)</u>	<u>(1,467,896)</u>	<u>(689,950)</u>	<u>(514,762)</u>	<u>(1,074,881)</u>
Net change in plan in net position	21,634,301	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>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>	<u>72,591,784</u>
Plan fiduciary net position - ending (b)	<u>\$ 162,193,368</u>	<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>\$ (13,306,716)</u>	<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	108.94 %	88.40 %	79.16 %	78.66 %	84.48 %	74.36 %	67.61 %	67.03 %
Covered payroll	21,716,250	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	(61.28) %	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 years ended December 31,**

	<u>2021</u>	<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>
Actuarially determined contribution	\$ 8,407,637	\$ 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
Actual employer contribution	<u>8,407,637</u>	<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>
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	\$21,716,250	\$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
Contributions as a percentage of covered payroll	38.72 %	39.50 %	40.57 %	44.43 %	44.96 %	45.24 %	52.95 %	51.22 %	54.06 %	42.85 %

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.

Effective January 1, 2022, the accrued benefit for City Council members was increased to \$45 per month per year of service..

B. Changes of Assumptions:

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%.

Effective January 1, 2022, the assumed mortality tables have been updated to the gender specific PUB-2010 Headcount Weighted Tables, generational mortality using MP-2020 mortality improvement projection scale.

Effective January 1, 2022, the discount rate was changed to 7.00%.

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

Valuation date	January 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	4 years
Asset valuation method	5 year smoothed market
Inflation	2.25%
Salary increases	3.50%, including inflation
Investment rate of return	7.00%, 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 years ended June 30,

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Normal cost	\$ 2,430,930	\$ 1,872,539	\$ 1,336,395	\$ 947,883	\$ 1,160,443
Interest on normal costs	778,345	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	422,616	5,471,121	7,663,635	(2,051,093)	(1,976,437)
Benefit payments	<u>(546,880)</u>	<u>(524,008)</u>	<u>(555,476)</u>	<u>(605,393)</u>	<u>(546,988)</u>
Net change in total OPEB obligation	3,085,011	(4,328,320)	9,621,040	2,595,466	(515,132)
Total OPEB obligation, beginning of fiscal year	<u>35,814,318</u>	<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>\$ 38,899,329</u>	<u>\$ 35,814,318</u>	<u>\$ 40,142,638</u>	<u>\$ 30,521,598</u>	<u>\$ 27,926,132</u>
Covered payroll	\$ 25,331,502	\$ 24,474,881	\$ 24,311,172	\$ 19,568,580	\$ 19,192,214
Total OPEB Liability as a percentage of covered-employee payroll	153.56 %	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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 28,557,098	\$ 34,559,557	\$ 35,757,862	\$ 1,198,305
Licenses and permits	2,859,413	2,859,413	2,977,630	118,217
Charges for services	354,431	354,431	659,956	305,525
Fines and forfeitures	601,000	601,000	577,628	(23,372)
Investment earnings	3,000	3,000	33,044	30,044
Miscellaneous	<u>963,907</u>	<u>1,234,475</u>	<u>1,478,038</u>	<u>243,563</u>
Total revenues	<u>33,338,849</u>	<u>39,611,876</u>	<u>41,484,158</u>	<u>1,872,282</u>
Expenditures				
Current:				
General governments				
City Council	1,420,517	1,500,517	1,250,225	250,292
Executive	3,046,154	3,220,654	3,180,497	40,157
Administrative	7,603,247	9,279,224	8,039,427	1,239,797
Less cost allocations to utilities	(8,945,194)	(8,945,194)	(7,180,762)	(1,764,432)
Judicial	1,132,752	1,132,752	892,181	240,571
Public safety:				
Police, jail, and code enforcement	14,216,509	14,235,572	11,912,582	2,322,990
Fire	9,009,978	9,314,192	7,350,672	1,963,520
Public works	1,840,434	1,861,434	1,711,399	150,035
Culture and recreation	1,237,642	1,338,342	1,284,400	53,942
Economic and community development:				
Community services	1,414,786	1,474,736	1,183,821	290,915
Economic development	749,310	749,310	577,286	172,024
Debt service	<u>235,000</u>	<u>235,000</u>	<u>95,285</u>	<u>139,715</u>
Total expenditures	<u>32,961,135</u>	<u>35,396,539</u>	<u>30,297,013</u>	<u>5,099,526</u>
Excess (deficiency) of revenues over (under) expenditures	377,714	4,215,337	11,187,145	6,971,808
Other financing sources (uses)				
Transfer in	6,142,195	6,134,248	2,015,837	(4,118,411)
Transfer out	(3,670,119)	(6,614,098)	(3,260,745)	3,353,353
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,472,076</u>	<u>(479,850)</u>	<u>(1,244,908)</u>	<u>(765,058)</u>
Net change in fund balances	<u>\$ 2,849,790</u>	<u>\$ 3,735,487</u>	9,942,237	<u>\$ 6,206,750</u>
Fund balance, beginning of fiscal year			<u>15,507,039</u>	
Fund Balances, end of fiscal year			<u>\$ 25,449,276</u>	

T-SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 7,998,392	\$ 7,998,392	\$ 7,589,073	\$ (409,319)
Total revenues	<u>7,998,392</u>	<u>7,998,392</u>	<u>7,589,073</u>	<u>(409,319)</u>
Expenditures				
Capital outlay	<u>7,998,392</u>	<u>7,998,392</u>	<u>2,639,327</u>	<u>5,359,065</u>
Total expenditures	<u>7,998,392</u>	<u>7,998,392</u>	<u>2,639,327</u>	<u>5,359,065</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,949,746</u>	<u>4,949,746</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,949,746	<u>\$ 4,949,746</u>
Fund balance, beginning of fiscal year			<u>11,614,184</u>	
Fund balances, end of fiscal year			<u>\$ 16,563,930</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 8,543,940	\$ 7,055,043	\$ 5,561,992	\$ (1,493,051)
Total Revenues	<u>8,543,940</u>	<u>7,055,043</u>	<u>5,561,992</u>	<u>(1,493,051)</u>
Expenditures				
Current				
General government/public works	1,366,289	4,892,098	1,571,269	3,320,829
Public safety	1,625,097	1,625,097	-	1,625,097
Capital outlay	192,150	200,650	-	200,650
Culture and recreation	490,624	490,624	327,312	163,312
Economic and community development	<u>4,869,780</u>	<u>4,869,780</u>	<u>1,200,430</u>	<u>3,669,350</u>
Total expenditures	<u>8,543,940</u>	<u>12,078,249</u>	<u>3,099,011</u>	<u>8,979,238</u>
Other financing sources (uses)				
Transfer in	-	218,379	-	(218,379)
Transfer out	<u>-</u>	<u>(4,976,794)</u>	<u>(2,204,373)</u>	<u>2,772,421</u>
Total other financing sources (uses)	<u>-</u>	<u>(4,758,415)</u>	<u>(2,204,373)</u>	<u>2,554,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (9,781,621)</u>	258,608	<u>\$ 10,040,229</u>
Fund balance, beginning of fiscal year			<u>699,740</u>	
Fund balance, end of fiscal year			<u>\$ 958,348</u>	

SUPPLEMENTARY INFORMATION

CITY OF EAST POINT, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
COMBINING BALANCE SHEET
June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 2,846,160	\$ 2,846,160
Restricted cash and cash equivalents	9,772,285	8,040,281	6,883,148	24,695,714
Receivables:				
Accounts	371,276	-	-	371,276
Property taxes	-	122,478	11,678	134,156
Intergovernmental	224,928	-	1,860,036	2,084,964
Interfund	<u>-</u>	<u>470</u>	<u>2,085,668</u>	<u>2,086,138</u>
Total assets	<u>\$ 10,368,489</u>	<u>\$ 8,163,229</u>	<u>\$ 13,686,690</u>	<u>\$ 32,218,408</u>
 Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 746,494	\$ 14,882	\$ 1,568,922	\$ 2,330,298
Accrued expenditures	4,041	-	-	4,041
Contract retainage payable	-	-	1,635,266	1,635,266
Interfund payable	2,741,533	854,700	-	3,596,233
Unearned revenues	<u>-</u>	<u>149,935</u>	<u>-</u>	<u>149,935</u>
Total liabilities	<u>3,492,068</u>	<u>1,019,517</u>	<u>3,204,188</u>	<u>7,715,773</u>
 Fund balances				
Restricted for:				
Capital projects	1,034,298	-	10,482,502	11,516,800
Tourism	883,488	-	-	883,488
Debt service	-	7,143,712	-	7,143,712
Public safety	<u>4,958,635</u>	<u>-</u>	<u>-</u>	<u>4,958,635</u>
Total fund balances	<u>6,876,421</u>	<u>7,143,712</u>	<u>10,482,502</u>	<u>24,502,635</u>
Total liabilities and fund balances	<u>\$ 10,368,489</u>	<u>\$ 8,163,229</u>	<u>\$ 13,686,690</u>	<u>\$ 32,218,408</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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 4,634,235	\$ 35,019	\$ 4,669,254
Hotel-motel taxes	4,855,119	-	-	4,855,119
Intergovernmental	156,507	-	-	156,507
Charges for services	1,058,922	-	133,165	1,192,087
Fines and forfeitures	307,420	-	-	307,420
Investment earnings	<u>1,105</u>	<u>2,418</u>	<u>-</u>	<u>3,523</u>
Total revenues	<u>6,379,073</u>	<u>4,636,653</u>	<u>168,184</u>	<u>11,183,910</u>
Expenditures				
Current				
General government	3,421,787	-	417,987	3,839,774
Public safety	1,360,248	-	-	1,360,248
Culture and recreation	-	-	-	-
Economic and community development	-	1,060,341	-	1,060,341
Capital outlay	151,199	-	2,631,520	2,782,719
Debt service				
Principal payments	110,000	4,080,000	-	4,190,000
Interest and fiscal charges	<u>544,585</u>	<u>174,357</u>	<u>-</u>	<u>718,942</u>
Total expenditures	<u>5,587,819</u>	<u>5,314,698</u>	<u>3,049,507</u>	<u>13,952,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>791,254</u>	<u>(678,045)</u>	<u>(2,881,323)</u>	<u>(2,768,114)</u>
Other financing sources (uses)				
Transfers in	1,437,168	-	2,363,779	3,800,947
Transfers out	<u>(1,675,243)</u>	<u>-</u>	<u>-</u>	<u>(1,675,243)</u>
Total other financing sources (uses)	<u>(238,075)</u>	<u>-</u>	<u>2,363,779</u>	<u>2,125,704</u>
Net change in fund balances	553,179	(678,045)	(517,544)	(642,410)
Fund balances, beginning of fiscal year	<u>6,323,242</u>	<u>7,821,757</u>	<u>11,000,046</u>	<u>25,145,045</u>
Fund balances, end of fiscal year	<u>\$ 6,876,421</u>	<u>\$ 7,143,712</u>	<u>\$ 10,482,502</u>	<u>\$ 24,502,635</u>

**CITY OF EAST POINT, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2022**

	Nonmajor Special Revenue Funds					Total
	Nonmajor Special Revenue Funds					Nonmajor Special Revenue Funds
	City Hall Fund	Hotel/Motel Tax	Police Grants	Confiscated Assets	Enhanced 911	Revenue Funds
Assets						
Restricted cash and cash equivalents	\$ 3,121,826	\$ 1,808,988	\$ -	\$ 1,642,985	\$ 3,198,486	\$ 9,772,285
Receivables						
Accounts	-	371,276	-	-	-	371,276
Intergovernmental	-	-	224,928	-	-	224,928
Total assets	<u>\$ 3,121,826</u>	<u>\$ 2,180,264</u>	<u>\$ 224,928</u>	<u>\$ 1,642,985</u>	<u>\$ 3,198,486</u>	<u>\$10,368,489</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 707,156	\$ 38,750	\$ -	\$ 588	\$ 746,494
Accrued expenditures	1,860	-	-	-	2,181	4,041
Interfund payable	<u>2,085,668</u>	<u>589,620</u>	<u>-</u>	<u>-</u>	<u>66,245</u>	<u>2,741,533</u>
Total liabilities	<u>2,087,528</u>	<u>1,296,776</u>	<u>38,750</u>	<u>-</u>	<u>69,014</u>	<u>3,492,068</u>
Fund balances						
Restricted for						
Capital projects	1,034,298	-	-	-	-	1,034,298
Tourism	-	883,488	-	-	-	883,488
Public safety	<u>-</u>	<u>-</u>	<u>186,178</u>	<u>1,642,985</u>	<u>3,129,472</u>	<u>4,958,635</u>
Total fund balances	<u>1,034,298</u>	<u>883,488</u>	<u>186,178</u>	<u>1,642,985</u>	<u>3,129,472</u>	<u>6,876,421</u>
Total liabilities and fund balances	<u>\$ 3,121,826</u>	<u>\$ 2,180,264</u>	<u>\$ 224,928</u>	<u>\$ 1,642,985</u>	<u>\$ 3,198,486</u>	<u>\$10,368,489</u>

CITY OF EAST POINT, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2022

	Nonmajor Special Revenue Funds					Total Nonmajor Special Revenue Funds
	City Hall Fund	Hotel/Motel Tax	Police Grants	Confiscated Assets	Enhanced 911	
Revenues						
Hotel-motel taxes	\$ -	\$ 4,855,119	\$ -	\$ -	\$ -	\$ 4,855,119
Intergovernmental	-	-	156,507	-	-	156,507
Charges for services	-	-	-	-	1,058,922	1,058,922
Fines and forfeitures	-	-	-	307,420	-	307,420
Investment earnings	<u>1,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,105</u>
Total Revenues	<u>1,105</u>	<u>4,855,119</u>	<u>156,507</u>	<u>307,420</u>	<u>1,058,922</u>	<u>6,379,073</u>
Expenditures						
Current:						
General government	-	3,421,787	-	-	-	3,421,787
Public safety	-	-	88,130	85,057	1,187,061	1,360,248
Capital outlay	-	-	-	151,199	-	151,199
Debt service						
Principal payments	110,000	-	-	-	-	110,000
Interest payments	<u>544,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,585</u>
Total expenditures	<u>654,585</u>	<u>3,421,787</u>	<u>88,130</u>	<u>236,256</u>	<u>1,187,061</u>	<u>5,587,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(653,480)</u>	<u>1,433,332</u>	<u>68,377</u>	<u>71,164</u>	<u>(128,139)</u>	<u>791,254</u>
Other financing sources (uses)						
Transfers in	652,726	-	-	-	784,442	1,437,168
Transfers out	<u>-</u>	<u>(1,675,243)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,675,243)</u>
Total other financing sources (uses)	<u>652,726</u>	<u>(1,675,243)</u>	<u>-</u>	<u>-</u>	<u>784,442</u>	<u>(238,075)</u>
Net change in fund balances	(754)	(241,911)	68,377	71,164	656,303	553,179
Fund balances, beginning of fiscal year	<u>1,035,052</u>	<u>1,125,399</u>	<u>117,801</u>	<u>1,571,821</u>	<u>2,473,169</u>	<u>6,323,242</u>
Fund balances, end of fiscal year	<u>\$ 1,034,298</u>	<u>\$ 883,488</u>	<u>\$ 186,178</u>	<u>\$ 1,642,985</u>	<u>\$ 3,129,472</u>	<u>\$ 6,876,421</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 1,105	\$ 1,105
Total revenues	<u>-</u>	<u>-</u>	<u>1,105</u>	<u>1,105</u>
Expenditures				
Debt service				
Principal retirement	110,000	110,000	110,000	-
Interest and fiscal charges	<u>542,725</u>	<u>542,725</u>	<u>544,585</u>	<u>(1,860)</u>
Total expenditures	<u>652,725</u>	<u>652,725</u>	<u>654,585</u>	<u>(1,860)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(652,725)</u>	<u>(652,725)</u>	<u>(653,480)</u>	<u>755</u>
Other financing sources				
Transfers in	<u>652,725</u>	<u>544,225</u>	<u>652,726</u>	<u>108,501</u>
Total other financing sources	<u>652,725</u>	<u>544,225</u>	<u>652,726</u>	<u>108,501</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (108,500)</u>	(754)	<u>\$ 107,746</u>
Fund balance, beginning of the fiscal year			<u>1,035,052</u>	
Fund balance, end of the fiscal year			<u>\$ 1,034,298</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Hotel-motel taxes	\$ 2,481,354	\$ 4,399,061	\$ 4,855,119	456,058
Total revenue	<u>2,481,354</u>	<u>4,399,061</u>	<u>4,855,119</u>	<u>456,058</u>
Expenditures				
Current				
General government	<u>1,550,846</u>	<u>2,749,413</u>	<u>3,421,787</u>	<u>(672,374)</u>
Total expenditures	<u>1,550,846</u>	<u>2,749,413</u>	<u>3,421,787</u>	<u>(672,374)</u>
Excess of revenues over expenditures	<u>930,508</u>	<u>1,649,648</u>	<u>1,433,332</u>	<u>(216,316)</u>
Other financing uses				
Transfers out	<u>(930,508)</u>	<u>(1,649,648)</u>	<u>(1,675,243)</u>	<u>(25,595)</u>
Total other financing uses	<u>(930,508)</u>	<u>(1,649,648)</u>	<u>(1,675,243)</u>	<u>(25,595)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(241,911)	<u>\$ (241,911)</u>
Fund balance, beginning of fiscal year			<u>1,125,399</u>	
Fund balance, end of fiscal year			<u>\$ 883,488</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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue				
Intergovernmental	\$ 212,618	\$ 161,377	\$ 156,507	(4,870)
Total revenues	212,618	161,377	156,507	(4,870)
Expenditures				
Current				
Public safety	245,716	112,454	88,130	24,324
Capital outlay	41,750	41,750	-	41,750
Total expenditures	287,466	154,204	88,130	66,074
Excess (deficiency) of revenues over (under) expenditures	(74,848)	7,173	68,377	61,204
Other financing sources				
Transfers-In	74,848	82,167	-	(82,167)
Total other financing sources	74,848	82,167	-	(82,167)
Net change in fund balance	\$ -	\$ 89,340	68,377	\$ (20,963)
Fund balances, beginning of fiscal year			117,801	
Fund balances, end of fiscal year			\$ 186,178	

**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	\$ 283,851	\$ 291,170	\$ 307,420	\$ 16,250
Total revenue	<u>283,851</u>	<u>291,170</u>	<u>307,420</u>	<u>16,250</u>
Expenditure				
Current				
Public safety	83,851	91,170	85,057	6,113
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>151,199</u>	<u>48,801</u>
Total expenditures	<u>283,851</u>	<u>291,170</u>	<u>236,256</u>	<u>54,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>71,164</u>	<u>71,164</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	71,164	<u>\$ 71,164</u>
Fund balances, beginning of fiscal year			<u>1,571,821</u>	
Fund balances, end of fiscal year			<u>\$ 1,642,985</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Charges for services	\$ 650,000	\$ 650,000	\$ 1,058,922	\$ 408,922
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>1,058,922</u>	<u>408,922</u>
Expenditures				
Current				
Public safety	<u>1,384,442</u>	<u>1,656,860</u>	<u>1,187,061</u>	<u>469,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(734,442)</u>	<u>(1,006,860)</u>	<u>(128,139)</u>	<u>878,721</u>
Other financing sources				
Transfers in	<u>784,442</u>	<u>1,183,320</u>	<u>784,442</u>	<u>(398,878)</u>
Total other financing sources	<u>784,442</u>	<u>1,183,320</u>	<u>784,442</u>	<u>(398,878)</u>
Net change in fund balances	<u>\$ 50,000</u>	<u>\$ 176,460</u>	656,303	<u>\$ 479,843</u>
Fund balances, beginning of fiscal year			<u>2,473,169</u>	
Fund balances, end of fiscal year			<u>\$ 3,129,472</u>	

**CITY OF EAST POINT, GEORGIA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2022**

	Camp Creek Tax Allocations District	East Point Corridors Tax Allocations District	Nonmajor Debt Service Funds
Assets			
Restricted cash and cash equivalents	\$ 7,076,906	\$ 963,375	\$ 8,040,281
Property taxes receivable	12,650	109,828	122,478
Interfund receivable	-	470	470
Total assets	\$ 7,089,556	\$ 1,073,673	\$ 8,163,229
 Liabilities and fund balances			
Liabilities			
Accrued interest payable	\$ -	\$ 14,882	\$ 14,882
Interfund payable	854,700	-	854,700
Unearned revenue	12,650	137,285	149,935
Total liabilities	867,350	152,167	1,019,517
Fund balances			
Restricted for debt service	6,222,206	921,506	7,143,712
Total liabilities and fund balances	\$ 7,089,556	\$ 1,073,673	\$ 8,163,229

**CITY OF EAST POINT, GEORGIA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2022**

	Camp Creek Tax Allocations District	East Point Corridors Tax Allocations District	Total Nonmajor Debt Service Funds
Revenues			
Property taxes	\$ 4,114,556	\$ 519,679	\$ 4,634,235
Investment earnings	<u>2,181</u>	<u>237</u>	<u>2,418</u>
Total revenues	<u>4,116,737</u>	<u>519,916</u>	<u>4,636,653</u>
Expenditures			
Current			
Economic and community development	1,060,341	-	1,060,341
Debt service			
Principal payments	4,080,000	-	4,080,000
Interest and service charges	<u>120,600</u>	<u>53,757</u>	<u>174,357</u>
Total expenditures	<u>5,260,941</u>	<u>53,757</u>	<u>5,314,698</u>
Net change in fund balances	(1,144,204)	466,159	(678,045)
Fund balances, beginning of fiscal year	<u>7,366,410</u>	<u>455,347</u>	<u>7,821,757</u>
Fund balances, end of fiscal year	<u><u>\$ 6,222,206</u></u>	<u><u>\$ 921,506</u></u>	<u><u>\$ 7,143,712</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Property taxes	\$ 3,707,000	\$ 3,841,195	\$ 4,114,556	\$ 273,361
Investment earnings	<u>500</u>	<u>500</u>	<u>2,181</u>	<u>1,681</u>
Total revenues	<u>3,707,500</u>	<u>3,841,695</u>	<u>4,116,737</u>	<u>275,042</u>
Expenditures				
Current				
Economic and community development	828,816	828,816	1,060,341	(231,525)
Debt service				
Principal payments	1,330,000	1,330,000	4,080,000	(2,750,000)
Interest and fiscal charges	<u>120,600</u>	<u>120,600</u>	<u>120,600</u>	<u>-</u>
Total expenditures	<u>2,279,416</u>	<u>2,279,416</u>	<u>5,260,941</u>	<u>(2,981,525)</u>
Net change in fund balance	<u>\$ 1,428,084</u>	<u>\$ 1,562,279</u>	(1,144,204)	<u>\$ (2,706,483)</u>
Fund balance, beginning of fiscal year			<u>7,366,410</u>	
Fund balance, end of fiscal year			<u>\$ 6,222,206</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Property taxes	\$ 64,500	\$ 422,139	\$ 519,679	\$ 97,540
Investment earnings	<u>50</u>	<u>50</u>	<u>237</u>	<u>187</u>
Total revenues	<u>64,550</u>	<u>422,189</u>	<u>519,916</u>	<u>97,727</u>
Expenditures				
Current				
Debt Service				
Interest and fiscal changes	<u>64,500</u>	<u>64,500</u>	<u>53,757</u>	<u>10,743</u>
Total expenditures	<u>64,500</u>	<u>64,500</u>	<u>53,757</u>	<u>10,743</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ 50</u>	<u>\$ 357,689</u>	466,159	<u>\$ 108,470</u>
Fund balances, beginning of fiscal year			<u>455,347</u>	
Fund balances, end of fiscal year			<u>\$ 921,506</u>	

**CITY OF EAST POINT, GEORGIA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2022**

	Capital Project Fund	Bond Constructio n Fund	Government Center Constructio n Fund	50 Worst Properties Fund	Total Nonmajor Governmental Fund
Assets					
Cash and cash equivalents	\$ 1,863,779	\$ -	\$ -	\$ 982,381	\$ 2,846,160
Restricted cash and cash equivalents	-	40,250	6,842,898	-	6,883,148
Property taxes receivable	-	-	-	11,678	11,678
Intergovernmental receivable	1,860,036	-	-	-	1,860,036
Interfund receivable	<u>2,085,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,085,668</u>
Total assets	<u>\$ 5,809,483</u>	<u>\$ 40,250</u>	<u>\$ 6,842,898</u>	<u>\$ 994,059</u>	<u>\$ 13,686,690</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	1,535,300	-	-	33,622	1,568,922
Contract retainage payable	<u>1,635,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,635,266</u>
Total liabilities	<u>3,170,566</u>	<u>-</u>	<u>-</u>	<u>33,622</u>	<u>3,204,188</u>
Fund balances					
Restricted for capital projects	<u>2,638,917</u>	<u>40,250</u>	<u>6,842,898</u>	<u>960,437</u>	<u>10,482,502</u>
Total fund balances	<u>2,638,917</u>	<u>40,250</u>	<u>6,842,898</u>	<u>960,437</u>	<u>10,482,502</u>
Total liabilities and fund balances	<u>\$ 5,809,483</u>	<u>\$ 40,250</u>	<u>\$ 6,842,898</u>	<u>\$ 994,059</u>	<u>\$ 13,686,690</u>

CITY OF EAST POINT, GEORGIA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2022

	Capital Project Fund	Bond Constructio n Fund	Government Center Construction Fund	50 Worst Properties Fund	Total Nonmajor Governmental Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 35,019	\$ 35,019
Charge for services	-	-	-	133,165	133,165
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,184</u>	<u>168,184</u>
Expenditures					
Current					
General government	-	-	-	417,987	417,987
Capital outlay	2,631,520	-	-	-	2,631,520
Total expenditures	<u>2,631,520</u>	<u>-</u>	<u>-</u>	<u>417,987</u>	<u>3,049,507</u>
Deficiency of revenues under expenditures	<u>(2,631,520)</u>	<u>-</u>	<u>-</u>	<u>(249,803)</u>	<u>(2,881,323)</u>
Other financing sources					
Transfers in	1,863,779	-	-	500,000	2,363,779
Total other financing sources	<u>1,863,779</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>2,363,779</u>
Net change in fund balances	(767,741)	-	-	250,197	(517,544)
Fund balances, beginning 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>
Fund balances, end of fiscal year	<u>\$ 2,638,917</u>	<u>\$ 40,250</u>	<u>\$ 6,842,898</u>	<u>\$ 960,437</u>	<u>\$ 10,482,502</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	<u>2,111,985</u>	<u>5,815,885</u>	<u>2,631,520</u>	<u>3,184,365</u>
Total expenditures	<u>2,111,985</u>	<u>5,815,885</u>	<u>2,631,520</u>	<u>3,184,365</u>
Other financing sources				
Transfers in	<u>2,111,985</u>	<u>5,815,885</u>	<u>1,863,779</u>	<u>(3,952,106)</u>
Total other financing sources	<u>2,111,985</u>	<u>5,815,885</u>	<u>1,863,779</u>	<u>(3,952,106)</u>
Net change in fund balance	\$ -	\$ -	(767,741)	\$ 767,741
Fund balance, beginning of the fiscal year			<u>3,406,658</u>	
Fund balance, end of the fiscal year			<u>\$ 2,638,917</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ -	\$ -	\$ 35,019	\$ 35,019
Charge for services	<u>100,000</u>	<u>103,000</u>	<u>133,165</u>	<u>30,165</u>
Total revenues	<u>100,000</u>	<u>103,000</u>	<u>168,184</u>	<u>65,184</u>
Expenditures				
General government	446,989	503,989	417,987	86,002
Capital outlay	<u>2,434,065</u>	<u>2,434,065</u>	<u>-</u>	<u>2,434,065</u>
Total expenditures	<u>2,881,054</u>	<u>2,938,054</u>	<u>417,987</u>	<u>2,520,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,781,054)</u>	<u>(2,835,054)</u>	<u>(249,803)</u>	<u>2,585,251</u>
Other financing sources				
Transfers in	<u>2,471,985</u>	<u>6,250,885</u>	<u>500,000</u>	<u>(5,750,885)</u>
Total other financing sources	<u>2,471,985</u>	<u>6,250,885</u>	<u>500,000</u>	<u>(5,750,885)</u>
Net change in fund balance	<u><u>\$ (309,069)</u></u>	<u><u>\$ 3,415,831</u></u>	250,197	<u><u>\$ (3,165,634)</u></u>
Fund balances, beginning of fiscal year			<u>710,240</u>	
Fund balances, end of fiscal year			<u><u>\$ 960,437</u></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, 2022

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	\$ 23,115	\$ -	\$ 23,115
Maintenance and Safety Enhancements	18,540,200	18,540,200	6,988,010	760,576	7,748,586
Pedestrian/Bike Improvements	7,915,262	7,915,262	5,936,860	1,398,667	7,335,527
Operations and Safety	1,462,500	1,462,500	300,560	325,784	626,344
Project Management	890,453	890,453	-	-	-
Emergency/Quick Response	<u>873,355</u>	<u>873,355</u>	<u>396,616</u>	<u>84,456</u>	<u>481,072</u>
TIER 1 TOTAL PURPOSES/PROJECTS	<u>29,681,770</u>	<u>29,706,770</u>	<u>13,645,161</u>	<u>2,569,483</u>	<u>16,214,644</u>
TIER 2 PURPOSES/PROJECTS					
Maintenance and Safety Enhancements	4,408,500	4,408,500	281,055	-	281,055
Pedestrian/Bike Improvements	428,000	428,000	368,789	-	368,789
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>649,844</u>	<u>-</u>	<u>649,844</u>
TIER 3 PURPOSES/PROJECTS					
Maintenance and Safety Enhancements	3,375,976	3,375,976	426,025	-	426,025
Operations and Safety	1,700,000	1,700,000	89,304	61,108	150,412
Project Management	<u>182,651</u>	<u>157,651</u>	<u>-</u>	<u>8,736</u>	<u>-</u>
TIER 3 TOTAL PURPOSE/PROJECTS	<u>5,258,627</u>	<u>5,233,627</u>	<u>515,329</u>	<u>69,844</u>	<u>576,437</u>
TOTAL COSTS - ALL PURPOSES TIERS 1-3	<u>\$ 40,178,357</u>	<u>\$ 40,178,357</u>	<u>\$ 14,810,334</u>	<u>\$ 2,639,327</u>	<u>\$ 17,440,925</u>

Notes:

(1) Unaudited