

CITY OF HELEN, GEORGIA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2025

WALKER, PIERCE & TUCK, CPA'S, PC

CITY OF HELEN, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2025
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INDEPENDENT AUDITOR'S REPORT

City of Helen Commission
Helen, 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, each major fund, and the aggregate remaining fund of the City of Helen, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Helen, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helen, Georgia, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statement is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. However, the budgetary comparison information on pages 26-29 is presented to supplement the basic financials statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Helen, Georgia's basic financial statements. The combining and individual fund financial statements and Schedule of Expenditures of Special Purpose Local Option Sales Tax, as required by O.C.G.A. 48-8-121 as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Special Purpose Local Sales Tax 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Special Purpose Local Sales Tax 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 December 16, 2025, on our consideration of the City of Helen, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Helen, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Helen, Georgia's internal control over financial reporting and compliance.

Walker, Pierce & Tuck, CPA's P.C.

Gainesville, GEORGIA
December 16, 2025

CITY OF HELEN, GEORGIA

Statement of Net Position

June 30, 2025

| | Primary Government | | |
|------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 12,015,644 | \$ 2,147,473 | \$ 14,163,117 |
| Restricted assets | 71,807 | 1,933,418 | 2,005,225 |
| Accounts receivables (net) | 373,520 | 126,828 | 500,348 |
| Intergovernmental receivable | 383,259 | - | 383,259 |
| Accrued revenue | - | 101,561 | 101,561 |
| Prepaid expenditures | 215,972 | 31,976 | 247,948 |
| Interfund balances | 131,362 | (131,362) | - |
| Total Current Assets | 13,191,564 | 4,209,894 | 17,401,458 |
| Noncurrent Assets | | | |
| Capital assets | | | |
| Nondepreciable | 1,820,129 | 2,831,419 | 4,651,548 |
| Depreciable, net | 6,996,367 | 6,631,167 | 13,627,534 |
| Total Noncurrent Assets | 8,816,496 | 9,462,586 | 18,279,082 |
| Total Assets | 22,008,060 | 13,672,480 | 35,680,540 |
| Deferred Outflows of Resources | - | - | - |
| Total Assets and Deferred Outflows of Resources | 22,008,060 | 13,672,480 | 35,680,540 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts payable | 203,843 | 75,858 | 279,701 |
| Accrued expenses | 39,827 | 240,863 | 280,690 |
| Retainage payable | 59,681 | 39,478 | 99,159 |
| Amounts held in trust | 8,118 | 150,332 | 158,450 |
| Revenue bond payable | - | 417,027 | 417,027 |
| Intergovernmental loan | - | 60,360 | 60,360 |
| Finance purchases from direct borrowings due within one year | 41,705 | - | 41,705 |
| Total Current Liabilities | 353,174 | 983,918 | 1,337,092 |
| Long-term Liabilities | | | |
| Revenue bond payable | - | 4,887,407 | 4,887,407 |
| Intergovernmental loan | - | 33,488 | 33,488 |
| Finance purchases from direct borrowings due within more than one year | 49,530 | - | 49,530 |
| Compensated absences | 183,113 | 51,794 | 234,907 |
| Total Long-term Liabilities | 232,643 | 4,972,689 | 5,205,332 |
| Total Liabilities | 585,817 | 5,956,607 | 6,542,425 |
| Deferred Inflows of Resources | - | - | - |
| Total Liabilities and Deferred Inflows of Resources | 585,817 | 5,956,607 | 6,542,425 |
| Net Position | | | |
| Net Investment in Capital Assets | 8,665,580 | 5,807,465 | 14,473,045 |
| Restricted for: | | | |
| Capital projects | 4,664,982 | - | 4,664,982 |
| Tourism | 739,702 | - | 739,702 |
| Public Safety | 191,469 | - | 191,469 |
| Unrestricted | 7,160,510 | 1,908,408 | 9,068,918 |
| Total Net Position | \$ 21,422,242 | \$ 7,715,873 | \$ 29,138,115 |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA

Statement of Activities

For the Year Ended June 30, 2025

| | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position - Primary Government | | |
|--------------------------------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|--------------------------------------------------------------------------|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 1,235,259 | \$ 892,492 | \$ 379,806 | \$ 1,858,763 | \$ 1,895,802 | \$ - | \$ 1,895,802 |
| Judicial | 124,343 | 4,400 | - | - | (119,943) | - | (119,943) |
| Public safety | 2,642,240 | 26,188 | 4,686 | 2,379 | (2,608,987) | - | (2,608,987) |
| Public works | 1,331,379 | 57,451 | - | 58,848 | (1,215,081) | - | (1,215,081) |
| Recreation and culture | 91,516 | - | - | - | (91,516) | - | (91,516) |
| Housing and development | 1,714,291 | 7,920 | - | 17,602 | (1,688,769) | - | (1,688,769) |
| Interest on debt | 4,126 | - | - | - | (4,126) | - | (4,126) |
| Total Governmental Activities | 7,143,154 | 988,451 | 384,492 | 1,937,592 | (3,832,619) | - | (3,832,619) |
| Business-type Activities: | | | | | | | |
| Water and sewer | 1,739,310 | 1,679,492 | - | - | - | (59,818) | (59,818) |
| Total Business-type activities | 1,739,310 | 1,679,492 | - | - | - | (59,818) | (59,818) |
| Total Primary Government | \$ 8,882,464 | \$ 2,667,943 | \$ 384,492 | \$ 1,937,592 | \$ (3,832,619) | \$ (59,818) | \$ (3,892,437) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes | | | | | 562,984 | - | 562,984 |
| Franchise fees | | | | | 181,015 | - | 181,015 |
| Sales Tax | | | | | 1,662,935 | - | 1,662,935 |
| Excise taxes | | | | | 274,229 | - | 274,229 |
| Business tax | | | | | 254,309 | - | 254,309 |
| Hotel/Motel tax | | | | | 2,870,676 | - | 2,870,676 |
| Interest and investment earnings | | | | | 289,445 | 173,173 | 462,618 |
| Miscellaneous | | | | | 75,805 | 55 | 75,860 |
| Transfers | | | | | (274,552) | 274,552 | - |
| Total General Revenues and Transfers | | | | | 5,896,846 | 447,780 | 6,344,626 |
| Change in Net Position | | | | | 2,064,227 | 387,962 | 2,452,189 |
| Net Position Beginning of Year (as previously stated) | | | | | 19,358,015 | 7,248,768 | 26,606,783 |
| Prior Period Adjustment | | | | | - | 79,143 | 79,143 |
| Net Position Beginning of Year (as restated) | | | | | 19,358,015 | 7,327,911 | 26,685,926 |
| Ending Net Position | | | | | \$ 21,422,242 | \$ 7,715,873 | \$ 29,138,115 |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA

Balance Sheet Governmental Funds June 30, 2025

| | General Fund | Hotel Motel Fund | SPLOST Fund | Other Capital Projects Fund | ARPA Fund | Total Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------|-------------|--------------------------------------------|--------------------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 6,523,566 | \$ 583,790 | \$ 4,845,252 | \$ 7,777 | \$ - | \$ 55,259 | \$ 12,015,644 |
| Restricted cash | 71,239 | - | - | - | - | 568 | 71,807 |
| Intergovernmental receivable | 240,377 | - | 142,882 | - | - | - | 383,259 |
| Receivables (net) | 95,658 | 277,862 | - | - | - | - | 373,520 |
| Prepaid expenditures | 215,972 | - | - | - | - | - | 215,972 |
| Due from other funds | 131,362 | - | - | - | - | - | 131,362 |
| Total Assets | <u>7,278,174</u> | <u>861,652</u> | <u>4,988,134</u> | <u>7,777</u> | <u>-</u> | <u>55,827</u> | <u>13,191,564</u> |
| Deferred Outflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 7,278,174</u> | <u>\$ 861,652</u> | <u>\$ 4,988,134</u> | <u>\$ 7,777</u> | <u>\$ -</u> | <u>\$ 55,827</u> | <u>\$ 13,191,564</u> |
| Liabilities | | | | | | | |
| Accounts payable | \$ 75,803 | \$ 121,950 | \$ 5,440 | \$ - | \$ - | \$ 650 | \$ 203,843 |
| Retainage payable | - | - | 59,681 | - | - | - | 59,681 |
| Accrued expenses | 39,827 | - | - | - | - | - | 39,827 |
| Amounts held in trust | 8,118 | - | - | - | - | - | 8,118 |
| Total Liabilities | <u>123,748</u> | <u>121,950</u> | <u>65,121</u> | <u>-</u> | <u>-</u> | <u>650</u> | <u>311,469</u> |
| Deferred Inflows of Resources | <u>223,359</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>223,359</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>347,107</u> | <u>121,950</u> | <u>65,121</u> | <u>-</u> | <u>-</u> | <u>650</u> | <u>534,828</u> |
| Fund Balances | | | | | | | |
| Nonspendable | | | | | | | |
| Prepaid expenditures | 215,972 | - | - | - | - | - | 215,972 |
| Committed | | | | | | | |
| Capital projects | - | - | - | 7,777 | - | - | 7,777 |
| Restricted for | | | | | | | |
| Capital projects | - | - | 4,923,013 | - | - | - | 4,923,013 |
| Public safety | 40,225 | - | - | - | - | 55,177 | 95,402 |
| Tourism | - | 739,702 | - | - | - | - | 739,702 |
| Unassigned | 6,674,870 | - | - | - | - | - | 6,674,870 |
| Total Fund Balances | <u>6,931,067</u> | <u>739,702</u> | <u>4,923,013</u> | <u>7,777</u> | <u>-</u> | <u>55,177</u> | <u>12,656,735</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 7,278,174</u> | <u>\$ 861,652</u> | <u>\$ 4,988,134</u> | <u>\$ 7,777</u> | <u>\$ -</u> | <u>\$ 55,827</u> | <u>\$ 13,191,564</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

| | |
|-----------------------------------------|---------------|
| Total Governmental Fund Balances | \$ 12,656,735 |
|-----------------------------------------|---------------|

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

| | | |
|--------------------------------|---------------------|-----------|
| Governmental capital assets | \$ 19,959,038 | |
| Less: Accumulated depreciation | <u>(11,142,542)</u> | |
| Total capital assets | | 8,816,496 |

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

| | |
|-----------------------------------------------------------------|-----------|
| Accrued compensated absences not reported in governmental funds | (183,113) |
| Finance Purchase | (91,235) |

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

223,359

| | |
|------------------------------------------------|-----------------------------|
| Net Position of Governmental Activities | <u><u>\$ 21,422,242</u></u> |
|------------------------------------------------|-----------------------------|

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

| | General Fund | Hotel Motel Fund | SPLOST Fund | Other Capital Projects Fund | ARPA Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------|------------------|-----------------------------------|--------------------------------|
| Revenues | | | | | | | |
| Property tax | \$ 561,961 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 561,961 |
| Sales tax | 1,662,935 | - | - | - | - | - | 1,662,935 |
| Business tax | 254,309 | - | - | - | - | - | 254,309 |
| Franchise tax | 181,015 | - | - | - | - | - | 181,015 |
| Excise tax | 274,229 | - | - | - | - | - | 274,229 |
| Hotel/Motel tax | - | 2,870,676 | - | - | - | - | 2,870,676 |
| Intergovernmental | 76,738 | - | 1,646,413 | - | 202,267 | - | 1,925,418 |
| Licenses and permits | 248,358 | - | - | - | - | - | 248,358 |
| Fines and forfeitures | 216,676 | - | - | - | - | 24,320 | 240,996 |
| Charges for services | 405,096 | - | - | - | - | 25,888 | 430,984 |
| Contributions | 68,121 | - | - | - | - | 100 | 68,221 |
| Interest | 289,445 | 17,602 | 193,318 | 13,181 | 5,852 | 2,426 | 521,824 |
| Miscellaneous | 75,805 | - | - | - | - | - | 75,805 |
| Total Revenue | <u>4,314,688</u> | <u>2,888,278</u> | <u>1,839,731</u> | <u>13,181</u> | <u>208,119</u> | <u>52,734</u> | <u>9,316,731</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | 1,177,474 | - | 585 | - | - | 1,190 | 1,179,249 |
| Judicial | 123,202 | - | - | - | - | - | 123,202 |
| Public safety | 2,377,429 | - | - | - | - | 38,695 | 2,416,124 |
| Public works | 982,385 | - | - | - | - | - | 982,385 |
| Recreation and culture | 91,516 | - | - | - | - | - | 91,516 |
| Housing and development | 340,474 | 1,370,651 | - | - | - | - | 1,711,125 |
| Debt service: | | | | | | | |
| Interest expenditures | 4,126 | - | - | - | - | - | 4,126 |
| Principal retirement | 43,595 | - | - | - | - | - | 43,595 |
| Capital outlay | - | 9,940 | 748,653 | 258,031 | - | - | 1,016,624 |
| Total Expenditures | <u>5,140,201</u> | <u>1,380,591</u> | <u>749,238</u> | <u>258,031</u> | <u>-</u> | <u>39,885</u> | <u>7,567,946</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (825,513) | 1,507,687 | 1,090,493 | (244,850) | 208,119 | 12,849 | 1,748,784 |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers in | 1,086,881 | - | - | - | - | - | 1,086,881 |
| Transfers out | - | (1,086,881) | (66,433) | - | (208,119) | - | (1,361,433) |
| Total Other Financing Sources (Uses) | <u>1,086,881</u> | <u>(1,086,881)</u> | <u>(66,433)</u> | <u>-</u> | <u>(208,119)</u> | <u>-</u> | <u>(274,552)</u> |
| Net Change in Fund Balances | 261,368 | 420,806 | 1,024,060 | (244,850) | - | 12,849 | 1,474,232 |
| Fund Balances Beginning of Year | <u>6,669,699</u> | <u>318,896</u> | <u>3,898,953</u> | <u>252,627</u> | <u>-</u> | <u>42,328</u> | <u>11,182,503</u> |
| Fund Balances End of Year | <u>\$ 6,931,067</u> | <u>\$ 739,702</u> | <u>\$ 4,923,013</u> | <u>\$ 7,777</u> | <u>\$ -</u> | <u>\$ 55,177</u> | <u>\$ 12,656,735</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

Net Changes in Fund Balances - Total Governmental Funds \$ 1,474,232

**Amounts reported as governmental activities in the Statement of Activities are different from
the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund
Balance because:**

| | | |
|---------------------------------|------------------|---------|
| Capital outlay | \$ 1,042,555 | |
| Less: Current year depreciation | <u>(654,999)</u> | |
| | | 387,556 |

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments. 43,595

Compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

| | | |
|-------------------|----------------|---------|
| End of Year | (183,113) | |
| Beginning of Year | <u>176,754</u> | |
| | | (6,359) |

Because some revenues will not be collected for several months after the City's fiscal year end, they are considered "unavailable" revenues and are deferred in the governmental funds.

| | | |
|-------------------|-----------------|---------|
| End of Year | 223,359 | |
| Beginning of Year | <u>(58,156)</u> | |
| | | 165,203 |

Change in Net Position of Governmental Activities \$ 2,064,227

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA

Statement of Net Position

Proprietary Fund

June 30, 2025

| | Water and Sewer Fund |
|------------------------------------------------------------|----------------------------|
| Current Assets | |
| Cash and cash equivalents | \$ 2,147,473 |
| Restricted cash and cash equivalents | 1,933,418 |
| Accounts receivable (net) | 126,828 |
| Prepaid expenses | 31,976 |
| Accrued revenue | 101,561 |
| Total Current Assets | <u>4,341,256</u> |
| Noncurrent Assets | |
| Capital assets | |
| Non-depreciable | 2,831,419 |
| Depreciable, net | 6,631,167 |
| Total Noncurrent Assets | <u>9,462,586</u> |
| Total Assets | <u>13,803,842</u> |
| Deferred Outflows of Resources | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>13,803,842</u> |
| Liabilities | |
| Current Liabilities | |
| Accounts payable | 75,858 |
| Retainage payable | 39,478 |
| Accrued expenses | 240,863 |
| Due to other funds | 131,362 |
| Customer deposits | 150,332 |
| Revenue Bonds | 417,027 |
| Intergovernmental loan | 60,360 |
| Total Current Liabilities | <u>1,115,280</u> |
| Long-term Liabilities | |
| Compensated absences | 51,794 |
| Revenue Bonds | 4,887,407 |
| Intergovernmental loan | 33,488 |
| Total Long-term Liabilities | <u>4,972,689</u> |
| Total Liabilities | <u>6,087,969</u> |
| Deferred Inflows of Resources | <u>-</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>6,087,969</u> |
| Net Position | |
| Net investment in capital assets | 5,807,465 |
| Unrestricted | 1,908,408 |
| Total Net Position | <u><u>\$ 7,715,873</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Fund

For the Year Ended June 30, 2025

| | <u>Water and Sewer</u> |
|-----------------------------------------------------------------|----------------------------|
| Operating Revenue | |
| Charges for services | \$ 1,655,006 |
| Connection fees | 24,486 |
| Miscellaneous income | <u>55</u> |
| Total Operating Revenue | <u>1,679,547</u> |
| Operating Expenses | |
| Personnel services: | |
| Salaries and wages | 270,181 |
| Employment Taxes | 24,852 |
| Benefits | <u>112,086</u> |
| Total Personnel Services | 407,119 |
| Purchased / contracted services: | |
| Other purchased services | <u>132</u> |
| Total Purchased / contracted services | 132 |
| Other operating expenses: | |
| Purchased water | 53,973 |
| Supplies | 87,524 |
| Insurance | 20,386 |
| Repairs and maintenance | 198,470 |
| Utilities | 154,044 |
| Engineering, lab fees and training | 79,688 |
| Depreciation | 661,401 |
| Miscellaneous | <u>13,801</u> |
| Total Other Operating Expenses | <u>1,269,286</u> |
| Total Operating Expenses | <u>1,676,537</u> |
| Operating Income (Loss) | <u>3,010</u> |
| Nonoperating Revenues (Expenses) | |
| Interest income | 173,173 |
| Interest expense | <u>(62,773)</u> |
| Total Nonoperating Revenues and (Expenses) | <u>110,401</u> |
| Income (Loss) Before Contributions and Transfers | <u>113,410</u> |
| Transfer in | <u>274,552</u> |
| Change in Net Position | <u>387,962</u> |
| Net Position Beginning of Year (as previously presented) | 7,248,768 |
| Prior Period Adjustment | <u>\$ 79,143</u> |
| Net Position - Beginning of Year (as restated) | <u>\$ 7,327,911</u> |
| Net Position - Ending | <u><u>\$ 7,715,873</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2025

Cash flows from operating activities:

| | |
|-------------------------------------------|----------------|
| Receipts from customers | \$ 1,583,905 |
| Payments to suppliers | (704,600) |
| Payments to employees | (416,833) |
| Net cash provided by operating activities | <u>462,472</u> |

Cash flows from capital and related financing activities:

| | |
|-------------------------------------------------------------|--------------------|
| Transfer from other funds for capital related items | 274,552 |
| Acquisition and construction of capital assets | (1,207,224) |
| Debt payments, principal and interest | (546,758) |
| Net cash (used) by capital and related financing activities | <u>(1,479,430)</u> |

Cash flows from investing activities:

| | |
|-------------------------------------------|----------------|
| Interest income | <u>173,173</u> |
| Net cash provided by investing activities | <u>173,173</u> |

Net (decrease) in cash and cash equivalents

(843,785)

Cash and cash equivalents, June 30, 2024

4,924,676

Cash and cash equivalents, June 30, 2025

\$ 4,080,891

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:**

| | |
|----------------------------------------------------------------------------------------------------------|----------|
| Operating income (loss) | \$ 3,010 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation | 661,401 |

Changes in assets and liabilities:

| | |
|--------------------------------------------------|--------------------------|
| (Increase) decrease in accounts receivable | (19,387) |
| (Increase) decrease in prepaid expenses | (1,678) |
| (Increase) decrease in accrued revenue | (80,530) |
| Increase (decrease) in accounts payable | (94,904) |
| Increase (decrease) in accrued expenses | (13,274) |
| Increase (decrease) in compensated absences | 3,560 |
| Increase (decrease) in customer deposits | 4,275 |
| Net cash provided (used) by operating activities | <u><u>\$ 462,472</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA
Notes to Financial Statements
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Helen, Georgia, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and Accounting Principles Board (APB) opinions, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant of the government's accounting policies are described below.

1-A The Reporting Entity

The reporting entity is made up of the primary government and its component units.

The foundation of a primary government is a separately elected governing body--one that is elected by the citizens in a general, popular election. As the nucleus of the financial reporting entity, the primary government generally is the focal point for the users of the financial statements. A primary government is any state government or general purpose local government (municipality or county) that meets all of the following criteria:

- a. It has a separately elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other state and local governments.

All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of a primary government.

The following circumstances set forth a primary government's financial accountability for a legally separate organization.

The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

There are no entities which qualify as component units or potential component units of the City of Helen, Georgia.

1-B Basis of Presentation and Basis of Accounting

Basis of Presentation – Government-Wide and Fund Financial Statements

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category- governmental and proprietary are presented. The emphasis of fund financial statements is on major

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Hotel/Motel Tax Fund. This is a special revenue fund which accounts for the receipt and expenditure of Hotel/Motel tax revenues.

SPLOST Fund. This fund accounts for resources set aside by the City for capital projects and also capital projects funded by *Special Purpose Local Option Sales Taxes*. The SPLOST provides financial resources which are to be expended for purposes approved by referendum.

Other Capital Projects Fund. The City set aside this fund for major downtown renovations. All expenditures are approved by the City Commission.

ARPA Fund. This fund accounts for *American Rescue Plan Act* grant financial resources expended for purposes approved by grant agreement. The remaining funds were used during the current year and the fund has closed.

The City reports the following major proprietary fund:

Water and Sewer Fund. This fund accounts for the operations of the City's water and sewer services.

Proprietary fund operating revenues and expenses result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues and expenses, such as subsidies, investment earnings or interest expense, result from non-exchange transactions or ancillary activities.

Receivables from and payables to external parties are reported separately and not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and adjustments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

1-C Assets, Liabilities, and Equity

Investments

As of June 30, 2025, the City did not have investments, nor are investments authorized.

Cash and Cash Equivalents

The City considers short-term liquid investments that are both readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates to be cash equivalents. Only investments with original maturities of three months or less meet this definition. Non-negotiable certificates of deposit are considered to be cash equivalents.

Restricted Assets

These assets are held in the capital projects fund and special revenue funds for specific purposes defined by statute, referendum, or grant contract and not generally available for general government operations. Restricted assets held in the Water & Sewer fund are related to refundable customer deposits.

Interfund Receivables and Payables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "interfund balances" or "advances to/from other funds" and eliminated on the Statement of Net Position.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables

All trade accounts receivable for the City of Helen, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of ninety days comprise the trade accounts receivable allowance for uncollectibles.

Property Tax Calendar

The City set its millage rate for 2024 on July 10, 2024 at 3.782 mils. Property tax bills were mailed on August 18, 2024 and were due November 15, 2024. Penalties and interest are due on all accounts not paid by the due date. Fi.fa's on delinquent tax accounts could be filed on December 15, 2024. The City contracts with the White County Tax Commissioner's Office to process tax bills, collect and remit tax payments. The fee for this service is \$5.00 per tax bill.

Inventories and Prepaid Items

Inventories are valued at the lower of cost or market. In the governmental funds, the costs of inventory items are recorded as expenditures at the time of purchase. The City maintains no significant inventories. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 10-35 |
| Building improvements | 10-35 |
| Infrastructure | 20-25 |
| Equipment | 5-15 |
| Vehicles | 5-15 |

Compensated Absences

General leave for the City includes both vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued leave earned not to exceed the number of leave hours outlined in the employee policy manual.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and government-wide presentations. Vested or accumulated general leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The balance of compensated absences is recorded as a noncurrent liability and disclosed as a long-term debt.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Retirement Plans

The City sponsors the Helen Section 457 Deferred Compensation Plan, a defined contribution plan, for the benefit of its employees. All funding is from employee deferrals. In order to participate, an employee must work for the City for at least six months. From six months to two years, the employee contributes a percentage of salary. From year two to year five, the City will match up to 5% of the employee's salary. After the fifth year of employment, the City will match up to 10% of the employee's salary.

CITY OF HELEN, GEORGIA
Notes to Financial Statements
June 30, 2025

The plan holds its assets in a separate trust invested in annuity contracts in the name of each participant and consequently is not reported on the City's financial statements. As administrator of the plan, the City may amend the plan at its discretion. For the year ending June 30, 2025, the twenty employee/participants contributed \$72,899 to the plan, and the employer matched with a contribution of \$61,845.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently the City does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently the City has three revenue sources in 2025: property taxes, opioid settlement revenue, and fines and forfeitures, that qualifies for reporting as *deferred inflows of resources*.

1-D Fund Equity

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

Fund Balance - Generally fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance 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 non-spendable 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 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 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 Commission through the adoption of a resolution. The City Commission also may modify or rescind the commitment.

Assigned - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City's finance officer 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 balances only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

Net position - Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net positions are reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 2. CASH

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

The City's custodial credit risk policy is to require all banks to collateralize the City's deposits at 110% of account balances and to have a perfected security agreement supporting the collateral agreement with the bank. The City does not have a foreign credit risk.

At June 30, 2025, all bank deposits were insured or fully collateralized.

NOTE 3. RECEIVABLES

The following is a summary of amounts due from others at June 30, 2025.

Governmental Activities:

| | | |
|-------------------------------------|----|----------------|
| Property taxes receivable - net | \$ | 1,343 |
| Hotel/motel taxes receivable - net | | 277,862 |
| Franchise taxes receivable | | 1,713 |
| Other taxes receivable - net | | 3,712 |
| Fines receivable - net | | 83,196 |
| Sanitation receivable - net | | 6,125 |
| Due from other governments - SPLOST | | 142,882 |
| Due from other governments - LOST | | 144,310 |
| Total Governmental Receivables: | \$ | <u>661,143</u> |

Business-type Activities:

| | | |
|-----------------------------------|----|----------------|
| Water sewer fees receivable - net | \$ | <u>172,292</u> |
| Total Business-type Receivables: | \$ | <u>172,292</u> |

NOTE 4. LITIGATION

The Attorneys for the City have advised that there are no known legal matters which will have a material effect on the City's financial condition. No provision has been made to provide reserves for litigation settlements.

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

NOTE 5. LONG-TERM DEBT

The City's long-term debt consists of obligations under financed purchases, revenue bonds and intergovernmental loans payable. The following is a summary of changes in long-term debt for the year ended June 30, 2025. The amounts reported as long-term debt in the Statement of Net Position represents amounts not expected to be paid with expendable available resources. The interest expense reported in the government-wide Statement of Activities for governmental activities is \$4,126 which was paid as a direct cost of long-term debt. In business-type activities, the City incurred \$68,516 as a direct cost of long-term debt.

Governmental Activities Debt – The following is a summary of the outstanding debt for the City's governmental activities.

Financed Purchase from Direct Borrowing

On January 31, 2017, the City entered into a financed purchase agreement to finance the acquisition of a fire truck for the fire department. The city negotiated a financed purchase with BB&T at a rate of 2.52%, with 10 annual payments of \$46,528 with a maturity date of January 31, 2027. The fire truck acquired through the financed purchase agreement had a cost of \$406,802 and carries a net book value of \$194,361.

The Government's debt service requirements to maturity for the finance purchase agreement are as of June 30, 2025:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------|------------------|-----------------|------------------|
| 2026 | 44,269 | 2,259 | 46,528 |
| 2027 | 47,380 | 330 | 47,710 |
| Totals | \$ 91,649 | \$ 2,589 | \$ 94,238 |

Business-Type Activities Debt – All reported as intergovernmental loans.

Intergovernmental Loans

On November 18, 2014, the City signed a loan agreement administered by the Georgia Environmental Facilities Authority to finance the construction of the Hamby Street water line and the construction of a new well. Construction on the project was completed on June 30, 2017. The loan in the amount of \$309,041 is a 10-year note at 0.66% interest repaid by the City in monthly installments of \$2,662 beginning on April 1, 2017.

On July 15, 2015, the City signed a loan agreement administered by the Georgia Environmental Facilities Authority to finance the construction of the Willow Pond Sewer Line Replacement Project. Construction on the project was completed on June 30, 2017. The loan in the amount of \$281,000 is a 10-year note at 0.50% interest repaid by the City in monthly installments of \$2,401 beginning on November 1, 2016.

The Government's debt service requirements to maturity are as of June 30, 2025:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|------------------|-----------------|------------------|
| 2026 | 60,361 | 396 | 60,757 |
| 2027 | 33,488 | 40 | 33,528 |
| Totals: | \$ 93,849 | \$ 436 | \$ 94,285 |

Revenue Bonds

In August 2021, the City entered into an agreement with the Helen Downtown Development Authority to issue Series 2021 Revenue Bonds in the amount of \$5,810,000, to fund the City's water sewer facilities project and pay off two existing GEFA

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

intergovernmental loans. The Series 2021 bonds carry a rate ranging from 2% to 4% per annum and mature on August 1, 2036.

The annual requirements to amortize the Series 2021 revenue bonds outstanding as of June 30, 2025, are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|---------------------|-------------------|---------------------|
| 2026 | 330,000 | 153,000 | 483,000 |
| 2027 | 345,000 | 139,500 | 484,500 |
| 2028 | 360,000 | 125,400 | 485,400 |
| 2029 | 375,000 | 110,700 | 485,700 |
| 2030 | 385,000 | 95,500 | 480,500 |
| 2031-2035 | 2,170,000 | 288,700 | 2,458,700 |
| 2036-2037 | 940,000 | 26,025 | 966,025 |
| Totals: | \$ 4,905,000 | \$ 938,825 | \$ 5,843,825 |

Changes in Long-Term Debt – Changes in the City’s long-term obligations, including current portions, consisted of the following for the year ended June 30, 2025:

| | Balance as of June 30, 2024 | | | Additions | Reductions | Balance as of June 30, 2025 | | Due Within One Year |
|-------------------------------|--------------------------------|---------|----|-----------|-------------|--------------------------------|---------|------------------------|
| Governmental Activities: | | | | | | | | |
| Compensated absences | \$ | 176,754 | \$ | 32,233 | \$ (25,874) | \$ | 183,113 | \$ - |
| Finance purchase | | 134,830 | | - | \$ (43,181) | | 91,649 | 42,119 |
| Total governmental activities | \$ | 311,584 | \$ | 32,233 | \$ (69,055) | \$ | 274,762 | \$ 42,119 |

Changes in long-term debt:

| | Balance as of June 30, 2024 | | | Additions | Reductions | Balance as of June 30, 2025 | | Due Within One Year |
|--------------------------------|--------------------------------|-----------|----|-----------|--------------|--------------------------------|-----------|------------------------|
| Business-Type Activities: | | | | | | | | |
| Compensated absences | \$ | 48,234 | \$ | 39,781 | \$ (36,221) | \$ | 51,794 | \$ - |
| Revenue bonds | | 5,225,000 | | - | \$ (320,000) | | 4,905,000 | 330,000 |
| Plus: Bond Premium | | 498,004 | | - | \$ (98,569) | | 399,435 | 87,027 |
| Intergovernmental loans | | 153,858 | | - | (60,010) | | 93,848 | 60,360 |
| Total business-type activities | \$ | 5,925,096 | \$ | 39,781 | \$ (514,800) | \$ | 5,450,077 | \$ 477,387 |

Compensated absences are composed of accumulated personal leave pay on June 30, 2025, which will be paid from the General fund and the Water and Sewer fund.

CITY OF HELEN, GEORGIA
Notes to Financial Statements
June 30, 2025

NOTE 6. DEFERRED INFLOWS OF RESOURCES

The City's governmental funds report deferred inflows of resources as shown below:

Governmental Fund Financial Statements:

Deferred inflows of resources

| | | |
|-------------------------------------|-------------------|---------------------------------------------|
| Property Taxes | \$ 139 | Non-exchange transaction resource collected |
| Fines | 58,017 | Beyond the City's period of availability. |
| Opioid Settlement | 96,067 | Beyond the City's period of availability. |
| Total deferred inflows of resources | <u>\$ 154,223</u> | |

The deferred inflows of resources are imposed non-exchange transactions which is received beyond the City's period of availability.

NOTE 7. RISK MANAGEMENT

The City purchases Worker's Compensation Insurance through the Georgia Municipal Association Worker's Compensation Self-Insurance Fund. The City's policy year starts on January 1st and ends on December 31st of each year. For the year ending June 30, 2025, the premiums were \$85,668. The City also purchases General Liability Insurance through the Georgia Interlocal Management Agency. The City's policy year starts on May 1st and ends on April 30th of each year. For the year ending June 30, 2025, the premiums paid during the year ending June 30, 2025, were \$193,793.

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

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

With respect to other types of risk including torts, theft or destruction of assets, errors of omissions, and acts of God, the City has purchased sufficient insurance and, therefore, transferred the risk of loss. There have been no settlements in the previous three years in excess of insurance.

NOTE 8. HOTEL-MOTEL TAX COMPLIANCE

As required by code section 48-13-51 of the O.C.G.A. the city is required to contract with an independent nonprofit entity to spend 40% of the first 5% of the tax assessed on the promotion of tourism and trade. In addition, 50% of the amount assessed over 5% must also be expended for the promotion of tourism and trade through the independent nonprofit entity. The remaining 50% of the additional 3% must be retained by the City and expended for the promotion of tourism and trade. On June 30, 2024, the City funds the Alpine Helen/White County Convention and Visitors Bureau for the expenditure of this tax revenue and provides the CVB with 43.74% percent of total tax collections. The City of Helen, Georgia is in compliance with O.C.G.A 48-13-51 for the year ending June 30, 2025.

| | |
|-----------------------------|--------------|
| Tax Collections | \$ 2,870,676 |
| Amount Provided to the CVB | \$ 1,255,525 |
| City Promotion Expenditures | \$ 1,086,881 |

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

NOTE 9. BUDGETS

The following are Governmental Funds for which budgets were legally adopted:

| Department | Budgeted Expenditures and Other Financing Uses | Actual Expenditures and Other Financing Uses | Variance with Final Budget Over (Under) |
|-------------------------|---------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
| General Fund | | | |
| General Government | \$ 1,177,545 | \$ 1,177,474 | \$ (71) |
| Judicial | 123,210 | 123,202 | (8) |
| Public Safety | 2,389,247 | 2,377,429 | (11,818) |
| Public Works | 982,905 | 982,385 | (520) |
| Recreation & culture | 103,850 | 91,516 | (12,334) |
| Housing & development | 340,750 | 340,474 | (276) |
| ARPA Fund | | | |
| Transfers Out | 208,200 | 208,119 | (81) |
| Hotel Motel Fund | | | |
| Housing & development | 1,853,750 | 1,370,651 | (483,099) |
| Transfers Out | 1,106,250 | 1,086,881 | (19,369) |
| Tree Fund | 1,050 | 1,190 | 140 |
| Police Technology Fund | 28,400 | 24,199 | (4,201) |
| Confiscated Assets Fund | 71,000 | 14,496 | (56,504) |
| | <u>\$ 8,386,157</u> | <u>\$ 7,798,016</u> | <u>\$ (588,141)</u> |

The legal level of control for this government is at the departmental level, which is the basis for the Budgetary Comparison Schedule.

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

NOTE 10. CAPITAL ASSETS

| | Beginning Balance | Additions | Retirements | Reclassifications | Ending Balance |
|-----------------------------------------------------|----------------------|------------|-------------|-------------------|-------------------|
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Non-Depreciable Assets: | | | | | |
| Land | \$ 1,744,404 | \$ - | \$ - | \$ - | \$ 1,744,404 |
| Construction in Progress | 49,675 | 778,944 | - | (752,894) | 75,725 |
| Total non-depreciable capital assets | 1,794,079 | 778,944 | - | (752,894) | 1,820,129 |
| Depreciable Assets: | | | | | |
| Buildings & Improvements | 5,459,189 | 55,374 | - | - | 5,514,563 |
| Machinery & Equipment | 911,017 | 26,003 | 1,499 | - | 935,521 |
| Infrastructure | 8,806,822 | 6,878 | - | 752,894 | 9,566,594 |
| Vehicles | 2,044,299 | 175,356 | 97,424 | - | 2,122,231 |
| Total depreciable capital assets | 17,221,327 | 263,611 | 98,923 | 752,894 | 18,138,909 |
| Accumulated Depreciation: | | | | | |
| Buildings & Improvements | 2,177,583 | 160,374 | - | - | 2,337,957 |
| Machinery & Equipment | 656,749 | 74,588 | 1,499 | - | 729,838 |
| Infrastructure | 6,434,290 | 224,114 | - | - | 6,658,404 |
| Vehicles | 1,317,844 | 195,923 | 97,424 | - | 1,416,343 |
| Total accumulated depreciation | 10,586,466 | 654,999 | 98,923 | - | 11,142,542 |
| Total depreciable capital assets, net | 6,634,861 | (391,388) | - | - | 6,996,367 |
| Governmental activities capital assets, net | \$ 8,428,940 | \$ 387,556 | \$ - | \$ - | \$ 8,816,496 |
| Business-type Activities: | | | | | |
| Non-Depreciable Assets: | | | | | |
| Land | \$ 293,409 | - | - | - | \$ 293,409 |
| Construction in Progress | 1,328,302 | 1,228,643 | - | (18,935) | 2,538,010 |
| Total non-depreciable capital assets | 1,621,711 | 1,228,643 | - | (18,935) | 2,831,419 |
| Depreciable Assets: | | | | | |
| Buildings & Improvements | 154,825 | - | - | - | 154,825 |
| Machinery & Equipment | 1,652,500 | 18,059 | 11,693 | - | 1,658,866 |
| Water sewer system | 13,204,221 | - | - | 18,935 | 13,223,156 |
| Total depreciable capital assets | 15,011,546 | 18,059 | 11,693 | 18,935 | 15,036,847 |
| Accumulated Depreciation: | | | | | |
| Buildings & Improvements | 43,124 | 4,395 | - | - | 47,519 |
| Machinery & Equipment | 1,184,487 | 136,545 | 11,693 | - | 1,309,339 |
| Water sewer system | 6,528,361 | 520,460 | - | - | 7,048,821 |
| Total accumulated depreciation | 7,755,972 | 661,401 | 11,693 | - | 8,405,680 |
| Total depreciable capital assets, net | 7,255,574 | (643,342) | - | 18,935 | 6,631,167 |
| Business-type activities capital assets, net | \$ 8,877,285 | \$ 585,301 | \$ - | \$ - | \$ 9,462,586 |

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

Depreciation expense was charged to functions as follows:

Governmental Activities:

| | |
|------------------------------------------------------|-------------------|
| General Government | \$ 88,742 |
| Public Safety | \$ 213,736 |
| Public Works | \$ 352,521 |
| Total depreciation expense - governmental activities | <u>\$ 654,999</u> |

Business-type Activities:

| | |
|-------------------------------------------------------|-------------------|
| Water and Sewer | \$ 661,401 |
| Total depreciation expense - business-type activities | <u>\$ 661,401</u> |

NOTE 11. INTERFUND BALANCES AND TRANSFERS

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. As of June 30, 2025, the interfund balance was as follows:

| <u>Due To:</u> | Water Sewer Fund | | Total |
|----------------|---------------------|-------------------|-------|
| | | | |
| General Fund | \$ 131,362 | \$ 131,362 | |
| | <u>\$ 131,362</u> | <u>\$ 131,362</u> | |

This government reports interfund transfers between many of its funds. Some of the transfers are considered immaterial and are aggregated into a single column or row titled *Other Funds*. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. These transfers have been eliminated from the government-wide financial statements.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the year ended June 30, 2025, the interfund transfers were as follows:

| <u>Transfer To:</u> | <u>Transfer From:</u> | |
|---------------------|--------------------------|---------------------|
| | Capital Projects Fund | Hotel Motel Fund |
| General Fund | \$ - | \$ 1,115,997 |
| Water Sewer Fund | 274,552 | - |
| | <u>\$ 274,552</u> | <u>\$ 1,115,997</u> |

CITY OF HELEN, GEORGIA
Notes to Financial Statements
June 30, 2025

NOTE 12. ALLOWANCE FOR UNCOLLECTABLE TAXES AND ACCOUNTS

The balance of taxes and accounts receivable at June 30, 2025, are net of the following allowances for doubtful accounts.

Allowance for Bad Debts:

Governmental Activities:

| | |
|---------------------------------------------|------------------|
| Property taxes receivable | \$ 14 |
| Fines receivable | 35,655 |
| Sanitation receivable | 920 |
| Total Governmental Allowance for Bad Debts: | <u>\$ 36,589</u> |

Business-type Activities:

| | |
|----------------------------------------------|------------------|
| Water sewer fees receivable | \$ 19,761 |
| Total Business-type Allowance for Bad Debts: | <u>\$ 19,761</u> |

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2025, the City paid \$542 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from:

Georgia Mountains Regional Commission
1310 W. Ridge Road
Gainesville, GA 30501

NOTE 14. GEFA LOAN DEBT COVENANTS

The terms and conditions of GEFA loan resolution have been examined for the fiscal year ending June 30, 2025. The City is in compliance with all covenants.

NOTE 15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 16, 2025.

CITY OF HELEN, GEORGIA

Notes to Financial Statements

June 30, 2025

NOTE 16. CHANGES IN BEGINNING BALANCES**Water Fund**

During the year auditor determined that a liability was recorded in prior years and a reversing entry was never recorded. Auditor created a prior period adjustment to correct the error.

| | Beginning As | | |
|--------------------------|-------------------------|----------------------------|--------------------------|
| | Previously Presented | Prior Period Adjustment | Beginning As Restated |
| Government Wide | | | |
| Governmental Activities | \$ 19,358,015 | \$ - | \$ 19,358,015 |
| Business-Type Activities | 7,248,768 | 79,143 | 7,327,911 |
| Total | 26,606,783 | 79,143 | 26,685,926 |
| Proprietary Funds | | | |
| Water Fund | 7,248,768 | 79,143 | 7,327,911 |
| | \$ 7,248,768 | \$ 79,143 | \$ 7,327,911 |

CITY OF HELEN, GEORGIA
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

| | Budgeted Amounts | | Actual Amounts | Budget to GAAP | Actual Amounts | Variance with |
|-----------------------------------------------------|------------------|------------------|---------------------|-----------------------------|---------------------|-----------------|
| | Original | Final | Budgetary Basis | Differences Over/(Under) | GAAP Basis | Final Budget |
| Revenues | | | | | | |
| Property tax | \$ 517,500 | \$ 517,500 | \$ 561,961 | \$ - | \$ 561,961 | \$ 44,461 |
| Sales tax | 1,610,000 | 1,610,000 | 1,662,935 | - | 1,662,935 | 52,935 |
| Business tax | 237,250 | 237,250 | 254,309 | - | 254,309 | 17,059 |
| Franchise tax | 164,500 | 164,500 | 181,015 | - | 181,015 | 16,515 |
| Excise tax | 300,750 | 300,750 | 274,229 | - | 274,229 | (26,521) |
| Intergovernmental | 39,000 | 39,000 | 76,738 | - | 76,738 | 37,738 |
| Licenses and permits | 195,700 | 195,700 | 248,358 | - | 248,358 | 52,658 |
| Fines and forfeitures | 275,000 | 275,000 | 216,676 | - | 216,676 | (58,324) |
| Charges for services | 377,478 | 377,478 | 405,096 | - | 405,096 | 27,618 |
| Contributions | 15,800 | 15,800 | 68,121 | - | 68,121 | 52,321 |
| Interest | 280,000 | 280,000 | 289,445 | - | 289,445 | 9,445 |
| Miscellaneous | 46,000 | 46,000 | 75,805 | - | 75,805 | 29,805 |
| Total Revenue | 4,058,978 | 4,058,978 | 4,314,688 | - | 4,314,688 | 255,710 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 1,142,545 | 1,177,545 | 1,177,474 | - | 1,177,474 | (71) |
| Judicial | 122,710 | 123,210 | 123,202 | - | 123,202 | (8) |
| Public safety | 2,449,747 | 2,389,247 | 2,377,429 | - | 2,377,429 | (11,818) |
| Public works | 970,905 | 982,905 | 982,385 | - | 982,385 | (520) |
| Recreation and culture | 103,850 | 103,850 | 91,516 | - | 91,516 | (12,334) |
| Housing and development | 327,750 | 340,750 | 340,474 | - | 340,474 | (276) |
| Interest expenditures | 4,126 | 4,126 | 4,126 | - | 4,126 | - |
| Principal retirement | 43,595 | 43,595 | 43,595 | - | 43,595 | - |
| Total Expenditures | 5,165,228 | 5,165,228 | 5,140,201 | - | 5,140,201 | (25,027) |
| Excess (Deficiency) of Revenues Over (Under) | \$ (1,106,250) | \$ (1,106,250) | \$ (825,513) | \$ - | \$ (825,513) | \$ 280,737 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 1,106,250 | 1,106,250 | 1,086,881 | - | 1,086,881 | (19,369) |
| Transfers out | - | - | - | - | - | - |
| Budgeted Fund Balance | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 1,106,250 | 1,106,250 | 1,086,881 | - | 1,086,881 | (19,369) |
| Net Change in Fund Balances | - | - | 261,368 | - | 261,368 | 261,368 |
| Fund Balances Beginning of Year | | | 6,669,699 | | 6,669,699 | |
| Fund Balances End of Year | | | <u>\$ 6,931,067</u> | | <u>\$ 6,931,067</u> | |

CITY OF HELEN, GEORGIA
 Budgetary Comparison Schedule - Hotel Motel Fund
 For the Year Ended June 30, 2025

| | Budgeted Amounts | | Actual Amounts | Budget to GAAP | Actual Amounts | Variance with |
|-----------------------------------------------------|--------------------|--------------------|--------------------|-----------------------------|--------------------|-------------------|
| | Original | Final | Budgetary Basis | Differences Over/(Under) | GAAP Basis | Final Budget |
| Revenues | | | | | | |
| Hotel/Motel tax | \$ 2,950,000 | \$ 2,950,000 | \$ 2,870,676 | \$ - | \$ 2,870,676 | \$ (79,324) |
| Interest | 10,000 | 10,000 | 17,602 | - | 17,602 | 7,602 |
| Miscellaneous | - | - | - | - | - | - |
| Total Revenue | <u>2,960,000</u> | <u>2,960,000</u> | <u>2,888,278</u> | <u>-</u> | <u>2,888,278</u> | <u>(71,722)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Housing and development | 1,853,750 | 1,853,750 | 1,370,651 | - | 1,370,651 | (483,099) |
| Total Expenditures | <u>1,853,750</u> | <u>1,853,750</u> | <u>1,370,651</u> | <u>-</u> | <u>1,370,651</u> | <u>(483,099)</u> |
| Excess (Deficiency) of Revenues Over (Under) | \$ 1,106,250 | \$ 1,106,250 | \$ 1,517,627 | \$ - | \$ 1,517,627 | \$ 411,377 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (1,106,250) | (1,106,250) | (1,086,881) | - | (1,086,881) | (19,369) |
| Total Other Financing Sources (Uses) | <u>(1,106,250)</u> | <u>(1,106,250)</u> | <u>(1,086,881)</u> | <u>-</u> | <u>(1,086,881)</u> | <u>(19,369)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>430,746</u> | <u>\$ -</u> | <u>430,746</u> | <u>\$ 392,008</u> |
| Fund Balances Beginning of Year | | | 318,896 | | 318,896 | |
| Fund Balances End of Year | | | <u>\$ 749,642</u> | | <u>\$ 749,642</u> | |

CITY OF HELEN, GEORGIA
Budgetary Comparison Schedule - ARPA Fund
For the Year Ended June 30, 2025

| | Budgeted Amounts | | Actual Amounts | Budget to GAAP | Actual Amounts | Variance with |
|-----------------------------------------------------|------------------|------------------|------------------|-----------------------------|------------------|---------------|
| | Original | Final | Budgetary Basis | Differences Over/(Under) | GAAP Basis | Final Budget |
| Revenues | | | | | | |
| Intergovernmental | \$ 200,000 | \$ 202,300 | \$ 202,267 | \$ - | \$ 202,267 | \$ (33) |
| Interest | 2,500 | 5,900 | 5,852 | - | 5,852 | (48) |
| Total Revenue | <u>202,500</u> | <u>208,200</u> | <u>208,119</u> | <u>-</u> | <u>208,119</u> | <u>(81)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Capital Outlay | 202,500 | - | - | - | - | - |
| Total Expenditures | <u>202,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) | - | 208,200 | 208,119 | - | 208,119 | (81) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | - | (208,200) | (208,119) | - | (208,119) | 81 |
| Budgeted Fund Balance | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(208,200)</u> | <u>(208,119)</u> | <u>-</u> | <u>(208,119)</u> | <u>81</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund Balances Beginning of Year | | | - | | - | |
| Prior Period Adjustment | | | - | | - | |
| Fund Balances End of Year | | | <u>\$ -</u> | | <u>\$ -</u> | |

CITY OF HELEN, GEORGIA
Notes to Required Supplementary Information
on Budgetary Accounting and Control
Year Ended June 30, 2025

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The City prepares its annual operating budget under the provisions of the official Code of Georgia. In accordance with those provisions, the following process is used to adopt the annual budget:

- (a). Prior to June 1, the City Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (b). Public hearings are conducted in November or December to obtain taxpayer comments. Public hearings are normally scheduled no later than 15 days prior to the beginning of the budget year.
- (c). Subsequent to the public hearings, the budget is legally enacted through the passage of a resolution by the City Council.

All governmental funds with revenues and/or expenditures as defined by State law are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is at the department level within a fund.

Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the city council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Amendments to the original budget appropriations are approved by the City Council.

Budget Amendments

| Department | Original Budget | Supplemental Appropriations | Supplemental Decreases | Revised Appropriations |
|-----------------------|---------------------|-----------------------------|------------------------|------------------------|
| General Fund | | | | |
| General Government | \$ 1,142,545 | \$ 35,000 | \$ - | \$ 1,177,545 |
| Judicial | 122,710 | 500 | - | 123,210 |
| Public Safety | 2,449,747 | - | 60,500 | 2,389,247 |
| Public Works | 970,905 | 12,000 | - | 982,905 |
| Housing & development | 327,750 | 13,000 | - | 340,750 |
| ARPA Fund | | | | |
| Capital Outlay | 202,500 | - | 202,500 | - |
| Transfers Out | - | 208,200 | - | 208,200 |
| | <u>\$ 8,380,457</u> | <u>\$ 268,700</u> | <u>\$ 263,000</u> | <u>\$ 8,386,157</u> |

CITY OF HELEN, GEORGIA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

| | Tree Fund | Police Technology Fund | Confiscated Assets Fund | Total Nonmajor Governmental Funds |
|---------------------------------------------------------------------------|-------------|------------------------------|----------------------------|--------------------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ 30,695 | \$ 24,564 | \$ 55,259 |
| Restricted cash | - | - | \$ 568 | 568 |
| Total Assets | - | 30,695 | 25,132 | 55,827 |
| Deferred Outflows of Resources | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ -</u> | <u>\$ 30,695</u> | <u>\$ 25,132</u> | <u>\$ 55,827</u> |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ - | \$ 650 | \$ 650 |
| Total Liabilities | - | - | 650 | 650 |
| Deferred Inflows of Resources | - | - | - | - |
| Total Liabilities and Deferred Inflows of Resources | - | - | 650 | 650 |
| Fund Balances | | | | |
| Restricted for | | | | |
| Public safety | - | 30,695 | 24,482 | 55,177 |
| Committed for: | | | | |
| Tree fund memorial | - | - | - | - |
| Total Fund Balances | - | 30,695 | 24,482 | 55,177 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ -</u> | <u>\$ 30,695</u> | <u>\$ 25,132</u> | <u>\$ 55,827</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF HELEN, GEORGIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

| | Tree Fund | Police Technology Fund | Confiscated Assets Fund | Total Nonmajor Governmental Funds |
|----------------------------------------------------------------------|--------------|---------------------------|----------------------------|-----------------------------------------|
| Revenues | | | | |
| Fines and forfeitures | - | - | 24,320 | 24,320 |
| Charges for services | - | 25,888 | - | 25,888 |
| Contributions | 100 | - | - | 100 |
| Interest | 47 | 1,670 | 709 | 2,426 |
| Total Revenue | <u>147</u> | <u>27,558</u> | <u>25,029</u> | <u>52,734</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 1,190 | - | - | 1,190 |
| Public safety | - | 24,199 | 14,496 | 38,695 |
| Total Expenditures | <u>1,190</u> | <u>24,199</u> | <u>14,496</u> | <u>39,885</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,043) | 3,359 | 10,533 | 12,849 |
| Other Financing Sources (Uses) | | | | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (1,043) | 3,359 | 10,533 | 12,849 |
| Fund Balances Beginning of Year | 1,043 | 27,336 | 13,949 | 42,328 |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 30,695</u> | <u>\$ 24,482</u> | <u>\$ 55,177</u> |

The accompanying notes are an integral part of these financial statements.



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

To the City Commission
City of Helen, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helen, Georgia as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Helen, Georgia's basic financial statements and have issued our report thereon dated December 16, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-1 we considered to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Helen, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Walker, Pierce & Tuck, CPA's P.C.

Gainesville, Georgia
December 16, 2025

CITY OF HELEN, GEORGIA
Schedule of Findings & Responses
For the Year Ended June 30, 2025

Findings – Financial Statement Audit

Internal Control

2025 - 1

| | |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Condition: | During testing of utility billings, the auditor noted that the top tier for utility billing was set to begin at the incorrect usage level. |
| Criteria: | All utility billing rates and tiers should be implemented and billed to customers per the rates set and approved by the city commission. |
| Cause: | When implementing a change in the city's utility rate and tier structure an error was made in beginning point of the maximum tier volume. This error was not discovered and corrected by city staff |
| Effect: | Utilities were underbilled during the year for the highest volume users. |
| Recommendation: | The city should implement policies and procedures to test and ensure future rate changes are implemented as approved by the City Commission. The city should update the billing tiers in their software to properly reflect the correct rates. |
| Response: | The city agrees with the findings and immediately corrected the utility rate tiers. In addition, policies and procedures have been updated to include testing of future rate/tier changes to ensure utility bills are properly calculated. |

CITY OF HELEN, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Estimated Cost and Expenditure Summary
For the Year Ended June 30, 2025

| <u>Project Description</u> | <u>Estimated Cost</u> | | <u>Expenditures</u> | | <u>Total</u> |
|-----------------------------------------------------------------------------------------------------------|-----------------------|---------------------|------------------------|-------------------------|---------------------|
| | <u>Original</u> | <u>Current</u> | <u>Prior Years</u> | <u>Current Year</u> | |
| SPLOST 2014 | | | | | |
| Water and Sewer Improvements | \$ 974,909 | \$ 974,909 | \$ 1,470,926 | \$ - | \$ 1,470,926 |
| Roads Streets, Bridges, and Sidewalk Projects | 1,170,039 | 1,170,039 | 1,179,669 | 1,795 | 1,181,464 |
| Acquisition and Capital Improvement of Public Building | 225,017 | 225,017 | 253,950 | - | 253,950 |
| Acquisition and Improvement of Computer and Communication | 100,035 | 100,035 | 131,304 | 585 | 131,889 |
| Total: | <u>\$ 2,470,000</u> | <u>\$ 2,470,000</u> | <u>\$ 3,035,849</u> | <u>\$ 2,380</u> | <u>\$ 3,038,229</u> |
| SPLOST 2020 | | | | | |
| Water / wastewater improvements, equipment, and vehicles | \$ 1,900,000 | \$ 1,900,000 | \$ 488,410 | \$ 66,433 | \$ 554,843 |
| Roads, streets, bridges, and sidewalk projects | 1,300,000 | 1,300,000 | 645,844 | 701,424 | 1,347,268 |
| Acquisition and/or Capital Improvement of Public Infrastructure, Parks, and Public Recreation Areas | 2,100,000 | 2,100,000 | 286,423 | 45,434 | 331,857 |
| Administration equipment, facilities, and vehicles | 300,000 | 300,000 | 263,352 | - | 263,352 |
| Total: | <u>\$ 5,600,000</u> | <u>\$ 5,600,000</u> | <u>\$ 1,684,029</u> | <u>\$ 813,291</u> | <u>\$ 2,497,320</u> |