CITY OF CLEVELAND, GEORGIA

FINANCIAL STATEMENTS

For The fiscal year ended June 30, 2024

WALKER, PIERCE & TUCK, CPA'S, PC

CITY OF CLEVELAND, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2024
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Walker Pierce & Tuck
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INDEPENDENT AUDITOR'S REPORT

City of Cleveland Council
Cleveland, 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 information of the City of Cleveland, Georgia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Cleveland, 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 Cleveland, Georgia, as of June 30, 2024, 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 Cleveland, 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 Cleveland, 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 Cleveland, 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 Cleveland, 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, schedules of changes in net pension liability and contributions on pages 30-34 are 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 Cleveland, Georgia's basic financial statements. The accompanying 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 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 20, 2024, on our consideration of the City of Cleveland, 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 Cleveland, 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 Cleveland, Georgia's internal control over financial reporting and compliance.

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

Gainesville, Georgia
December 20,2024

CITY OF CLEVELAND, GEORGIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 6,797,390	$ 2,283,197	$ 9,080,587
Restricted assets	-	909,826	909,826
Accounts receivables (net)	244,354	243,846	488,200
Intergovernmental receivable	429,751	-	429,751
Accrued revenue	-	104,577	104,577
Prepaid expenditures	34,478	11,272	45,750
Interfund balances	319,475	(319,475)	-
Total Current Assets	7,825,448	3,233,243	11,058,691
Noncurrent Assets			
Capital assets			
Nondepreciable	1,249,293	1,483,966	2,733,259
Depreciable, net	2,048,038	10,835,275	12,883,313
Total Noncurrent Assets	3,297,331	12,319,241	15,616,572
Total Assets	11,122,779	15,552,484	26,675,263
Deferred Outflows of Resources	482,136	85,086	567,222
Total Assets and Deferred Outflows of Resources	11,604,915	15,637,570	27,242,485
Liabilities			
Current Liabilities			
Accounts payable	165,323	81,473	246,796
Accrued expenses	100,366	30,278	130,644
Amounts held in trust	2,190	224,645	226,835
Notes payable	-	94,401	94,401
Unearned revenue	981,745	-	981,745
Total Current Liabilties	1,249,624	430,797	1,680,421
Long-term Liabilities			
Net pension liability	646,504	114,087	760,591
Notes payable	-	1,444,246	1,444,246
Compensated absences	184,783	70,108	254,891
Total Long-term Liabilities	831,287	1,628,441	2,459,728
Total Liabilities	2,080,911	2,059,238	4,140,149
Deferred Inflows of Resources	75,408	13,307	88,715
Total Liabilities and Deferred Inflows of Resources	2,156,319	2,072,545	4,228,864
Net Position			
Net Investment in Capital Assets	3,297,331	10,780,594	14,077,925
Restricted for:			
Capital projects	5,080,981	-	5,080,981
Tourism	60,129		60,129
Public Safety	2,285		2,285
Unrestricted	1,007,870	2,784,431	3,792,301
Total Net Position	$ 9,448,596	$ 13,565,025	$ 23,013,621

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

CITY OF CLEVELAND, GEORGIA

Statement of Activities

For the Year Ended

June 30, 2024

	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	$ 1,658,568	$ 560,662	$ 627,375	$ 1,829,823	$ 1,359,292		$ 1,359,292
Public safety	2,577,106	102,620	76,525	-	(2,397,961)		(2,397,961)
Public works	570,626	-	123,240	-	(447,386)		(447,386)
Recreation and culture	28,841	-	-	-	(28,841)		(28,841)
Housing and development	25,239	-	-	-	(25,239)		(25,239)
Total Governmental Activities	4,860,380	663,282	827,140	1,829,823	(1,540,135)	-	(1,540,135)
Business-type Activities:							
Water and sewer	2,809,597	2,687,452	-	-		(122,145)	(122,145)
Total Business-type activities	2,809,597	2,687,452	-	-	-	(122,145)	(122,145)
Total Primary Government	$ 7,669,977	$ 3,350,734	$ 827,140	$ 1,829,823	$ (1,540,135)	$ (122,145)	$ (1,662,280)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					729,621		729,621
Franchise fees					278,611		278,611
Sales Tax					1,601,395		1,601,395
Excise taxes					210,303		210,303
Business tax					427,423		427,423
Hotel/Motel tax					40,139		40,139
Interest and investment earnings					98,419	145,453	243,872
Miscellaneous					10,262	939	11,201
Gain (loss) on disposition of assets					28,602	-	28,602
Transfers					(476,986)	476,986	-
Total General Revenues and Transfers					2,947,789	623,378	3,571,167
Change in Net Position					1,407,654	501,233	1,908,887
Net Position Beginning of Year					8,040,942	13,063,792	21,104,734
Ending Net Position					$ 9,448,596	$ 13,565,025	$ 23,013,621

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

CITY OF CLEVELAND, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Capital Projects Fund	ARPA Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 541,958	$ 5,213,049	$ 981,745	$ 60,638	$ 6,797,390
Intergovernmental receivable	153,877	275,874	-	-	429,751
Receivables (net)	240,899	-	-	3,455	244,354
Prepaid expenditures	34,478	-	-	-	34,478
Due from other funds	618,557	-	-	-	618,557
Total Assets	1,589,769	5,488,923	981,745	64,093	8,124,530
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 1,589,769	$ 5,488,923	$ 981,745	$ 64,093	$ 8,124,530
Liabilities					
Accounts payable	$ 54,784	$ 108,877	$ -	$ 1,662	$ 165,323
Accrued expenses	100,366	-	-	-	100,366
Due to other funds	-	299,065	-	17	299,082
Unearned revenue	-	-	981,745	-	981,745
Amounts held in trust	2,190	-	-	-	2,190
Total Liabilities	157,340	407,942	981,745	1,679	1,548,706
Deferred Inflows of Resources	185,065	-	-	-	185,065
Total Liabilities and Deferred Inflows of Resources	342,405	407,942	981,745	1,679	1,733,771
Fund Balances					
Nonspendable					
Prepaid expenditures	34,478	-	-	-	34,478
Restricted for					
Capital projects	-	5,080,981	-	-	5,080,981
Public safety	-	-	-	2,285	2,285
Tourism	-	-	-	60,129	60,129
Unassigned	1,212,886	-	-	-	1,212,886
Total Fund Balances	1,247,364	5,080,981	-	62,414	6,390,759
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,589,769	$ 5,488,923	$ 981,745	$ 64,093	$ 8,124,530

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

CITY OF CLEVELAND, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total Governmental Fund Balances		$ 6,390,759
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	$ 6,273,749	
Less: Accumulated depreciation	(2,976,418)	
Total capital assets		3,297,331
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		(184,783)
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.		185,065
Pension items not included in fund financial statements.		
Deferred outflows of resources		482,136
Deferred inflows of resources		(75,408)
Net pension liability		(646,504)
Net Position of Governmental Activities		$ 9,448,596

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

CITY OF CLEVELAND, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

	General Fund	Capital Projects Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property tax	$ 730,337	$ -	$ -	$ -	$ 730,337
Sales tax	1,601,395	-	-	-	1,601,395
Business tax	427,423	-	-	-	427,423
Franchise tax	278,611	-	-	-	278,611
Excise tax	210,303	-	-	-	210,303
Hotel/Motel tax	-	-	-	40,139	40,139
Intergovernmental	253,526	1,829,823	573,614	-	2,656,963
Licenses and permits	142,169	-	-	-	142,169
Fines and forfeitures	95,106	-	-	-	95,106
Charges for services	421,210	-	-	-	421,210
Interest	32,256	-	63,189	2,974	98,419
Miscellaneous	10,262	-	-	-	10,262
Total Revenue	4,202,598	1,829,823	636,803	43,113	6,712,337
Expenditures					
Current:					
General Government	1,454,847	-	-	-	1,454,847
Public safety	2,512,990	-	327,938	-	2,840,928
Public works	482,587	114,604	-	-	597,191
Recreation and culture	16,275	-	-	-	16,275
Housing and development	-	-	-	25,239	25,239
Capital outlay		311,337	-	-	311,337
Total Expenditures	4,466,699	425,941	327,938	25,239	5,245,817
Excess (Deficiency) of Revenues Over (Under) Expenditures	(264,101)	1,403,882	308,865	17,874	1,466,520
Other Financing Sources (Uses)					
Transfers in	193,874	-	-	-	193,874
Transfers out	-	(308,986)	(350,000)	(11,874)	(670,860)
Proceeds from sale of assets	28,602	-	-	-	28,602
Total Other Financing Sources (Uses)	222,476	(308,986)	(350,000)	(11,874)	(448,384)
Net Change in Fund Balances	(41,625)	1,094,896	(41,135)	6,000	1,018,136
Fund Balances Beginning of Year	1,288,989	3,986,085	41,135	56,414	5,372,623
Fund Balances End of Year	$ 1,247,364	$ 5,080,981	$ -	$ 62,414	6,390,759

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

CITY OF CLEVELAND, 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, 2024

Net Changes in Fund Balances - Total Governmental Funds		$ 1,018,136
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	$ 728,075	
Less: Current year depreciation	(236,022)	
		492,053
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of Year	(646,504)	
Beginning of Year	774,432	
		127,928
Contibutions made after pension measurement dae, changes in assumptions, and differences in expected and actual results of the defined benefit pension plan are reported as deferred outflows and not reported in the funds.		
End of Year	482,136	
Beginning of Year	(620,964)	
		(138,828)
Deferred inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds.		
End of Year	(75,408)	
Beginning of Year	29,134	
		(46,274)
Compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources and thereforeare not reported as expenditures in the governmental funds.		
End of Year	(184,783)	
Beginning of Year	135,341	
		(49,442)
Because some revenues will not be collected for several months after the City's fiscal year end, they are considered "available" revenues and are deferred in the governmental funds.		
End of Year	185,065	
Beginning of Year	(180,984)	
		4,081
Change in Net Position of Governmental Activities		$ 1,407,654

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

CITY OF CLEVELAND, GEORGIA
Statement of Net Position
Proprietary Fund
June 30, 2024

	Water and Sewer Fund
Current Assets	
Cash and cash equivalents	$ 2,283,197
Restricted cash and cash equivalents	909,826
Accounts receivable (net)	243,846
Prepaid expenses	11,272
Accrued revenue	104,577
Total Current Assets	3,552,718
Noncurrent Assets	
Capital assets	
Non-depreciable	1,483,966
Depreciable, net	10,835,275
Total Noncurrent Assets	12,319,241
Total Assets	15,871,959
Deferred Outflows of Resources	85,086
Total Assets and Deferred Outflows of Resources	15,957,045
Liabilities	
Current Liabilities	
Accounts payable	81,473
Accrued expenses	30,278
Due to other funds	319,475
Notes payable	94,401
Total Current Liabilities	525,627
Long-term Liabilities	
Net pension liability	114,087
Compensated absences	70,108
Customer deposits	224,645
Notes payable	1,444,246
Total Long-term Liabilities	1,853,086
Total Liabilities	2,378,713
Deferred Inflows of Resources	13,307
Total Liabilities and Deferred Inflows of Resources	2,392,020
Net Position	
Net investment in capital assets	10,780,594
Unrestricted	2,784,431
Total Net Position	$ 13,565,025

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

CITY OF CLEVELAND, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2024

	Water and Sewer
Operating Revenue	
Charges for services	$ 2,687,452
Miscellaneous income	939
Total Operating Revenue	2,688,391
Operating Expenses	
Personnel services:	
Salaries and wages	706,105
Employment Taxes	56,002
Benefits	90,108
Total Personnel Services	852,215
Purchased / contracted services:	
Professional and technical	22,106
Other purchased services	17,780
Total Purchased / contracted services	39,886
Other operating expenses:	
Purchased water	404,303
Supplies	322,503
Insurance	217,677
Repairs and maintenance	112,217
Utilities	210,613
Engineering, lab fees and training	41,026
Depreciation	534,570
Miscellaneous	44,321
Total Other Operating Expenses	1,887,230
Total Operating Expenses	2,779,331
Operating Income (Loss)	(90,940)
Nonoperating Revenues (Expenses)	
Interest income	145,453
Interest expense	(30,266)
Total Nonoperating Revenues and (Expenses)	115,187
Income (Loss) Before Contributions and Transfers	24,247
Capital contributions	-
Transfer in	658,986
Transfer (out)	(182,000)
Change in Net Position	501,233
Net Position Beginning of Year	13,063,792
Net Position End of Year	$ 13,565,025

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

CITY OF CLEVELAND, GEORGIA
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2024

Cash flows from operating activities:		
Receipts from customers	$	2,713,138
Payments to suppliers		(1,881,061)
Payments to employees		(857,243)
Net cash provided (used) by operating activities		(25,166)
Cash flows from noncapital financing activities:		
Transfer to other funds		(182,000)
Increase (decrease) in advances from other funds		(10,717)
Net cash provided (used) by noncapital financing activities		(192,717)
Cash flows from capital and related financing activities:		
Transfer from other funds for capital related items		658,986
Acquisition and construction of capital assets		(825,806)
Note payable debt proceeds		65,224
Debt payments, principal and interest		(122,155)
Net cash provided (used) by capital and related financing activities		(223,751)
Cash flows from investing activities:		
Interest income		145,453
Net cash provided (used) by investing activities		145,453
Net increase (decrease) in cash and cash equivalents		(296,181)
Cash and cash equivalents, June 30, 2023		3,489,204
Cash and cash equivalents, June 30, 2024	$	3,193,023
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	(90,940)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		534,570
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		8,670
(Increase) decrease in prepaid expenses		2,980
(Increase) decrease in accrued revenue		77
(Increase) decrease in due from other funds		14,927
(Increase) decrease in deferred outflows of resources		24,498
Increase (decrease) in accounts payable		75,257
Increase (decrease) in accrued expenses		18,148
Increase (decrease) in compensated absences		(33,264)
Increase (decrease) in due to other funds		(566,752)
Increase (decrease) in deferred inflows of resources		8,166
Increase (decrease) in customer deposits		1,073
Increase (decrease) in net pension liability		(22,576)
Net cash provided (used) by operating activities	$	(25,166)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Cleveland, 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 City of Cleveland, Georgia is a municipal corporation governed by an elected mayor and a four-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

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

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.

Discretely Presented Component Units. The Downtown Development Authority is governed by a separate board and is a separate legal, public body corporate and politic created and existing under instrumentality of the City of Cleveland, Georgia for the purpose of revitalizing and developing the central business district of Cleveland, Georgia.

The Authority is currently inactive and is without assets, liabilities, revenue or expenditures. No separate statements are available.

Organizations for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable, are related organizations. The following entity is a related organization of the City of Cleveland, Georgia and operations are not included in this report:

Cleveland Housing Authority

Based upon GASB criteria, the following entity is not considered a component unit of the City of Cleveland, Georgia and operations are not included in this report:

Turner Creek Water Treatment Plant Management Fund

1-B Basis of Presentation and Basis of Accounting

Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Activity between governmental funds that are representative of lending/borrowing arrangements or interfund transfers are eliminated from the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category-governmental and proprietary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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.

Capital Projects Fund. This fund accounts for *Special Purpose Local Option Sales Tax* financial resources expended for purposes approved by referendum.

ARPA Fund. This fund accounts for *American Rescue Plan* Act grant financial resources expended for purposes approved by grant agreement.

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.

Measurement Focus - Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the flow of 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.

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.

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 capital leases are reported as other financing sources.

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

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. The city has not formally adopted deposit and investment policies that limit the City’s allowable deposits or investments.

Investments

As of June 30, 2024, the City did not have investments, nor were any authorized.

Restricted Assets

These assets are held in the capital projects and special revenue funds for specific purposes defined by statute, referendum, or grant contract and are not generally available for general government operations. In addition, restricted assets are also held in the proprietary fund and the business-type activities of the government-wide financial statements in amounts required to pay customer deposit balances.

Receivables and Payables

Activities 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” 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.

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

Property Tax Calendar

The City set its mileage rate for 2023 on July 28, 2023 at 5.056 mils. Property tax bills were mailed on September 1, 2023 and were due November 15, 2023. Penalties and interest are due on all accounts not paid by the due date. FIFA’s on delinquent tax accounts could be filed on December 23, 2023. 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 $2.50 per tax bill.

Inventories and Prepaid Items

Inventories are valued at the lower of cost or market. In the governmental funds, the cost of inventory items is 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.

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, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than $5,000 (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.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Public domain infrastructure	50
System infrastructure	30
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

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.

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 fund 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 has one resource that qualifies as deferred outflows in its governmental activities. This resource is its

defined benefit pension plan. The City has one resources that qualify as deferred outflows in its proprietary funds. These resources are its defined benefit pension plan.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies as deferred inflows in its governmental activities. This resource is its experience gains in its defined benefit pension plan.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. These items only arise under the modified accrual basis of accounting. Accordingly, the items, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fines.

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 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 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 Council through the adoption of a resolution. The City Council 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 Council has authorized the City's finance officer to assign fund balances.

Unassigned - Fund balances are reported as unassigned at 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

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 positions are 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 foreign credit risk. At June 30, 2024, all bank deposits were insured or fully collateralized.

NOTE 3. RECEIVABLES

The following is a summary of amounts due from others at June 30, 2024:

Governmental Activities:		
Property taxes receivable - net	$	5,058
Hotel/motel taxes receivable - net		3,455
Fines receivable - net		167,474
Sanitation receivable -net		54,239
Franchise taxes receivable		14,128
Due from other governments - SPLOST		275,874
Due from other governments		9,323
Due from other governments - LOST		144,554
Total Governmental Receivables:	$	674,105
Business-type Activities:		
Water sewer fees receivable - net	$	243,846
Total Business-type Receivables:	$	243,846

The following is a summary of the allowance for doubtful accounts for the relevant receivable accounts:

Allowance for Bad Debts:

Governmental Activities:		
Fines receivable	$	71,775
Sanitation receivable		23,616
Total Governmental Allowance for Bad Debts:	$	95,391
Business-type Activities:		
Water sewer fees receivable	$	105,961
Total Business-type Allowance for Bad Debts:	$	105,961

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.

NOTE 5. 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 required to pay annual dues thereto. During its year ended June 30, 2024, the City paid $4,389 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 Regional Commissions in Georgia. The Commission Board membership includes the chief elected official of each city 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 6. LONG-TERM DEBT

The City's long-term debt for governmental activities consist of compensated absences and net pension liability. The General Fund has been used to liquidate compensated absences occurring in the governmental funds.

Changes in long-term debt:

	Balance as of June 30,2023	Additions	Reductions	Balance as of June 30,2024	Due Within One Year
Governmental Activities:					
Compensated absences	$ 135,341	$ 49,442	$ -	$ 184,783	$ -
Net pension liability	774,432		(127,928)	646,504	-
Total governmental activities	$ 909,773	$ 49,442	$ (127,928)	$ 831,287	$ -

The General Fund has been used to liquidate compensated absences occurring in the governmental funds.

The City's long-term debt for the Water Sewer Fund consisted of an intergovernmental loan from the Georgia Environmental Facilities Authority to construct the City's Truelove outfall sewer project. On July 12, 2013, the City signed a loan agreement with the Clean Water State Revolving Fund, administered by the Georgia Environmental Facilities Authority to borrow $2,100,828 to finance the costs of acquiring, constructing, and installing the environmental facilities that consist of installing gravity sewers, force mains, a 700-gpm pump station, a standby generator, and all other equipment to make it complete and appurtenant to work. Construction on the project was complete as of June 1, 2015. As of June 1, 2015, the short-term debt was replaced with permanent long- term financing. The loan carries an interest rate of 1.82% with a 20-year term at $7,269 per month.

On March 30, 2016, the City signed a loan agreement administered by the Georgia Environmental Facilities Authority to finance the Highway 129 North Sewer Project, which involves the replacement of an existing pump station with a gravity sewer line and related appurtenances. Construction on the project was completed July 2017. The loan for $478,055 is a 20 year note at 2.03% interest at $2,425 monthly installments began on September 1, 2017.

On February 20, 2021, the City signed a loan agreement administered by the Georgia Environmental Facilities Authority to finance the expansion and upgrade of the existing 0.75 MGD sewer treatment facility to a 1.5 MGD facility and related appurtenances. Construction on the project is expected to be completed by April 2027. As of June 30, 2024, draws in the amount of $287,091 had been made on the loan. The repayment schedule will be determined once draw down of needed funds construction of facility is completed.

Interest cost of the long-term debt in the business-type activity is expensed in the current period. For the year ending June 30, 2023, that interest cost was $30,265.

Changes in long-term debt:

	Balance as of June 30,2023	Additions	Reductions	Balance as of June 30,2024	Due Within One Year
Business-Type Activities:					
Compensated absences	$ 103,372	$ -	$ (33,264)	$ 70,108	$ -
Net pension liability	136,663		(22,576)	114,087	-
Notes payable	1,565,311	65,224	(91,888)	1,538,647	94,401
Total business-type activities	$ 1,805,346	$ 65,224	$ (147,728)	$ 1,722,842	$ 94,401

Annual debt service requirements for notes payable are as follows (excluding note in draw down period):

Year	Principal	Interest	Total
2025	94,501	21,829	116,330
2026	96,284	20,046	116,330
2027	98,100	18,230	116,330
2028	99,950	16,380	116,330
2029	101,836	14,494	116,330
2030-2034	538,732	42,918	348,990
2035-2039	222,154	34,751	407,195
Totals:	$ 1,251,556	$ 168,649	$ 1,337,836

NOTE 7. RISK MANAGEMENT

The City purchased general liability insurance from Legacy Risk Solutions, LLC. The policy starts July 1 and ends June 30th of each year. The premium for the City's fiscal year of 2023 was $107,218. The City purchases Workers Compensation Insurance through Key Risk Insurance Company. The City's policy year starts on January 1st and ends on December 31st of each year. The premium for the policy year of 2023 was $89,385.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all 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 risk of loss. There have been no settlements in the previous three years in excess of insurance.

NOTE 8. HOTEL/MOTEL TAX COMPLIANCE

The City's Hotel/Motel Tax rate is 8%. The Chamber of Commerce has contracted to expend 43.75% and the City retains 37.5% which is restricted for expenditures for the promotion of tourism and trade. For the year ending June 30, 2024, the City is in compliance with OCGA 48-13-51 which requires the City to spend tax receipts monies on tourism.

Tax Collections	$40,139
Amount Provided to the White County Chamber of Commerce	$ 18,277
Amount Expended by City for Promotion of Tourism & Trade	$15,052

NOTE 9. BUDGET COMPLIANCE

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	$ 1,465,595	$ 1,454,847	$ (10,748)
Public Safety	2,516,126	2,512,990	$ (3,136)
Public Works	497,320	482,587	$ (14,733)
Recreation & culture	19,600	16,275	$ (3,325)
Transfers Out	-	-	$ -
ARPA Fund	678,000	677,941	$ (59)
Hotel Motel Fund	37,500	37,113	$ (387)
Confiscated Assets Fund	10,080	-	$ (10,080)
	$ 5,924,221	$ 5,881,756	$ (32,385)

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

NOTE 10. UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

As of June 30, 2024, deferred inflows of resources and unearned revenue consisted of the following:

Governmental Fund Financial Statements:		
Deferred inflows of resources		
Property Taxes	$ 705	Non-exchange transaction resource collected
Fines	184,360	beyond the City's period of availability.
Total deferred inflows of resources	$ 185,065	
Government-Wide Fund Financial Statements		
Deferred inflows of resources		
Defined benefit retirement plan - See note 14	$ 75,408	
Total deferred inflows of resources	$ 75,408	
Business-type Activities:		
Deferred inflows of resources		
Defined benefit retirement plan - See note 14	$ 13,307	
Total deferred inflows of resources - business-type activities	$ 13,307	
Total Deferred Inflows of Resources - Government-Wide	$ 88,715	

NOTE 11. DEFERRED OUTFLOWS OF RESOURCES

As of June 30, 2024, deferred outflows of resources consisted of the following:

Governmental Activities:	
Defined benefit retirement plan - See note 14	$ 482,136
Total deferred outflows of resources - governmental activities	$ 482,136
Business-type Activities:	
Defined benefit retirement plan - See note 14	$ 85,086
Total deferred outflows of resources - business-type activities	$ 85,086
Total Deferred Outflows of Resources - Government-Wide	$ 567,222

NOTE 12. INTERNAL FUND BALANCES AND TRANSFERS

Interfund balances resulted 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, 2024, the interfund balances were as follows:

Interfund Balances:

	Due From:			
Due To:	Capital Projects Fund	Confiscated Assets Fund	Water Sewer Fund	Total
General Fund	$ 293,366	$ 17	$ 319,475	$ 612,858
Water Sewer Fund	5,699	-	-	5,699
	$ 299,065	$ 17	$ 319,475	$ 618,557

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 All Others. 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.

	Transfer From:				
Transfer To:	Capital Projects Fund	Hotel Motel	ARPA	Water Sewer	Total
General Fund	$ -	$ 11,874	$ -	$ 182,000	$ 193,874
Water Sewer Fund	308,986	-	350,000	-	658,986
	$ 308,986	$ 11,874	$ 350,000	$ 182,000	$ 852,860

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.

NOTE 13. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Primary Government:					
Governmental Activities:					
Non-Depreciable Assets:					
Land	$ 447,815	$ 327,938	$ -	$ 422,544	$ 1,198,297
Construction in Progress	422,544	50,996	-	(422,544)	50,996
Total non-depreciable capital assets	870,359	378,934	-	-	1,249,293
Depreciable Assets:					
Buildings & Improvements	1,513,154	-	-	-	1,513,154
Machinery & Equipment	2,340,775	306,341	-	-	2,647,116
Infrastructure	821,386	42,800	-	-	864,186
Total depreciable capital assets	4,675,315	349,141	-	-	5,024,456
Accumulated Depreciation:					
Buildings & Improvements	600,992	29,752	-	-	630,744
Machinery & Equipment	1,955,347	165,297	-	-	2,120,644
Infrastructure	184,057	40,973	-	-	225,030
Total accumulated depreciation	2,740,396	236,022	-	-	2,976,418
Total depreciable capital assets, net	1,934,919	113,119	-	-	2,048,038
Governmental activities capital assets, net	$ 2,805,278	$ 492,053	$ -	$ -	$ 3,297,331
Business-type Activities:					
Non-Depreciable Assets:					
Land	$ 171,336	-	-	-	$ 171,336
Construction in Progress	1,144,396	168,234	-	-	1,312,630
Total non-depreciable capital assets	1,315,732	168,234	-	-	1,483,966
Depreciable Assets:					
Buildings & Improvements	57,881	-	-	-	57,881
Machinery & Equipment	1,061,373	178,101	-	-	1,239,474
Infrastructure	17,692,569	479,472	-	-	18,172,041
Total depreciable capital assets	18,811,823	657,573	-	-	19,469,396
Accumulated Depreciation:					
Buildings & Improvements	51,938	491	-	-	52,429
Machinery & Equipment	946,673	46,922	-	-	993,595
Infrastructure	7,100,940	487,157	-	-	7,588,097
Total accumulated depreciation	8,099,551	534,570	-	-	8,634,121
Total depreciable capital assets, net	10,712,272	123,003	-	-	10,835,275
Business-type activities capital assets, net	$ 12,028,004	$ 291,237	$ -	$ -	$ 12,319,241

Depreciation expense was charged to these functions in the government-wide financial statements, as follows:

Governmental Activities:		
General Government	$	18,222
Public Safety	$	118,931
Public Works	$	86,303
Culture and Recreation	$	12,566
Total depreciation expense - governmental activities	$	236,022
Business-type Activities:		
Water and Sewer	$	534,570
Total depreciation expense - business-type activities	$	534,570

NOTE 14: RETIREMENT PLANS

Defined Benefit Retirement Plan

Plan Description
The Georgia Municipal Employees Benefit System (GMEBS) administers an agent multiple-employer defined benefit pension plan, the City of Cleveland Retirement Plan as defined in the Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. Under the GMEBS Retirement Fund, the contributions made by the City of Cleveland, Georgia are commingled with contributions made by other participants of the GMEBS Retirement Fund for investment purposes. The plan was effective on October 1, 2013.

The Board of Trustees of the Georgia Municipal Employees Benefit System (GMEBS) is authorized to amend the "Plan" documents pursuant to a formally adopted resolution. The adoption agreements, executed by the City Council, establish the specific benefit provisions of the Defined Benefit Plan and may be amended by a formally adopted resolution by the City Council and approved by the Plan Board of Trustees. The Plan provides for benefits upon retirement, death, disablement, and termination of employment. The pension plan's financial report is included in the report of the Georgia Municipal Employees Benefit System.

A copy of the Pension Plan financial reports can be obtained from:

Georgia Municipal Association
201 Pryor Street, NW
Atlanta, GA. 30303-3606

Employee membership data related to the Plan, as of December 31, 2024 was as follows:

Active employees:	
Benefits for retired participants and beneficiaries	3
Terminated vested participants	8
Active vested participants	35
Total number of plan participants:	46

Funding Policy
The City is required to contribute an actuarially determined amount annually to the Plan's trust. The Contribution amount is determined using actuarial methods and assumptions provided for by the adoption agreement and intended to satisfy the minimum contribution requirements set forth in controlling State of Georgia statutes. The City's retirement plan is subject to minimum funding standards of the Public Retirement Systems Standard Law (Georgia Code Section 47-20-10). The minimum annual contribution under these standards is $176,624 which is 8.10% of the current-year covered payroll. The minimum contribution amount is determined as the sum of the normal cost (including administrative expenses), the 30-year

level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization surplus, and interest on these amounts from the valuation date to the date contributions are paid. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contributions to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan.

Summary of Plan Provisions

Recommended Contribution

	Year Beginning	
	1/1/2024	1/1/2023
Total Benefit Normal Cost	$ 135,565	$ 141,182
Administrative Expenses	7,544	7,081
Expected Employee Contributions		-
Employer Normal Cost	$ 143,109	$ 148,263
Actuarial Accrued Liability at Valuation Date	2,485,648	2,275,865
Actuarial Value of Assets at Valuation Date	2,258,007	2,009,476
Underfunded/(Surplus) Actuarial Accrued Liability	$ 227,641	$ 266,389
Payment on Unfunded/(Surplus) Actuarial Accrued Liability	27,341	30,272
Full Funding Credit		-
Recommended Mid-Year Contribution at Valuation Date	$ 170,450	$ 178,535
Adjustment to Fiscal Year (Begins July 1, 2016)	6,174	6,466
Total Recommended Mid-Year Contribution, For Fiscal Year	$ 176,624	$ 185,001
Recommended Contribution As A Percentage Of Expected Payroll	8.10%	8.49%

Employer	City of Cleveland
Social Security	No
Participant Contribution	Non-Contributory
Original Effective Date	10/1/2013
Eligibility Requirements	Employees: No waiting period Officials: Not covered
Normal Retirement Age	65+5
Early Retirement	55+10 1.75%
Official's Benefits	None
Vesting	5 years
Death Benefits	Auto A - Participant must be vested in a Normal Retirement Term vest Auto A death benefit
Disability Minimum	20% - Participant must be vested in a Normal Retirement
Cost-of-Living	None
Other	Prior service from 10-1-13 counts for purposes of satisfying the minimum service requirements for participation, benefit eligibility and vesting only. Service Credit Purchase – Participants who are eligible regular employees of the city and actively employed with the city as of 9-30-13 and vested may purchase service. See Service Credit Addendum for details) No changes in plan features since last valuation.

The following chart shows the historical funding information. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Funding History

Actuarial Valuation Date		1/1/2024
Actuarial Value of Assets (a)	$	2,258,007
Actuarial Accrued Liability (b)	$	2,485,648
Underfunded/(Surplus) (b) - (a)	$	227,641
Funded Ratio (a) / (b)		90.84%
Covered Payroll	$	2,155,739
Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		10.56%

Actuarial Cost Method. Entry Age Method.

Amortization Method. Closed level dollar for remaining underfunded liability.

Asset Valuation Method. Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial assumptions. The total pension liability in the January 1, 2024 actuarial valuation date was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Net Investment Rate of Return	7.375% (on-going basis)
	1.92% (plan termination basis)
Projected Salary Increases	2.25% plus service based merit increases
Social Security Wage Base Increase	2.25%
Inflation	2.25%

The mortality and economic actuarial assumptions used in the January 1, 2023 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December 2019. The Pri-2012 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2015 to June 30, 2019. Mortality experience will be review periodically and updated if necessary.

Mortality Rates

Healthy:	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortalilty Table with rate multiplied by 1.25
Disabled:	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortalilty Table with rate multiplied by 1.25
Active participants, terminated vested particpants, and deferred beneficiaries:	Sex-distinct Pri-2012 head-count weighted Employee Mortalilty Table
Plan termination basis (all lives):	1994 Group Annuity Reserving Unisex Table

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.91%
International Equity	20%	7.21%
Domestic Fixed Income	20%	1.61%
Real Estate	10%	3.61%
Global Fixed Income	5%	1.67%
Cash	0%	
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that City contributions will be made at equal rates to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

City's Net Pension Liability:	
Governmental activities	$ 646,504
Business-type activities	$ 114,087
Total Net Pension Liability	$ 760,591

Net Pension Liability. The City's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. At June 30, 2024, the City reported a net pension liability. The amount recognized by the City were as follows:

Changes in the City's net pension liability for the year ended September 30, 2023 were as follows:

	Liability (TPL) (a)	Position (FNP) (b)	Liability (NPL) (a)-(b)
Balances at September 30, 2022	**2,726,833**	**1,815,738**	**911,095**
Changes for the Year:			
Service Cost	$ 121,880	$ -	$ 121,880
Interest Expense	208,052	-	208,052
Differences between expected and actual experience	(73,555)	-	(73,555)
Contributions - Employer/Nonemployer	-	168,373	(168,373)
Net Investment Income	-	245,048	(245,048)
Benefits Paid	(55,345)	(55,345)	-
Plan Administrative Expenses	-	(6,540)	6,540
NET CHANGES:	$ 201,032	$ 351,536	$ (150,504)
Balances at September 30, 2023	**$ 2,927,865**	**$ 2,167,274**	**$ 760,591**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's net pension liability calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% Decrease	6.375%	$1,220,942
Current Discount Rate	7.375%	$760,591
1% Increase	8.375%	$381,175

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report.

Pension Expense for the Year Ended June 30, 2024:

Service Cost	$ 121,880
Interest on TPL	208,052
Employee Contributions	-
Administrative Expenses	6,540
Expected Return on Assets	(137,837)
Expensed Portion of Current Year Period Differences Between Expected And Actual Experience in TPL	(12,260)
Expensed Portion of Current Year Period Assumption Changes	-
Current Year Plan Changes (Establishment of New Plan)	-
Expensed Portion of Current Year Period Differences Between Projected and Actual Investment Earnings	(21,443)
Current Year Recognition of Deferred Inflows and Outflows Established in Prior Years	114,470
Total Pension Expense	$ 279,402

For the year ended June 30, 2024, the City of Cleveland recognized pension expense of $285,598.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected And Actual Experience	$ 316,064	$ (61,295.00)
Changes of Assumptions	5,428	(27,420)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	106,979	-
City Contributions Subsequent to the Measurement Date	138,751	-
Total	$ 567,222	$ (88,715)

The deferred outflows of resources are reported on the Statement of Net Position as follows:

	Governamental Activities	Business-Type Activities	Total
Difference Between Projected & Actual Earnings on Pension Plan Investments	$ 90,930	$ 16,049	$ 106,979
Difference Between Expected & Actual Experience	$ 216,554	$ 38,215	$ 254,769
Change in Assumptions	$ (18,693)	$ (3,299)	$ (21,992)
Employer Contributions Oct 1, 2023 - June 30, 2024	$ 117,938	$ 20,813	$ 138,751
	$ 406,729	$ 71,778	$ 478,507

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Projected Recognition of Deferred Outflows/ (Inflows)

	Year Established	Outstanding Balance at July 1, 2023	Amount Recognized During FYE June 30, 2024	Outstanding Balance at June 30, 2024	2025	2026	2027	2028	2029	2030 and Thereafter
Fiscal Year Outflows										
Investment	2020	$ 9,502	$ 9,502	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment	2023	405,688	101,422	304,266	101,422	101,422	101,422	-		
Demographics	2016	9,816	2,454	7,362	2,454	2,454	2,454	-	-	-
Demographics	2017	35,815	7,163	28,652	7,163	7,163	7,163	7,163	-	-
Demographics	2018	24,800	4,960	19,840	4,960	4,960	4,960	4,960	-	-
Demographics	2019	88,356	14,726	73,630	14,726	14,726	14,726	14,726	14,726	
Demographics	2020	35,800	7,160	28,640	7,160	7,160	7,160	7,160	-	-
Demographics	2021	82,830	13,805	69,025	13,805	13,805	13,805	13,805	13,805	-
Demographics	2022	72,786	12,131	60,655	12,131	12,131	12,131	12,131	12,131	-
Demographics	2023	33,912	5,652	28,260	5,652	5,652	5,652	5,652	5,652	-
Assumption Change	2018	6,785	1,357	5,428	1,357	1,357	1,357	1,357	-	-
Total Outflows		$ 806,090	$ 180,332	$ 625,758	$ 170,830	$ 170,830	$ 170,830	$ 66,954	$ 46,314	$ -
Fiscal Year Inflows										
Investment	2021	$ (12,990)	$ (6,495)	$ (6,495)	$ -	$ -	$ -	$ -	$ -	$ -
Investment	2022	(157,536)	(52,512)	(105,024)	(52,512)	(52,512)	-	-	-	-
Investment	2024	(107,211)	(21,443)	(85,768)	(21,442)	(21,442)	(21,442)	(21,442)		
Demographics	2024	(73,555)	(12,260)	(61,295)	(12,259)	(12,259)	(12,259)	(12,259)	(12,259)	
Assumption Change	2020	(34,275)	(6,855)	(27,420)	(6,855)	(6,855)	(6,855)	(6,855)	-	-
Total Inflows		$ (385,567)	$ (99,565)	$ (286,002)	$ (93,068)	$ (93,068)	$ (40,556)	$ (40,556)	$ (12,259)	$ -
Total		$ 420,523	$ 80,767	$ 339,756	$ 77,762	$ 77,762	$ 130,274	$ 26,398	$ 34,055	$ -

Defined Contribution Plan

The City also sponsors a defined contribution plan for all eligible employees. All full-time employees are eligible to participate in the plan as of June 30, 2024. Contributions to the plan are funded on a monthly basis. Employees are not permitted to contribute consequently; the City does not have a matching obligation. Employees are 100% vested after being employed as an eligible employee for 5 years. At June 30, 2024, there were 41 employees participating in the plan.

The City has authorized the Georgia Municipal Association through its legal counsel to amend the 401(a) Defined Contribution Plan on its behalf with the approval of the Plan Trustees. The Plan holds assets in a separate trust in the name of each participant. The assets of the trust are not reported on the City's financial statements. The adoption agreement can be amended by a formal resolution of the City Council and the Board of Trustees of GMEBS. For the year ending June 30, 2024, the City contributed on behalf of participating employees $67,291.

In addition to the above defined contribution plan, the City also sponsors the Deferred Compensation Plan of the City of Cleveland, a Section 457 defined contribution plan for the benefit of its employees. At June 30, 2024, there was two employees participating in the plan. Contributions to the plan are funded on a monthly basis. The City does not match employee contributions. All employees are eligible to participate in the plan. Employees can begin to participate in the plan the following month after employment begins. 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, 2024, the employees contributed $32,820 to the plan.

NOTE 15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 20, 2024.

CITY OF CLEVELAND, GEORGIA
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over/(Under)	GAAP Basis	Final Budget
Revenues						
Property tax	$ 744,675	$ 744,675	$ 730,337	$ -	$ 730,337	$ (14,338)
Sales tax	1,313,000	1,398,000	1,601,395	-	1,601,395	203,395
Business tax	422,000	422,000	427,423	-	427,423	5,423
Franchise tax	293,500	293,500	278,611	-	278,611	(14,889)
Excise tax	202,000	202,000	210,303	-	210,303	8,303
Hotel/Motel tax	22,000	22,000	-	-	-	(22,000)
Intergovernmental	148,200	148,200	253,526	-	253,526	105,326
Licenses and permits	155,000	155,000	142,169	-	142,169	(12,831)
Fines and forfeitures	67,550	67,550	95,106	-	95,106	27,556
Charges for services	482,050	482,050	421,210	-	421,210	(60,840)
Interest	14,000	14,000	32,256	-	32,256	18,256
Miscellaneous	218,000	218,000	10,262	-	10,262	(207,738)
Total Revenue	**4,081,975**	**4,166,975**	**4,202,598**	**-**	**4,202,598**	**35,623**
Expenditures						
Current:						
General Government	1,455,595	1,465,595	1,454,847		1,454,847	(10,748)
Public safety	2,441,126	2,516,126	2,512,990		2,512,990	(3,136)
Public works	497,320	497,320	482,587		482,587	(14,733)
Recreation and culture	19,600	19,600	16,275		16,275	(3,325)
Total Expenditures	**4,413,641**	**4,498,641**	**4,466,699**	**-**	**4,466,699**	**(31,942)**
Excess (Deficiency) of Revenues Over (Under)	$ (331,666)	$ (331,666)	$ (264,101)	$ -	$ (264,101)	$ 67,565
Other Financing Sources (Uses)						
Transfers in	-	-	193,874	-	193,874	193,874
Proceeds from sale of assets	-	-	28,602	-	28,602	28,602
Budgeted Fund Balance	331,666	331,666	-	-	-	(331,666)
Total Other Financing Sources (Uses)	331,666	331,666	222,476	-	222,476	(109,190)
Net Change in Fund Balances	-	-	(41,625)	-	(41,625)	(41,625)
Fund Balances Beginning of Year			1,288,989		1,288,989	
Fund Balances End of Year			$ 1,247,364		$ 1,247,364	

CITY OF CLEVELAND, GEORGIA
Budgetary Comparison Schedule - ARPA Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over/(Under)	GAAP Basis	Final Budget
Revenues						
Intergovernmental	$ 618,000	$ 618,000	$ 573,614	-	$ 573,614	$ (44,386)
Interest	60,000	60,000	63,189	-	63,189	3,189
Total Revenue	678,000	678,000	636,803	-	636,803	(41,197)
Expenditures						
Current:						
Public safety	328,000	328,000	327,938	-	327,938	(62)
Capital Outlay						
Total Expenditures	328,000	328,000	327,938	-	327,938	(62)
Excess (Deficiency) of Revenues Over (Under)	$ 350,000	$ 350,000	$ 308,865	$ -	$ 308,865	$ (41,135)
Other Financing Sources (Uses)						
Transfers out	(350,000)	(350,000)	(350,000)	-	(350,000)	-
Total Other Financing Sources (Uses)	(350,000)	(350,000)	(350,000)	-	(350,000)	-
Net Change in Fund Balances	$ -	$ -	(41,135)	$ -	(41,135)	$ (41,135)
Fund Balances Beginning of Year			41,135		41,135	
Fund Balances End of Year			$ -		$ -	

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.

Budget Amendments

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

Department	Original Budget	Supplemental Appropriations	Supplemental Decreases	Revised Appropriations
General Fund				
General Government	$ 1,455,595	$ 10,000	$ -	$ 1,465,595
Public Safety	2,441,126	75,000	-	2,516,126
Hotel Motel Fund	32,500	5,000	-	37,500
	$ 5,134,221	$ 90,000	$ -	$ 5,224,221

CITY OF CLEVELAND, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability									
Service Cost	$ 121,880	$ 98,486	$ 106,474	$ 102,238	$ 97,999	$ 64,925	$ 58,326	$ 58,898	$ 48,885
Interest	208,052	186,273	162,660	137,232	123,189	96,456	78,639	62,564	52,430
Differences Between Expected and Actual Experience	(73,555)	39,566	97,046	124,247	64,439	161,991	54,563	85,952	29,448
Changes of Assumptions	-	-	-	-	(61,697)	-	14,932	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of	(55,345)	(49,488)	(26,527)	(19,829)					
Employee Contributions	0	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	201,032	274,837	339,653	343,888	223,930	323,372	206,460	207,414	130,763
Total Pension Liability - Beginning	2,726,833	2,451,996	2,112,343	1,768,455	1,544,525	1,221,153	1,014,693	807,279	676,516
Total Pension Liability - Ending (a)	$ 2,927,865	$ 2,726,833	$ 2,451,996	$ 2,112,343	$ 1,768,455	$ 1,544,525	$ 1,221,153	$ 1,014,693	$ 807,279
Plan Fiduciary Net Position									
Contributions - Employer	$ 168,373	$ 181,201	$ 167,455	$ 145,641	$ 141,841	$ 122,385	$ 102,039	$ 86,327	$ 64,832
Contributions - Employee			-	-	-	-	-	-	-
Net Investment Income	245,048	(351,866)	380,186	131,064	40,148	91,430	110,614	64,770	3,251
Benefit Payments, Including Refunds of									
Employee Contributions	(55,345)	(49,488)	(26,527)	(19,829)	-	-	-	-	-
Administrative Expense	(6,540)	(6,464)	(6,475)	(6,125)	(5,692)	(5,923)	(6,329)	(3,206)	(3,636)
Other			-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	351,536	(226,617)	514,639	250,751	176,297	207,892	206,324	147,891	64,447
Plan Fiduciary Net Position - Beginning	1,815,738	2,042,355	1,527,716	1,276,965	1,100,668	892,776	686,452	538,561	474,114
Plan Fiduciary Net Position - Ending (b)	$ 2,167,274	$ 1,815,738	$ 2,042,355	$ 1,527,716	$ 1,276,965	$ 1,100,668	$ 892,776	$ 686,452	$ 538,561
Net Pension Liability - Ending: (a)-(b)	$ 760,591	$ 911,095	$ 409,641	$ 584,627	$ 491,490	$ 443,857	$ 328,377	$ 328,241	$ 268,718
Plan's Fiduciary Net Position as a Percentage of									
the Total Pension Liability	74.02%	66.59%	83.29%	72.32%	72.21%	71.26%	73.11%	67.65%	66.71%
Covered-Employee Payroll	$ 2,155,739	$ 2,154,052	$ 1,812,896	$ 1,828,618	$ 1,752,918	$ 1,540,974	$ 1,125,945	$ 979,915	$ 931,713
Net Pension Liability as a Percentage of									
Covered Payroll	35.28%	42.30%	22.60%	31.97%	28.04%	28.80%	29.16%	33.50%	28.84%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF CLEVELAND, GEORGIA
Required Supplementary Information
Schedule of Contributions
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	-	$ 162,830	$ 163,901	$ 140,448	$ 128,762	$ 87,548	$ 72,713	$ 60,989	$ 52,058
Contributions in Relation to the Actuarially	-	135,692	183,879	160,380	143,676	140,866	115,045	97,571	83,496
Determined Contribution	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	-	27,138	(19,978)	(19,932)	(14,914)	(53,318)	(42,332)	(36,582)	(31,438)
Covered-Employee Payroll	-	2,154,052	1,812,896	1,828,618	1,752,918	1,540,974	1,125,945	979,915	931,713
Contributions as a Percentage of	-	-							
Covered Payroll	0.00%	6.30%	10.14%	8.77%	8.20%	9.14%	10.22%	9.96%	8.96%

Note: 2024 information will be determined after fiscal year end and will be in the 2025 valuation report. Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions. 2024 covered payroll is based on data collected as of September 30, 2023 for the 2024 actuarial valuation.

Changes of Assumptions
There have been no changes in methods or assumptions since last valuation.

Benefit Changes
There have been no changes in plan provisions in the last three fiscal years.

CITY OF CLEVELAND, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Hotel / Motel Fund	Confiscated Assets Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 58,186	$ 2,452	$ 60,638
Receivables (net)	3,455	-	3,455
Total Assets	61,641	2,452	64,093
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	$ 61,641	$ 2,452	$ 64,093
Liabilities			
Accounts payable	$ 1,512	$ 150	$ 1,662
Due to other funds	-	17	17
Total Liabilities	1,512	167	1,679
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,512	167	1,679
Fund Balances			
Restricted for			
Public safety	-	2,285	2,285
Tourism	60,129	-	60,129
Total Fund Balances	60,129	2,285	62,414
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 61,641	$ 2,452	$ 64,093

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

CITY OF CLEVELAND, GEORGIA

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

	Hotel / Motel Fund	Confiscated Assets Fund	Total Nonmajor Governmental Funds
Revenues			
Hotel/Motel tax	$ 40,139	$ -	$ 40,139
Interest	2,859	115	2,974
Total Revenue	42,998	115	43,113
Expenditures			
Current:			
Housing and development	25,239	-	25,239
Total Expenditures	25,239	-	25,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,759	115	17,874
Other Financing Sources (Uses)			
Transfers out	(11,874)	-	(11,874)
Total Other Financing Sources (Uses)	(11,874)	-	(11,874)
Net Change in Fund Balances	5,885	115	6,000
Fund Balances Beginning of Year	54,244	2,170	56,414
Fund Balances End of Year	$ 60,129	$ 2,285	62,414

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

Walker Pierce & Tuck
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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

To the City Council
City of Cleveland, 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 City of Cleveland, Georgia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Cleveland, Georgia's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Cleveland, 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 City of Cleveland, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Cleveland, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Cleveland, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 20,2024

CITY OF CLEVELAND, GEORGIA

Schedule of Special Purpose Local Option Sales Tax
Estimated Cost and Expenditure Summary
For the Year Ended June 30, 2024

Project Description	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST 2014					
Water and Sewer Improvements	$ 1,033,600	$ 1,033,600	$ 1,200,360	$ 102,400	$ 1,302,760
Improvement of Buildings, Infrastructure, and Vehicles	236,400	236,400	851,137	54,820	905,957
Roads Streets, Bridges, and Sidewalk Projects	750,000	750,000	298,871	-	298,871
Cultural and Recreational Equipment	450,000	450,000	847,859	-	847,859
Total:	$ 2,470,000	$ 2,470,000	$ 3,198,227	$ 157,220	$ 3,355,447
SPLOST 2020					
Water / wastewater improvements,	$ 2,400,000	$ 2,400,000	$ 71,688	$ 206,586	$ 278,274
Acquisiton & improvements of public buildings, infrastructure, recreation, & public safety vehicles	1,700,000	1,700,000	74,184	202,412	276,596
Roads, streets, bridges, and sidewalk projects incl. equipment and vehicles	1,100,000	1,100,000	-	168,709	168,709
	$ 5,200,000	$ 5,200,000	$ 145,872	$ 577,707	$ 723,579