CITY OF HELEN, GEORGIA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2023

WALKER, PIERCE & TUCK, CPA'S, PC

CITY OF HELEN, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2023
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Walker Pierce & Tuck
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INDEPENDENT AUDITOR'S REPORT

City of Helen Commission
Helen, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the City of Helen, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Helen, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Helen, Georgia, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Helen, Georgia's basic financial statements. The combining and individual fund financial statements and Schedule of Expenditures of Special Purpose Local Option Sales Tax, as required by O.C.G.A. 48-8-121 as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Special Purpose Local Sales Tax is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Special Purpose Local Sales Tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2023, on our consideration of the City of Helen, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Helen, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Helen, Georgia's internal control over financial reporting and compliance.

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

Gainesville, GEORGIA
February 20, 2023

CITY OF HELEN, GEORGIA

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 9,288,715	$ 1,876,820	$ 11,165,535
Restricted assets	28,472	4,406,961	4,435,433
Accounts receivables (net)	390,402	88,395	478,797
Intergovernmental receivable	276,185	-	276,185
Accrued revenue	-	42,822	42,822
Prepaid expenditures	172,612	436,707	609,319
Interfund balances	131,362	(131,362)	-
Total Current Assets	10,287,748	6,720,343	17,008,091
Noncurrent Assets			
Capital assets			
Nondepreciable	3,320,705	1,024,501	4,345,206
Depreciable, net	4,702,830	6,166,428	10,869,258
Total Noncurrent Assets	8,023,535	7,190,929	15,214,464
Total Assets	18,311,283	13,911,272	32,222,555
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	18,311,283	13,911,272	32,222,555
Liabilities			
Current Liabilities			
Accounts payable	462,976	447,823	910,799
Accrued expenses	26,081	84,162	110,243
Amounts held in trust	8,530	141,107	149,637
Revenue bond payable	-	596,649	596,649
Intergovernmental loan	-	59,660	59,660
Finance purchases from direct borrowings due within one year	42,119	-	42,119
Unearned revenue	209,094	-	209,094
Total Current Liabilties	748,800	1,329,401	2,078,201
Long-term Liabilities			
Revenue bond payable	-	5,545,954	5,545,954
Intergovernmental loan	-	153,858	153,858
Finance purchases from direct borrowings due within more than one year	135,012	-	135,012
Compensated absences	144,521	8,453	152,974
Advances from other funds	302,804	(302,804)	-
Total Long-term Liabilities	582,337	5,405,461	5,987,798
Total Liabilities	1,331,137	6,734,862	8,065,999
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,331,137	6,734,862	8,065,999
Net Position			
Net Investment in Capital Assets	7,846,404	5,100,462	12,946,866
Restricted for:			
Capital projects	2,453,582	-	2,453,582
Tourism	627,150	-	627,150
Public Safety	40,671	-	40,671
Unrestricted	6,012,339	2,075,948	8,088,287
Total Net Position	$ 16,980,146	$ 7,176,410	$ 24,156,556

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

CITY OF HELEN, GEORGIA

Statement of Activities

For the Year Ended June 30, 2023

	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	$ 1,245,042	$ 851,197	$ 50,123	$ 1,594,203	$ 1,250,481	$ -	$ 1,250,481
Judicial	22,364	4,409	-	-	(17,955)	-	(17,955)
Public safety	2,173,579	20,039	300	-	(2,153,240)	-	(2,153,240)
Public works	1,096,927	62,421	-	24,003	(1,010,503)	-	(1,010,503)
Recreation and culture	99,319	-	-	-	(99,319)	-	(99,319)
Housing and development	1,529,094	4,955	-	-	(1,524,139)	-	(1,524,139)
Interest on debt	6,675	-	-	-	(6,675)	-	(6,675)
Total Governmental Activities	6,173,000	943,021	50,423	1,618,206	(3,561,350)	-	(3,561,350)
Business-type Activities:							
Water and sewer	1,585,564	1,308,992	-	62,179	-	(214,393)	(214,393)
Total Business-type activities	1,585,564	1,308,992	-	62,179	-	(214,393)	(214,393)
Total Primary Government	$ 7,758,564	$ 2,252,013	$ 50,423	$ 1,680,385	$ (3,561,350)	$ (214,393)	$ (3,775,743)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					510,274	-	510,274
Franchise fees					140,023	-	140,023
Sales Tax					1,536,509	-	1,536,509
Excise taxes					305,174	-	305,174
Business tax					198,323	-	198,323
Hotel/Motel tax					2,898,982	-	2,898,982
Interest and investment earnings					222,800	55,248	278,048
Miscellaneous					44,324	16,921	61,245
Gain (loss) on disposition of assets					32,324	-	32,324
Transfers					(252,862)	252,862	-
Total General Revenues and Transfers					5,635,871	325,031	5,960,902
Change in Net Position					2,074,521	110,638	2,185,159
Net Position Beginning of Year					14,905,625	7,065,772	21,971,397
Ending Net Position					$ 16,980,146	$ 7,176,410	$ 24,156,556

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

CITY OF HELEN, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Hotel Motel Fund	SPLOST Fund	Other Capital Projects Fund	ARPA Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 5,390,476	$ 770,230	$ 2,316,003	$ 558,862	$ 214,590	$ 38,554	$ 9,288,715
Restricted cash	25,099	-	-	-	-	3,373	28,472
Intergovernmental receivable	139,344	-	136,841	-	-	-	276,185
Receivables (net)	107,653	282,749	-	-	-	-	390,402
Prepaid expenditures	172,612	-	-	-	-	-	172,612
Due from other funds	131,362	-	-	-	-	-	131,362
Total Assets	5,966,546	1,052,979	2,452,844	558,862	214,590	41,927	10,287,748
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 5,966,546	$ 1,052,979	$ 2,452,844	$ 558,862	$ 214,590	$ 41,927	$ 10,287,748
Liabilities							
Accounts payable	$ 36,880	$ 425,829	$ -	$ -	$ -	$ 267	$ 462,976
Accrued expenses	26,081	-	-	-	-	-	26,081
Advances from other funds	-	-	-	302,804	-	-	302,804
Unearned revenue	-	-	-	-	209,094	-	209,094
Amounts held in trust	8,530	-	-	-	-	-	8,530
Total Liabilities	71,491	425,829	-	302,804	209,094	267	1,009,485
Deferred Inflows of Resources	93,071	-	-	-	-	-	93,071
Total Liabilities and Deferred Inflows of Resources	164,562	425,829	-	302,804	209,094	267	1,102,556
Fund Balances							
Nonspendable							
Prepaid expenditures	172,612	-	-	-	-	-	172,612
Committed							
Capital projects	-	-	-	256,058	-	-	256,058
Tree fund memorial	-	-	-	-	-	989	989
Restricted for							
Capital projects	-	-	2,452,844	-	-	-	2,452,844
Debt Service	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	40,671	40,671
Tourism	-	627,150	-	-	-	-	627,150
Unassigned	5,629,372		-	-	5,496	-	5,634,868
Total Fund Balances	5,801,984	627,150	2,452,844	256,058	5,496	41,660	9,185,192
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,966,546	$ 1,052,979	$ 2,452,844	$ 558,862	$ 214,590	$ 41,927	$ 10,287,748

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

CITY OF HELEN, GEORGIA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total Governmental Fund Balances		$ 9,185,192
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	$ 18,060,026	
Less: Accumulated depreciation	(10,036,491)	
Total capital assets		8,023,535
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		(144,521)
Finance Purchase		(177,131)
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.		93,071
Net Position of Governmental Activities		$ 16,980,146

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

CITY OF HELEN, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2023

	General Fund	Hotel Motel Fund	SPLOST Fund	Other Capital Projects Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property tax	$ 511,208	$ -	$ -	$ -	$ -	$ -	$ 511,208
Sales tax	1,536,509	-	-	-	-	-	1,536,509
Business tax	198,323	-	-	-	-	-	198,323
Franchise tax	140,023	-	-	-	-	-	140,023
Excise tax	305,174	-	-	-	-	-	305,174
Hotel/Motel tax	-	2,898,982	-	-	-	-	2,898,982
Intergovernmental	45,156	-	1,531,793	-	-	-	1,576,949
Licenses and permits	202,049	-	-	-	-	-	202,049
Fines and forfeitures	266,450	-	-	-	-	76,574	343,024
Charges for services	346,870	-	-	-	-	19,449	366,319
Contributions	29,270	-	-	-	-	-	29,270
Interest	152,548	45,520	62,410	17,947	5,496	1,289	285,210
Miscellaneous	44,324	-	-	-	-	-	44,324
Total Revenue	3,777,904	2,944,502	1,594,203	17,947	5,496	97,312	8,437,364
Expenditures							
Current:							
General Government	1,158,626	-	11,829	2	-	2	1,170,459
Judicial	22,364	-	-	-	-	-	22,364
Public safety	1,970,812	-	10,810	-	-	83,778	2,065,400
Public works	852,811	-	738	-	-	-	853,549
Recreation and culture	99,319	-	-	-	-	-	99,319
Housing and development	178,756	2,921,426	-	-	-	-	3,100,182
Debt service:							
Interest expenditures	6,675	-	-	-	-	-	6,675
Principal retirement	41,045	-	-	-	-	-	41,045
Capital outlay	-	-	568,457	-	-	-	568,457
Total Expenditures	4,330,408	2,921,426	591,834	2	-	83,780	7,927,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	(552,504)	23,076	1,002,369	17,945	5,496	13,532	509,914
Other Financing Sources (Uses)							
Transfers in	-	438,121	-	-	-	-	438,121
Transfers out	(438,121)	-	(252,862)	-	-	-	(690,983)
Proceeds from sale of assets	32,324	-	-	-	-	-	32,324
Total Other Financing Sources (Uses)	(405,797)	438,121	(252,862)	-	-	-	(220,538)
Net Change in Fund Balances	(958,301)	461,197	749,507	17,945	5,496	13,532	289,376
Fund Balances Beginning of Year	6,760,285	165,953	1,703,337	238,113	-	28,128	8,895,816
Fund Balances End of Year	$ 5,801,984	$ 627,150	$ 2,452,844	$ 256,058	$ 5,496	$ 41,660	$ 9,185,192

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

CITY OF HELEN, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2023

Net Changes in Fund Balances - Total Governmental Funds		$ 289,376
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	$ 2,248,765	
Less: Current year depreciation	(508,296)	
		1,740,469
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the overnmental funds, but the repayment reduced long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.		41,045
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	(144,521)	
Beginning of Year	117,457	
		(27,064)
Because some revenues will not be collected for several months after the City's fiscal year end, they are considered "unavailable" revenues and are deferred in the governmental funds.		
End of Year	93,071	
Beginning of Year	(62,376)	
		30,695
Change in Net Position of Governmental Activities		$ 2,074,521

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

CITY OF HELEN, GEORGIA

Statement of Net Position

Proprietary Fund

June 30, 2023

	Water and Sewer Fund
Current Assets	
Cash and cash equivalents	$ 1,876,820
Restricted cash and cash equivalents	4,406,961
Accounts receivable (net)	88,395
Prepaid expenses	436,707
Accrued revenue	42,822
Total Current Assets	6,851,705
Noncurrent Assets	
Advanced to other funds	302,804
Capital assets	
Non-depreciable	1,024,501
Depreciable, net	6,166,428
Total Noncurrent Assets	7,493,733
Total Assets	14,345,438
Deferred Outflows of Resources	-
Total Assets and Deferred Outflows of Resources	14,345,438
Liabilities	
Current Liabilities	
Accounts payable	447,823
Accrued expenses	84,162
Due to other funds	131,362
Customer deposits	141,107
Revenue Bonds	596,649
Intergovernmental loan	59,660
Total Current Liabilities	1,460,763
Long-term Liabilities	
Compensated absences	8,453
Revenue Bonds	5,545,954
Intergovernmental loan	153,858
Total Long-term Liabilities	5,708,265
Total Liabilities	7,169,028
Deferred Inflows of Resources	-
Total Liabilities and Deferred Inflows of Resources	7,169,028
Net Position	
Net investment in capital assets	5,100,462
Unrestricted	2,075,948
Total Net Position	$ 7,176,410

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

CITY OF HELEN, GEORGIA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Fund

For the Year Ended June 30, 2023

	Water and Sewer
Operating Revenue	
Charges for services	$ 1,272,972
Connection fees	36,020
Rental income	6,991
Miscellaneous income	9,930
Total Operating Revenue	1,325,913
Operating Expenses	
Personnel services:	
Salaries and wages	262,213
Employment Taxes	21,759
Benefits	92,606
Total Personnel Services	376,578
Purchased / contracted services:	
Other purchased services	100
Total Purchased / contracted services	100
Other operating expenses:	
Purchased water	65,445
Supplies	126,159
Insurance	28,033
Repairs and maintenance	169,511
Utilities	117,418
Engineering, lab fees and training	68,509
Depreciation	556,567
Miscellaneous	7,784
Total Other Operating Expenses	1,139,426
Total Operating Expenses	1,516,104
Operating Income (Loss)	(190,191)
Nonoperating Revenues (Expenses)	
Interest income	55,248
Interest expense	(69,460)
Total Nonoperating Revenues and (Expenses)	(14,212)
Income (Loss) Before Contributions and Transfers	(204,403)
Intergovernmental grant	62,179
Transfer in	252,862
Change in Net Position	110,638
Net Position Beginning of Year	7,065,772
Net Position End of Year	$ 7,176,410

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

CITY OF HELEN, GEORGIA

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2023

Cash flows from operating activities:		
Receipts from customers	$	1,285,649
Payments to suppliers		(635,255)
Payments to employees		(390,366)
Net cash provided by operating activities		260,028
Cash flows from capital and related financing activities:		
Transfer from other funds for capital related items		252,862
Intergovernmental capital grants		62,179
Acquisition and construction of capital assets		(1,230,773)
Debt payments, principal and interest		(526,814)
Net cash (used) by capital and related financing activities		(1,442,546)
Cash flows from investing activities:		
Interest income		55,248
Net cash provided by investing activities		55,248
Net (decrease) in cash and cash equivalents		(1,127,270)
Cash and cash equivalents, June 30, 2021		7,411,051
Cash and cash equivalents, June 30, 2022	$	6,283,781
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	(190,191)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		556,567
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(14,523)
(Increase) decrease in prepaid expenses		(410,437)
(Increase) decrease in accrued revenue		(35,716)
Increase (decrease) in accounts payable		358,141
Increase (decrease) in accrued expenses		3,707
Increase (decrease) in compensated absences		(17,495)
Increase (decrease) in customer deposits		9,975
Net cash provided (used) by operating activities	$	260,028

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1-A The Reporting Entity

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

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

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

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

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

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

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

1-B Basis of Presentation and Basis of Accounting

Basis of Presentation – Government-Wide and Fund Financial Statements

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major proprietary fund:

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

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

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

Basis of Accounting – Measurement Focus

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

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

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

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

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

1-C Assets, Liabilities, and Equity

Investments

As of June 30, 2023, the City did not have investments, nor are investments authorized.

Cash and Cash Equivalents

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

Restricted Assets

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

Interfund Receivables and Payables

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

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

Receivables

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

Property Tax Calendar

The City set its millage rate for 2022 on August 22, 2022, at 4.796 mils. Property tax bills were mailed on August 8, 2022 and were due November 15, 2022. Penalties and interest are due on all accounts not paid by the due date. Fi.fa's on delinquent tax accounts could be filed on December 15, 2022. The City contracts with the White County Tax Commissioner's Office to process tax bills, collect and remit tax payments. The fee for this service is $5.00 per tax bill.

Inventories and Prepaid Items

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

Capital Assets

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

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

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

Assets	Years
Buildings	10-35
Building improvements	10-35
Infrastructure	20-25
Equipment	5-15
Vehicles	5-15

Compensated Absences

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

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

Estimates

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

Retirement Plans

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

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, 2023, the twelve employee/participants contributed $39,829 to the plan, and the employer matched with a contribution of $35,607.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently the City has two revenue sources in 2023: property taxes and fines and forfeitures, that qualifies for reporting as *deferred inflows of resources*.

1-D Fund Equity

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

Fund Balance - Generally fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. The City Commission also may modify or rescind the commitment.

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

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

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

Committed
Assigned
Unassigned

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

NOTE 2. CASH

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

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

At June 30, 2023, all bank deposits were insured or fully collateralized.

NOTE 3. RECEIVABLES

The following is a summary of amounts due from others at June 30, 2023.

Governmental Activities:		
Property taxes receivable - net	$	998
Hotel/motel taxes receivable - net		282,749
Franchise taxes receivable		1,825
Other taxes receivable - net		1,578
Fines receivable - net		96,106
Sanitation receivable - net		3,512
Other charges for services receivable		3,634
Due from other governments - SPLOST		136,841
Due from other governments - LOST		139,344
Total Governmental Receivables:	$	666,587
Business-type Activities:		
Water sewer fees receivable - net	$	88,395
Total Business-type Receivables:	$	88,395

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. LONG-TERM DEBT

The City's long-term debt consists of obligations under financed purchases, revenue bonds and intergovernmental loans payable. The following is a summary of changes in long-term debt for the year ended June 30, 2023. The amounts reported as long-term debt in the Statement of Net Position represents amounts not expected to be paid with expendable available resources. The interest expense reported in the government-wide Statement of Activities for governmental activities is $6,675 which was paid as a direct cost of long-term debt. In business-type activities, the City incurred $69,460 as a direct cost of long-term debt.

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

Financed Purchase from Direct Borrowing

On January 31, 2017, the City entered into a financed purchase agreement to finance the acquisition of a fire truck for the fire department. The city negotiated a financed purchase with BB&T at a rate of 2.52%, with 10 annual payments of $46,528 with a maturity date of January 31, 2027. The fire truck acquired through the financed purchase agreement had a cost of $406,802 and carries a net book value of $248,601.

The Government's debt service requirements to maturity for the finance purchase agreement are as of June 30, 2023:

Year	Principal	Interest	Total
2024	42,119	4,409	46,528
2025	43,181	3,347	46,528
2026	44,269	2,259	46,528
2027	47,523	330	47,853
Totals	$ 177,092	$ 10,345	$ 187,437

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

Intergovernmental Loans

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

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

The Government's debt service requirements to maturity are as of June 30, 2023:

Year	Principal	Interest	Total
2024	59,660	1,098	60,758
2025	60,009	749	60,758
2026	60,361	396	60,757
2027	33,488	40	33,528
Totals:	$ 213,518	$ 2,283	$ 215,801

Revenue Bonds

In August 2021, the City entered into an agreement with the Helen Downtown Development Authority to issue Series 2021 Revenue Bonds in the amount of $5,810,000, to fund the City's water sewer facilities project and pay off two existing GEFA intergovernmental loans. The Series 2021 bonds carry a rate ranging from 2% to 4% per annum and mature on August 1, 2036.

The annual requirements to amortize the Series 2021 revenue bonds outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	310,000	177,050	487,050
2025	320,000	166,000	486,000
2026	330,000	153,000	483,000
2027	345,000	139,500	484,500
2028	360,000	125,400	485,400
2029-2033	2,020,000	349,100	2,369,100
2034-2037	1,850,000	139,700	1,989,700
Totals:	$ 5,535,000	$ 1,249,750	$ 6,784,750

Changes in Long-Term Debt – Changes in the City's long-term obligations, including current portions, consisted of the following for the year ended June 30, 2023:

	Balance as of June 30, 2022	Additions	Reductions	Balance as of June 30, 2023	Due Within One Year
Governmental Activities:					
Compensated absences	$ 117,457	$ 27,064	$ -	$ 144,521	$ -
Finance purchase	218,176	-	41,045	177,131	42,119
Total governmental activities	$ 335,633	$ 27,064	$ 41,045	$ 321,652	$ 42,119

	Balance as of June 30, 2022	Additions	Reductions	Balance as of June 30, 2023	Due Within One Year
Business-Type Activities:					
Compensated absences	$ 25,948	$ -	$ (17,495)	$ 8,453	$ -
Revenue bonds	5,810,000	-	275,000	5,535,000	487,050
Plus: Bond Premium	725,385	-	117,782	607,603	109,599
Intergovernmental loans	272,831	-	(59,313)	213,518	59,660
Total business-type activities	$ 6,834,164	$ -	$ 315,974	$ 6,364,574	$ 656,309

Compensated absences are composed of accumulated personal leave pay on June 30, 2023, which will be paid from the General fund and the Water and Sewer fund.

NOTE 6. DEFERRED INFLOWS OF RESOURCES

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

Governmental Fund Financial Statements:			
Deferred inflows of resources			
Property Taxes	$	255	Non-exchange transaction resource collected
Fines		92,816	beyond the City's period of availability.
Total deferred inflows of resources	$	93,071	

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

NOTE 7. RISK MANAGEMENT

The City purchases Worker's Compensation Insurance through the Georgia Municipal Association Worker's Compensation Self-Insurance Fund. The City's policy year starts on January 1st and ends on December 31st of each year. For the year ending June 30, 2023, the premiums were $83,902. The City also purchases General Liability Insurance through the Georgia Interlocal Management Agency. The City's policy year starts on May 1st and ends on April 30th of each year. For the year ending June 30, 2023, the premiums paid during the year ending June 30, 2023, were $144,675.

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

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

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

NOTE 8. HOTEL-MOTEL TAX COMPLIANCE

As required by code section 48-13-51 of the O.C.G.A. the city is required to contract with an independent nonprofit entity to spend 40% of the first 5% of the tax assessed on the promotion of tourism and trade. In addition, 50% of the amount assessed over 5% must also be expended for the promotion of tourism and trade through the independent nonprofit entity. The remaining 50% of the additional 3% must be retained by the City and expended for the promotion of tourism and trade. On June 30, 2023, the City funds the Alpine Helen/White County Convention and Visitors Bureau for the expenditure of this tax revenue and provides the CVB with 43.75% percent of total tax collections. The City of Helen, Georgia is in compliance with O.C.G.A 48-13-51 for the year ending June 30, 2023.

Tax Collections	$	2,898,982
Amount Provided to the CVB	$	1,267,501
City Promotion Expenditures	$	1,653,925

NOTE 9. BUDGETS

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

Department	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Variance with Final Budget Over (Under)
General Fund			
General Government	$ 1,158,900	$ 1,158,626	$ (274)
Judicial	32,314	22,364	(9,950)
Public Safety	2,098,773	1,970,812	(127,961)
Public Works	855,200	852,811	(2,389)
Recreation & culture	99,500	99,319	(181)
Housing & development	1,203,568	178,756	(1,024,812)
Debt service - principal	41,045	41,045	-
Debt service - interest	6,676	6,675	(1)
Transfers Out	439,000	438,121	(879)
ARPA Fund			
General Government	208,200	-	(208,200)
Transfers Out	-	-	-
Hotel Motel Fund			
Housing & development	2,922,100	2,921,426	(674)
Tree Fund	200	2	(198)
Police Technology Fund	10,500	8,105	(2,395)
Confiscated Assets Fund	77,500	75,673	(1,827)
	$ 9,153,476	$ 7,773,735	$ (1,379,741)

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

NOTE 10. CAPITAL ASSETS

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Primary Government:					
Governmental Activities:					
Non-Depreciable Assets:					
Land	$ 1,711,488	$ -	$ -	$ -	$ 1,711,488
Construction in Progress	69,289	1,719,661	-	(179,733)	1,609,217
Total non-depreciable capital assets	1,780,777	1,719,661	-	(179,733)	3,320,705
Depreciable Assets:					
Buildings & Improvements	3,061,899	28,745	-	-	3,090,644
Machinery & Equipment	567,344	127,876	-	165,563	860,783
Infrastructure	8,792,652		-	14,170	8,806,822
Vehicles	1,608,589	372,483	-	-	1,981,072
Total depreciable capital assets	14,030,484	529,104	-	179,733	14,739,321
Accumulated Depreciation:					
Buildings & Improvements	1,948,122	88,065	-	-	2,036,187
Machinery & Equipment	547,881	44,711	-	-	592,592
Infrastructure	5,959,164	243,332	-	-	6,202,496
Vehicles	1,073,028	132,188	-	-	1,205,216
Total accumulated depreciation	9,528,195	508,296	-	-	10,036,491
Total depreciable capital assets, net	4,502,289	20,808	-	-	4,702,830
Governmental activities capital assets, net	$ 6,283,066	$ 1,740,469	$ -	$ -	$ 8,023,535
Business-type Activities:					
Non-Depreciable Assets:					
Land	$ 293,409	-	-	-	$ 293,409
Construction in Progress	1,229,932	427,810		(926,650)	731,092
Total non-depreciable capital assets	1,523,341	427,810	-	(926,650)	1,024,501
Depreciable Assets:					
Buildings & Improvements	154,825	-	-	-	154,825
Machinery & Equipment	962,509	164,876	-	488,615	1,616,000
Water sewer system	10,492,156	638,087	-	438,035	11,568,278
Total depreciable capital assets	11,609,490	802,963	-	926,650	13,339,103
Accumulated Depreciation:					
Buildings & Improvements	33,964	4,709	-	-	38,673
Machinery & Equipment	939,119	112,183	-	-	1,051,302
Water sewer system	5,643,025	439,675	-	-	6,082,700
Total accumulated depreciation	6,616,108	556,567	-	-	7,172,675
Total depreciable capital assets, net	4,993,382	246,396	-	926,650	6,166,428
Business-type activities capital assets, net	$ 6,516,723	$ 674,206	$ -	$ -	$ 7,190,929

Depreciation expense was charged to functions as follows:

Governmental Activities:		
General Government	$	63,642
Public Safety	$	161,935
Public Works	$	282,719
Total depreciation expense - governmental activities	$	508,296
Business-type Activities:		
Water and Sewer	$	556,567
Total depreciation expense - business-type activities	$	556,567

NOTE 11. INTERFUND BALANCES AND TRANSFERS

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. As of June 30, 2023, the interfund balance was as follows:

	Due From: Water Sewer Fund	Total
Due To:		
General Fund	$ 131,362	$ 131,362
	$ 131,362	$ 131,362

Advances Between Funds

	Due From: Other Capital Projects Fund	Total
Due To:		
Water Sewer Fund	$ 302,804	$ 302,804
	$ 302,804	$ 302,804

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

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

For the year ended June 30, 2023, the interfund transfers were as follows:

	Transfer From:		
Transfer To:	Capital Projects Fund	Hotel Motel Fund	Total
General Fund	$ -	$ 1,091,076	$1,091,076
Water Sewer Fund	252,862	-	252,862
	$ 252,862	$ 1,091,076	$1,343,938

NOTE 12. ALLOWANCE FOR UNCOLLECTABLE TAXES AND ACCOUNTS

The balance of taxes and accounts receivable at June 30, 2023, are net of the following allowances for doubtful accounts.

Allowance for Bad Debts:

Governmental Activities:	
Property taxes receivable	$ 10
Fines receivable	41,189
Sanitation receivable	1,007
Total Governmental Allowance for Bad Debts:	$ 42,206
Business-type Activities:	
Water sewer fees receivable	$ 5,672
Total Business-type Allowance for Bad Debts:	$ 5,672

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2023, the City paid $700 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from:

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

NOTE 14. GEFA LOAN DEBT COVENANTS

The terms and conditions of GEFA loan resolution have been examined for the fiscal year ending June 30, 2023. The City is in compliance with all covenants.

NOTE 15. NEW ACCOUNTING STANDARD

The implementation of GASB No. 87 Leases, is effective for the Town's current fiscal year. The requirements of this statement are effective for the periods beginning after June 15, 2021. The Town had no leases during the current fiscal year that are required to be reported under GASB No. 87.

The City implemented GASB Statement No. 91, *Conduit Debt*, effective for the City's current fiscal year. The requirements of this statement are effective for the periods beginning after December 15, 2021. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for the periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for the periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 99, *Omnibus 2022*, effective for the City's current fiscal year. The requirements of this statement are effective for the periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

NOTE 16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 20, 2024.

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2023

	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	$ 503,000	$ 503,000	$ 511,208	$ -	$ 511,208	$ 8,208
Sales tax	1,250,000	1,250,000	1,536,509	-	1,536,509	286,509
Business tax	150,550	150,550	198,323	-	198,323	47,773
Franchise tax	124,500	124,500	140,023	-	140,023	15,523
Intergovernmental	5,200	5,200	45,156	-	45,156	39,956
Licenses and permits	216,800	216,800	202,049	-	202,049	(14,751)
Fines and forfeitures	200,000	200,000	266,450	-	266,450	66,450
Charges for services	283,400	283,400	346,870	-	346,870	63,470
Contributions	17,500	17,500	29,270	-	29,270	11,770
Interest	3,000	3,000	152,548	-	152,548	149,548
Miscellaneous	41,000	41,000	44,324	-	44,324	3,324
Total Revenue	**3,045,700**	**3,045,700**	**3,777,904**	**-**	**3,777,904**	**732,204**
Expenditures						
Current:						
General Government	1,070,900	1,158,900	1,158,626	-	1,158,626	(274)
Judicial	32,314	32,314	22,364	-	22,364	(9,950)
Public safety	2,098,773	2,098,773	1,970,812	-	1,970,812	(127,961)
Public works	710,200	855,200	852,811	-	852,811	(2,389)
Recreation and culture	88,500	99,500	99,319	-	99,319	(181)
Housing and development	1,886,568	1,203,568	178,756	-	178,756	(1,024,812)
Total Expenditures	**5,934,976**	**5,495,976**	**4,330,408**	**-**	**4,330,408**	**(1,165,568)**
Excess (Deficiency) of Revenues Over (Under)	$ (2,889,276)	$ (2,450,276)	$ (552,504)	$ -	$ (552,504)	$ 1,897,772
Other Financing Sources (Uses)						
Transfers in	1,125,000	1,125,000	-	-	-	(1,125,000)
Transfers out	-	(439,000)	(438,121)	-	(438,121)	879
Proceeds from sale of assets	-	-	32,324	-	32,324	32,324
Budgeted Fund Balance	1,764,276	1,764,276	-	-	-	(1,764,276)
Total Other Financing Sources (Uses)	2,889,276	2,450,276	(405,797)	-	(405,797)	(2,856,073)
Net Change in Fund Balances	-	-	(958,301)	-	(958,301)	(958,301)
Fund Balances Beginning of Year			6,760,285		6,760,285	
Fund Balances End of Year			$ 5,801,984		$ 5,801,984	

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - Hotel Motel Fund

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over/(Under)	GAAP Basis	Final Budget
Revenues						
Hotel/Motel tax	$ 2,000,000	$ 2,898,000	$ 2,898,982	$ -	$ 2,898,982	$ 982
Interest	-	-	45,520	-	45,520	45,520
Total Revenue	2,000,000	2,898,000	2,944,502	-	2,944,502	46,502
Expenditures						
Current:						
Housing and development	875,000	2,922,100	2,921,426	-	2,921,426	(674)
Total Expenditures	875,000	2,922,100	2,921,426	-	2,921,426	(674)
Excess (Deficiency) of Revenues Over (Under)	$ 1,125,000	$ (24,100)	$ 23,076	$ -	$ 23,076	$ 47,176
Other Financing Sources (Uses)						
Transfers in	-	24,100	438,121	-	438,121	414,021
Transfers out	(1,125,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,125,000)	24,100	438,121	-	438,121	414,021
Net Change in Fund Balances	$ -	$ -	461,197	$ -	461,197	$ 461,197
Fund Balances Beginning of Year			165,953		165,953	
Fund Balances End of Year			$ 627,150		$ 627,150	

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - ARPA Fund

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over/(Under)	GAAP Basis	Final Budget
Revenues						
Intergovernmental	$ 208,000	$ 208,000	$ -	$ -	$ -	$ (208,000)
Interest	-	200	5,496	-	5,496	5,296
Total Revenue	208,000	208,200	5,496	-	5,496	(202,704)
Expenditures						
Current:						
General Government	208,000	208,200	-	-	-	(208,200)
Total Expenditures	208,000	208,200	-	-	-	(208,200)
Excess (Deficiency) of Revenues Over (Under)	-	-	5,496	-	5,496	5,496
Other Financing Sources (Uses)						
Budgeted Fund Balance	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	5,496	$ -	5,496	$ 5,496
Fund Balances Beginning of Year			-		-	
Prior Period Adjustment			-		-	
Fund Balances End of Year			$ 5,496		$ 5,496	

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	$ 1,070,900	$ 88,000	$ -	$ 1,158,900
Public Works	710,200	145,000	-	855,200
Recreation & culture	88,500	11,000	-	99,500
Housing & development	1,886,568	-	683,000	1,203,568
Debt service - principal	41,045	-	-	41,045
Debt service - interest	6,676	-	-	6,676
Transfers Out	-	439,000	-	439,000
ARPA Fund				
General Government	208,000	200	-	208,200
Hotel Motel Fund				
Housing & development	875,000	2,922,100	-	2,922,100
Transfers Out	1,125,000	-	1,125,000	-
Tree Fund	200	-	-	200
Police Technology Fund	10,500	-	-	10,500
Confiscated Assets Fund	12,000	65,500	-	77,500
	$ 8,165,676	$ 3,670,800	$ 1,808,000	$ 9,153,476

CITY OF HELEN, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Tree Fund	Police Technology Fund	Confiscated Assets Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 989	$ 12,738	$ 24,827	$ 38,554
Restricted cash	-	-	3,373	3,373
Investments	-	-	-	-
Intergovernmental receivable	-	-	-	-
Receivables (net)	-	-	-	-
Total Assets	989	12,738	28,200	41,927
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 989	$ 12,738	$ 28,200	$ 41,927
Liabilities				
Total Liabilities	-	-	267	267
Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	267	267
Fund Balances				
Restricted for				
Public safety	-	12,738	27,933	40,671
Committed for:				
Tree fund memorial	989	-	-	989
Total Fund Balances	989	12,738	27,933	41,660
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 989	$ 12,738	$ 28,200	$ 41,927

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

CITY OF HELEN, GEORGIA

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

	Tree Fund	Police Technology Fund	Confiscated Assets Fund	Total Nonmajor Governmental Funds
Revenues				
Fines and forfeitures	-	-	76,574	76,574
Charges for services	-	19,449	-	19,449
Interest	31	268	990	1,289
Total Revenue	31	19,717	77,564	97,312
Expenditures				
Current:				
General Government	2	-	-	2
Public safety	-	8,105	75,673	83,778
Total Expenditures	2	8,105	75,673	83,780
Excess (Deficiency) of Revenues Over (Under) Expenditures	29	11,612	1,891	13,532
Other Financing Sources (Uses)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	29	11,612	1,891	13,532
Fund Balances Beginning of Year	960	1,126	26,042	28,128
Fund Balances End of Year	$ 989	$ 12,738	$ 27,933	$ 41,660

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 Commission
City of Helen, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of F, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise The City of Helen, Georgia's basic financial statements and have issued our report thereon dated February 20, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 The City of Helen, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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.*

770.534.8597 TEL | 770.534.9069 FAX | P.O. Box 385 Gainesville, Georgia 30503 www.wptcpa.com

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
February 20, 2023

CITY OF HELEN, GEORGIA

Schedule of Special Purpose Local Option Sales Tax

Estimated Cost and Expenditure Summary

For the Year Ended June 30, 2023

Project Description	Estimated Cost		Expenditures		
			Prior	Current	
SPLOST 2014	Original	Current	Years	Year	Total
Water and Sewer Improvements	$ 974,909	$ 974,909	$ 1,470,926	$ -	$ 1,470,926
Roads Streets, Bridges, and Sidewalk Projects	1,170,039	1,170,039	1,179,669	-	1,179,669
Acquisition and Capital Improvement of Public Building	225,017	225,017	253,950	-	253,950
Acquisition and Improvement of Computer and Communication	100,035	100,035	67,681	48,600	116,281
Total:	$ 2,470,000	$ 2,470,000	$ 2,972,226	$ 48,600	$ 3,020,826
SPLOST 2020					
Water / wastewater improvements, equipment, and vehicles	$ 1,900,000	$ 1,900,000	$ 81,548	$ 252,862	$ 334,410
Roads, streets, bridges, and sidewalk projects	1,300,000	1,300,000	325,795	247,298	573,093
Acquisition and/or Capital Improvement of Public Infrastructure, Parks, and Public Recreation Areas	2,100,000	2,100,000	63,697	196,404	260,101
Administration equipment, facilities, and vehicles	300,000	300,000	137,498	99,532	237,030
Total:	$ 5,600,000	$ 5,600,000	$ 608,538	$ 796,096	$ 1,404,634