CITY OF HELEN, GEORGIA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2024

WALKER, PIERCE & TUCK, CPA'S, PC

CITY OF HELEN, 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 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, 2024, 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, 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 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 25-28 is presented to supplement the basic financials statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the City of Helen, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Helen, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Helen, Georgia's internal control over financial reporting and compliance.

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

Gainesville, GEORGIA
December 27, 2024

CITY OF HELEN, GEORGIA

Statement of Net Position

June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 10,713,299	$ 2,135,952	$ 12,849,251
Restricted assets	19,181	2,788,724	2,807,905
Accounts receivables (net)	400,579	107,441	508,020
Intergovernmental receivable	287,694	-	287,694
Accrued revenue	-	21,031	21,031
Prepaid expenditures	210,357	30,298	240,655
Interfund balances	131,362	(131,362)	-
Total Current Assets	11,762,472	4,952,084	16,714,556
Noncurrent Assets			
Capital assets			
Nondepreciable	1,794,079	1,621,711	3,415,790
Depreciable, net	6,634,861	7,255,574	13,890,435
Total Noncurrent Assets	8,428,940	8,877,285	17,306,225
Total Assets	20,191,412	13,829,369	34,020,781
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	20,191,412	13,829,369	34,020,781
Liabilities			
Current Liabilities			
Accounts payable	282,922	170,762	453,684
Accrued expenses	28,616	338,686	367,302
Amounts held in trust	8,008	146,057	154,065
Revenue bond payable	-	584,569	584,569
Intergovernmental loan	-	60,009	60,009
Finance purchases from direct borrowings due within one year	43,181	-	43,181
Unearned revenue	202,267	-	202,267
Total Current Liabilties	564,994	1,300,083	1,865,077
Long-term Liabilities			
Revenue bond payable	-	5,138,435	5,138,435
Intergovernmental loan	-	93,849	93,849
Finance purchases from direct borrowings due within more than one year	91,649	-	91,649
Compensated absences	176,754	48,234	224,988
Total Long-term Liabilities	268,403	5,280,518	5,548,921
Total Liabilities	833,397	6,580,601	7,413,998
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	833,397	6,580,601	7,413,998
Net Position			
Net Investment in Capital Assets	8,294,110	5,643,090	13,937,200
Restricted for:			
Capital projects	3,866,037	-	3,866,037
Tourism	318,896	-	318,896
Public Safety	41,285	-	41,285
Unrestricted	6,837,687	1,605,678	8,443,365
Total Net Position	$ 19,358,015	$ 7,248,768	$ 26,606,783

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

CITY OF HELEN, 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	$ 1,219,153	$ 823,931	$ 64,666	$ 1,714,267	$ 1,383,711	$ -	$ 1,383,711
Judicial	28,928	7,050	-	-	(21,878)	-	(21,878)
Public safety	2,481,671	23,035	12,305	250,000	(2,196,331)	-	(2,196,331)
Public works	1,194,638	58,467	-	57,505	(1,078,666)	-	(1,078,666)
Recreation and culture	90,375	-	-	-	(90,375)	-	(90,375)
Housing and development	1,761,637	13,645	-	-	(1,747,992)	-	(1,747,992)
Interest on debt	5,419	-	-	-	(5,419)	-	(5,419)
Total Governmental Activities	6,781,821	926,128	76,971	2,021,772	(3,756,950)	-	(3,756,950)
Business-type Activities:							
Water and sewer	1,761,817	1,380,159	-	-	-	(381,658)	(381,658)
Total Business-type activities	1,761,817	1,380,159	-	-	-	(381,658)	(381,658)
Total Primary Government	$ 8,543,638	$ 2,306,287	$ 76,971	$ 2,021,772	$ (3,756,950)	$ (381,658)	$ (4,138,608)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					528,182	-	528,182
Franchise fees					155,996	-	155,996
Sales Tax					1,599,235	-	1,599,235
Excise taxes					304,656	-	304,656
Business tax					234,261	-	234,261
Hotel/Motel tax					3,002,106	-	3,002,106
Interest and investment earnings					399,102	275,810	674,912
Miscellaneous					88,886	601	89,487
Transfers					(177,605)	177,605	-
Total General Revenues and Transfers					6,134,819	454,016	6,588,835
Change in Net Position					2,377,869	72,358	2,450,227
Net Position Beginning of Year					16,980,146	7,176,410	24,156,556
Ending Net Position					$ 19,358,015	$ 7,248,768	$ 26,606,783

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

CITY OF HELEN, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	Hotel Motel Fund	SPLOST Fund	Other Capital Projects Fund	ARPA Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 6,245,778	$ 149,817	$ 3,821,047	$ 252,627	$ 202,267	$ 41,763	$ 10,713,299
Restricted cash	18,616	-	-	-	-	565	19,181
Intergovernmental receivable	144,584	-	143,110	-	-	-	287,694
Receivables (net)	94,142	306,437	-	-	-	-	400,579
Prepaid expenditures	210,357	-	-	-	-	-	210,357
Due from other funds	131,362	-	-	-	-	-	131,362
Total Assets	6,844,839	456,254	3,964,157	252,627	202,267	42,328	11,762,472
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 6,844,839	$ 456,254	$ 3,964,157	$ 252,627	$ 202,267	$ 42,328	$ 11,762,472
Liabilities							
Accounts payable	$ 80,360	$ 137,358	$ 65,204	$ -	$ -	$ -	$ 282,922
Accrued expenses	28,616	-	-	-	-	-	28,616
Unearned revenue	-	-	-	-	202,267	-	202,267
Amounts held in trust	8,008	-	-	-	-	-	8,008
Total Liabilities	116,984	137,358	65,204	-	202,267	-	521,813
Deferred Inflows of Resources	58,156	-	-	-	-	-	58,156
Total Liabilities and Deferred Inflows of Resources	175,140	137,358	65,204	-	202,267	-	579,969
Fund Balances							
Nonspendable							
Prepaid expenditures	210,357	-	-	-	-	-	210,357
Committed							
Capital projects	-	-	-	252,627	-	-	252,627
Tree fund memorial	-	-	-	-	-	1,043	1,043
Restricted for							
Capital projects	-	-	3,898,953	-	-	-	3,898,953
Public safety	-	-	-	-	-	41,285	41,285
Tourism	-	318,896	-	-	-	-	318,896
Unassigned	6,459,342		-	-	-	-	6,459,342
Total Fund Balances	6,669,699	318,896	3,898,953	252,627	-	42,328	11,182,503
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,844,839	$ 456,254	$ 3,964,157	$ 252,627	$ 202,267	$ 42,328	$ 11,762,472

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, 2024

Total Governmental Fund Balances		$ 11,182,503
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 19,015,406	
Less: Accumulated depreciation	(10,586,466)	
Total capital assets		8,428,940
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		(176,754)
Finance Purchase		(134,830)
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.		58,156
Net Position of Governmental Activities		$ 19,358,015

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, 2024

	General Fund	Hotel Motel Fund	SPLOST Fund	Other Capital Projects Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property tax	$ 528,298	$ -	$ -	$ -	$ -	$ -	$ 528,298
Sales tax	1,599,235	-	-	-	-	-	1,599,235
Business tax	234,261	-	-	-	-	-	234,261
Franchise tax	155,996	-	-	-	-	-	155,996
Excise tax	304,656	-	-	-	-	-	304,656
Hotel/Motel tax	-	3,002,106	-	-	-	-	3,002,106
Intergovernmental	344,679	-	1,584,198	-	6,827	-	1,935,704
Licenses and permits	210,486	-	-	-	-	-	210,486
Fines and forfeitures	289,465	-	-	-	-	50,041	339,506
Charges for services	387,940	-	-	-	-	22,995	410,935
Contributions	46,316	-	-	-	-	-	46,316
Interest	310,576	5,914	156,329	29,485	11,282	2,239	515,825
Miscellaneous	48,886	40,000	-	-	-	-	88,886
Total Revenue	4,460,794	3,048,020	1,740,527	29,485	18,109	75,275	9,372,210
Expenditures							
Current:							
General Government	1,114,794	-	24,666	-	-	-	1,139,460
Judicial	28,928	-	-	-	-	-	28,928
Public safety	2,235,605	-	-	-	-	74,607	2,310,212
Public works	870,958	-	-	-	-	-	870,958
Recreation and culture	90,375	-	-	-	-	-	90,375
Housing and development	320,696	2,240,277	-	-	-	-	2,560,973
Debt service:							
Interest expenditures	5,419	-	-	-	-	-	5,419
Principal retirement	42,301	-	-	-	-	-	42,301
Capital outlay	-	-	115,752	32,916	-	-	148,668
Total Expenditures	4,709,076	2,240,277	140,418	32,916	-	74,607	7,197,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	(248,282)	807,743	1,600,109	(3,431)	18,109	668	2,174,916
Other Financing Sources (Uses)							
Transfers in	1,115,997	-	-	-	-	-	1,115,997
Transfers out	-	(1,115,997)	(154,000)	-	(23,605)	-	(1,293,602)
Total Other Financing Sources (Uses)	1,115,997	(1,115,997)	(154,000)	-	(23,605)	-	(177,605)
Net Change in Fund Balances	867,715	(308,254)	1,446,109	(3,431)	(5,496)	668	1,997,311
Fund Balances Beginning of Year	5,801,984	627,150	2,452,844	256,058	5,496	41,660	9,185,192
Fund Balances End of Year	$ 6,669,699	$ 318,896	$ 3,898,953	$ 252,627	$ -	$ 42,328	$ 11,182,503

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, 2024

Net Changes in Fund Balances - Total Governmental Funds		$ 1,997,311
Amounts reported as governmental activities in the Statement of Activities are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:		
Capital outlay	$ 1,041,671	
Less: Current year depreciation	(636,266)	
		405,405
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.		42,301
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	(176,754)	
Beginning of Year	144,521	
		(32,233)
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	58,156	
Beginning of Year	(93,071)	
		(34,915)
Change in Net Position of Governmental Activities		$ 2,377,869

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

CITY OF HELEN, GEORGIA

Statement of Net Position

Proprietary Fund

June 30, 2024

	Water and Sewer Fund
Current Assets	
Cash and cash equivalents	$ 2,135,952
Restricted cash and cash equivalents	2,788,724
Accounts receivable (net)	107,441
Prepaid expenses	30,298
Accrued revenue	21,031
Total Current Assets	5,083,446
Noncurrent Assets	
Capital assets	
Non-depreciable	1,621,711
Depreciable, net	7,255,574
Total Noncurrent Assets	8,877,285
Total Assets	13,960,731
Deferred Outflows of Resources	-
Total Assets and Deferred Outflows of Resources	13,960,731
Liabilities	
Current Liabilities	
Accounts payable	170,762
Accrued expenses	338,686
Due to other funds	131,362
Customer deposits	146,057
Revenue Bonds	584,569
Intergovernmental loan	60,009
Total Current Liabilities	1,431,445
Long-term Liabilities	
Compensated absences	48,234
Revenue Bonds	5,138,435
Intergovernmental loan	93,849
Total Long-term Liabilities	5,280,518
Total Liabilities	6,711,963
Deferred Inflows of Resources	-
Total Liabilities and Deferred Inflows of Resources	6,711,963
Net Position	
Net investment in capital assets	5,643,090
Unrestricted	1,605,678
Total Net Position	$ 7,248,768

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, 2024

	Water and Sewer
Operating Revenue	
Charges for services	$ 1,345,107
Connection fees	35,052
Rental income	597
Miscellaneous income	4
Total Operating Revenue	1,380,760
Operating Expenses	
Personnel services:	
Salaries and wages	319,583
Employment Taxes	21,826
Benefits	121,078
Total Personnel Services	462,487
Purchased / contracted services:	
Other purchased services	-
Total Purchased / contracted services	-
Other operating expenses:	
Purchased water	73,681
Supplies	98,023
Insurance	19,815
Repairs and maintenance	164,473
Utilities	134,453
Engineering, lab fees and training	74,196
Depreciation	583,297
Miscellaneous	11,043
Total Other Operating Expenses	1,158,981
Total Operating Expenses	1,621,468
Operating Income (Loss)	(240,708)
Nonoperating Revenues (Expenses)	
Interest income	275,810
Interest expense	(140,349)
Total Nonoperating Revenues and (Expenses)	135,461
Income (Loss) Before Contributions and Transfers	(105,247)
Transfer in	177,605
Change in Net Position	72,358
Net Position Beginning of Year	7,176,410
Net Position End of Year	$ 7,248,768

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, 2024

Cash flows from operating activities:		
Receipts from customers	$	1,388,455
Payments to suppliers		(143,532)
Payments to employees		(168,182)
Net cash provided by operating activities		1,076,741
Cash flows from noncapital financing activities:		
Cash flows from capital and related financing activities:		
Transfer from other funds for capital related items		177,605
Acquisition and construction of capital assets		(2,269,653)
Debt payments, principal and interest		(619,608)
Net cash (used) by capital and related financing activities		(2,711,656)
Cash flows from investing activities:		
Interest income		275,810
Net cash provided by investing activities		275,810
Net (decrease) in cash and cash equivalents		(1,359,105)
Cash and cash equivalents, June 30, 2023		6,283,781
Cash and cash equivalents, June 30, 2024	$	4,924,676
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	(240,708)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		583,297
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(19,046)
(Increase) decrease in prepaid expenses		406,409
(Increase) decrease in accrued revenue		21,791
(Increase) decrease in advances from other funds		302,804
Increase (decrease) in accounts payable		(277,061)
Increase (decrease) in accrued expenses		254,524
Increase (decrease) in compensated absences		39,781
Increase (decrease) in customer deposits		4,950
Net cash provided (used) by operating activities	$	1,076,741

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, 2024, 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 2023 on July 28,2023 at 4.224 mils. Property tax bills were mailed on August 18, 2023 and were due November 15, 2023. 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, 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 $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, 2024, the fifteen employee/participants contributed $49,207 to the plan, and the employer matched with a contribution of $40,142.

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 2024: 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, 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	$	1,149
Hotel/motel taxes receivable - net		306,437
Franchise taxes receivable		1,778
Other taxes receivable - net		2,977
Fines receivable - net		79,112
Sanitation receivable - net		5,310
Other charges for services receivable		3,816
Due from other governments - SPLOST		143,110
Due from other governments - LOST		144,584
Total Governmental Receivables:	$	688,273
Business-type Activities:		
Water sewer fees receivable - net	$	107,441
Total Business-type Receivables:	$	107,441

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, 2024. 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 $5,419 which was paid as a direct cost of long-term debt. In business-type activities, the City incurred $68,516 as a direct cost of long-term debt.

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

Financed Purchase from Direct Borrowing

On January 31, 2017, the City entered into a financed purchase agreement to finance the acquisition of a fire truck for the fire department. The city negotiated a financed purchase with BB&T at a rate of 2.52%, with 10 annual payments of $46,528 with a maturity date of January 31, 2027. The fire truck acquired through the financed purchase agreement had a cost of $406,802 and carries a net book value of $221,481.

The Government's debt service requirements to maturity for the finance purchase agreement are as of June 30, 2024:

Year	Principal	Interest	Total
2025	43,181	3,347	46,528
2026	44,269	2,259	46,528
2027	47,380	330	47,710
Totals	$ 134,830	$ 5,936	$ 140,766

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, 2024:

Year	Principal	Interest	Total
2025	60,009	749	60,758
2026	60,361	396	60,757
2027	33,488	40	33,528
Totals:	$ 153,858	$ 1,185	$ 155,043

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, 2024, are as follows:

Year	Principal	Interest	Total
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	375,000	110,700	485,700
2030-2033	1,645,000	238,400	1,883,400
2034-2037	1,850,000	139,700	1,989,700
Totals:	$ 5,225,000	$ 1,072,700	$ 6,297,700

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, 2024:

	Balance as of June 30, 2023	Additions	Reductions	Balance as of June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences	$ 144,521	$ 32,233	$ -	$ 176,754	$ -
Finance purchase	177,131	-	$ (42,301)	134,830	43,181
Total governmental activities	$ 321,652	$ 32,233	$ (42,301)	$ 311,584	$ 43,181

	Balance as of June 30, 2023	Additions	Reductions	Balance as of June 30, 2024	Due Within One Year
Business-Type Activities:					
Compensated absences	$ 8,453	$ 39,781	$ -	$ 48,234	$ -
Revenue bonds	5,535,000	-	$ (310,000)	5,225,000	486,000
Plus: Bond Premium	607,603	-	$ (109,599)	498,004	98,569
Intergovernmental loans	213,518	-	(59,660)	153,858	60,009
Total business-type activities	$ 6,364,574	$ 39,781	$ (479,259)	$ 5,925,096	$ 644,578

Compensated absences are composed of accumulated personal leave pay on June 30, 2024, 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	$	139	Non-exchange transaction resource collected
Fines		58,017	beyond the City's period of availability.
Total deferred inflows of resources	$	58,156	

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, 2024, the premiums were $94,565. 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, 2024, the premiums paid during the year ending June 30, 2024, were $181,994.

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

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

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

NOTE 8. HOTEL-MOTEL TAX COMPLIANCE

As required by code section 48-13-51 of the O.C.G.A. the city is required to contract with an independent nonprofit entity to spend 40% of the first 5% of the tax assessed on the promotion of tourism and trade. In addition, 50% of the amount assessed over 5% must also be expended for the promotion of tourism and trade through the independent nonprofit entity. The remaining 50% of the additional 3% must be retained by the City and expended for the promotion of tourism and trade. On June 30, 2024, the City funds the Alpine Helen/White County Convention and Visitors Bureau for the expenditure of this tax revenue and provides the CVB with 43.75% 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, 2024.

Tax Collections	$	3,002,106
Amount Provided to the CVB	$	1,313,284
City Promotion Expenditures	$	926,993

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	$ 1,126,572	$ 1,114,794	$ (11,778)
Judicial	43,314	28,928	(14,386)
Public Safety	2,321,111	2,235,605	(85,506)
Public Works	914,935	870,958	(43,977)
Recreation & culture	103,852	90,375	(13,477)
Housing & development	355,003	320,696	(34,307)
Transfers Out	578,100	-	(578,100)
ARPA Fund			
Capital Outlay	189,924	-	(189,924)
Transfers Out	25,000	23,605	(1,395)
Hotel Motel Fund			
Housing & development	2,516,100	2,240,277	(275,823)
Transfers Out	1,175,000	1,115,997	(59,003)
Tree Fund	235	-	(235)
Police Technology Fund	21,775	9,459	(12,316)
Confiscated Assets Fund	73,500	65,148	(8,352)
	$ 9,444,421	$ 8,115,842	$ (1,328,579)

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	$ 32,916	$ -	$ -	$ 1,744,404
Construction in Progress	1,609,217	607,850	-	(2,167,392)	49,675
Total non-depreciable capital assets	3,320,705	640,766	-	(2,167,392)	1,794,079
Depreciable Assets:					
Buildings & Improvements	3,090,644	201,153	-	2,167,392	5,459,189
Machinery & Equipment	860,783	57,225	6,991	-	911,017
Infrastructure	8,806,822		-	-	8,806,822
Vehicles	1,981,072	142,527	79,300	-	2,044,299
Total depreciable capital assets	14,739,321	400,905	86,291	2,167,392	17,221,327
Accumulated Depreciation:					
Buildings & Improvements	2,036,187	141,396	-	-	2,177,583
Machinery & Equipment	592,592	71,148	6,991	-	656,749
Infrastructure	6,202,496	231,794	-	-	6,434,290
Vehicles	1,205,216	191,928	79,300	-	1,317,844
Total accumulated depreciation	10,036,491	636,266	86,291	-	10,586,466
Total depreciable capital assets, net	4,702,830	(235,361)	-	-	6,634,861
Governmental activities capital assets, net	$ 8,023,535	$ 405,405	$ -	$ -	$ 8,428,940
Business-type Activities:					
Non-Depreciable Assets:					
Land	$ 293,409	-	-	-	$ 293,409
Construction in Progress	731,092	2,233,153		(1,635,943)	1,328,302
Total non-depreciable capital assets	1,024,501	2,233,153	-	(1,635,943)	1,621,711
Depreciable Assets:					
Buildings & Improvements	154,825	-	-	-	154,825
Machinery & Equipment	1,616,000	36,500	-	-	1,652,500
Water sewer system	11,568,278	-	-	1,635,943	13,204,221
Total depreciable capital assets	13,339,103	36,500	-	1,635,943	15,011,546
Accumulated Depreciation:					
Buildings & Improvements	38,673	4,451	-	-	43,124
Machinery & Equipment	1,051,302	133,185	-	-	1,184,487
Water sewer system	6,082,700	445,661	-	-	6,528,361
Total accumulated depreciation	7,172,675	583,297	-	-	7,755,972
Total depreciable capital assets, net	6,166,428	(546,797)	-	1,635,943	7,255,574
Business-type activities capital assets, net	$ 7,190,929	$ 1,686,356	$ -	$ -	$ 8,877,285

Depreciation expense was charged to functions as follows:

Governmental Activities:		
General Government	$	85,925
Public Safety	$	206,700
Public Works	$	343,641
Total depreciation expense - governmental activities	$	636,266
Business-type Activities:		
Water and Sewer	$	583,297
Total depreciation expense - business-type activities	$	583,297

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

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, 2024, the interfund transfers were as follows:

	Transfer From:			
Transfer To:	Capital Projects Fund	ARPA Fund	Hotel Motel Fund	Total
General Fund	$ -	$ -	$ 1,115,997	$1,115,997
Water Sewer Fund	154,000	23,605	-	177,605
	$ 154,000	$ 23,605	$ 1,115,997	$1,293,602

NOTE 12. ALLOWANCE FOR UNCOLLECTABLE TAXES AND ACCOUNTS

The balance of taxes and accounts receivable at June 30, 2024, are net of the following allowances for doubtful accounts.

Allowance for Bad Debts:

Governmental Activities:		
Property taxes receivable	$	12
Fines receivable		33,905
Sanitation receivable		920
Total Governmental Allowance for Bad Debts:	$	34,837
Business-type Activities:		
Water sewer fees receivable	$	3,728
Total Business-type Allowance for Bad Debts:	$	3,728

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, 2024, the City paid $681 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, 2024. The City is in compliance with all covenants.

NOTE 16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 27, 2024.

CITY OF HELEN, 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	$ 512,000	$ 512,000	$ 528,298	$ -	$ 528,298	$ 16,298
Sales tax	1,375,000	1,375,000	1,599,235	-	1,599,235	224,235
Business tax	170,200	170,200	234,261	-	234,261	64,061
Franchise tax	126,500	126,500	155,996	-	155,996	29,496
Intergovernmental	31,500	31,500	344,679	-	344,679	313,179
Licenses and permits	205,400	205,400	210,486	-	210,486	5,086
Fines and forfeitures	215,000	215,000	289,465	-	289,465	74,465
Charges for services	282,150	282,150	387,940	-	387,940	105,790
Contributions	16,000	16,000	46,316	-	46,316	30,316
Interest	110,000	110,000	310,576	-	310,576	200,576
Miscellaneous	41,000	41,000	48,886	-	48,886	7,886
Total Revenue	**3,370,500**	**3,370,500**	**4,460,794**	**-**	**4,460,794**	**1,090,294**
Expenditures						
Current:						
General Government	1,041,572	1,126,572	1,114,794	-	1,114,794	(11,778)
Judicial	33,314	43,314	28,928	-	28,928	(14,386)
Public safety	2,321,111	2,321,111	2,235,605	-	2,235,605	(85,506)
Public works	914,935	914,935	870,958	-	870,958	(43,977)
Recreation and culture	103,852	103,852	90,375	-	90,375	(13,477)
Housing and development	355,003	355,003	320,696	-	320,696	(34,307)
Total Expenditures	**4,817,508**	**4,912,508**	**4,709,076**	**-**	**4,709,076**	**(203,432)**
Excess (Deficiency) of Revenues Over (Under)	$ (1,447,008)	$ (1,542,008)	$ (248,282)	$ -	$ (248,282)	$ 1,293,726
Other Financing Sources (Uses)						
Transfers in	975,000	975,000	1,115,997	-	1,115,997	140,997
Transfers out	(673,100)	(578,100)	-	-	-	578,100
Budgeted Fund Balance	1,145,108	1,145,108	-	-	-	(1,145,108)
Total Other Financing Sources (Uses)	1,447,008	1,542,008	1,115,997	-	1,115,997	(426,011)
Net Change in Fund Balances	-	-	867,715	-	867,715	867,715
Fund Balances Beginning of Year			5,801,984		5,801,984	
Fund Balances End of Year			$ 6,669,699		$ 6,669,699	

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - Hotel Motel 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						
Hotel/Motel tax	$ 2,600,000	$ 2,960,000	$ 3,002,106	$ -	$ 3,002,106	$ 42,106
Interest	58,000	58,000	5,914	-	5,914	(52,086)
Miscellaneous	-	-	40,000	-	40,000	40,000
Total Revenue	2,658,000	3,018,000	3,048,020	-	3,048,020	30,020
Expenditures						
Current:						
Housing and development	2,356,100	2,516,100	2,240,277	-	2,240,277	(275,823)
Total Expenditures	2,356,100	2,516,100	2,240,277	-	2,240,277	(275,823)
Excess (Deficiency) of Revenues Over (Under)	$ 301,900	$ 501,900	$ 807,743	$ -	$ 807,743	$ 305,843
Other Financing Sources (Uses)						
Transfers in	673,100	673,100	-	-	-	(673,100)
Transfers out	(975,000)	(1,175,000)	(1,115,997)	-	(1,115,997)	(59,003)
Total Other Financing Sources (Uses)	(301,900)	(501,900)	(1,115,997)	-	(1,115,997)	(732,103)
Net Change in Fund Balances	$ -	$ -	(308,254)	$ -	(308,254)	$ (426,260)
Fund Balances Beginning of Year			627,150		627,150	
Fund Balances End of Year			$ 318,896		$ 318,896	

CITY OF HELEN, 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	$ 209,124	$ 209,124	$ 6,827	$ -	$ 6,827	$ (202,297)
Interest	5,800	5,800	11,282	-	11,282	5,482
Total Revenue	214,924	214,924	18,109	-	18,109	(196,815)
Expenditures						
Current:						
Capital Outlay	189,924	189,924	-	-	-	(189,924)
Total Expenditures	189,924	189,924	-	-	-	(189,924)
Excess (Deficiency) of Revenues Over (Under)	25,000	25,000	18,109	-	18,109	(6,891)
Other Financing Sources (Uses)						
Transfers out	(25,000)	(25,000)	(23,605)	-	(23,605)	1,395
Budgeted Fund Balance	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(25,000)	(25,000)	(23,605)	-	(23,605)	1,395
Net Change in Fund Balances	$ -	$ -	(5,496)	$ -	(5,496)	$ (5,496)
Fund Balances Beginning of Year			5,496		5,496	
Prior Period Adjustment			-		-	
Fund Balances End of Year			$ -		$ -	

CITY OF HELEN, GEORGIA
Notes to Required Supplementary Information
on Budgetary Accounting and Control
Year Ended June 30, 2024

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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

(a). Prior to June 1, the City Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

(b). Public hearings are conducted in November or December to obtain taxpayer comments. Public hearings are normally scheduled no later than 15 days prior to the beginning of the budget year.

(c). Subsequent to the public hearings, the budget is legally enacted through the passage of a resolution by the City Council.

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

Budgetary Accounting

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

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

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

Budget Amendments

Department	Original Budget	Supplemental Appropriations	Supplemental Decreases	Revised Appropriations
General Fund				
General Government	$ 1,041,572	$ 85,000	$ -	$ 1,126,572
Judicial	33,314	10,000	-	43,314
Transfers Out	673,100	-	95,000	578,100
Hotel Motel Fund				
Housing & development	2,356,100	160,000	-	2,516,100
Transfers Out	975,000	200,000	-	1,175,000
Confiscated Assets Fund	73,500	65,500	-	73,500
	$ 9,084,421	$ 520,500	$ 95,000	$ 9,444,421

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

	Tree Fund	Police Technology Fund	Confiscated Assets Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 1,043	$ 27,336	$ 13,384	$ 41,763
Restricted cash	-	-	$ 565	565
Total Assets	1,043	27,336	13,949	42,328
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 1,043	$ 27,336	$ 13,949	$ 42,328
Liabilities				
Total Liabilities	-	-	-	-
Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for				
Public safety	-	27,336	13,949	41,285
Committed for:				
Tree fund memorial	1,043	-	-	1,043
Total Fund Balances	1,043	27,336	13,949	42,328
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,043	$ 27,336	$ 13,949	$ 42,328

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, 2024

	Tree Fund	Police Technology Fund	Confiscated Assets Fund	Total Nonmajor Governmental Funds
Revenues				
Fines and forfeitures	-	-	50,041	50,041
Charges for services	-	22,995	-	22,995
Interest	54	1,062	1,123	2,239
Total Revenue	54	24,057	51,164	75,275
Expenditures				
Current:				
General Government	-	-	-	-
Public safety	-	9,459	65,148	74,607
Total Expenditures	-	9,459	65,148	74,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	54	14,598	(13,984)	668
Other Financing Sources (Uses)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	54	14,598	(13,984)	668
Fund Balances Beginning of Year	989	12,738	27,933	41,660
Fund Balances End of Year	$ 1,043	$ 27,336	$ 13,949	$ 42,328

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 the City of Helen, 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 Helen, Georgia's basic financial statements and have issued our report thereon dated December 27, 2024.

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
December 27, 2024

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

CITY OF HELEN, 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		
			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	116,281	15,023	131,304
Total:	$ 2,470,000	$ 2,470,000	$ 3,020,826	$ 15,023	$ 3,035,849
SPLOST 2020					
Water / wastewater improvements, equipment, and vehicles	$ 1,900,000	$ 1,900,000	$ 334,410	$ 154,000	$ 488,410
Roads, streets, bridges, and sidewalk projects	1,300,000	1,300,000	573,093	72,751	645,844
Acquisition and/or Capital Improvement of Public Infrastructure, Parks, and Public Recreation Areas	2,100,000	2,100,000	260,101	26,322	286,423
Administration equipment, facilities, and vehicles	300,000	300,000	237,030	26,322	263,352
Total:	$ 5,600,000	$ 5,600,000	$ 1,404,634	$ 279,395	$ 1,684,029