CITY OF HELEN, GEORGIA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2025

WALKER, PIERCE & TUCK, CPA'S, PC

CITY OF HELEN, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2025
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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, 2025, and the related notes to the financial statements, which collectively comprise the City of Helen, Georgia's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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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 December 16, 2025, on our consideration of the City of Helen, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Helen, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Helen, Georgia's internal control over financial reporting and compliance.

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

Gainesville, GEORGIA
December 16, 2025

CITY OF HELEN, GEORGIA

Statement of Net Position

June 30, 2025

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

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

CITY OF HELEN, GEORGIA

Statement of Activities

For the Year Ended June 30, 2025

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

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

CITY OF HELEN, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2025

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

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

CITY OF HELEN, GEORGIA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total Governmental Fund Balances		$ 12,656,735
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 19,959,038	
Less: Accumulated depreciation	(11,142,542)	
Total capital assets		8,816,496
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Accrued compensated absences not reported in governmental funds		(183,113)
Finance Purchase		(91,235)
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		223,359
Net Position of Governmental Activities		$ 21,422,242

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

CITY OF HELEN, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2025

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

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

CITY OF HELEN, GEORGIA

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

For the Year Ended June 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ 1,474,232
Amounts reported as governmental activities in the Statement of Activities are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:		
Capital outlay	$ 1,042,555	
Less: Current year depreciation	(654,999)	
		387,556
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the overnmental funds, but the repayment reduced long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.		43,595
Compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources and thereforeare not reported as expenditures in the governmental funds.		
End of Year	(183,113)	
Beginning of Year	176,754	
		(6,359)
Because some revenues will not be collected for several months after the City's fiscal year end, they are considered "unavailable" revenues and are deferred in the governmental funds.		
End of Year	223,359	
Beginning of Year	(58,156)	
		165,203
Change in Net Position of Governmental Activities		$ 2,064,227

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

CITY OF HELEN, GEORGIA

Statement of Net Position

Proprietary Fund

June 30, 2025

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

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

CITY OF HELEN, GEORGIA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Fund

For the Year Ended June 30, 2025

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

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

CITY OF HELEN, GEORGIA

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2025

Cash flows from operating activities:	
Receipts from customers	$ 1,583,905
Payments to suppliers	(704,600)
Payments to employees	(416,833)
Net cash provided by operating activities	462,472
Cash flows from capital and related financing activities:	
Transfer from other funds for capital related items	274,552
Acquisition and construction of capital assets	(1,207,224)
Debt payments, principal and interest	(546,758)
Net cash (used) by capital and related financing activities	(1,479,430)
Cash flows from investing activities:	
Interest income	173,173
Net cash provided by investing activities	173,173
Net (decrease) in cash and cash equivalents	(843,785)
Cash and cash equivalents, June 30, 2024	4,924,676
Cash and cash equivalents, June 30, 2025	$ 4,080,891
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 3,010
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	661,401
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(19,387)
(Increase) decrease in prepaid expenses	(1,678)
(Increase) decrease in accrued revenue	(80,530)
Increase (decrease) in accounts payable	(94,904)
Increase (decrease) in accrued expenses	(13,274)
Increase (decrease) in compensated absences	3,560
Increase (decrease) in customer deposits	4,275
Net cash provided (used) by operating activities	$ 462,472

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 remaining funds were used during the current year and the fund has closed.

The City reports the following major proprietary fund:

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

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

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

Basis of Accounting – Measurement Focus

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

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

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

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

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

1-C Assets, Liabilities, and Equity

Investments

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

Cash and Cash Equivalents

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

Restricted Assets

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

Interfund Receivables and Payables

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

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

Receivables

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

Property Tax Calendar

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

Inventories and Prepaid Items

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

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, 2025, the twenty employee/participants contributed $72,899 to the plan, and the employer matched with a contribution of $61,845.

Deferred Outflows/Inflows of Resources

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

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

1-D Fund Equity

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

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

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

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

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

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

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

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

Committed
Assigned
Unassigned

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

NOTE 2. CASH

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

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

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

NOTE 3. RECEIVABLES

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

Governmental Activities:		
Property taxes receivable - net	$	1,343
Hotel/motel taxes receivable - net		277,862
Franchise taxes receivable		1,713
Other taxes receivable - net		3,712
Fines receivable - net		83,196
Sanitation receivable - net		6,125
Due from other governments - SPLOST		142,882
Due from other governments - LOST		144,310
Total Governmental Receivables:	$	661,143
Business-type Activities:		
Water sewer fees receivable - net	$	172,292
Total Business-type Receivables:	$	172,292

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, 2025. The amounts reported as long-term debt in the Statement of Net Position represents amounts not expected to be paid with expendable available resources. The interest expense reported in the government-wide Statement of Activities for governmental activities is $4,126 which was paid as a direct cost of long-term debt. In business-type activities, the City incurred $68,516 as a direct cost of long-term debt.

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

Financed Purchase from Direct Borrowing

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

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

Year	Principal	Interest	Total
2026	44,269	2,259	46,528
2027	47,380	330	47,710
Totals	$ 91,649	$ 2,589	$ 94,238

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

Intergovernmental Loans

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

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

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

Year	Principal	Interest	Total
2026	60,361	396	60,757
2027	33,488	40	33,528
Totals:	$ 93,849	$ 436	$ 94,285

Revenue Bonds

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

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

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

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

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

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

Changes in long-term debt:

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

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

NOTE 6. DEFERRED INFLOWS OF RESOURCES

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

Governmental Fund Financial Statements:			
Deferred inflows of resources			
Property Taxes	$	139	Non-exchange transaction resource collected
Fines		58,017	Beyond the City's period of availability.
Opioid Settlement		96,067	Beyond the City's period of availability.
Total deferred inflows of resources	$	154,223	

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

NOTE 7. RISK MANAGEMENT

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

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

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

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

NOTE 8. HOTEL-MOTEL TAX COMPLIANCE

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

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

NOTE 9. BUDGETS

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

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

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

Depreciation expense was charged to functions as follows:

Governmental Activities:		
General Government	$	88,742
Public Safety	$	213,736
Public Works	$	352,521
Total depreciation expense - governmental activities	$	654,999
Business-type Activities:		
Water and Sewer	$	661,401
Total depreciation expense - business-type activities	$	661,401

NOTE 11. INTERFUND BALANCES AND TRANSFERS

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

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, 2025, the interfund transfers were as follows:

	Transfer From:	
Transfer To:	Capital Projects Fund	Hotel Motel Fund
General Fund	$ -	$ 1,115,997
Water Sewer Fund	274,552	-
	$ 274,552	$ 1,115,997

NOTE 12. ALLOWANCE FOR UNCOLLECTABLE TAXES AND ACCOUNTS

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

Allowance for Bad Debts:

Governmental Activities:		
Property taxes receivable	$	14
Fines receivable		35,655
Sanitation receivable		920
Total Governmental Allowance for Bad Debts:	$	36,589
Business-type Activities:		
Water sewer fees receivable	$	19,761
Total Business-type Allowance for Bad Debts:	$	19,761

NOTE 13. JOINT VENTURES

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

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

NOTE 14. GEFA LOAN DEBT COVENANTS

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

NOTE 15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 16, 2025.

NOTE 16. CHANGES IN BEGINNING BALANCES

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

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

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2025

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

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - Hotel Motel Fund

For the Year Ended June 30, 2025

	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	$ 2,950,000	$ 2,950,000	$ 2,870,676	$ -	$ 2,870,676	$ (79,324)
Interest	10,000	10,000	17,602	-	17,602	7,602
Miscellaneous	-	-	-	-	-	-
Total Revenue	2,960,000	2,960,000	2,888,278	-	2,888,278	(71,722)
Expenditures						
Current:						
Housing and development	1,853,750	1,853,750	1,370,651	-	1,370,651	(483,099)
Total Expenditures	1,853,750	1,853,750	1,370,651	-	1,370,651	(483,099)
Excess (Deficiency) of Revenues Over (Under)	$ 1,106,250	$ 1,106,250	$ 1,517,627	$ -	$ 1,517,627	$ 411,377
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(1,106,250)	(1,106,250)	(1,086,881)	-	(1,086,881)	(19,369)
Total Other Financing Sources (Uses)	(1,106,250)	(1,106,250)	(1,086,881)	-	(1,086,881)	(19,369)
Net Change in Fund Balances	$ -	$ -	430,746	$ -	430,746	$ 392,008
Fund Balances Beginning of Year			318,896		318,896	
Fund Balances End of Year			$ 749,642		$ 749,642	

CITY OF HELEN, GEORGIA

Budgetary Comparison Schedule - ARPA Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over/(Under)	GAAP Basis	Final Budget
Revenues						
Intergovernmental	$ 200,000	$ 202,300	$ 202,267	$ -	$ 202,267	$ (33)
Interest	2,500	5,900	5,852	-	5,852	(48)
Total Revenue	202,500	208,200	208,119	-	208,119	(81)
Expenditures						
Current:						
Capital Outlay	202,500	-	-	-	-	-
Total Expenditures	202,500	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under)	-	208,200	208,119	-	208,119	(81)
Other Financing Sources (Uses)						
Transfers out	-	(208,200)	(208,119)	-	(208,119)	81
Budgeted Fund Balance	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(208,200)	(208,119)	-	(208,119)	81
Net Change in Fund Balances	$ -	$ -	-	$ -	-	$ -
Fund Balances Beginning of Year			-		-	
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, 2025

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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

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

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

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

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

Budgetary Accounting

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

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

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

Budget Amendments

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

CITY OF HELEN, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

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

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

CITY OF HELEN, GEORGIA

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

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

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, 2025, and the related notes to the financial statements, which collectively comprise the City of Helen, Georgia's basic financial statements and have issued our report thereon dated December 16, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of This Report

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

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

Gainesville, Georgia
December 16, 2025

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

Findings – Financial Statement Audit

Internal Control

2025 - 1

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

CITY OF HELEN, GEORGIA

Schedule of Special Purpose Local Option Sales Tax

Estimated Cost and Expenditure Summary

For the Year Ended June 30, 2025

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	1,795	1,181,464
Acquisition and Capital Improvement of Public Building	225,017	225,017	253,950	-	253,950
Acquisition and Improvement of Computer and Communication	100,035	100,035	131,304	585	131,889
Total:	$ 2,470,000	$ 2,470,000	$ 3,035,849	$ 2,380	$ 3,038,229
SPLOST 2020					
Water / wastewater improvements, equipment, and vehicles	$ 1,900,000	$ 1,900,000	$ 488,410	$ 66,433	$ 554,843
Roads, streets, bridges, and sidewalk projects	1,300,000	1,300,000	645,844	701,424	1,347,268
Acquisition and/or Capital Improvement of Public Infrastructure, Parks, and Public Recreation Areas	2,100,000	2,100,000	286,423	45,434	331,857
Administration equipment, facilities, and vehicles	300,000	300,000	263,352	-	263,352
Total:	$ 5,600,000	$ 5,600,000	$ 1,684,029	$ 813,291	$ 2,497,320