CITY OF HIRAM, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF HIRAM, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Hiram, Georgia

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Hiram, 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 Hiram, 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 Hiram, Georgia, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Hotel / Motel Tax and ARPA Funds 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 Hiram, 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 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 Hiram, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hiram, 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 Hiram, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Changes in the Pension Liability and Related Ratios information on pages 4-12 and 49-51 be presented to supplement the basic financial 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 inquires, 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 the City of Hiram, Georgia's basic financial statements. The accompanying combining, individual fund financial statements, budgetary schedules and schedules of projects financed with special purpose option sales tax proceeds, (collectively, " the supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 supplementary information 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 November 20, 2025, on our consideration of the City of Hiram, 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 Hiram, 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 Hiram, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
November 20, 2025

CITY OF HIRAM
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hiram, we offer readers of the City of Hiram's financial statements this narrative overview and analysis of the financial activities of the City of Hiram for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented in this analysis with their review of the financial statements. Management encourages readers to review the attached charts that show where the City's revenue comes from and how the revenue is appropriated and expended.

Financial Highlights

- The assets and deferred outflows of the City of Hiram exceeded its liabilities and deferred inflows at June 30, 2025 by $22,179,984. Of this amount, unrestricted net position of $2,762,132, may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position decreased by $618,951. Of this amount an increase of $424,653 was associated with governmental activities and a decrease of $194,298 was from business-type activities.

- As of the close of the current fiscal year, the City of Hiram's governmental funds reported combined ending fund balances of $7,638,774 a decrease of $1,019,178 in comparison with the prior year. Of this amount $(229,639) is unassigned; $14,822 is restricted for Police Activities; $357,470 is restricted for promotional purposes; $3,256,772 is assigned for next year's budget; $4,178,905 is restricted for Capital Outlay and $60,444 is non-spendable related to prepaid expenses.

- At the end of the current year, unassigned fund balance for the general fund was $(229,639) or (3.3) percent of total General Fund expenditures.

- The City of Hiram's total long term liabilities consisted of a net pension liability of $195,792, accrued compensated absences of $202,023 and lease and subscription obligations of $1,302,828.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Hiram's basic financial statements. The City of Hiram's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Hiram's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the city's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Hiram include general government, public safety and courts, streets and maintenance, parks and recreation, and community development.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Hiram can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains six major governmental funds. The City's major governmental funds are the General, Hotel / Motel Tax, ARPA, Capital Lease and the SPLOST 3 and SPLOST 4 Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these major funds.

The City of Hiram adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the general fund, hotel / motel tax fund and the ARPA Fund to demonstrate compliance with the FY 25 budget. These statements can be found beginning on page19. Non-major fund budgets and capital project fund's project length budgets can be found in the individual fund statements and schedules.

Proprietary funds. The City of Hiram maintains two proprietary funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in Statement of Net Position of the Sanitation Enterprise Fund and the Water Fund and the Statement of Revenues, Expenses and Changes in Fund Net Position for the Sanitation Enterprise Fund and Water Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of budget comparison for all of the governmental funds and required supplemental information regarding the City's defined Benefit Pension Plan.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2025, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $22,179,984. The City's net position reflects its investment in capital assets of $14,863,655 (67.0 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $22,179,984 only $4,555,197 or 20.5 percent is restricted for Police, Promotional and Capital Improvement Projects and $2,762,132 (12.5 percent) is unrestricted. The following table provides a summary of the City's net position at June 30, 2025 and 2024:

City of Hiram's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 8,130,398	$ 9,273,530	$ 295,064	$ 461,057	$ 8,425,462	$ 9,734,587
Capital assets	15,261,037	14,349,127	1,111,529	1,181,284	16,372,566	15,530,411
Deferred outflows	182,646	198,931	-	-	182,646	198,931
Total assets and deferred outflows	23,574,081	23,821,588	1,406,593	1,642,341	24,980,674	25,463,929
Current liabilities	516,530	623,146	160,443	168,982	676,973	792,128
Long-term liabilities	1,700,643	1,531,030	206,083	238,994	1,906,726	1,770,024
Deferred inflows	216,991	102,842	-	-	216,991	102,842
Total liabilities and deferred inflows	2,434,164	2,257,018	366,526	407,976	2,800,690	2,664,994
Net position:						
Invested in capital assets	13,958,209	13,312,284	905,446	942,290	14,863,655	14,254,574
Restricted	4,554,197	3,843,948	-	-	4,554,197	3,843,948
Unrestricted	2,627,511	4,408,338	134,621	292,075	2,762,132	4,700,413
Total net position	$ 21,139,917	$ 21,564,570	$ 1,040,067	$ 1,234,365	$ 22,179,984	$ 22,798,935

A portion of the net position (20.5 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2025 ($2,762,132) may be used to meet the government's ongoing obligations to citizens and creditors.

The City reported positive balances in net position for both governmental and business-type activities. Net position decreased for business type activities by $194,298 and decreased for governmental activities by $424,653. The City's financial position continues to be positive with an unrestricted net position balance of $2,762,132.

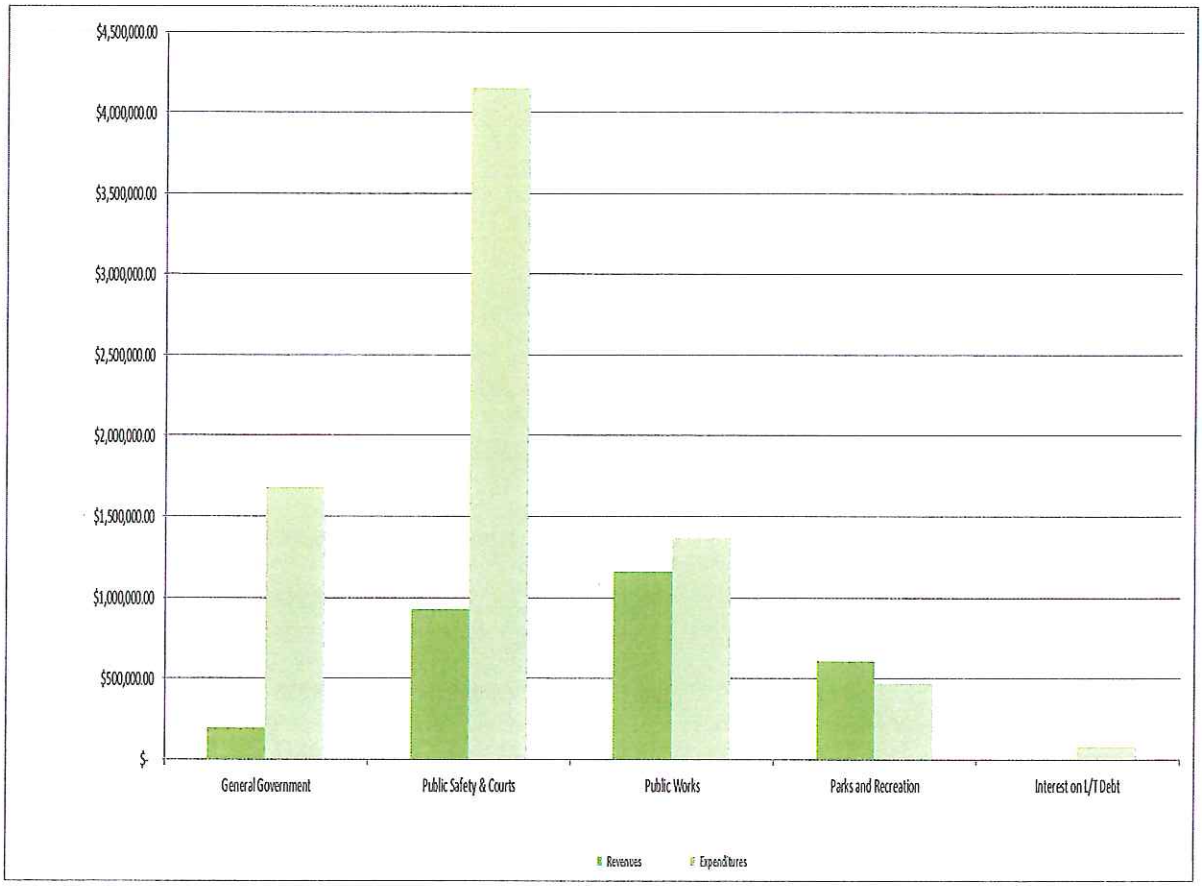
City of Hiram's Change in Net Position
For The Years Ended June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues -						
Charges for services	$ 678,045	$ 702,573	$ 423,757	$ 378,839	$ 1,101,802	$ 1,081,412
Operating grants and contributions	9,500	27,500	-	-	9,500	27,500
Capital grants and contributions	2,195,697	2,329,453	-	-	2,195,697	2,329,453
General Revenues-						
Sales taxes	1,342,827	1,306,090	-	-	1,342,827	1,306,090
Other taxes	2,863,956	2,799,340	-	-	2,863,956	2,799,340
Interest	128,421	172,482	7,158	7,807	135,579	180,289
Other	96,165	515	-	-	96,165	515
	7,314,611	7,337,953	430,915	386,646	7,745,526	7,724,599
Expenses:						
General government	1,681,520	1,470,061	-	-	1,681,520	1,470,061
Public safety and courts	4,153,108	3,345,230	-	-	4,153,108	3,345,230
Public works	1,363,994	1,034,698	-	-	1,363,994	1,034,698
Parks and recreation	465,638	369,847	-	-	465,638	369,847
Interest on long term debt	75,004	79,030	-	-	75,004	79,030
Water	-	-	94,070	87,309	94,070	87,309
Sanitation	-	-	531,143	408,737	531,143	408,737
	7,739,264	6,298,866	625,213	496,046	8,364,477	6,794,912
Increase (decrease) in net position before transfers	(424,653)	1,039,087	(194,298)	(109,400)	(618,951)	929,687
Transfers	-	(788,923)	-	788,923	-	-
Special items	-	-	-	-	-	-
Increase (decrease) in net position	(424,653)	250,164	(194,298)	679,523	(618,951)	929,687
Net position - beginning, adjusted	21,564,570	21,314,406	1,234,365	554,842	22,798,935	21,869,248
Net position - end of year	$ 21,139,917	$ 21,564,570	$ 1,040,067	$ 1,234,365	$ 22,179,984	$ 22,798,935

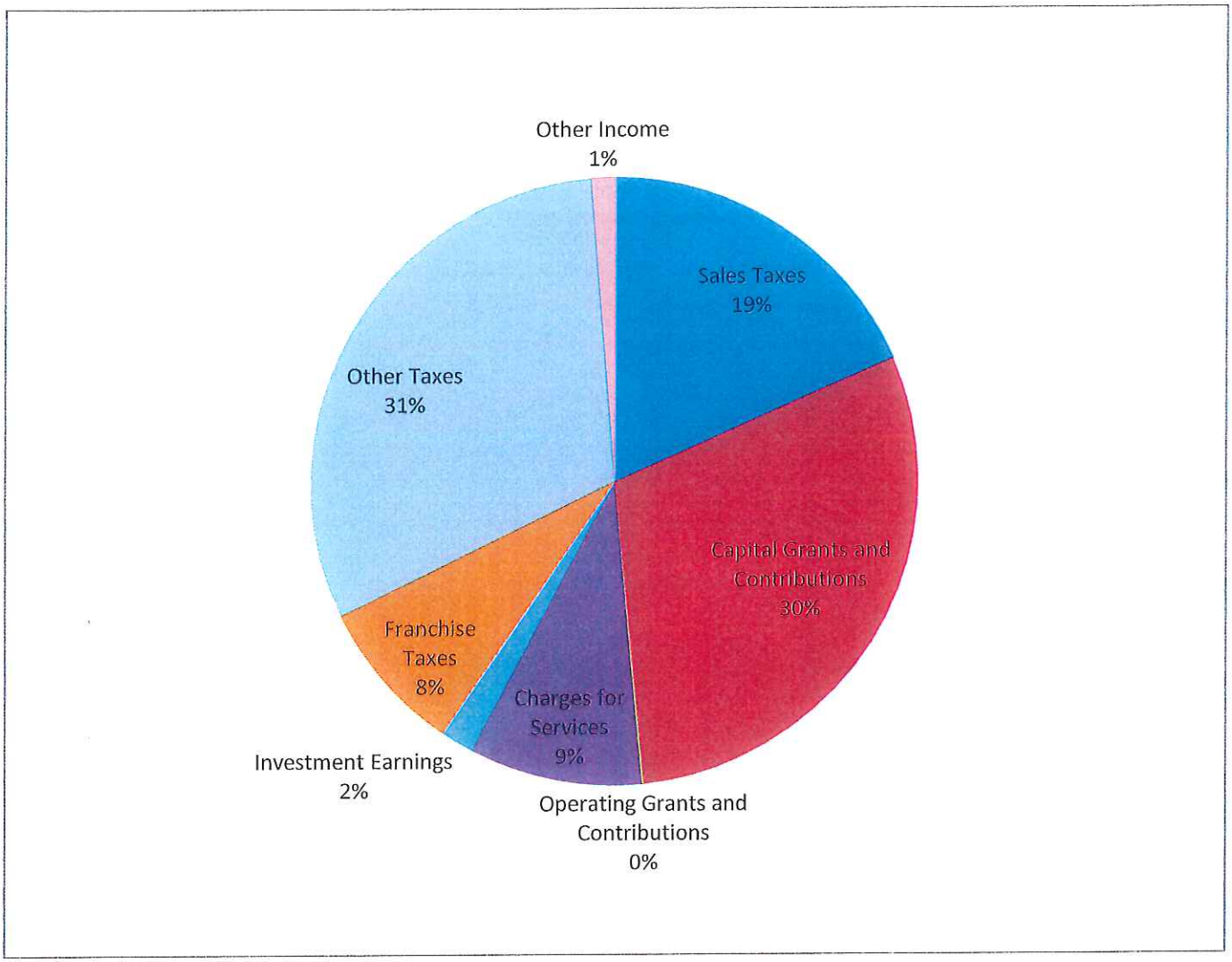
Governmental activities. Governmental activities decreased the City's net position $424,653 accounting for 68.6% of the decrease in net position for the year. Key elements of this increase are as follows:

- Governmental revenues decreased approximately $23,342 over f/y 2024. This decrease was the result of a decrease in the use of ARPA grant funds by $248,905. ARPA grant revenues are recognized when the funds are spent rather than when received. Tax revenues increased $101,000 and fines and other related police related service charges increased $78,500
- Governmental expenses increased $1,440,398 over f/y 2024. The increase is due to additional personnel added to the fulltime positions in the police department and public works, cost-of-living-allowance increases (citywide), in addition to a general increase in operating costs in all departments. Renovations to a new city admin facility, paid from General Fund, added to this increase. Additionally, an increase in the number of vehicles purchased through various lease agreements has led to an overall increase in police department expenses. General government expenses increase approximately $211,459 due to an increase in construction activities, community event activities, and an increase in technology services.

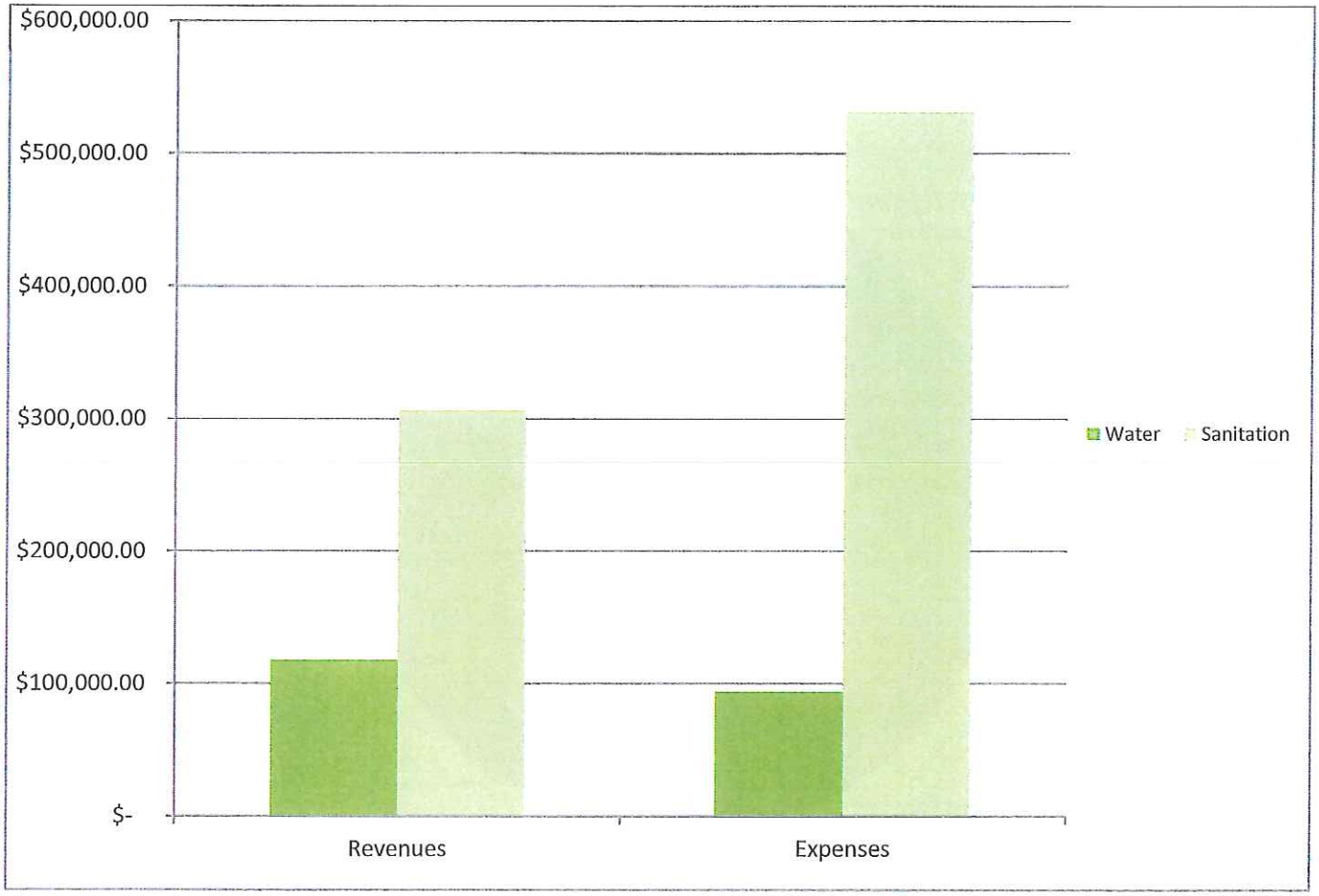
Expenses and Program Revenues-Governmental Activities
For The Fiscal Year Ended June 30, 2025



Revenue by Source-Governmental Activities
For The Fiscal Year Ended June 30, 2025



Expenses and Program Revenues-Business-Type Activities
For The Year Ended June 30, 2025



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Financial Analysis of the Government's Funds

As noted earlier, the City of Hiram used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2025, the city's governmental funds reported combined ending fund balances of $7,638,774. Of this amount, $(229,639) is unassigned fund balance, The remainder of fund balance is restricted to indicate that it is not available for new spending because $14,822 is restricted for Police Activities, $3,256,772 is assigned for next year's budget, $4,178,905 is restricted for Capital Projects, $357,470 is restricted for promotional purposes and $60,444 are non-spendable resources related to prepaid expenses.

The general fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $(229,639) while the total fund balance totaled $3,232,900. As a measure of the general fund's liquidity, it may be

useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents (3.3) percent of the total general fund expenditures, while total fund balance represents 46.0 percent of that same amount.

With the City not having property taxes as its primary source of revenue, it relies on diversified revenue sources in order to prevent unsustainable loss due to unforeseen event(s). In the past as well as this fiscal year, the City has appropriated cash reserves in order to meet the service demands. During f/y 2025 the City had net change in fund balance of the General Fund of a negative $1,581,104 which resulted in the City having to use significant amounts of cash reserves. A significant reason for the negative change in fund balance was due to the number of police and public works positions, to support the demand for services in the community, along with increased operating costs generally.

SPLOST 3 and SPLOST 4

The SPLOST 3 Capital Projects Fund completed its accrual of revenues in f/y 2023 and SPLOST 4 began accruing revenues in April 2023. Total revenues from SPLOST 4 for f/y 2025 was $2,120,393 which included an LMIG grants of $122,837. Expenditures for both funds totaled $1,561,185, for the year ended June 30, 2025, and included debt service and capital outlay for various projects including 1) debt service totaling $525,663 on various leases for police and public works vehicles and related equipment; 2) Arnold Lane and Duncan Drive road improvement of $293,000; 3) equipping various vehicles costing $44,500 and 4) public works equipment for $27,800.

The Hotel / Motel Tax Fund

For FY 2025, the City received $228,238 in hotel / motel tax revenues. Expenditures in this fund for f/y 2025 included $91,295 of remittances to non-profit organizations that will provide promotional services for the City and approximately $146,000 for promotional events and related equipment.

The ARPA Fund

During fiscal year 2025 the City expended $56,877 of grant funds on various projects including $53,677 for improvement to the Veterans' Memorial. This fund was closed out during fiscal year 2025.

The Capital Lease Fund

The City accounts for the assets financed with lease obligations in this fund. During f/y 2025 the City leased five police vehicles and other police equipment in the amount of $338,739.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to a negative $263,934. Operating revenues amounted to $305,860, while operating expenses amounted to $523,628, resulting in an operating loss of $217,768. As mentioned above, the City began providing sanitation services in July 2023 instead of contracting out such services. As a result, the General Fund transferred $788,923 to the Sanitation Fund during f/y 2024 to help finance start-up cost.

Unrestricted net position of the Water Fund amounted to $398,555, as of June 30, 2025. Operating revenues amounted to $117,897, while operating expenses amounted to $91,155, resulting in an operating income of $26,742. The City produces all of its water for resale for its customers.

General Fund Budgetary Highlights

The general fund's final budgeted expenditures were $7,025,294 as approved by Mayor and Council in November 2025. Actual expenditure was also $7,025,294. Major budget amendments during the year included increases for capital outlay in the police and general government departments for police cars, facility improvements and subscriptions.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2025 amounts to $16, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. Purchases of capital assets during the year included:

- $293,000 of road improvements to Arnold Lane and Duncan Drive.
- $200,000 for cost of improvements to the future administrative office building.
- $414,661 for improvements to the Veteran's Memorial.
- $46,800 for park improvements.
- $829,700 for the purchase of various vehicles and related equipment.

A more detail analysis of capital asset transactions for the year can be found beginning on page 37.

Long-term Liabilities. At the end of the current fiscal year, the city's long-term liabilities amounted to $1,906,726. Long-term liabilities consisted of a net pension liability of $195,792, accrued compensated absences of $202,023 and lease and subscription obligations in the amount of $1,502,828. An analysis of the City's long-term debt transactions for the year can be found on page 39.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials and management considered many factors when adopting the budget for the year ending June 30, 2025. Budget calculations were based on, but not limited to the following factors:

- The unemployment rate in the City of Hiram is in line with the State and Nation.
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate of the City's downtown and highway commercial areas have remained consistent , though we have had a couple of businesses close. However, there has been interest in the vacancies the closed businesses have created.
- Local Option Sales Tax and Special Purpose Local Option Sales Tax receipts have increased by $259,860 from f/y 2024 to f/y 2025. The SPLOST tax is an important source of revenues to finance the cost of major improvements to the City's transportation and recreation infrastructure, along with the purchase of equipment for those same services and public safety services.
- The City's occupational tax is based on gross receipts. Occupational tax revenues, including alcohol beverage licenses and financial institution taxes, amounted to $905,041 for FY2025, approximately $10,922 less than f/y 2024.

Requests for Information

This financial report is designed to provide a general overview of the City of Hiram's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 943-3726 or at the following address:

City Clerk
City of Hiram
217 Main Street
Hiram, GA 30141

CITY OF HIRAM, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 739,344	$ 91,008	$ 830,352
Investments	2,571,539	156,406	2,727,945
Receivables (net of allowance for uncollectibles)			
Taxes	194,573	-	194,573
Intergovernmental	322,443	-	322,443
Accounts	28,098	29,461	57,559
Prepaid Items	60,444	17,889	78,333
Restricted Assets -			
Cash	4,213,957	-	4,213,957
Deposits	-	300	300
Non-Depreciable Capital Assets	2,282,188	-	2,282,188
Depreciable Capital Assets, Net	12,978,849	1,111,529	14,090,378
Total Assets	23,391,435	1,406,593	24,798,028
Deferred Outflows			
Deferred pension outflows	182,646	-	182,646
Total Assets and deferred outflows	23,574,081	1,406,593	24,980,674
Liabilities			
Accounts Payable			
Operating	371,707	12,757	384,464
Accrued Liabilities -			
Salaries	86,256	7,680	93,936
Customer Deposits / Overpayments	-	59,410	59,410
Other	24,906	5,997	30,903
Unearned revenues	33,661	74,599	108,260
Long-Term Liabilities -			
Debt due within one year	653,082	25,328	678,410
Debt due in more than one year	851,769	180,755	1,032,524
Net pension liability	195,792	-	195,792
Total Liabilities	2,217,173	366,526	2,583,699
Deferred Inflows			
Deferred pension inflows	216,991	-	216,991
Total Liabilities and Deferred Inflows	2,434,164	366,526	2,800,690
Net Position			
Net Investment in Capital Assets	13,958,209	905,446	14,863,655
Restricted for -			
Police Activities	17,822	-	17,822
Capital Outlay	4,178,905	-	4,178,905
Promotion	357,470	-	357,470
Unrestricted	2,627,511	134,621	2,762,132
Total Net Position	$ 21,139,917	$ 1,040,067	$ 22,179,984

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 1,681,520	$ 181,714	$ 9,500	$ -
Public Safety and Courts	4,153,108	426,957	-	497,814
Public Works	1,363,994	-	-	1,159,312
Parks and Recreation	465,638	69,374	-	538,571
Interest on Long Term Debt	75,004	-	-	-
Total Governmental Activities	7,739,264	678,045	9,500	2,195,697
Business-Type Activities				
Water	94,070	117,897	-	-
Sanitation	531,143	305,860	-	-
Total Business-Type Activities	625,213	423,757	-	-
Total	$ 8,364,477	$ 1,101,802	$ 9,500	$ 2,195,697
General Revenues:				
Taxes:				
Sales				
Franchise				
Occupational				
Insurance premium				
Alcohol beverage				
Hotel/Motel				
Title ad valorem				
Other taxes and related fees				
Investment earnings				
Other				
Total General Revenues				
Change in Net Position Before Transfers and Special Items				
Transfers				
Special Items				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (1,490,306)	$ -	$ (1,490,306)
(3,228,337)	-	(3,228,337)
(204,682)	-	(204,682)
142,307	-	142,307
(75,004)	-	(75,004)
(4,856,022)	-	(4,856,022)
-	23,827	23,827
-	(225,283)	(225,283)
-	(201,456)	(201,456)
(4,856,022)	(201,456)	(5,057,478)
1,342,827	-	1,342,827
601,483	-	601,483
752,591	-	752,591
469,883	-	469,883
247,114	-	247,114
228,238	-	228,238
267,039	-	267,039
297,608	-	297,608
128,421	7,158	135,579
96,165	-	96,165
4,431,369	7,158	4,438,527
(424,653)	(194,298)	(618,951)
-	-	-
-	-	-
(424,653)	(194,298)	(618,951)
21,564,570	1,234,365	22,798,935
$ 21,139,917	$ 1,040,067	$ 22,179,984

CITY OF HIRAM, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL FUND	HOTEL / MOTEL TAX FUND	ARPA FUND
Assets			
Cash and Cash Equivalents	$ 739,344	$ 372,067	$ -
Investments	2,571,539	-	-
Receivables (net of allowance for uncollectibles)			
Taxes	175,800	18,773	-
Interest	-	-	-
Intergovernmental	-	-	-
Other	28,098	-	-
Due from Other Funds	-	-	-
Prepaid Items	60,444	-	-
Total Assets	$ 3,575,225	$ 390,840	$ -
Liabilities			
Accounts Payable -			
Operating	$ 222,408	$ 33,370	$ -
Accrued Liabilities -			
Salaries	86,256	-	-
Other	-	-	-
Due to Other Funds	-	-	-
Unearned Revenues	33,661	-	-
Total Liabilities	342,325	33,370	-
Deferred Inflows:			
Unavailable Revenues	-	-	-
Fund Balances			
Nonspendable	60,444	-	-
Restricted -			
Police activities	-	-	-
Capital outlay	145,323	-	-
Promotion	-	357,470	-
Assigned -			
Appropriated for next year's budget	3,256,772	-	-
Unassigned	(229,639)	-	-
Total Fund Balances	3,232,900	357,470	-
Total Liabilities, Deferred Inflows and Fund Balances	$ 3,575,225	$ 390,840	$ -

See accompanying notes to the basic financial statements.

CAPITAL LEASE FUND	SPLOST 3 FUND	SPLOST 4 FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ 568,774	$ 3,258,294	$ 14,822	$ 4,953,301
-	-	-	-	2,571,539
-	-	-	-	194,573
-	-	-	-	-
-	-	322,443	-	322,443
-	-	-	-	28,098
-	-	-	-	-
-	-	-	-	60,444
$ -	$ 568,774	$ 3,580,737	$ 14,822	$ 8,130,398
$ -	$ -	$ 115,929	$ -	$ 371,707
-	-	-	-	86,256
-	-	-	-	-
-	-	-	-	-
-	-	-	-	33,661
-	-	115,929	-	491,624
-	-	-	-	-
-	-	-	-	60,444
-	-	-	14,822	14,822
-	568,774	3,464,808	-	4,178,905
-	-	-	-	357,470
-	-	-	-	3,256,772
-	-	-	-	(229,639)
-	568,774	3,464,808	14,822	7,638,774
$ -	$ 568,774	$ 3,580,737	$ 14,822	$ 8,130,398

CITY OF HIRAM, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances -- total governmental funds	$ 7,638,774
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,261,037
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	-
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:	
Deferred outflows	182,646
Deferred inflows	(216,991)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Net pension liability	(195,792)
Accrued interest payable	(24,906)
Financed purchases payable	(929,328)
SBITA payable	(373,500)
Long-term portion of compensated absences	(202,023)
Net position of governmental activities	$ 21,139,917

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

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CITY OF HIRAM, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND	HOTEL / MOTEL TAX FUND	ARPA FUND
REVENUES			
Taxes	$ 3,974,390	$ 228,238	$ -
Licenses and permits	191,354	-	-
Intergovernmental	-	-	56,877
Charges for services	70,924	-	-
Fines and forfeitures	395,787	-	-
Investment income	128,421	-	-
Miscellaneous	107,482	9,500	-
Total Revenues	4,868,358	237,738	56,877
EXPENDITURES			
Current:			
General Government	1,233,448	237,331	-
Municipal Court	385,554	-	-
Public Safety	3,545,639	-	-
Public Works	855,139	-	-
Parks and Recreation	198,953	-	56,877
Debt service			
Principal	158,176	-	-
Interest	5,542	-	-
Capital:			
Administrative	116,679	-	-
Court	-	-	-
Police	253,263	-	-
Public Works	200,481	-	-
Parks and Recreation	72,420	-	-
Total Expenditures	7,025,294	237,331	56,877
Excess (Deficiency) of Revenues Over Expenditures	(2,156,936)	407	-
Other Financing Sources (Uses):			
Disposition of capital assets	16,325	-	-
Debt issue, face amount	559,507	-	-
Transfers	-	-	-
Net Change in Fund Balance	(1,581,104)	407	-
Fund Balance - Beginning of the Year	4,814,004	357,063	-
Fund Balance - End of Year	$ 3,232,900	$ 357,470	$ -

See accompanying notes to the basic financial statements.

CAPITAL LEASE FUND	SPLOST 3 FUND	SPLOST 4 FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ -	$ 4,202,628
-	-	-	-	191,354
-	-	2,041,338	-	2,098,215
-	-	-	-	70,924
-	-	-	300	396,087
-	2,308	6,430	-	137,159
-	-	72,625	16,420	206,027
-	2,308	2,120,393	16,720	7,302,394
-	-	-	-	1,470,779
-	-	-	-	385,554
-	-	-	3,297	3,548,936
-	-	-	-	855,139
-	-	-	-	255,830
-	194,371	279,712	-	632,259
-	37,028	14,552	-	57,122
-	-	-	-	116,679
-	-	-	-	-
338,739	-	47,732	13,420	653,154
-	79,960	342,070	-	622,511
-	418,243	147,517	-	638,180
338,739	729,602	831,583	16,717	9,236,143
(338,739)	(727,294)	1,288,810	3	(1,933,749)
-	-	-	-	16,325
338,739	-	-	-	898,246
-	-	-	-	-
-	(727,294)	1,288,810	3	(1,019,178)
-	1,296,068	2,175,998	14,819	8,657,952
$ -	$ 568,774	$ 3,464,808	$ 14,822	$ 7,638,774

CITY OF HIRAM, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances -- total governmental funds	$ (1,019,178)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	2,040,130
Depreciation and amortization	(1,066,175)
The net effect of other miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. This is the amount of net book value of assets disposed of during the current period including any lease liability written off.	(62,044)
Revenues in the statement of activities that do not provide current financial between the beginning and ending unavailable revenue balances in the current period.	-
Proceeds from long-term debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal payments	632,261
Proceeds from debt issues	(898,247)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in accrued interest payable	(17,338)
Change in long-term portion of accrued compensated absences	(43,837)
Change in net pension liability and related deferred items	9,775
Change in net position of governmental activities	$ (424,653)

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

CITY OF HIRAM, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET AMOUNTS			Variance With Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 3,472,050	$ 3,972,610	$ 3,974,390	$ 1,780
Licenses and permits	194,150	191,984	191,354	(630)
Intergovernmental	-	-	-	-
Charges for services	54,400	69,284	70,924	1,640
Fines and forfeitures	356,900	395,787	395,787	-
Investment income	115,000	128,422	128,421	(1)
Miscellaneous	24,300	110,271	107,482	(2,789)
Total Revenues	4,216,800	4,868,358	4,868,358	-
EXPENDITURES				
Current:				
Elected Officials	225,054	131,765	131,765	-
General Government	1,081,553	1,335,726	1,335,726	-
Municipal Court	420,434	385,554	385,554	-
Public Safety	3,518,410	3,845,256	3,845,256	-
Public Works	1,016,754	1,055,620	1,055,620	-
Parks and Recreation	324,400	271,373	271,373	-
*Debt service	-	-	-	-
Total Expenditures	6,586,605	7,025,294	7,025,294	-
Excess (Deficiency) of Revenues Over Expenditures	(2,369,805)	(2,156,936)	(2,156,936)	-
Other Financing Sources (Uses):				
Disposal of capital assets	-	16,325	16,325	-
Proceeds from debt issue	-	559,507	559,507	-
Transfers	-	-	-	-
Net Change in Fund Balances	(2,369,805)	(1,581,104)	(1,581,104)	-
Fund Balance:				
Beginning of Year	4,814,004	4,814,004	4,814,004	-
End of Year	$ 2,444,199	$ 3,232,900	$ 3,232,900	$ -

* Debt Service expenditures are budgeted in the department from where the corresponding asset was purchased / leased.

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
HOTEL / MOTEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			
	BUDGET AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
Taxes	$ 212,000	$ 228,238	$ 228,238	$ -
Miscellaneous	-	9,500	9,500	-
Interest	-	-	-	-
Total Revenues	212,000	237,738	237,738	-
EXPENDITURES				
Current -				
Tourism and Promotion-				
Contracted services	212,000	237,331	237,331	-
Total Expenditures	212,000	237,331	237,331	-
Excess (Deficiency) of Revenues Over Expenditures	-	407	407	-
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Total	-	-	-	-
Net Change in Fund Balance	-	407	407	-
Fund Balance - Beginning of Year	357,063	357,063	357,063	-
Fund Balance - End of Year	$ 357,063	$ 357,470	$ 357,470	$ -

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance
REVENUES				
ARPA grant	$ 53,677	$ 56,877	$ 56,877	$ -
Other	-	-	-	-
Total Revenues	53,677	56,877	56,877	-
EXPENDITURES				
Capital				
General				-
Parks	53,677	56,877	56,877	-
Public works	-	-	-	-
Total Expenditures	53,677	56,877	56,877	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance:				
Beginning of year	-	-	-	-
End of year	$ -	$ -	$ -	$ -

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	WATER	SANITATION	TOTAL
ASSETS:			
CURRENT ASSETS			
Cash	$ 91,008	$ -	$ 91,008
Investments	156,406	-	156,406
Accounts receivable, net of reserve for doubtful accounts	12,059	17,402	29,461
Prepaid expense	-	17,889	17,889
Deposits	300	-	300
Due from other funds	201,883	-	201,883
Total Current Assets	461,656	35,291	496,947
NONCURRENT ASSETS			
Subscription asets, net	120,137	-	120,137
Capital Assets -			
Utility system	422,096	-	422,096
Machinery and equipment	140,386	888,600	1,028,986
Less: accumulated depreciation	(301,519)	(158,171)	(459,690)
Total Capital Assets, net of depreciation	260,963	730,429	991,392
Total Noncurrent Assets	381,100	730,429	1,111,529
Total Assets	842,756	765,720	1,608,476
LIABILITIES:			
CURRENT LIABILITIES			
Accounts payable	3,691	9,066	12,757
Accrued salaries	-	7,680	7,680
Accrued interest	-	5,997	5,997
Customer deposits / overpayments	59,410	-	59,410
Due to other funds	-	201,883	201,883
Unearned revenues	-	74,599	74,599
LONG-TERM LIABILITIES			
Debt due in one year or less	4,021	21,307	25,328
Debt due in more than one year	109,686	71,069	180,755
Total Current Liabilities	176,808	391,601	568,409
Total Liabilities	176,808	391,601	568,409
NET POSITION:			
Net investment in capital assets	267,393	638,053	905,446
Unrestricted	398,555	(263,934)	134,621
Total Net Position	$ 665,948	$ 374,119	$ 1,040,067

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	WATER	SANITATION	TOTAL
OPERATING REVENUES:			
Charges for services	$ 89,245	$ 300,860	$ 390,105
Penalties and fifas	23,388	-	23,388
Miscellaneous	5,264	5,000	10,264
Total Operating Revenues	117,897	305,860	423,757
OPERATING EXPENSES:			
Current -			
Salaries and benefits	-	244,633	244,633
Contracted services	20,112	156,695	176,807
Supplies	46,578	33,440	80,018
Other	-	-	-
Depreciation and amortization	24,465	88,860	113,325
Total Operating Expenses	91,155	523,628	614,783
Operating Income (Loss)	26,742	(217,768)	(191,026)
NON-OPERATING INCOME (EXPENSES):			
Interest expense	(2,915)	(7,515)	(10,430)
Interest revenues	7,158	-	7,158
Net Income (Loss) before Transfers	30,985	(225,283)	(194,298)
Transfers - in	-	-	-
NET INCOME	30,985	(225,283)	(194,298)
NET POSITION - BEGINNING	634,963	599,402	1,234,365
NET POSITION - ENDING	$ 665,948	$ 374,119	$ 1,040,067

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2025

	WATER	SANITATION	TOTAL
Cash flows from operating activities:			
Cash received from customers and users	$ 135,329	$ 312,488	$ 447,817
Cash paid to suppliers	(74,688)	(268,276)	(342,964)
Cash paid to employees	-	(178,962)	(178,962)
Net Cash Provided by Operating Activities	60,641	(134,750)	(74,109)
Cash flows from investing activities:			
Interest received	7,158	-	7,158
(Purchase) redemption of investments	(7,158)	-	(7,158)
	-	-	-
Cash flows from non-capital financing activities:			
Change in due to/from other funds	(16,972)	16,972	-
Transfers	-	-	-
Net Cash Provided by (Used in) Non-capital Financing Activities	(16,972)	16,972	-
Cash flows from capital financing activities:			
Interest paid on debt	(2,915)	(9,105)	(12,020)
Principal payments on debt	(13,511)	(19,400)	(32,911)
Proceeds from debt issue	-	-	-
Purchase capital/subscription assets	(43,570)	-	(43,570)
Net Cash Provided by (Used in) capital Financing Activities	(59,996)	(28,505)	(88,501)
Net increase in cash and cash equivalents	(16,327)	(146,283)	(162,610)
Cash and cash equivalents - Beginning of Year	107,335	146,283	253,618
Cash and cash equivalents - End of Year	$ 91,008	$ -	$ 91,008

See accompanying notes to the basic financial statements.

CITY OF HIRAM, GEORGIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - CONTINUED

Reconciliation of Net Income to Net Cash Provided By Operating Activities

	WATER	SANITATION	TOTAL
Operating income (loss)	$ 26,742	$ (217,768)	$ (191,026)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	24,465	88,860	113,325
(Increase) decrease in receivables	9,997	6,583	16,580
Prepaid expense	-	(6,039)	(6,039)
(Increase) decrease in deposits			
Increase (decrease) in accounts payable	(7,998)	(12,699)	(20,697)
Increase (decrease) in customer deposits	7,435	-	7,435
Increase (decrease) in accrued liabilities	-	6,268	6,268
Increase (decrease) in unearned revenues	-	45	45
Total Adjustments	33,899	83,018	116,917
Net Cash Provided by Operating Activities	$ 60,641	$ (134,750)	$ (74,109)

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City of Hiram, Georgia (the "City") was incorporated in 1871 under the provisions of the State of Georgia. The City operates under a mayor / council form of government and provides the following services: police, highways and streets, sanitation, parks and recreation, water, and general and administrative services. The City's comprehensive annual financial report includes the accounts of all City operations.

Governmental Accounting Standards Board Statement No. 14 as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on organizations for which the primary government is financial accountable or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. The City has no component units.

C. Basic Financial Statements - Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales, excise, occupational and franchise taxes, intergovernmental revenues, interest income, etc.). The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements - Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The City has four major governmental funds. The City also has two enterprise funds and considers both of them to be major funds. Separate financial statements are provided for governmental funds and proprietary funds. All major funds are reported in separate columns in the fund financial statements.

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Hotel / Motel Tax Fund – The Hotel / Motel Tax Fund is used to account for the proceeds of the City's five percent Hotel / Motel Tax Ordinance. The proceeds from the tax is to be used to finance promotional activities.

American Rescue Plan Act (ARPA) Special Revenue Fund – This fund is used to account for the monies received and the related expenditures under the American Rescue Plan Act. Recipients may use award funds to cover eligible costs incurred during the period that begins March 3, 2021 and ends December 31, 2025.

Capital Lease Fund – This capital projects fund is used to account for capital purchases financed with capital lease obligations. Since the City intends to abide by the terms of these lease agreements and eventually own the related assets, the assets and the related liabilities are recorded at the present value of the future payments under the lease agreements.

SPLOST Capital Projects Funds – These funds are used by the City to account for acquisition and construction of major capital improvements and equipment that were approved by the voters of Paulding County, Georgia through the Special Purpose Local Option Sales Tax referendums.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Sanitation Enterprise Fund – The Sanitation Enterprise Fund is used to account for the revenues generated from the charges for sanitation provided to the residential and commercial users of the City.

Water Enterprise Fund – This fund is used to account for activities connected with the development, operation and maintenance of water in the City.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, fines, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

G. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

H. Investments

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase and the Georgia Fund 1. For reporting purposes, all investments are recorded at fair value with accrued interest, if any, recorded under a separate category.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of June 30, 2025:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; c) items associated with a fund other than the fund to which the income is assigned.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

J. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items and are expensed during the period benefited.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	10-20 years
Building and improvements	30-40 years
Furniture and fixtures	5-15 years
Machinery and equipment	5-10 years
Water lines	10-40 years

The City only reports infrastructure assets purchased subsequent to June 15, 2003.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

N. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

O. Compensated Absences

The City accrues accumulated unpaid vacation costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. No liability is reported for non-vesting accumulating rights to receive sick leave.

P. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

Q. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the City.

R. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Budgets and Budgetary Accounting

Georgia law requires an annual balanced budget for the General Fund and Special Revenue Funds and a project length budget for each capital project fund. All departments of the City submit requests for appropriation to the City Council so that a budget may be prepared. The budget is prepared by fund, function (department), and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. Budgets for the General Fund, Special Revenue Funds and Capital Project Funds are prepared using the modified accrual basis of accounting.

No later than 45 days prior to the beginning of the fiscal year, the proposed budget is presented to the Mayor and Council for review. The Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the manager or the revenues estimates must be changed by an affirmative vote of a majority of the Council, except for emergencies as defined by the charter and unanimously voted by the Council. Last year's budget subject to amendment becomes the current year's budget if Council fails to act. Expenditures may not legally exceed budgeted appropriations at the function level. The legal level of budgetary control is at the department level.

The SPLOST Capital Projects Funds have project length budgets which were adopted when voters approved the respective SPLOST referendums. This budgets are prepared for the projected total SPLOST tax revenues and capital outlays for the life of the intergovernmental agreements.

U. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Hiram Retirement Plan (HRP) and additions to/deductions from HRP's fiduciary net position have been determined on the same basis as they are reported in the HRP. For this purpose, benefit payments (including refunds of employee contributions, if applicable) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

V. Fund Balance – Governmental Funds

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Hiram's Council. Hiram's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

Unassigned – all other spendable amounts.

As of June 30, 2025, fund balances are composed of the following:

	General Fund	Hotel / Motel Tax Fund	SPLOST Funds	Non-Major Funds	Total
Nonspendable:					
Prepaids	$ 60,444	$ -	$ -	$ -	$ 60,444
Restricted:					
Capital Outlay	145,323	-	4,033,582	-	4,178,905
Police	-	-	-	14,822	14,822
Promotion	-	357,470	-	-	357,470
Assigned - Next Year's Budget	3,256,772	-	-	-	3,256,772
Unassigned	(229,639)	-	-	-	(229,639)
Total Fund Balances	$ 3,232,900	$ 357,470	$ 4,033,582	$ 14,822	$ 7,638,774

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

W. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net position reports $4,554,197 of restricted net position, of which $4,396,755 is restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted net position are available.

X. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow 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 / expenditures) until then. The government has one item that qualifies for reporting in this category as of June 30, 2025, which is deferred pension outflows recognized in the Statement of Net Position.

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. The government recognizes deferred pension inflows in its Statement of Net Position.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of June 30, 2025, $4,882,316 of the government's bank balance of $5,132,316 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ -
Uninsured and collateral held by pledging bank's agent in the City's name	4,882,316
Total	$ 4,882,316

In accordance with state law, the City of Hiram can invest in: 1. Obligations issued by the U.S. Government, any state, any political subdivision of the State of Georgia, or Local Government Investment Pool established by state law; 2. Prime banks' acceptances; and 3. Repurchase agreements.

Investments as of June 30, 2025, of $2,727,945 consisted of participation in the Georgia Fund 1 state of Georgia sponsored investment pool.

(See Independent Auditor's Report).

2. CASH AND INVESTMENTS – (Continued)

"Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standards and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed on $1.00 per share. The fund is managed by the Georgia Office of State Treasurer (OST). OST is guided by the policies of the State Depository Board and OCGA 55-17-2 and 50-17-63.

Investment	Fair Value	Average Maturities	Rating	Organization
Georgia Fund 1	2,727,945	51 days	AAAf	S & P

3. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied approximately October 1 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds from this tax are remitted to the City monthly and are utilized to give property tax owners tax relief. No property taxes were levied for the year ended June 30, 2025.

4. RECEIVABLES

	General Fund	Hotel / Motel Tax Fund	SPLOST 4 Fund	Total
Taxes	$ 175,800	$ 18,773	$ -	$ 194,573
Intergovernmental	-	-	322,443	322,443
Other	33,098	-	-	33,098
Total	208,898	18,773	322,443	550,114
Less: Allowance for uncollectibles	(5,000)	-	-	(5,000)
Net	$ 203,898	$ 18,773	$ 322,443	$ 555,114

Proprietary Funds

	Water Fund	Sanitation Fund	Total
Accounts	$ 21,759	$ 23,902	$ 45,661
Interest	-	-	-
Total	21,759	23,902	45,661
Less: Allowance for uncollectibles	9,700	6,500	16,200
Net	$ 12,059	$ 17,402	$ 29,461

(See Independent Auditor's Report)

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables for the year ended June 30, 2025, consist of the following:

	Revenue	Receivable
SPLOST 4 Fund		
Paulding County - SPLOST	$ 1,918,501	$ 322,443
LMIG	122,837	-
American Recue Plan Act	56,877	-
Total	$ 2,098,215	$ 322,443

6. INTER-FUND TRANSACTIONS

There were no individual fund interfund transfers for the year ended June 30, 2025.

Individual fund interfund receivables and payables for the year ended June 30, 2025 were as follows:

Due From	Due To Water Fund
Sanitation Fund	$ 201,883

The Sanitation Fund owed the Water Fund $201,883 for items paid by the Water Fund that were purchased in anticipation of the City providing citizens with sanitation services .

7. LITIGATION:

As of June 30, 2025, there were no lawsuits or complaints that management believes will have a material effect on the financial condition of the City.

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Adjustments And Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 2,239,703	$ -	$ -	$ 2,239,703
Construction in progress	33,222	27,185	(17,922)	42,485
Total	2,272,925	27,185	(17,922)	2,282,188
Capital assets being depreciated:				
Infrastructure	9,679,537	328,334	(59,468)	9,948,403
Buildings and improvements	4,627,175	680,262	-	5,307,437
Furniture and fixtures	77,791	-	-	77,791
Machinery and equipment	3,249,474	168,710	(108,199)	3,309,985
Total capital assets being depreciated	17,633,977	1,177,306	(167,667)	18,643,616
Less accumulated depreciation for:				
Infrastructure	2,447,893	290,343	-	2,738,236
Buildings and improvements	1,708,673	144,526	-	1,853,199
Furniture and fixtures	63,075	5,186	-	68,261
Machinery and equipment	2,487,523	118,857	(123,544)	2,482,836
Total accumulated depreciation	6,707,164	558,912	(123,544)	7,142,532
Total capital assets being depreciated, net not including lease assets	10,926,813	618,394	(44,123)	11,501,084
Lease & subscription assets				
Equipment	1,137,196	739,775	-	1,876,971
Subscriptions	631,755	95,864	-	727,619
Accumulated depreciation / amortization	619,562	507,263	-	1,126,825
Lease & subscription assests, net	1,149,389	328,376	-	1,477,765
Total capital assets being depreciation, net	12,076,202	946,770	(44,123)	12,978,849
Governmental capital assets, net	$14,349,127	$ 973,955	$ (62,045)	$ 15,261,037

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

General Government	$ 205,356
Public Safety and Courts	343,677
Public Works	417,314
Parks and Recreation	99,828
Total depreciation and amortization expense	$ 1,066,175

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT – (Continued)

	Beginning Balance	Increases	Adjustments And Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Total	-	-	-	-
Capital assets being depreciated:				
Buildings and improvements	-	-	-	-
Infrastructure	378,526	43,570	-	422,096
Machinery and equipment	766,235	-	-	766,235
Total capital assets being depreciated	1,144,761	43,570	-	1,188,331
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Infrastructure	194,714	10,193	-	204,907
Machinery and equipment	131,936	70,206	-	202,142
Total capital assets being depreciated	326,650	80,399	-	407,049
Business - Type Activities capital assets, net of depreciation not including lease assets	$ 818,111	$ (36,829)	$ -	$ 781,282
Lease & subscription assets				
Equipment	262,750	-	-	262,750
Subscriptions	131,218	-	-	131,218
Accumulated depreciation / amortization	30,795	32,926	-	63,721
Lease & subscription assests, net	363,173	(32,926)	-	330,247
Total capital assets being depreciation, net	1,181,284	(69,755)	-	1,111,529
Business - Type Activities capital assets, net of depreciation	$ 1,181,284	$ (69,755)	$ -	$ 1,111,529

The depreciation and amortization expense were charged to the Water Fund in the amount of $24,465 and the Sanitation Fund in the amount of $88,860.

(See Independent Auditor's Report)

9. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Actiivities					
Accrued Compensated Absences	$ 158,186	$ 43,837	$ -	$ 202,023	$ 50,000
Financed Purchases (Note 15)	626,553	802,382	(499,607)	929,328	443,007
Subscription IT Liabilities (Note 16)	410,290	95,864	(132,654)	373,500	160,075
Total Governmental-Type Activity Long-Term Debt	$ 1,195,029	$ 942,083	$ (632,261)	$ 1,504,851	$ 653,082
Business-Type Activities					
Financed Purchases (Note 15)	$ 111,776	$ -	$ (19,400)	$ 92,376	$ 21,307
Subscription IT Liabilities (Note 16)	127,218	-	(13,511)	113,707	4,021
Total Business-Type Activity Long-Term Debt	$ 238,994	$ -	$ (32,911)	$ 206,083	$ 25,328

The General Fund is typically used to liquidate all governmental activity long-term debt.

The Water Fund and Sanitation Fund typically are used to liquidate their respective business-type activity long-term debt.

10. HOTEL / MOTEL TAX

The City is currently collecting a five percent Hotel / Motel Tax and is remitting forty percent of the amount collected to the two non-profit organizations in accordance with an agreement that specifies the money is to be used to promote tourism, trade shows or conventions. Total collections and related disbursements to the Paulding County Chamber of Commerce at 40% for the year ended June 30, 2025 were as follows:

	Amount	Percent
Total Collections	$ 228,238	100%
Total Remittances	$ 91,295	40%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2025.

(See Independent Auditor's Report)

11. JOINT VENTURE

Under Georgia law, the city, in conjunction with other cities and counties is a member of the Northwest Georgia Regional Commission (NGRC). Membership in this organization 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 membership of the NGRC includes 15 Counties and the related municipalities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from:

Northwest Georgia Regional Commission
1 Jackson Hill Drive
Rome, Georgia 30162

12. RISK MANAGEMENT

The City of Hiram is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 City is also to allow the pools' agent and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The City pays an annual premium to GIRMA for its general insurance and has coverage of $1,000,000 for the risks discussed above, except for buildings, which are covered at 100% of the value of the City's holdings. The City's coverage for worker's compensation claims is statutory.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost 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.

The City continues to carry commercial insurance for all other risks of loss, employee health and accident insurance. Settled claims in the past three years have not exceeded the commercial insurance coverage.

(See Independent Auditor's Report)

13. DEFINED BENEFIT PENSION PLAN, GMA ADMINISTERED

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Hiram Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by State law, benefit provisions for Participants in GMEBS are established and amended by the respective employers. As authorized by the City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate immediately upon hiring. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 1.50% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to $41 for each year of service after reaching normal retirement age. Ten years of service is required for nonservice related disability benefits. Disability benefits are paid out at 20% of an employee's current salary. Death benefits are calculated using an actuarial reserve.

At January 1, 2025, the date of the most recent actuarial valuation, there were 78 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	10
Terminated vested participants not yet receiving benefits	26
Active employees - vested	22
Active employees - nonvested	20
Total	78

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2025, the actuarially determined contribution rate was 4.72% of covered payroll.

For fiscal year ended June 30, 2025, the City's recommended and actual contribution was $84,560 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report date January 1, 2025 and recognized as an expense in the Government-Wide Statement of Activity was $74,785.

(See Independent Auditor's Report)

13. DEFINED BENEFIT PENSION PLAN – (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the City reported a liability of $195,792 for its net pension liability. The net pension liability was measured as of September 30, 2023, and was determined by an actuarial valuation as of January 1, 2025. The changes in the Net Pension Liability for the year ended September 30, 2023 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at beginning	$1,953,799	$ 1,617,798	$ 336,001
Changes for the year-			
Service cost	67,239	-	67,239
Interest	147,029	-	147,029
Differences between expected and actual experience	113,308	-	113,308
Contributions - Employer	-	83,315	(83,315)
Net investment income	-	389,649	(389,649)
Benefit payments, including refunds of employee contributions	(54,856)	(54,856)	-
Administrative expense	-	(5,179)	5,179
Other	-	-	-
Net Changes	272,720	412,929	(140,209)
Balance at end	$2,226,519	$ 2,030,727	$ 195,792

Effective January 1, 2016, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits. As a result of this change, all Employees are now included in the valuation. This change has minimal impact on the Plan's liability.

13. DEFINED BENEFIT PENSION PLAN – (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	$ 67,239
Interest on The Pension Liability (TPL)	147,029
Administrative expenses	5,179
Expected return on assets	(120,171)
Expensed portion of current year period assumption changes	-
Deferred Inflows -	
Expensed portion of current year period differences between expected and actual experience in TPL	22,660
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	(53,894)
Current year recognition of deferred inflows and outflows established in prior years	6,743
Total expense	$ 74,785

$63,420 reported as deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

F/Y/E June 30,	Deferred Outflows	Deferred Inflows
2026	$ 40,881	$ (73,513)
2027	33,021	(4,692)
2028	22,662	(84,890)
2029	22,662	(53,896)
2030	-	-
2031 and thereafter	-	-
	$ 119,226	$ (216,991)

(See Independent Auditor's Report)

13. DEFINED BENEFIT PENSION PLAN – (Continued)

Outstanding balances of deferred outflows/inflows of resources related to pensions as of June 30, 2025, are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	$ 63,420	$ -
Demographic	119,226	(65,217)
Investment	-	(151,774)
Assumption change	-	-
Total	$ 182,646	$ (216,991)

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Mortality Rates -	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

The actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study conducted in November and December 2019.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Nominal Real Rate of Return
Domestic equity	45.00%	6.60%
International equity	20.00%	7.03%
Real estate	10.00%	3.40%
Global fixed income	5.00%	3.70%
Domestic fixed income	20.00%	2.70%
Total	100.00%	

13. DEFINED BENEFIT PENSION PLAN – (Continued)

Discount Rate

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

Sensitivity of the Net Pension Liability
To Changes in the Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.375%	Current Rate 7.375%	1% Increase 8.375%
Net Pension Liability	$ 566,061	$ 195,792	$ (104,555)

Pension Plan Net Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Hiram Retirement Plan financial report.

(See Independent Auditor's Report)

14. SPECIAL PURPOSE LOCAL OPTION SALES TAX

On November 8, 2022 Paulding County voters approved a referendum for a Special Purpose Local Option Sales Tax at a rate of 1% to be imposed in Paulding County for a period of time not to exceed twenty-four calendar quarters to be used for eligible capital outlay projects, as determined by the intergovernmental agreement between Paulding County and the City of Hiram. Actual collections of the tax began on April 1, 2023. The City of Hiram's distributive share of the revenue was projected to be $12,720,000 and used for public safety facilities, roads, street and bridge purposes, and recreational facilities.

15. LEASING ACTIVITIES

In July 2021, the City implemented a new accounting standard GASB Statement No. 87 "Leases". The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time (greater than one year) in exchange or exchange-like transaction. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in the GASB Statement. Implementation of the new lease standard did not require a prior period adjustment. It did require various assets and liabilities to be classified as lease assets and liabilities.

City as Lessee

The City, as lessee, has entered into various lease agreements involving office equipment, vehicles and sanitation service equipment. The total of the City's lease assets are recorded at cost of $2,139,721, less accumulated depreciation of $1,141,408.

The future lease payments under the lease agreements, with interest rates implicit in the lease agreements between 2.5% and 8.94%, are as follows:

	GOVERNMENTAL-ACTIVITIES		BUSINESS-TYPE		
JUNE 30,	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2026	$ 443,007	$ 45,037	21,307	7,197	$ 516,548
2027	292,049	22,880	22,967	5,537	343,433
2028	92,715	3,383	48,102	3,747	147,947
2029	97,177	4,801	-	-	101,978
2030	4,380	132			4,512
2031	-	-	-	-	-
TOTALS	$ 929,328	$ 76,233	$ 92,376	$ 16,481	$ 1,114,418

City as Lessor

The City, as a lessor, has no significant lease agreements that are required to be reported under the new standard.

16. SUBSCRIPTION PAYABLE

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. The statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under the Statement an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City has entered into subscription-based information technology arrangements (SBITAs) involving:

- Various desktop and server software subscriptions.
- Cloud backup services software.
- Meter reading software

The following is a summary of changes in subscription liabilities reported in the government-wide financial statements:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities	$ 410,290	$ 95,864	$ (132,654)	$ 373,500
Business-Type Activities	127,218	-	(13,511)	113,707
Total	$ 537,508	$ 95,864	$ (146,165)	$ 487,207

The interest rates imputed under the subscription arrangements range from 2.4453% to 2.5360%.

Principal and interest requirements to maturity is as follows:

	GOVERNMENTAL-ACTIVITIES		BUSINESS-TYPE		
JUNE 30,	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2026	$ 160,075	$ 9,566	$ 4,021	$ 5,293	$ 178,955
2027	142,877	6,241	4,216	5,098	158,432
2028	57,810	2,858	4,419	4,895	69,982
2029	8,138	1,058	4,633	4,681	18,510
2030	4,600	306	4,857	4,457	14,220
2031-2035	-	-	28,043	18,527	46,570
2036-2040	-	-	35,510	11,060	46,570
2041-2045	-	-	28,008	9,248	37,256
TOTALS	$ 373,500	$ 20,029	$ 113,707	$ 63,259	$ 570,495

The total costs of the City's subscription assets are recorded as $859,437, less accumulated amortization of $350,393. The total amortization expense for the year ended June 30, 2025 was $143,489.

17. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements to provide an overview, of certain information concerning individual funds including-

A. Deficit fund balances or net position balances of individual funds – None of the City's Fund's had a negative net asset balance at June 30, 2025.

B. Excess of expenditures over budget –None of the City's funds had material excesses (if over 5 percent and greater than $5,000) of expenditures over appropriations at the department level (the legal level of control) for the year ended June 30, 2025.

See Independent Auditor's Report)

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CITY OF HIRAM, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	Fiscal Year End									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 67,239	$ 63,602	$ 58,720	$ 61,841	$ 52,509	$ 48,981	$ 59,381	$ 56,254	$ 51,416	$ 53,551
Interest	147,029	140,925	127,235	126,512	114,478	103,211	106,204	95,024	90,931	81,564
Differerences between expected and actual experience	113,308	(68,980)	51,795	(119,143)	47,160	9,665	(138,040)	6,392	(59,088)	31,442
Changes of assumptions	-	-	-	-	-	72,774	-	17,137	-	-
Change in benefit terms	-	-	-	-	-	-	-	-	9,641	
Benefit payments	(54,856)	(57,995)	(56,015)	(56,561)	(64,039)	(60,076)	(54,028)	(34,477)	(45,693)	(45,693)
Net changes in total pension liability	272,720	77,552	181,735	12,649	150,108	174,555	(26,483)	140,330	47,207	120,864
Total pension liability - beginning	1,953,799	1,876,247	1,694,512	1,681,863	1,531,755	1,357,200	1,383,683	1,243,353	1,196,146	1,075,282
Total pension liability - ending	$ 2,226,519	$ 1,953,799	$ 1,876,247	$ 1,694,512	$ 1,681,863	$ 1,531,755	$ 1,357,200	$ 1,383,683	$ 1,243,353	$ 1,196,146
Plan Fiduciary Net Position										
Contributions - employer	$ 83,315	$ 76,784	$ 92,851	$ 66,324	$ 66,058	$ 85,230	$ 88,017	$ 85,912	$ 80,353	$ 77,147
Net investment income	389,649	190,792	(277,330)	323,444	117,744	36,595	103,483	131,464	83,633	6,792
Benefit payments	(54,856)	(57,995)	(56,015)	(56,561)	(64,039)	(60,076)	(54,028)	(34,477)	(45,693)	(45,693)
Administrative expense	(5,179)	(6,865)	(5,435)	(5,334)	(5,048)	(4,869)	(5,106)	(5,247)	(2,830)	(3,154)
Other	-	-	-	-	-	-	-	-	-	-
Net cvhange in fiduciary net position	412,929	202,716	(245,929)	327,873	114,715	56,880	132,366	177,652	115,463	35,092
Plan fiduciary net position - beginning	1,617,798	1,415,082	1,661,011	1,333,138	1,218,423	1,161,543	1,029,177	851,525	736,062	700,970
Plan dicuciary net position - ending	$ 2,030,727	$ 1,617,798	$ 1,415,082	$ 1,661,011	$ 1,333,138	$ 1,218,423	$ 1,161,543	$ 1,029,177	$ 851,525	$ 736,062
Net Pension Liability										
Net pension liability	$ 195,792	$ 336,001	$ 461,165	$ 33,501	$ 348,725	$ 313,332	$ 195,657	$ 354,506	$ 391,828	$ 460,084
Plan's fiduciary net position as a percentage of the total pension liability	91.21%	82.80%	75.42%	98.02%	79.27%	79.54%	85.58%	74.38%	68.49%	61.54%
Covered-employee payroll	$ 2,252,288	$ 1,900,813	$ 1,738,233	$ 1,662,829	$ 1,618,185	$ 1,427,305	$ 1,229,912	$ 1,391,635	$ 1,269,652	$ 1,191,825
Net pension liability as a percentage of covered payroll	8.69%	17.68%	26.53%	2.01%	21.55%	21.95%	15.91%	25.47%	30.86%	38.60%

Historical information prior to implementation of GASB 67/68 is not required.

CITY OF HIRAM, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	Fiscal Year End									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	84,560	82,900	73,078	86,640	72,352	63,959	92,321	86,582	85,688	78,574
Contributions in relation to the actuarially determined contribution	(84,560)	(82,900)	(73,078)	(86,640)	(72,352)	(63,959)	(92,321)	(86,582)	(85,688)	(78,574)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	2,252,288	1,900,813	1,738,233	1,618,185	1,427,305	1,229,912	1,391,635	1,031,734	1,210,282	1,233,001
Contributions as a percentage of covered-employee payroll	3.75%	4.36%	4.20%	5.13%	5.13%	5.13%	6.54%	6.71%	7.08%	6.37%

Historical information prior to implementation of GASB 67/68 is not required.

CITY OF HIRAM, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

Note 1

Significant methods and assumptions used in calculating the actuarially determined calculations are as follow:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Mortality Rates -	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

Amounts reported for the fiscal year ending in 2020 and later reflect numerous assumption changes based on a study conducted in November and December 2019. The assumption changes included the following:

- The projected salary increases assumption was decreased from 2.75% to 2.25%.
- The investment return assumption was decreased from 7.5% to 7.375%.

CITY OF HIRAM, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE	CAPITAL PROJECTS	Total Non-Major Governmental Funds
	Confiscated Fund	Grant Fund	
ASSETS			
Cash	$ 2,703	$ 12,119	$ 14,822
Receivables -			
Intergovernmental	-	-	-
Due from other funds	-	-	-
Total Assets	$ 2,703	$ 12,119	$ 14,822
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY			
Liabilities:			
Accounts payable	$ -	$ -	-
Unearned revenues	-	-	-
Total Liabilities	-	-	-
Deferred Inflows:			
Unavailable revenues	-	-	-
Fund Balance:			
Restricted -			
Police activities	2,703	12,119	14,822
Capital outlay	-	-	-
Promotion	-	-	-
Unassigned	-	-	-
Total Fund Equity	2,703	12,119	14,822
Total Liabilities, Deferred Outflows and Fund Balance	$ 2,703	$ 12,119	$ 14,822

CITY OF HIRAM, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE	CAPITAL PROJECTS	Total Non-Major Governmental Funds
	Confiscated Fund	Grant Fund	
Revenues:			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Forfeitures	300	-	300
Interest	-	-	-
Miscellaneous	-	16,420	16,420
Total Revenue	300	16,420	16,720
Expenditures:			
Current			
Public Safety -			
Supplies	-	3,297	3,297
Capital Outlay			
Public Safety	-	13,420	13,420
Public Works	-	-	-
Total Expenditures	-	16,717	16,717
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	300	(297)	3
Other Sources and (Uses)			
Proceeds from disposal of capital assets	-	-	-
Proceeds from debt issue	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	300	(297)	3
Fund Balance - Beginning of Year	2,403	12,416	14,819
Fund Balance - End of Year	$ 2,703	$ 12,119	$ 14,822

CITY OF HIRAM, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Confiscations / forfeitures	$ 500	$ 300	$ 300	$ -
Other	-	-	-	-
Total Revenues	500	300	300	-
EXPENDITURES				
Current:				
Police services	500	-	-	-
Total Expenditures	500	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	300	300	-
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Net Change in Fund Balances	-	300	300	-
Fund Balance:				
Beginning of year	2,403	2,403	2,403	-
End of year	$ 2,403	$ 2,703	$ 2,703	$ -

CITY OF HIRAM, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental	$ 53,000	$ -	$ -	$ -
Interest	-	-	-	-
Miscellaneous	-	16,420	16,420	-
Total Revenues	53,000	16,420	16,420	-
EXPENDITURES				
Current -				
Police	3,000	3,297	3,297	-
Streets	-	-	-	-
Capital -				
Police	50,000	13,420	13,420	-
Streets	-	-	-	-
Total Expenditures	53,000	16,717	16,717	-
Excess (Deficiency) of Revenues Over Expenditures	-	(297)	(297)	-
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Total	-	-	-	-
Net Change in Fund Balance	-	(297)	(297)	-
Fund Balance - Beginning of Year	12,416	12,416	12,416	-
Fund Balance - End of Year	$ 12,416	$ 12,119	$ 12,119	$ -

CITY OF HIRAM, GEORGIA
CAPITAL LEASE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			
	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current -				
Police	-	-	-	-
Streets	-	-	-	-
Capital -				
Police	338,195	338,739	338,739	-
Streets	-	-	-	-
Total Expenditures	338,195	338,739	338,739	-
Excess (Deficiency) of Revenues Over Expenditures	(338,195)	(338,739)	(338,739)	-
Other Financing Sources (Uses):				
Proceeds from disposal of assets	-	-	-	-
Debt issue, face amount	338,195	338,739	338,739	-
Total	338,195	338,739	338,739	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

CITY OF HIRAM, GEORGIA
SPLOST 3 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED JUNE 30, 2025

	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	PROJECT AUTHORIZATION
REVENUES				
Intergovernmental				
Splost	$ 7,830,436	$ -	$ 7,830,436	$ 6,380,000
Grants	221,807	-	221,807	-
Interest	34,199	2,308	36,507	-
Total Revenues	8,086,442	2,308	8,088,750	6,380,000
EXPENDITURES				
Capital Outlay				
Public Works	4,664,150	79,960	4,744,110	3,828,000
Public Safety	542,647	-	542,647	1,276,000
Parks and Recreation	783,692	418,243	1,201,935	1,276,000
Debt Service				
Public Safety	814,335	199,379	1,013,714	-
Public Works	96,188	32,020	128,208	-
Total Expenditures	6,901,012	729,602	7,630,614	6,380,000
Excess of revenues over (under) expenditures	1,185,430	(727,294)	458,136	-
Other financing sources (uses)				
Proceeds from capital asset dispositions	82,781	-	82,781	
Proceeds from capital lease	27,857	-	27,857	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	$ 1,296,068	$ (727,294)	$ 568,774	$ -
FUND BALANCE				
Beginning		1,296,068		
Ending		$ 568,774		

CITY OF HIRAM, GEORGIA
SPLOST 4 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED JUNE 30, 2025

	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	PROJECT AUTHORIZATION
REVENUES				
Intergovernmental				
Splost	$ 2,315,075	$ 1,918,501	$ 4,233,576	$ 12,720,000
Grants	119,829	122,837	242,666	-
Insurance proceeds	-	72,625	72,625	
Interest	2,689	6,430	9,119	-
Total Revenues	2,437,593	2,120,393	4,557,986	12,720,000
EXPENDITURES				
Capital Outlay				
Public Works	191,764	342,070	533,834	6,360,000
Public Safety	4,479	47,732	52,211	3,180,000
Parks and Recreation	-	147,517	147,517	3,180,000
Debt Service				
Public Safety	65,352	294,264	359,616	-
Public Works	-	-	-	-
Total Expenditures	261,595	831,583	1,093,178	12,720,000
Excess of revenues over (under) expenditures	2,175,998	1,288,810	3,464,808	-
Other financing sources (uses)				
Proceeds from capital asset dispositions	-	-	-	
Proceeds from capital lease	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	$ 2,175,998	$ 1,288,810	$ 3,464,808	$ -
FUND BALANCE				
Beginning		2,175,998		
Ending		$ 3,464,808		

COMPLIANCE SECTION

STATE OF GEORGIA - COMPLIANCE

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of City Council
City of Hiram, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Hiram, 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 Hiram's basic financial statements and have issued our report thereon dated November 20, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Hiram, Georgia's internal control over financial reporting (internal control) to determine the 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 Hiram's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hiram, 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 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 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Hiram, Georgia's financial statements are free of 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 determination of financial statement amounts. 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 instance of noncompliance or other matters that is 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.

James L. Whitaker, P.C.

Snellville, Georgia
November 20, 2025

CITY OF HIRAM, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX 3 PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2025

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Beginning Of Year	Current Year	To Date
Roads and Bridge Improvements	$ 3,828,000	$ 3,828,000	$ 4,760,338	$ 111,980	$ 4,872,318
Parks and Recreation	1,276,000	1,276,000	783,692	418,243	1,201,935
Public Safety	1,276,000	1,276,000	1,356,982	199,379	1,556,361
	$ 6,380,000	$ 6,380,000	$ 6,901,012	$ 729,602	$ 7,630,614

Note -
The above expenditures include amounts paid with other revenues as follow:

Georgia Department of Transportation - LMIG grants	$ 221,807

CITY OF HIRAM, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX 4 PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2025

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Beginning Of Year	Current Year	To Date
Roads and Bridge Improvements	$ 6,360,000	$ 6,360,000	$ 191,764	$ 342,070	$ 533,834
Parks and Recreation	3,180,000	3,180,000	-	147,517	147,517
Public Safety	3,180,000	3,180,000	69,831	341,996	411,827
	$ 12,720,000	$ 12,720,000	$ 261,595	$ 831,583	$ 1,093,178

Note -

The City began receiving proceeds from SPLOST 4 in April 2023.

The above expenditures include amounts paid with other revenues as follow:

Georgia Department of Transportation - LMIG grants	$ 242,666

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