CITY OF HAPEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Prepared By:
Finance Department

CITY OF HAPEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
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JUNE 30, 2023

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Hapeville georgia

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ALAN HALLMAN
MAYOR

MIKE RAST
ALDERMAN

BRETT REICHERT
COUNCILMAN AT LARGE

MARK ADAMS
COUNCILMAN WARD I

CHLOE ALEXANDER
COUNCILMAN WARD II

December 13, 2023

To the Mayor, City Council,
Citizens of the City of Hapeville, Georgia
and the Financial Community

Introduction

Georgia law requires all local governments to prepare a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP), and audited by a certified public accounting firm. These financial statements are required by the State of Georgia (State) to be prepared within six months of the end of each fiscal year. However, an extension may be granted for an additional six months if deemed appropriate. Pursuant to that state requirement, enclosed is the Annual Comprehensive Financial Report (ACFR) of the City for the fiscal year ended June 30, 2023.

This ACFR consists of City management's representations concerning the finances of the City. Therefore, management assumes full responsibility for the completeness and reliability of all the information contained in the report. To provide a reasonable basis for making these representations, the management of the City has established internal controls that are designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide for reasonable rather than absolute assurance that the financial statements will be free from material misstatements. Management asserts that, to the best of our knowledge and belief, this annual financial report is complete and reliable in all material respects.

The City's financial statements for the fiscal year ended June 30, 2023, have been audited by Mauldin & Jenkins, LLC, an auditing firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Mauldin & Jenkins, LLC, concluded, based upon the completed audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section of this report.

GAAP requires that City management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A) report. In addition to the MD&A, this Letter of Transmittal is designed to complement the City's MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the City Government

The City, located in the south/central portion of Georgia on I-75, has its corporate limits contiguous to those of the City of Atlanta and is approximately seven miles from the State Capitol. Access is afforded by I-85, I-75 and the Metropolitan Atlanta Regional Transit Authority (MARTA). MARTA also provides extensive bus service to supplement the rail system. For travel inside and outside the State, the Hartsfield-Jackson International Airport is within two miles of the City and remains one of the busiest airports in the world. The City encompasses 2.5 square miles and serves a population of 6,575 according to the 2021 U.S. Census.

Created on September 16, 1891, by an act of the Georgia General Assembly, the City operates under a Council-Manager form of government. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. The mayor and council members serve four-year staggered terms. The Mayor presides at the Council meetings and only votes in the event of a tie. The City Manager is the City's chief executive officer with oversight of all City departments and operations.

The City Council, as the City's governing authority, is responsible for establishing policy for City operations, enacting ordinances and resolutions to promote the City's health, safety, and welfare. The City Council annually adopts an operating budget and millage rate which funds City services.

The City's Annual Budget represents the plan for providing needed public services for each fiscal year and serves as the foundation for the City's financial planning and control. All City department directors are required to submit requests for appropriations to the City Manager and Finance Director, who in turn, prepare and submit a recommended budget to the City Council. The Council reviews the recommended budget and conducts a state required budget public hearing to obtain citizen comments. After the public hearing, the Council then adopts the budget no later than June 30 of each year. The approved budget is prepared by fund and department.

Factors Affecting Financial Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

During the fiscal year, despite the continuing COVID-19 Pandemic, the City's overall local economy experienced improvement in performance compared to the prior year. The City has seen its real & personal property tax assessments increase by 68% from year 2018 to year 2023. In contending with changing economic times, the Mayor, City Council and City management, including the Development Authority, have worked to promote the City and have succeeded in largely sustaining the City.

In addition, the City staff continued to aggressively recruit new businesses and industrial prospects by showcasing the City's great location and moderate climate, as well as the availability of utilities, a skilled work force, and business incentives. The City has rail transportation through the City. It is also adjacent to the Hartsfield-Jackson International Airport and is bordered on the west by Interstate I-85 and on the east by Interstate I-75. Interstate 20 runs east-west about 10 miles north of the City.

Below are the projects that are impacting the local economy during the fiscal year:

- Continuing renovations of several parks and grounds facilities
- Replacement of City roofs at City Hall and Police Department – Municipal Court Building
- Refurbishing the Water, Sewer and Storm water infrastructure
- Renovation/landscaping of North Central Avenue business district
- Building renovations of new Public Works facility

- Continuation of art projects enhancing the brand a city for the arts

Awards and Acknowledgements

As demonstrated by the statements and schedules included in the financial and required supplemental information sections of this report, the City continues to meet its responsibility for improved financial management.

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hapeville for its annual comprehensive financial report for the past eight years, including this past 2022 year. Based on GFOA guidelines, to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy generally accepted accounting principles, applicable legal requirements and GFOA standards.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's reporting standards and we are submitting it to GFOA to determine its eligibility for another certificate for our nineth year.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department and the great support received from other departments. We wish to express our appreciation to all members of our departments who assisted and contributed to the preparation of this report. We also wish to extend our appreciation to the auditing firm of Mauldin & Jenkins, LLC, for their professionalism in conducting the audit of the City's basic financial statements and related note disclosures.

Maintaining the highest standards of professionalism in the management of the City's finances and financial reporting is made possible by the unfailing support and encouragement of the City Manager, the Mayor and the City Council for their recognition of the importance of the ACFR information for the citizens, vendors and creditors of the City.

Respectfully submitted,

Tim Young, CPA
City Manager

Randy Brewer, MBA
Finance Director

3468 North Fulton Avenue, Hapeville, Georgia 30354
City Hall 404.669.2100 www.hapeville.org

Community Service	Economic Development	Fire Department	Police Department	Recreation Department
3474 N. Fulton Avenue	3468 N. Fulton Avenue	606 King Arnold Street	700 Doug Davis Drive	3444 N. Fulton Avenue
404-669-2120	404-669-8269	404-669-2141	404-768-7171	404-669-2136

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hapeville
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

ALAN HALLMAN
MAYOR

MIKE RAST
ALDERMAN AT LARGE

BRETT REICHERT
COUNCILMAN AT LARGE

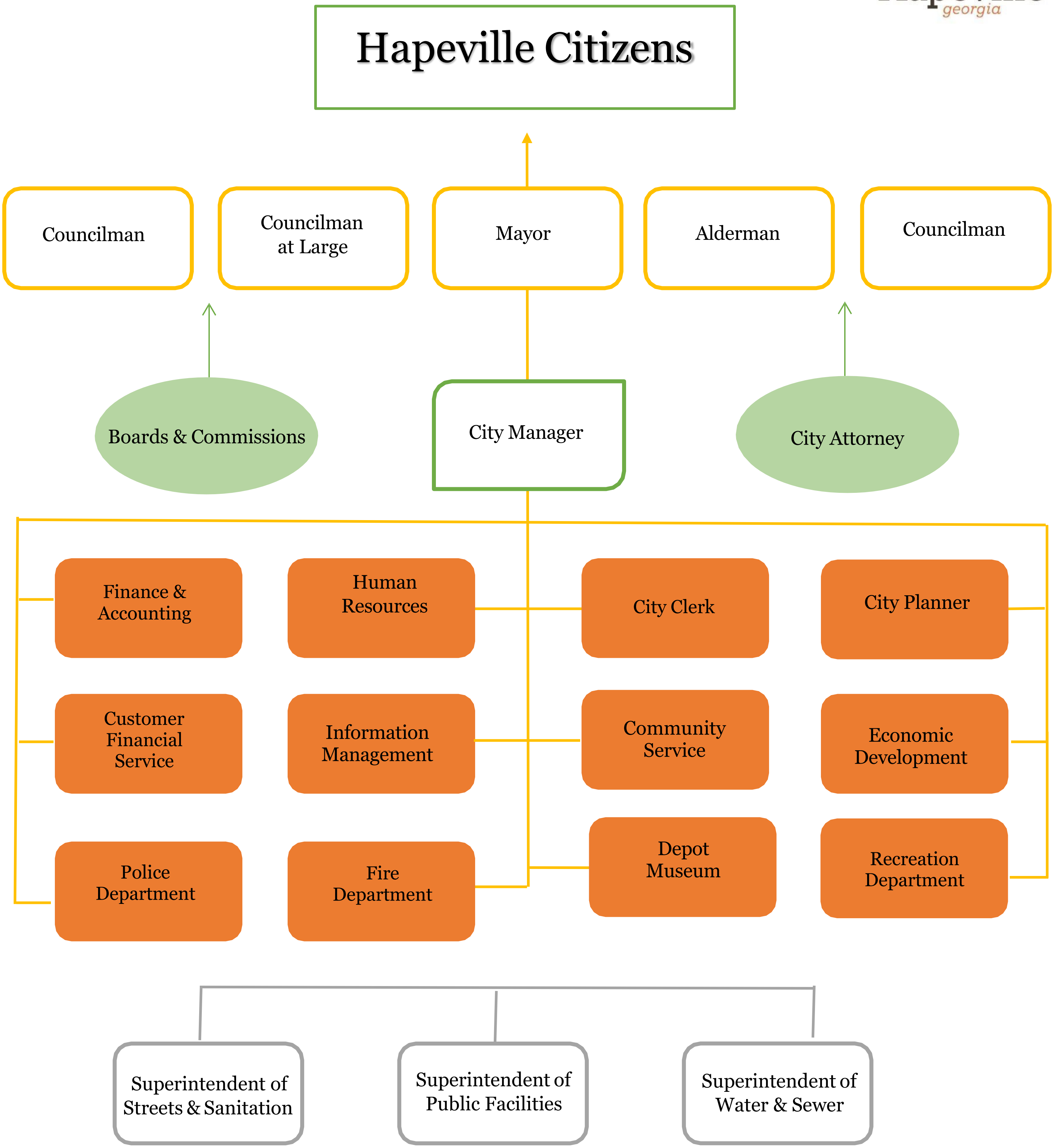
MARK ADAMS
COUNCILMAN WARD I

CHLOE ALEXANDER
COUNCILMAN WARD II

List of Principal Officials as of June 30, 2023

- Alan Hallman – Mayor
- Michael Rast – Alderman at Large
- Brett Reichert – Councilman at Large
- Mark Adams – Councilman, Ward 1
- Chloe Alexander – Councilman, Ward 2
- Tim Young – City Manager
- Sharee Steed – City Clerk
- Rick Glavosek – Police Chief
- David Bloodworth – Fire Chief
- Randy Brewer – Finance Director
- Smith, Welch, Webb & White – City Attorney

City of Hapeville
Organization Chart



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
Of the City Council
City of Hapeville, 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 Hapeville, Georgia** (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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 Hapeville, Georgia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, ARP Fund, and Hotel/Motel Tax Fund 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 (GAAS) 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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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'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 GAAS 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 GAAS 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'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'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, the Schedule of City Contributions – Retirement Plan, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds (the "supplementary information"), as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the City'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'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 the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the annual financial report for City of Hapeville (the "City"), the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FISCAL YEAR 2023 FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows by $25,842,608 (total net position) as of June 30, 2023.

- Total net position is comprised of the following:

  (1) The net investment in capital assets of $42,262,232 includes property and equipment, net of accumulated depreciation, less outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $4,394,904 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position has a deficit of $20,814,528.

- The City's governmental funds reported total ending fund balance of $7,319,357 at June 30, 2023. This compares to the prior year ending fund balance of $4,664,817 showing a significant increase of $2,654,540 during the current fiscal year.

- Unassigned fund balance in the General Fund decreased from $1,280,393 at June 30, 2022 to $374,986 at June 30, 2023.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all the City's assets, deferred outflows/inflows of resources and liabilities, with the difference 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. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, highways and streets, parks and grounds, recreation, planning and zoning, and trade, tourism and development. Business-type activities include the water and sewer system, sanitation activities, stormwater activities and development authority activities.

The government-wide financial statements are presented on pages 14 and 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The General Fund's budget to actual comparison statement is presented as a basic financial statement.

The basic governmental fund financial statements are presented on pages 16 - 21 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as four enterprise funds. The enterprise fund essentially encompasses the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 22 - 24 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 25 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's single employer pension plan and postemployment healthcare plans. The required supplementary information can be found on pages 61 - 63 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Comparative information for major funds and combining and individual statements and schedules for nonmajor funds, including budgetary comparison schedules, are presented in a supplementary information section of this report beginning on page 64.

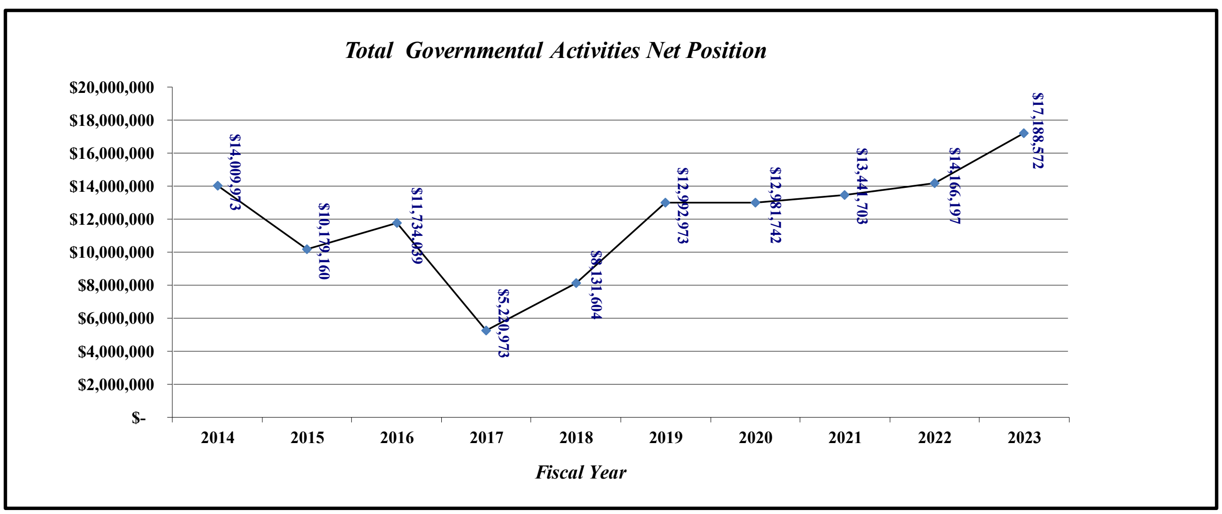
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City’s net position at fiscal year-end is $25,842,608. The following table provides a summary of the City’s net position on a comparative basis:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Assets:						
Current assets	$ 7,963,137	$ 5,693,843	$ 4,495,704	$ 3,253,142	$ 12,458,841	$ 8,946,985
Noncurrent assets						
Other	692,309	692,309	3,399,943	1,996,052	4,092,252	2,688,361
Capital	30,373,452	29,769,855	17,115,233	16,887,987	47,488,685	46,657,842
Total assets	39,028,898	36,156,007	25,010,880	22,137,181	64,039,778	58,293,188
Deferred outflows of resources	8,883,902	7,270,433	694,720	575,932	9,578,622	7,846,365
Liabilities:						
Current liabilities	2,660,579	2,528,415	4,301,528	3,892,040	6,962,107	6,420,455
Long-term liabilities	22,589,824	19,855,080	9,707,065	7,294,020	32,296,889	27,149,100
Total liabilities	25,250,403	22,383,495	14,008,593	11,186,060	39,258,996	33,569,555
Deferred inflows of resources	5,473,825	6,876,748	3,042,971	1,885,197	8,516,796	8,761,945
Net position:						
Net investment in capital assets	28,725,526	27,867,045	13,536,706	15,795,700	42,262,232	43,662,745
Restricted	3,242,800	2,209,458	1,152,104	520,068	4,394,904	2,729,526
Unrestricted (deficit)	(14,779,754)	(15,910,306)	(6,034,774)	(6,673,912)	(20,814,528)	(22,584,218)
Total net position	$ 17,188,572	$ 14,166,197	$ 8,654,036	$ 9,641,856	$ 25,842,608	$ 23,808,053

The following chart reports the City’s total governmental activities net position balances from fiscal year 2014 – 2023.



From 2014 to 2017, the City’s net position from governmental activities decreased from $14,009,973 to $5,220,973 or by 62.73%. Since the low point of 2017, the City’s net position from governmental activities increased to $17,188,572 or by 229.22%.

Current assets in governmental activities increased significantly by $2,269,294 or 39.86% and current assets for business-type activities increased $1,242,562 or 38.2% in fiscal year ended June 30, 2023.

The City's overall financial position improved during fiscal year ended 2023. Net position for governmental activities increased by $3,022,375 or 21.34%. Net position for business-type activities decreased by $987,820 or 10.25% in fiscal year ended 2023.

Note that approximately 78% of the governmental activities' total assets are comprised of capital assets. The City uses these capital assets to provide services to its citizens. Business-type capital assets make up 68% of total assets. The City uses these capital assets to provide utility services to its customers. Combining governmental activities with business type activities, the City has invested approximately 74% of its total assets in capital assets, as presented in the government-wide statement of net position.

The following table provides a summary of the City's changes in net position for the fiscal year June 30, 2023 and 2022:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program:						
Charges for services & fines	$ 2,078,561	$ 2,742,489	$ 6,088,326	$ 5,691,433	$ 8,166,887	$ 8,433,922
Operating grants	30,586	1,318,236	-	-	30,586	1,318,236
Capital grants	1,728,170	2,192,145	873,348	138,544	2,601,518	2,330,689
General:						
Property taxes	7,935,120	6,974,646	-	-	7,935,120	6,974,646
Sales taxes	2,468,745	2,441,710	-	-	2,468,745	2,441,710
Hotel/motel taxes	3,680,574	3,032,107	-	-	3,680,574	3,032,107
Other taxes	2,046,914	1,907,586	-	-	2,046,914	1,907,586
Gain on sale of capital assets	383,433	-	1,719,940	-	2,103,373	-
Other	110,029	161,622	232,278	56,081	342,307	217,703
Total revenues	20,462,132	20,770,541	8,913,892	5,886,058	29,376,024	26,656,599
Program Expenses:						
General government	3,428,481	3,616,969	-	-	3,428,481	3,616,969
Judical	327,947	350,371	-	-	327,947	350,371
Public safety	8,455,609	8,170,183	-	-	8,455,609	8,170,183
Highways and streets	4,479,415	1,819,584	-	-	4,479,415	1,819,584
Culture and recreation	1,369,678	2,352,165	-	-	1,369,678	2,352,165
Planning and zoning	300,230	910,918	-	-	300,230	910,918
Trade, tourism and development	2,575,037	2,150,115	-	-	2,575,037	2,150,115
Interest	42,465	12,505	-	-	42,465	12,505
Water and sewer	-	-	5,067,755	4,315,335	5,067,755	4,315,335
Stormwater	-	-	272,777	312,686	272,777	312,686
Solid waste management	-	-	580,408	562,623	580,408	562,623
Development authority	-	-	441,667	203,838	441,667	203,838
Total expenses	20,978,862	19,382,810	6,362,607	5,394,482	27,341,469	24,777,292
Revenues over expenses	(516,730)	1,387,731	2,551,285	491,576	2,034,555	1,879,307
Transfers in and out	3,539,105	(663,237)	(3,539,105)	663,237	-	-
Changes in net position	3,022,375	724,494	(987,820)	1,154,813	2,034,555	1,879,307
Beginning net position	14,166,197	13,441,703	9,641,856	8,487,043	23,808,053	21,928,746
Ending net position, as restated	$ 17,188,572	$ 14,166,197	$ 8,654,036	$ 9,641,856	$ 25,842,608	$ 23,808,053

Governmental Activity - Revenues

Governmental revenues decreased slightly by $308,409 or 1.48%. Charges for services decreased $663,928 or 24.21% as the prior year benefited from construction permits for two large residential construction projects for a residential housing community and an apartment community. Operating grants decreased $1,287,650 or 97.68% as the City has expended its American Recovery Plan allotments. Capital grants decreased $463,975 or 26.85% as the prior year reflected increased funding in Community Development Block Grants. Property taxes increased $960,474 or 13.77% as a result of increases in assessed values. Hotel/Motel taxes increased $648,467 or 21.39% as travel has increased as COVID restrictions have been lifted.

Governmental Activity Expenses

Overall governmental expenses increased $1,596,052 or 8.23%. General government expenses decreased modestly by $188,488 or 5.21% primarily from decreased pension allocations. Public safety expenses were consistent with the prior year and increased modestly by $285,426 or 3.49% in line with general inflation trends. Highways and street expenses increased $2,659,831 or 146% primarily from re-allocation of expenses to this department which better reflects the nature of the expenditures. Culture and recreation, and planning and zoning expenses decreased $982,487 and $610,688, respectively as the City reallocated expenses to Highways and Streets to more accurately reflect these expenses. Trade, Tourism and Development expenses increased $424,922 or 19.62% primarily as marketing services increased as the economy recovers from COVID restrictions.

Business-Type Activities

Overall Analysis – Total operating revenues increased $449,332 or 7.89%. Total operating expenses increased $758,698 or 14.65%. In total, the operating income decreased $309,366 or 59.71% over fiscal year ended 2022 amount.

Net operating income (loss) for each utility was as follows:

	2023	2022
Water and sewerage system	$ 190,231	$ 566,490
Storm water utility	4,170	(51,089)
Solid waste	(14,618)	(1,606)
Development authority	28,965	4,319
	$ 208,748	$ 518,114

The following includes an analysis of the fiscal year ended 2023 financial activities for each enterprise fund.

Water and Sewerage System Fund – Net operating income decreased from $566,490 in 2022 to $190,231 in 2023. Operating revenues experienced an increase of $376,770 or 7.74% from $4,868,819 to $5,245,589. Revenues continue to include additional tap fees of $227,460 and $240,800 in fiscal year 2023 and 2022, respectively, indicating increases in the customer base. Total operating expenses increased $753,029 or 17.5%, from $4,302,329 in 2022 to $5,055,358 in 2023 primarily from increases in infrastructure repair costs. Transfers to other funds decreased from $870,144 to $681,700 or $188,444 or 21.66% at the discretion of management. At fiscal year-end, net position totaled $12,761,470, an increase of $289,422 or 2.32% from the prior year.

Storm Water Utility Fund – Net operating income for this fund was $4,170 compared to net loss of $51,089 in the prior year. Total operating revenues increased modestly by $15,350 or 5.87% from the prior year. Total operating expenses decreased $39,909 or 12.76% due to significant decreases in pension costs. The net position of this fund at fiscal year end of June 30, 2023 was $947,985.

Solid Waste Fund – Net operating loss for this fund increased $13,012, from $1,606 to $14,618. Operating revenues and expenses were consistent with the prior year. This fund had ending net position of $64,116.

Development Authority Fund – This fund is utilized as the bond agent for the City. Operating income for this fund was $28,965 and $4,319 for fiscal year 2023 and 2022, respectively. The Development Authority issued $3.4 million of series 2022 bonds in fiscal year 2023 and transferred $2,569,025 to the General Fund to cover property purchases. This fund transferred an additional $1,800,000 to the General Fund generated by $1,719,940 in gains from sale of property by the Authority. As a result of the 2022 bond issue, interest expense increased $210,036 or 104%.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported fund balances of $7,319,357 as of fiscal year end of June 30, 2023 compared to a balance of $4,664,817 at fiscal year end of June 30, 2022, an increase of $2,654,540.

The fund balance of $7,319,357 included $374,986 of unassigned fund balance indicating availability for continuing city service delivery requirements. This is a decrease of $905,407 or 241% over the prior year as management elected to classify additional fund balance as long-term advances to other funds. Non-spendable fund balances were $1,157,867 in fiscal year 2022 and were increased to $3,475,988 as a result of the reclassification of advances to other funds as long-term. Legally restricted fund balances include $3,242,800 which are set aside for specific program purposes. Management has assigned $225,583 of fund balances for specific purposes.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund, and the largest source of day-to-day service delivery. Below is a comparison of General Fund revenues and expenditures for 2023 and 2022.

	General Fund			
	2023	**2022**	**$Change**	**% Change**
Revenues:				
Taxes	$ 12,336,566	$ 11,025,225	$ 1,311,341	11.9%
Licenses and permits	875,797	1,555,739	(679,942)	-43.7%
Fines and forfeitures	496,033	535,833	(39,800)	-7.4%
Charges for services	520,627	485,526	35,101	7.2%
Interest income	7	7	-	0.0%
Other	117,547	177,610	(60,063)	-33.8%
Total revenues	14,346,577	13,779,940	566,637	4.1%
			-	
Expenditures:			-	
General government	3,366,861	3,520,410	(153,549)	-4.4%
Public safety	7,292,031	5,497,378	1,794,653	32.6%
Highways and streets	3,662,429	2,567,717	1,094,712	42.6%
Culture and recreation	836,345	1,924,719	(1,088,374)	-56.5%
Judicial	325,851	328,694	(2,843)	-0.9%
Planning and zoning	298,311	854,559	(556,248)	-65.1%
Trade tourism and development	2,466,263	2,068,621	397,642	19.2%
Debt service				
Principal	394,039	465,350	(71,311)	-15.3%
Interest	42,465	12,505	29,960	239.6%
Total expenditures	18,684,595	17,239,953	1,444,642	8.4%
			-	
Excess (deficiency) of revenues			-	
over (under) expenditures	(4,338,018)	(3,460,013)	(878,005)	25.4%
			-	
Other financing sources (uses)			-	
Financed purchases	395,346	-	395,346	100.0%
Proceeds from sale of capital assets	383,433	-	383,433	100.0%
Transfers in	8,370,338	3,358,735	5,011,603	149.2%
Transfers out	(2,521,861)	(1,212,704)	(1,309,157)	108.0%
Total other financing sources (uses)	6,627,256	2,146,031	(4,481,225)	-208.8%
			-	
Net change in fund balances	2,289,238	(1,313,982)	3,603,220	-274.2%
			-	
Fund balances, beginning of fiscal year	3,315,442	4,629,424	(1,313,982)	-28.4%
Fund balances, end of fiscal year	$ 5,604,680	$ 3,315,442	$ 2,289,238	69.0%

Total General Fund revenues increased $566,637 or 4.1%. Tax revenues increased $1,311,341 or 11.9% primarily from increases in assessed property values. Licenses and permits decreased $679,942 or 43.7% as fiscal year 2022 benefitted from several significant building applications. Changes in other revenue categories were not significant.

Total General Fund expenditures increased $1,444,642 or 8.4%. General government expenditures decreased modestly by $153,549 or 4.4%. Public safety expenditures increased $1,794,653 or 32.6% as a significant amount of expenses in the prior year were funded by the American Recovery Program. Highway and Streets expenditures increased $1,094,712 or 42.6% and culture and recreation expenditures decreased $1,088,374 or 56.5% as a result of re-allocation of certain expenditures to more accurately reflect the nature of the expenditure. Planning and zoning costs decreased $556,248 or 65.1% as a result of permitting costs for several large construction projects in the prior year. Trade tourism and development expenditures increased $397,642 or 19.2%, as the economy has improved after COVID restrictions have been lifted.

Hotel/Motel Tax Fund - The City has levied an 8% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48- 13-51(b). The City is required to spend an amount equal to 62.50% of the total taxes collected at the rate of 8% for promoting tourism, conventions, and trade shows, or for facilities used for these purposes. Total revenues received were $3,680,574 and $3,032,107 in 2023 and 2022, respectively. The significant increase is related to economic improvements as the pandemic fades. In fiscal year 2023 and 2022, $3,680,574 and $3,032,107 were transferred to the General Fund, respectively, to be used for the legally specified purposes.

ARP fund (American Rescue Plan) – This fund accounts for federal funds received for COVID pandemic relief. For fiscal year 2023 and 2022, the fund recognized revenues of $156,016 and $1,313,503, respectively, and spent these funds as specified by the grant.

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the City's enterprise funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

A comparison of budgeted and actual expenses for the General Fund can be found on Page 19 of this report. In total, revenues were $39,200 better than budgeted and expenditures were $261,649 better than budgeted. Overall fund balance was $315,485 better than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2023, was $30,373,452 and $17,115,233, respectively. The net increase in governmental fixed assets was $603,597 or 2.03%. Business type fixed assets increased $227,246 or 1.35%. See Note 7 for additional information about changes in capital assets during the fiscal year and balances at the end of the fiscal year.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	$ 2,677,329	$ 2,912,776	$ -	$ -	$ 2,677,329	$ 2,912,776
Construction in progress	55,836	300,245	-	1,991,742	55,836	2,291,987
Total non-depreciable	2,733,165	3,213,021	-	1,991,742	2,733,165	5,204,763
Depreciable assets:						
Water system	-	-	17,501,849	17,062,329	17,501,849	17,062,329
Rights to capacity	-	-	5,508,846	5,508,846	5,508,846	5,508,846
Buildings and improvements	10,053,731	9,771,509	2,264,642	-	12,318,373	9,771,509
Land improvements	6,905,254	5,180,289	-	-	6,905,254	5,180,289
Auto, trucks and equipment	11,746,589	11,171,575	1,093,151	1,032,591	12,839,740	12,204,166
Infrastructure	35,576,701	35,429,430	1,341,038	1,341,038	36,917,739	36,770,468
Total depreciable assets	64,282,275	61,552,803	27,709,526	24,944,804	91,991,801	86,497,607
Less accumulated depreciation	36,641,988	34,995,969	10,594,293	10,048,559	47,236,281	45,044,528
Book value - depreciable assets	27,640,287	26,556,834	17,115,233	14,896,245	44,755,520	41,453,079
Percentage depreciated	57%	57%	38%	40%	51%	52%
Total book value	$ 30,373,452	$ 29,769,855	$17,115,233	$16,887,987	$ 47,488,685	$ 46,657,842

Some of the significant additions to governmental fixed assets in 2023 were splash pad additions of $1,110,296; roof replacements of $282,222; baseball field improvements of $298,223 and vehicle additions of $577,014.

Long-term Debt

The following table reports long-term debt balances at fiscal year June 30, 2023 and 2022:

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Financed Purchases	$ 1,629,807	$ 1,628,500	$ -	$ -	$ 1,629,807	$ 1,628,500
Revenue bonds payable	-	-	8,185,000	5,870,000	8,185,000	5,870,000
Notes payable	-	-	965,157	1,014,192	965,157	1,014,192
Net pension liability	11,213,815	7,099,635	860,833	544,562	12,074,648	7,644,197
Total OPEB liability	10,185,882	11,373,640	806,520	909,036	10,992,402	12,282,676
Compensated absences	962,381	731,246	117,114	118,475	1,079,495	849,721
	$23,991,885	$ 20,833,021	$10,934,624	$ 8,456,265	$ 34,926,509	$ 29,289,286

See Note 8 for additional information about the City’s long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE CITY

The City is included in the Atlanta, Georgia Metropolitan area, very close to Hartsfield-Jackson International airport. The total population of the City as of June 30, 2023 was estimated to be 6,575 and per capita income is estimated at $29,689 which is 78.88% of the national average.

The unemployment rate for Fulton County, where the City is located is 3.4%.

The primary revenue streams for the City are property taxes, sales taxes, hotel/motel taxes and the recent addition of a TSPLOST tax. This is a good revenue mix as property taxes are classified as "inelastic" and sales taxes and hotel/motel taxes are classified as "elastic." Sales tax revenue is highly sensitive to fluctuations in the economy. The current economic situation has seen a bit of an upturn, with personal income in the U.S. improving. The City remains very conservative in preparing the 2024 budget.

Capital projects have been able to continue with the new T-SPLOST tax helping with those projects. We are hopeful the economy will continue toward good recovery and we will constantly monitor our economic condition to make any necessary adjustments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 3468 North Fulton Avenue, Hapeville, GA 30354.

CITY OF HAPEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 3,620,270	$ 4,123,377	$ 7,743,647
Restricted cash	-	1,152,104	1,152,104
Cash with fiscal agent	-	535,323	535,323
Taxes receivable	1,230,720	-	1,230,720
Accounts receivable, net of allowances	-	970,222	970,222
Lease receivable, current	-	16,199	16,199
Lease receivable, noncurrent	-	2,682,074	2,682,074
Intergovernmental receivables	250,427	88,031	338,458
Other receivables	133,877	-	133,877
Prepaid items	329,140	-	329,140
Notes receivable, current	-	9,151	9,151
Notes receivable, noncurrent	-	69,951	69,951
Internal balances	2,398,703	(2,398,703)	-
Property held for redevelopment	692,309	647,918	1,340,227
Capital assets:			
Non-depreciable	2,733,165	-	2,733,165
Depreciable, net of accumulated depreciation	27,640,287	17,115,233	44,755,520
Total assets	39,028,898	25,010,880	64,039,778
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	8,265	8,265
OPEB related items	1,854,275	146,823	2,001,098
Pension related items	7,029,627	539,632	7,569,259
Total deferred outflows of resources	8,883,902	694,720	9,578,622
LIABILITIES			
Accounts payable	982,867	669,003	1,651,870
Accrued liabilities	275,651	2,147,612	2,423,263
Customer deposits payable	-	257,354	257,354
Compensated absences due within one year	701,282	32,708	733,990
Compensated absences due in more than one year	261,099	84,406	345,505
Note payable due within one year	-	49,652	49,652
Note payable due in more than one year	-	915,505	915,505
Financed purchases due within one year	445,674	-	445,674
Financed purchases due in more than one year	1,184,133	-	1,184,133
Bonds payable due within one year	-	1,125,000	1,125,000
Bonds payable due in more than one year	-	7,060,000	7,060,000
Net pension liability due in more than one year	11,213,815	860,833	12,074,648
Total OPEB liability due in within one year	255,105	20,199	275,304
Total OPEB liability due in more than one year	9,930,777	786,321	10,717,098
Total liabilities	25,250,403	14,008,593	39,258,996
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - leases	-	2,614,260	2,614,260
Pension related items	1,949,341	149,642	2,098,983
OPEB related items	3,524,484	279,069	3,803,553
Total deferred inflows of resources	5,473,825	3,042,971	8,516,796
NET POSITION			
Net investment in capital assets	28,725,526	13,536,706	42,262,232
Restricted for:			
Debt service	691,300	1,152,104	1,843,404
Capital construction	35,051	-	35,051
Transportation projects	1,410,048	-	1,410,048
Trade and tourism	1,062,406	-	1,062,406
Culture and recreation	10,911	-	10,911
Law enforcement	33,084	-	33,084
Unrestricted (deficit)	(14,779,754)	(6,034,774)	(20,814,528)
Total net position	$ 17,188,572	$ 8,654,036	$ 25,842,608

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

CITY OF HAPEVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government:							
Governmental activities:							
General government	$ 3,428,481	$ 1,100,337	$ 30,586	$ -	$ (2,297,558)	$ -	$ (2,297,558)
Public safety	8,455,609	877,896	-	-	(7,577,713)	-	(7,577,713)
Highway and Streets	4,479,415	43,841	-	1,572,154	(2,863,420)	-	(2,863,420)
Recreation	1,369,678	56,487	-	156,016	(1,157,175)	-	(1,157,175)
Judicial	327,947	-	-	-	(327,947)	-	(327,947)
Planning and zoning	300,230	-	-	-	(300,230)	-	(300,230)
Trade tourism and development	2,575,037	-	-	-	(2,575,037)	-	(2,575,037)
Interest on long-term debt	42,465	-	-	-	(42,465)	-	(42,465)
Total governmental activities	20,978,862	2,078,561	30,586	1,728,170	(17,141,545)	-	(17,141,545)
Business-type activities:							
Development Authority	441,667	-	-	80,060	-	(361,607)	(361,607)
Water and Sewer Utility	5,067,755	5,245,589	-	793,288	-	971,122	971,122
Solid Waste	580,408	565,790	-	-	-	(14,618)	(14,618)
Stormwater Utility	272,777	276,947	-	-	-	4,170	4,170
Total business-type activities	6,362,607	6,088,326	-	873,348	-	599,067	599,067
Total primary government	$ 27,341,469	$ 8,166,887	$ 30,586	$ 2,601,518	(17,141,545)	599,067	(16,542,478)
			General revenues:				
			Property taxes		$ 7,935,120	$ -	$ 7,935,120
			Franchise taxes		766,004	-	766,004
			Insurance premium taxes		567,472	-	567,472
			Hotel/Motel taxes		3,680,574	-	3,680,574
			Sales taxes		2,468,745	-	2,468,745
			Other taxes		713,431	-	713,431
			Unrestricted investment earnings		7	-	7
			Gain on sale of capital assets		383,433	1,719,940	2,103,373
			Lease revenue		-	120,592	120,592
			Interest revenue		-	52,897	52,897
			Miscellaneous		110,029	58,789	168,818
			Transfers		3,539,105	(3,539,105)	-
			Total general revenues and transfers		20,163,920	(1,586,887)	18,577,033
			Change in net position		3,022,375	(987,820)	2,034,555
			Net position, beginning of fiscal year		14,166,197	9,641,856	23,808,053
			Net position, end of fiscal year		$ 17,188,572	$ 8,654,036	$ 25,842,608

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

CITY OF HAPEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS	General Fund	ARP Fund	Hotel/Motel Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,038,649	$ -	$ -	$ 1,581,621	$ 3,620,270
Taxes receivable, net of allowances	557,945	-	658,673	14,102	1,230,720
Intergovernmental receivables	-	43,491	-	206,936	250,427
Other receivables	96,971	-	-	36,906	133,877
Due from other funds	716,166	-	-	-	716,166
Advances to other funds	2,454,539	-	-	-	2,454,539
Prepaid items	329,140	-	-	-	329,140
Property held for redevelopment	692,309	-	-	-	692,309
Total assets	$ 6,885,719	$ 43,491	$ 658,673	$ 1,839,565	$ 9,427,448
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 927,817	$ -	$ -	$ 55,050	$ 982,867
Accrued liabilities	275,651	-	-	-	275,651
Due to other funds	-	43,391	658,673	69,938	772,002
Total liabilities	1,203,468	43,391	658,673	124,988	2,030,520
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	77,571	-	-	-	77,571
Total deferred inflows of resources	77,571	-	-	-	77,571
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	329,140	-	-	-	329,140
Property held for redevelopment	692,309	-	-	-	692,309
Advances to other funds	2,454,539	-	-	-	2,454,539
Assigned:					
Public safety	-	100	-	-	100
E911 services	-	-	-	34,234	34,234
Capital construction	-	-	-	191,249	191,249
Restricted:					
Capital construction	-	-	-	35,051	35,051
Debt service	691,300	-	-	-	691,300
Transportation projects	-	-	-	1,410,048	1,410,048
Trade and tourism	1,062,406	-	-	-	1,062,406
Culture and recreation	-	-	-	10,911	10,911
Law enforcement	-	-	-	33,084	33,084
Unassigned	374,986	-	-	-	374,986
Total fund balances	5,604,680	100	-	1,714,577	7,319,357
Total liabilities, deferred inflows of resources, and fund balances	$ 6,885,719	$ 43,491	$ 658,673	$ 1,839,565	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	30,373,452
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	77,571
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(2,592,188)
The deferred inflows and outflows of resources and the net pension liability and total OPEB liability are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the governmental funds.	(17,989,620)
Net position of governmental activities	$ 17,188,572

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

CITY OF HAPEVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	ARP Fund	Hotel/Motel Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 12,336,566	$ -	$ 3,680,574	$ 207,496	$ 16,224,636
Licenses and permits	875,797	-	-	-	875,797
Intergovernmental	-	156,016	-	1,585,820	1,741,836
Fines and forfeitures	496,033	-	-	-	496,033
Charges for services	520,627	-	-	184,939	705,566
Investment income	7	-	-	-	7
Contributions	16,920	-	-	-	16,920
Other revenues	100,627	-	-	10,567	111,194
Total revenues	14,346,577	156,016	3,680,574	1,988,822	20,171,989
Expenditures					
Current:					
General government	3,366,861	-	-	-	3,366,861
Public safety	7,292,031	-	-	723,864	8,015,895
Judicial	325,851	-	-	-	325,851
Highway & Streets	3,662,429	-	-	10,379	3,672,808
Recreation	836,345	156,016	-	-	992,361
Planning & Zoning	298,311	-	-	-	298,311
Trade tourism and development	2,466,263	-	-	-	2,466,263
Capital Outlay	-	-	-	2,260,479	2,260,479
Debt Service:					
Principal	394,039	-	-	-	394,039
Interest	42,465	-	-	-	42,465
Total expenditures	18,684,595	156,016	-	2,994,722	21,835,333
Excess (deficiency) of revenues over (under) expenditures	(4,338,018)	-	3,680,574	(1,005,900)	(1,663,344)
Other financing sources (uses):					
Issuance of debt	395,346	-	-	-	395,346
Proceeds from sale of capital assets	383,433	-	-	-	383,433
Transfers out	(2,521,861)	-	(3,680,574)	(304,496)	(6,506,931)
Transfers in	8,370,338	-	-	1,675,698	10,046,036
Total other financing sources (uses)	6,627,256	-	(3,680,574)	1,371,202	4,317,884
Net change in fund balances	2,289,238	-	-	365,302	2,654,540
Fund balances, beginning of fiscal year	3,315,442	100	-	1,349,275	4,664,817
Fund balances, end of fiscal year	$ 5,604,680	$ 100	$ -	$ 1,714,577	$ 7,319,357

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

CITY OF HAPEVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds			$ 2,654,540
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. This is the amount by which capital outlays exceeded depreciation expense in the current period.			839,644
Transfers of capital assets to business-type activities do not use current financial resources and are not reported as expenditures in the governmental funds.			(80,060)
The net effect of disposals of capital assets is to decrease net position			(155,987)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			(93,290)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the net effect of these transactions during the current fiscal year.			
	Principal repayment	$ 394,039	
	Issuance of financed purchase	(395,346)	(1,307)
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.			(141,165)
Change in net position - governmental activities			$ 3,022,375

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

CITY OF HAPEVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes				
Property	$ 6,777,500	$ 7,841,800	$ 7,820,914	$ (20,886)
Franchise	692,000	746,000	766,004	20,004
Sales	2,252,000	2,469,000	2,468,745	(255)
Business	675,000	715,000	713,431	(1,569)
Insurance Premium	575,000	568,000	567,472	(528)
Licenses and permits	1,195,600	877,550	875,797	(1,753)
Fines and forfeitures	496,500	436,500	496,033	59,533
Interest	100	17	7	(10)
Charges for services	331,000	530,510	520,627	(9,883)
Contributions	2,200	17,000	16,920	(80)
Miscellaneous	95,600	106,000	100,627	(5,373)
Total revenues	13,092,500	14,307,377	14,346,577	39,200
EXPENDITURES				
Current:				
General government:				
Governing Body	57,627	52,088	50,469	1,619
Mayor and Commission	26,343	20,140	19,173	967
City Manager	717,309	658,503	655,432	3,071
City Clerk	223,355	197,898	191,934	5,964
Elections	17,500	199	180	19
Finance	835,735	966,718	956,269	10,449
Law	220,000	185,000	182,162	2,838
Human Resources	506,935	511,116	503,127	7,989
Information Technology	625,000	811,776	808,115	3,661
Total general government	3,229,804	3,403,438	3,366,861	36,577
Public safety:				
Police	3,716,832	3,747,973	3,721,185	26,788
Fire	3,642,450	3,601,599	3,570,846	30,753
Total public safety	7,359,282	7,349,572	7,292,031	57,541
Judicial	332,730	331,407	325,851	5,556
Highway & Streets	1,130,607	3,696,440	3,662,429	34,011
Recreation	855,494	864,598	836,345	28,253
Planning & Zoning	298,752	313,332	298,311	15,021
Trade, Tourism and Development	2,446,407	2,549,773	2,466,263	83,510
Debt Service:				
Principal	541,639	395,219	394,039	1,180
Interest	19,257	42,465	42,465	-
Total expenditures	16,213,972	18,946,244	18,684,595	261,649
Deficiency of revenues under expenditures	(3,121,472)	(4,638,867)	(4,338,018)	300,849
OTHER FINANCING SOURCES (USES)				
Issuance of debt	2,131,000	394,146	395,346	1,200
Proceeds from sale of capital assets	2,150,000	2,180,250	383,433	(1,796,817)
Transfers out	(653,209)	(2,534,350)	(2,521,861)	12,489
Transfers in	2,975,000	6,572,574	8,370,338	1,797,764
Total other financing sources (uses)	6,602,791	6,612,620	6,627,256	14,636
Net change in fund balances	3,481,319	1,973,753	2,289,238	315,485
Fund balances, beginning of fiscal year	3,315,442	3,315,442	3,315,442	-
Fund balances, end of fiscal year	$ 6,796,761	$ 5,289,195	$ 5,604,680	$ 315,485

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

CITY OF HAPEVILLE, GEORGIA
ARP FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 87,000	$ 156,016	$ 156,016	$ -
Total revenues	87,000	156,016	156,016	-
EXPENDITURES				
Recreation	87,000	156,016	156,016	-
Total expenditures	87,000	156,016	156,016	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	100	100	100	-
FUND BALANCES, end of fiscal year	$ 100	$ 100	$ 100	$ -

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

CITY OF HAPEVILLE, GEORGIA
HOTEL/MOTEL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,700,000	$ 3,680,574	$ 3,680,574	$ -
Total revenues	2,700,000	3,680,574	3,680,574	-
OTHER FINANCING USES				
Transfers:				
Transfers out	(2,700,000)	(3,680,574)	(3,680,574)	-
Total other financing uses	(2,700,000)	(3,680,574)	(3,680,574)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

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

CITY OF HAPEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds				
ASSETS	Development Authority Fund	Water & Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund	Totals
CURRENT ASSETS					
Cash	$ 917,617	$ 2,924,819	$ 30,682	$ 250,259	$ 4,123,377
Restricted cash	1,152,104	-	-	-	1,152,104
Cash with fiscal agent	535,323	-	-	-	535,323
Accounts receivable, net of allowances	-	707,450	86,300	176,472	970,222
Intergovernmental receivable	-	88,031	-	-	88,031
Lease receivable, current	16,199	-	-	-	16,199
Due from other funds	-	55,836	-	-	55,836
Notes receivable, current	9,151	-	-	-	9,151
Total current assets	2,630,394	3,776,136	116,982	426,731	6,950,243
NONCURRENT ASSETS					
Lease receivable, long term	2,682,074	-	-	-	2,682,074
Notes receivable, long term	69,951	-	-	-	69,951
Property held for redevelopment	647,918	-	-	-	647,918
Construction in progress	-	-	-	-	-
Buildings and improvements	2,264,642	-	-	-	2,264,642
Infrastructure	-	17,192,620	-	1,650,268	18,842,888
Furniture, fixtures and equipment	-	922,948	170,203	-	1,093,151
Intangible asset-capacity rights	-	5,508,846	-	-	5,508,846
Accumulated depreciation	(28,308)	(9,573,647)	(170,203)	(822,136)	(10,594,294)
Total noncurrent assets	5,636,277	14,050,767	-	828,132	20,515,176
Total assets	8,266,671	17,826,903	116,982	1,254,863	27,465,419
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	8,265	-	-	-	8,265
OPEB related items	-	119,834	-	26,989	146,823
Pension related items	-	447,834	-	91,798	539,632
Total deferred outflows of resources	8,265	567,668	-	118,787	694,720
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	15,113	597,082	39,520	17,288	669,003
Accrued liabilities	125,559	2,018,699	356	2,998	2,147,612
Customer deposits payable	-	257,354	-	-	257,354
Compensated absences payable	-	25,421	776	6,511	32,708
Bonds payable	1,125,000	-	-	-	1,125,000
Notes payable	-	49,652	-	-	49,652
Total OPEB liability	-	16,486	-	3,713	20,199
Total current liabilities	1,265,672	2,964,694	40,652	30,510	4,301,528
NONCURRENT LIABILITIES					
Compensated absences, long term	-	44,769	12,214	27,423	84,406
Advance from other funds	2,454,539	-	-	-	2,454,539
Bonds payable, long term	7,060,000	-	-	-	7,060,000
Net pension liability	-	714,395	-	146,438	860,833
Total OPEB liability, long term	-	641,781	-	144,540	786,321
Notes payable, long term	-	915,505	-	-	915,505
Total noncurrent liabilities	9,514,539	2,316,450	12,214	318,401	12,161,604
Total liabilities	10,780,211	5,281,144	52,866	348,911	16,463,132
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - leases	2,614,260	-	-	-	2,614,260
Pension related items	-	124,186	-	25,456	149,642
OPEB related items	-	227,771	-	51,298	279,069
Total deferred inflows of resources	2,614,260	351,957	-	76,754	3,042,971
NET POSITION					
Net investment in capital assets	(377,036)	13,085,610	-	828,132	13,536,706
Restricted for debt service	1,152,104	-	-	-	1,152,104
Unrestricted (deficit)	(5,894,603)	(324,140)	64,116	119,853	(6,034,774)
Total net position (deficit)	$ (5,119,535)	$ 12,761,470	$ 64,116	$ 947,985	$ 8,654,036

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

CITY OF HAPEVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds				
	Development Authority Fund	Water & Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund	Totals
OPERATING REVENUE					
Water fees	$ -	$ 5,245,589	$ -	$ -	$ 5,245,589
Stormwater fees	-	-	-	276,947	276,947
Sanitation fees	-	-	565,790	-	565,790
Miscellaneous	58,789	-	-	-	58,789
Total operating revenues	58,789	5,245,589	565,790	276,947	6,147,115
OPERATING EXPENSES					
Cost of sales and services	1,516	2,904,963	579,647	240,610	3,726,736
Water purchases	-	1,665,897	-	-	1,665,897
Depreciation and amortization	28,308	484,498	761	32,167	545,734
Total operating expenses	29,824	5,055,358	580,408	272,777	5,938,367
Operating income (loss)	28,965	190,231	(14,618)	4,170	208,748
NON-OPERATING REVENUES (EXPENSES)					
Gain on sale of development property	1,719,940	-	-	-	1,719,940
Municipal option sales tax revenue		793,288	-	-	793,288
Lease revenue	120,592	-	-	-	120,592
Interest on lease receivable	52,402	-	-	-	52,402
Interest on note receivable	495	-	-	-	495
Interest expense	(411,843)	(12,397)	-	-	(424,240)
Total non-operating revenues (expenses)	1,481,586	780,891	-	-	2,262,477
Income (loss) before contributions and transfers	1,510,551	971,122	(14,618)	4,170	2,471,225
Capital contributions	80,060	-	-	-	80,060
Transfers in	1,624,863	-	-	-	1,624,863
Transfers out	(4,482,268)	(681,700)	-	-	(5,163,968)
Total contributions and transfers	(2,777,345)	(681,700)	-	-	(3,459,045)
Change in net position	(1,266,794)	289,422	(14,618)	4,170	(987,820)
Total net position (deficit), beginning	(3,852,741)	12,472,048	78,734	943,815	9,641,856
Total net position (deficit), ending	$ (5,119,535)	$ 12,761,470	$ 64,116	$ 947,985	$ 8,654,036

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

CITY OF HAPEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds				
	Development Authority Fund	Water & Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ (1,169,016)	$ 5,189,019	$ 566,952	$ 274,388	$ 4,861,343
Payments to suppliers	(199,319)	(3,585,391)	(556,830)	(157,059)	(4,498,599)
Payments to employees	-	(415,144)	(18,345)	(85,356)	(518,845)
Other net changes related to Pension and OPEB plans	-	(22,434)	-	7,190	(15,244)
Net cash provided by (used in) operating activities	(1,368,335)	1,166,050	(8,223)	39,163	(171,345)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	1,624,863	-	-	-	1,624,863
Transfers out to other funds	(4,482,268)	(681,700)	-	-	(5,163,968)
Amounts paid on advances to other funds	2,252,624	-	-	-	2,252,624
Municipal option sales tax revenue	-	793,288	-	-	793,288
Payments received on note receivable	8,619	-	-	-	8,619
Net cash provided by (used in) non-capital financing activities	(596,162)	111,588	-	-	(484,574)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Receipts on lease receivable	9,896	-	-	-	9,896
Principal payments on bonds payable	(1,085,000)	-	-	-	(1,085,000)
Payment to fiscal agent	(6,191)	-	-	-	(6,191)
Interest paid on long-term debt	(384,552)	(12,397)	-	-	(396,949)
Interest income	52,897	-	-	-	52,897
Proceeds from issuance of bond	3,400,000	-	-	-	3,400,000
Principal payments on notes payable	-	(49,035)	-	-	(49,035)
Proceeds from sale of property held for redevelopment	1,800,000	-	-	-	1,800,000
Purchases of capital assets	(272,900)	(500,080)	-	-	(772,980)
Net cash provided by (used) in capital and related financing activities	3,514,150	(561,512)	-	-	2,952,638
Net decrease in cash	1,549,653	716,126	(8,223)	39,163	2,296,719
Cash, beginning of fiscal year	520,068	2,208,693	38,905	211,096	2,978,762
Cash, end of fiscal year	$ 2,069,721	$ 2,924,819	$ 30,682	$ 250,259	$ 5,275,481
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 28,965	$ 190,231	$ (14,618)	$ 4,170	$ 208,748
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	28,308	484,498	761	32,167	545,734
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(56,570)	1,162	(2,559)	(57,967)
Increase in accounts receivable	-	(88,031)	-	-	(88,031)
Increase in deferred outflows for pension items	-	(130,964)	-	(34,415)	(165,379)
Decrease in deferred outflows for OPEB items	-	36,517	-	7,774	44,291
Increase (Decrease) in accounts payable	(197,803)	64,584	2,662	(4,937)	(135,494)
Increase in accrued liabilities	-	442,118	39	327	442,484
Increase (decrease) in compensated absences payable	-	(5,937)	1,771	2,805	(1,361)
Decrease in total OPEB liability	-	(85,418)	-	(17,098)	(102,516)
Increase in customer deposits	-	3,505	-	-	3,505
Increase (decrease) in due to other funds	(1,227,805)	154,086	-	-	(1,073,719)
Increase in net pension liability	-	253,329	-	62,942	316,271
Decrease in deferred inflows for pension items	-	(137,866)	-	(22,000)	(159,866)
Increase in deferred inflows for OPEB items	-	41,968	-	9,987	51,955
Net cash provided by (used in) operating activities	$ (1,368,335)	$ 1,166,050	$ (8,223)	$ 39,163	$ (171,345)
NON-CASH CAPITAL FINANCING ACTIVITIES					
Capital contributions from governmental activities	$ 80,060	$ -	$ -	$ -	$ 80,060
Issuance of lease receivable	1,375,173	-	-	-	1,375,173
	$ 1,455,233	$ -	$ -	$ -	$ 1,455,233

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Hapeville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City operates under a mayor/council/city manager form of government and provides the following services to its citizens: public safety, public works, highways and streets, parks and recreation, tourism and trade, planning and zoning, and general and administrative services.

The accompanying financial statements present the City and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. In conformity with generally accepted accounting principles, the component unit is reported as a blended component unit.

The Hapeville Development Authority (Development Authority) has been included as a blended component unit in the accompanying financial statements. The City appoints all of the members of the Development Authority's Board. The Development Authority has the authority to issue bonded debt. Its debt issuance and operational budgets must be approved by the City Council. Debt payments on bonds issued by the Development Authority are paid by the City's enterprise and General Funds. The Development Authority is presented as a major enterprise fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within, 60 days for property taxes and 180 days for all other items, of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

However, debt service principal and interest expenditures on general long-term debt as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **ARP Fund** accounts for grant funding received by the City under the American Rescue Plan Act of 2021.

The **Hotel/Motel Fund** accounts for the collection of hotel/motel tax proceeds and related expenditures.

The City reports the following major proprietary funds:

The **Development Authority Fund** is used to hold real estate properties which are intended for resale for future economic development in the City. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest.

The **Water and Sewer Utility Fund** account for water and sewer service operations to the residents of the City. Activities of the fund include administration, operations and maintenance of the system and billing and collection activities.

The **Solid Waste (or Sanitation) Fund** accounts for the collection of fees for garbage collection, disposal and recycling programs and related expenses.

The City also reports the following nonmajor proprietary fund:

Stormwater Utility Fund – This fund is used to account for the collection of fees for upgrades to stormwater drains and related expenses.

The City also reports the following fund types:

The **Special Revenue funds** are used to account for specific revenues that are legally restricted, committed, or assigned to expenditures for particular purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The **Capital Projects funds** account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

All investments are recorded at fair value.

Increases or decreases in the fair value of the City's investments during the year are recognized as a component of investment income.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Leases

Lessor

The City is a lessor for noncancellable leases of land and a building. The City recognizes a lease receivable and a deferred inflow of resources in the business-type activities financial statements. The City recognizes lease receivables with an initial, individual value of $25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City sets the interest rate stated in the lease agreement.
- When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value. The City has reported infrastructure assets consistent with the retroactive reporting requirements of GASB Statement No. 34.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	10-30
Buildings and improvements	15-50
Land improvements	10-20
Autos, trucks, and equipment	5-10
Water System	50
Intangible-Water Capacity Rights	50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The City also has another type of item that qualifies for reporting in this category related to changes in its net pension liability and total OPEB liability. See discussion below.

In addition to liabilities, the financial statements 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources from the revenue recognition of property taxes and intergovernmental grants, *unavailable revenue*. The governmental funds report unavailable revenues from property taxes and intergovernmental grants as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred revenue on a lease receivable, which is reported both at the fund level and the government-wide level.

Finally, the City also has deferred outflows and inflows of resources related to the recording of changes in its net pension and total OPEB liability. Certain changes in the net pension and total OPEB liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before fiscal year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are reported as expenses in the periods in which they are incurred.

In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources. Bond issuance costs are reported as debt service expenditures.

M. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities, and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through the adoption of a resolution, the City Council has expressly delegated to the City Manager the authority to assign fund balances for particular purposes.

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

N. Pensions

Effective March 31, 2020, the City merged with and transferred all plan assets administration, and custodial duties to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. 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 Hapeville Retirement Plan (the “Plan”) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds." The details of this $2,592,188 difference are as follows:

Financed purchases payable	$	(1,629,807)
Compensated absences		(962,381)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(2,592,188)

Another element of that reconciliation explains that "the deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan and OPEB plan are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the governmental funds." The details of this $17,989,620 difference are as follows:

Deferred outflows of resources - pension related items	$	7,029,627
Deferred inflows of resources - pension related items		(1,949,341)
Deferred outflows of resources - OPEB related items		1,854,275
Deferred inflows of resources - OPEB related items		(3,524,484)
Net pension liability		(11,213,815)
Total OPEB liability		(10,185,882)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position - governmental activities*	$	(17,989,620)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances include a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this $839,644 difference are as follows:

Capital outlay	$	2,492,063
Depreciation expense		(1,652,419)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	839,644

Another element of that reconciliation explains that "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." The details of this $141,165 difference are as follows:

Compensated absences	$	231,135
Total other postemployment benefits (OPEB) liability deferred inflows/outflows of resources		32,029
Net pension liability and related deferred outflows and deferred inflows/outflows of resources		(121,999)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	141,165

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Prior to July 1, the Director of Finance submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City. Encumbrances outstanding do not constitute expenditures or liabilities and are re-appropriated in the subsequent year. Unencumbered appropriations lapse at year-end. The budgets for the General Fund, Special Revenue Funds and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles. Proprietary fund type budgets are adopted for management control purposes only.

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

The table below summarizes the City's cash and cash equivalents by type as of June 30, 2023:

	Maturities	Balance
Deposits with financial institutions	--	$ 8,740,107
Money market funds	20 days	155,644
Total		$ 8,895,751
As reported in the Statement of Net Position:		
Cash and cash equivalents		$ 8,398,647
Restricted cash		497,104
Total		$ 8,895,751

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk: State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no investment policy that would further limit its investment choices.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs.

The Money Market Funds, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy, require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the financial institution holding the main operating deposits of the City is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk: With regard to its investments the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2023, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Weighted Average Maturity (Days)	Moody's Credit Rating	Fair Value
Money market funds	20	Aaa	$ 155,644

Fair Value Measurements: The City has the following recurring fair value measurements as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Money market funds	$ 155,644	$ -	$ -	$ 155,644
Total investments measured at fair value	$ 155,644	$ -	$ -	$ 155,644

NOTE 5. RECEIVABLES

Property Taxes Receivable

Property taxes are levied on property values assessed as of January 1. The billing is mailed September 1 which is considered the levy date. The billings are due 45 days upon receipt by the taxpayer. After this date, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred inflows of resources (unavailable revenues) when assessed. Revenues are recognized when available.

Enterprise fund solid waste fees and stormwater fees are billed monthly on the 15th of the month and are due on the 20th of the next month. Estimated unbilled revenues from the enterprise funds are recognized at the end of each fiscal year based on the amount of service provided prior to year-end.

NOTE 5. RECEIVABLES (CONTINUED)

Accounts Receivable

Receivables at June 30, 2023, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	ARP Fund	Hotel/Motel Fund	Nonmajor Governmental Funds	Governmental Funds Total
Receivables:					
Taxes	$ 771,770	$ -	$ 658,673	$ 14,102	$ 1,444,545
Intergovernmental	-	43,491	-	206,936	250,427
Other	96,971	-	-	36,906	133,877
Less allowance for uncollectible	(213,825)	-	-	-	(213,825)
Net total receivable	$ 654,916	$ 43,491	$ 658,673	$ 257,944	$ 1,615,024

	Development Authority	Water & Sewer	Solid Waste	Stormwater	Proprietary Funds Total
Receivables:					
Accounts	$ -	$ 943,313	$ 145,809	$ 324,942	$ 1,414,064
Intergovernmental	-	88,031	-	-	88,031
Less allowance for uncollectible	-	(235,863)	(59,509)	(148,470)	(443,842)
Note receivable	79,102	-	-	-	79,102
Net total receivable	$ 79,102	$ 795,481	$ 86,300	$ 176,472	$ 1,137,355

Note Receivable

The Development Authority issued a loan (note receivable) in 2010 to Hoe Cakes Bakery, LLC for $159,000. The Authority loaned the bakery the money to purchase the bakery property in an effort to have more business in the City limits. The Authority will receive 240 monthly payments of $1,139 at an interest rate of 6.0%.

Activity on the note for the fiscal year ended June 30, 2023 is shown below.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note Receivable	$ 87,721	$ -	$ (8,619)	$ 79,102	$ 9,151
Total	$ 87,721	$ -	$ (8,619)	$ 79,102	$ 9,151

NOTE 5. RECEIVABLES (CONTINUED)

Note Receivable (Continued)

Future repayments to be received by the Development Authority are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 9,151	$ 4,564	$ 13,715
2025	9,667	4,003	13,670
2026	10,263	3,407	13,670
2027	10,896	2,774	13,670
2028	11,568	2,101	13,669
2029-2031	27,557	2,055	29,612
Total	$ 79,102	$ 18,904	$ 98,006

NOTE 6. LEASE RECEIVABLE

The City leased two parcels of land and one building to a third party. The City receives variable monthly payments in amounts ranging from $1,022 to $3,105 which includes the principal and interest components of the payments. The interest rates on the land leases are 4% and 2.2% and the interest rate on the building lease is 3%. For the current year, the City recognized $75,369 in lease revenue and $52,407 in interest revenue related to the leases. As of June 30, 2023, the City's receivable for lease payments was $2,698,273. Also, the City has a deferred inflow of resources associated with the leases that will be recognized over the lease term that ends on June 30, 2058. This deferred inflow of resources has a balance of $2,614,260 as of June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease receivable	$ 1,313,204	$ 1,394,965	$ (9,896)	$ 2,698,273	$ 16,199

Future repayments to be received by the Development Authority are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 16,199	$ 54,967	$ 71,166
2025	19,876	53,424	73,300
2026	23,636	51,864	75,500
2027	27,481	50,283	77,764
2028	31,415	48,683	80,098
2029-2033	219,402	218,604	438,006
2034-2038	332,850	174,919	507,769
2039-2043	444,922	127,451	572,373
2044-2048	480,985	84,909	565,894
2049-2053	607,757	48,269	656,026
2054-2058	493,750	75,528	569,278
Total	$ 2,698,273	$ 988,901	$ 3,687,174

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for governmental activities for the fiscal year ended June 30, 2023, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers CIP	Ending Balance
Capital assets, not being depreciated:					
Land	$ 2,912,776	$ -	$ (235,447)	$ -	$ 2,677,329
Construction in progress	300,245	1,819,695	-	(2,064,104)	55,836
Total	3,213,021	1,819,695	(235,447)	(2,064,104)	2,733,165
Capital assets, being depreciated:					
Autos & Trucks & Equipment	11,171,575	577,014	(2,000)	-	11,746,589
Land improvements	5,180,289	16,200	-	1,708,765	6,905,254
Buildings and improvements	9,771,509	-	-	282,222	10,053,731
Infrastructure	35,429,430	79,154	(5,000)	73,117	35,576,701
Total	61,552,803	672,368	(7,000)	2,064,104	64,282,275
Less accumulated depreciation for:					
Autos & Trucks & Equipment	(8,024,287)	(463,677)	1,400	-	(8,486,564)
Land improvements	(3,231,249)	(196,549)	-	-	(3,427,798)
Buildings and improvements	(3,810,483)	(265,569)	-	-	(4,076,052)
Infrastructure	(19,929,950)	(726,624)	5,000	-	(20,651,574)
Total	(34,995,969)	(1,652,419)	6,400	-	(36,641,988)
Total capital assets, being depreciated, net	26,556,834	(980,051)	(600)	2,064,104	27,640,287
Governmental activities capital assets, net	$ 29,769,855	$ 839,644	$ (236,047)	$ -	$ 30,373,452

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

Governmental activities:		
General government	$	120,378
Public safety		394,406
Highway & Streets		695,793
Recreation		364,255
Economic Development		77,587
Total depreciation expense - governmental activities	$	1,652,419

Capital asset activity for business-type activities for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Construction in Progress	$ 1,991,742	$ 272,900	$ -	$ (2,264,642)	$ -
Capital assets, being depreciated:					
Water System	17,062,329	439,520	-	-	17,501,849
Rights to Capacity	5,508,846	-	-	-	5,508,846
Equipment	1,032,591	60,560	-	-	1,093,151
Infrastructure	1,341,038	-	-	-	1,341,038
Buildings and improvements	-	-	-	2,264,642	2,264,642
Total	24,944,804	500,080	-	2,264,642	27,709,526
Less accumulated depreciation for:					
Water System	(6,719,639)	(374,321)	-	-	(7,093,960)
Rights to capacity amortization	(1,639,740)	(110,177)	-	-	(1,749,917)
Equipment	(899,211)	(761)	-	-	(899,972)
Infrastructure	(789,969)	(32,167)	-	-	(822,136)
Buildings and improvements	-	(28,308)	-	-	(28,308)
Total	(10,048,559)	(545,734)	-	-	(10,594,293)
Total capital assets, being depreciated, net	14,896,245	(45,654)	-	2,264,642	17,115,233
Business-type activities capital assets, net	$ 16,887,987	$ 227,246	$ -	$ -	$ 17,115,233

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Amortization and depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-type activities:		
Water & Sewer Utility	$	374,321
Amortization of rights to capacity- Water & Sewer		110,177
Solid Waste		761
Stormwater Utility		32,167
Development Authority		28,308
Total depreciation expense - business-type activities	$	545,734

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases from direct borrowings	$ 1,628,500	$ 395,346	$ (394,039)	$ 1,629,807	$ 445,674
Total OPEB liability	11,373,640	673,353	(1,861,111)	10,185,882	255,105
Net pension liability	7,099,635	6,464,867	(2,350,687)	11,213,815	-
Compensated absences	731,246	785,734	(554,599)	962,381	701,282
Governmental activity Long-term liabilities	$ 20,833,021	$ 8,319,300	$ (5,160,436)	$ 23,991,885	$ 1,402,061
Business-type activities:					
Bonds payable - direct placement	$ 5,870,000	$ 3,400,000	$ (1,085,000)	$ 8,185,000	$ 1,125,000
Notes payable - direct borrowing	1,014,192	-	(49,035)	965,157	49,652
Total OPEB liability	909,036	53,316	(155,832)	806,520	20,199
Net pension liability	544,562	496,278	(180,007)	860,833	-
Compensated absences	118,475	40,356	(41,717)	117,114	32,708
Business-type activity Long-term liabilities	$ 8,456,265	$ 3,989,950	$ (1,511,591)	$ 10,934,624	$ 1,227,559

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

For governmental funds, compensated absences, the net pension liability and the total OPEB liability are liquidated by the General Fund. Financed purchases are liquidated by the General Fund. For business-type activities, compensated absences, the net pension liability, and total OPEB liability are liquidated by the Water and Sewer Utility Fund and the Stormwater Fund.

Financed Purchases – Equipment. The City has entered into several finance purchase agreements as lessee for financing the acquisition of equipment used in general governmental activities. The agreements qualify as a financed purchase for accounting purposes as either the titles transfer at the end of the lease terms or the leases include bargain purchase options and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. Lease payments are due in annual installments.

The original cost of the City's assets under capital lease arrangements at June 30, 2023 is $3,182,958 and there has been $1,041,919 of accumulated depreciation as of fiscal year-end. Annual amortization of leased assets is included in depreciation expense.

Phase IV of the lease began November 2018 for financing the acquisition of various equipment totaling $554,564. The annual interest rate applicable to this phase is 3.363% and matures in November 2025.

Also in March 2016, the City entered into a lease agreement for the purchase of a firetruck for $1,010,796. The annual interest rates applicable to this lease is 3.196% and matures in June 2029.

In July 2019, the City entered into an equipment lease purchase agreement with Regions Bank for the purchase of an ambulance costing $189,000. The annual interest rate applicable to this lease is 3.08% and matures in July 2024.

In December 2019, the City entered into an equipment lease purchase agreement with Regions Bank for the purchase of a recreational van costing $37,791. The annual interest rate applicable to this lease is 3.08% and matures in December 2024.

In June 2020, the City entered into an equipment lease purchase agreement with Regions Bank for the purchase of a fire truck costing $46,710. The annual interest rate applicable to this lease is 3.20% and matures in June 2025.

In August 2020, the City entered into a financed purchase agreement for a firetruck and four vehicles with a combined cost of $771,454. The annual interest rate applicable to this lease is 1.71% and matures in August of 2025.

In May 2021, the City entered into a financed purchase agreement for a separate firetruck costing $82,138. This lease agreement carries an interest rate of 2.96% and matured in May of 2023.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

In November 2022, the City entered into a financed purchase agreement for six police vehicles costing $295,746. This lease agreement carries an interest rate of 4.05% and matures in November of 2027.

In June 2023, the City entered into a financed purchase agreement for two police vehicles costing $99,600. This lease agreement carries an interest rate of 3.96% and matures in June of 2029.

The City's total financed purchases debt service requirements to maturity are as follows:

	Governmental Activities
Fiscal Year Ending June 30,	
2024	$ 493,177
2025	468,532
2026	346,393
2027	173,672
2028	173,671
2029-2031	107,146
Total minimum lease payments	1,762,591
Less amount representing interest	132,784
Present value of future minimum lease payments	$ 1,629,807

Bonds Payable – Direct Placement. Series 2019 Development Authority Revenue Bonds – On November 4, 2019, the City issued Series 2019A Bonds in the amount of $2,925,000 and Series 2019B Bonds in the amount of $1,780,000 to refund the following bonds: refunded the remaining $1,625,000 of the 2004A Series Revenue Bonds, refunded the remaining $1,705,000 of 2004B Series Revenue Bonds, and refunded the remaining $1,180,000 of the 2007 Series Revenue Bonds. The Series 2019A Bonds carry an interest rate of 2.18% and will mature on February 1, 2027. The bond principal and interest payments on the 2019A Series are due on February 1 and August 1 of each year. The 2019B Series Bonds carry an interest rate of 2.66% and will mature on August 1, 2024. The bond principal payments are due on August 1 of each year and interest is payable semi-annually on February 1 and August 1 each year. The refunding transaction resulted in an economic gain (net present value of the aggregate debt service savings) of $117,148.

In June 2004, the Development Authority issued Tax Exempt Revenues Bond Series 2004A in the amount of $4,855,000 to be used for paying off capital lease payable to Georgia Municipal Association and for developing and maintaining a streetscape project, and constructing improvements to the City's existing water and sewer system. The bond rate is 4.80% with a maturity date of August 1, 2024. The bond principal payments are due on August 1 of each year and interest is payable semi-annually on February 1 and August 1 each year. As of June 30, 2023, the current outstanding amount of debt considered legally defeased for the 2004A Series Bonds equals $245,000.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

In June 2004, the Development Authority issued Tax Exempt Revenues Bond Series 2004B in the amount of $4,435,000 to be used for paying off the Authority's debt to the City and for completion of the 2004B projects. The bond rate is based on the Wall Street Journal LIBOR Daily Floating Rate plus 2.50% with a maturity date of August 1, 2024. The bond principal payments are due on August 1 of each year and interest is payable semi-annually on February 1 and August 1 each year. As of June 30, 2023, the current outstanding amount of debt considered legally defeased for the 2004B Series Bonds equals $740,000.

In January 2007, the Development Authority issued Tax Exempt Revenue Bonds, Series 2007, in the amount of $2,180,000 to be used to finance all or a portion of the costs of certain public infrastructure projects of the City. The interest rate of the semi-annual February and August payment is 4% through February 1, 2015, 4.25% from August 1, 2015 through February 1, 2023, and 4.275% from August 1, 2023 through February 1, 2027. As of June 30, 2023, the current outstanding amount of debt considered legally defeased for the 2007 Series Bonds equals $780,000.

In January 2014, the Development Authority issued Tax Exempt Revenue Bonds, Series 2014A-1, in the amount of $5,765,000 and Taxable Revenue Bonds, Series 2014A-2, in the amount of $620,000. The Series 2014 Bonds are being issued for the provision of certain improvements to its City Hall complex, welcome center and various water and sewerage infrastructure systems along with costs of issuance. The interest rate on the Series 2014A-1 is 3.83% per annum and the interest rate on the Series 2014A-2 is 2.7% per annum. The Series 2014A-1 Bonds mature on July 1, 2028 and the Series 2014A-2 was paid off as of June 30, 2017.

In July 2022, the Development Authority issued Tax Exempt Revenue Bonds, Series 2022, in the amount of $3,400,000. The Series 2022 Bonds are being issued for the purposes of financing the costs of acquiring, constructing and installing a public works facility and acquiring, renovating and installing a city hall facility, a municipal court and police headquarters facility and public recreation fields and associated facilities. The interest rate on the Series 2022 is 3.45% per annum. The Series 2022 Bonds mature on February 1, 2037.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Debt service requirements to maturity on these bonds payable are as follows:

Series 2014 A-1	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	$ 475,000	$ 111,549	$ 586,549
2025	495,000	92,973	587,973
2026	515,000	73,632	588,632
2027	535,000	53,524	588,524
2028	555,000	32,651	587,651
2029	575,000	11,011	586,011
Total	$ 3,150,000	$ 375,340	$ 3,525,340

Series 2019A	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	$ 280,000	$ 17,658	$ 297,658
2025	280,000	11,554	291,554
2026	155,000	6,159	161,159
2027	165,000	2,670	167,670
Total	$ 880,000	$ 38,041	$ 918,041

Series 2019B	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	$ 370,000	$ 15,162	$ 385,162
2025	385,000	5,120	390,120
Total	$ 755,000	$ 20,282	$ 775,282

Series 2022	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	$ -	$ 117,300	$ 117,300
2025	-	117,300	117,300
2026	-	117,300	117,300
2027	-	117,300	117,300
2028	-	117,300	117,300
2029-2033	1,590,000	506,287	2,096,287
2034-2037	1,810,000	158,700	1,968,700
Total	$ 3,400,000	$ 1,251,487	$ 4,651,487

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Note Payable – Direct Borrowing. On February 5, 2019, the Georgia Environmental Finance Authority (GEFA) awarded the City a $1,535,000 loan through direct borrowing at an interest rate of 1.25%. As of June 30, 2023, the outstanding balance of the note payable at June 30, 2023 is $956,157. The note contains a provision that the fixed charges coverage ratio may not be less than 1.05.

Debt service requirements to maturity on this note payable are as follows:

	Principal	Interest	Total
Fiscal Years Ending June 30,			
2024	$ 49,652	$ 11,781	$ 61,433
2025	50,276	11,156	61,432
2026	50,908	10,524	61,432
2027	51,548	9,884	61,432
2028	52,196	9,236	61,432
2029-2033	270,990	36,172	307,162
2034-2038	288,459	18,704	307,163
2039-2040	151,128	2,452	153,580
Total	$ 965,157	$ 109,909	$ 1,075,066

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NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2023 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	ARP Fund	$ 43,391
General Fund	Hotel/Motel Fund	658,673
General Fund	Nonmajor governmental funds	14,102
Water & Sewer Fund	Nonmajor governmental funds	55,836
		$ 772,002

Advanced to/from other funds at June 30, 2023 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Development Authority Fund	$ 2,454,539
		$ 2,454,539

All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made. Advances will be repaid by the Development Authority through future sale of real estate properties held for redevelopment. TSPLOST represents allowable program costs incurred in the Water and Sewer Fund.

Interfund transfers for the fiscal year ended June 30, 2023 consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Fund	$ 3,680,574
General Fund	Development Authority Fund	4,482,268
General Fund	Nonmajor Governmental Funds	207,496
Development Authority Fund	General Fund	943,163
Development Authority Fund	Water & Sewer Utility Fund	681,700
Nonmajor Governmental Funds	General Fund	1,578,698
Nonmajor Governmental Funds	Nonmajor Governmental Funds	97,000
		$ 11,670,899

Transfers are primarily used to (1) move unrestricted revenues collected in various funds to finance various programs of the City accounted for in the General Fund in accordance with budgetary authorizations, (2) move cash to cover operations to the nonmajor governmental funds, (3) move hotel/motel taxes between funds for expending in accordance with State law, (4) move cash to the Development Authority to cover debt service payments on revenue bonds issues by the Development Authority for public infrastructure improvement projects and (5) move TSPLOST funds to cover allowable costs incurred in the capital projects fund.

NOTE 10. PENSION PLANS

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Hapeville Retirement Plan) covering all full-time employees. The City Council in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. 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 (GMA). Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Active plan members (employees of the City) are not required to make contributions to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. 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 or on the internet at www.gmanet.com.

Plan Membership

As of January 1, 2023, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	89
Terminated vested participants not yet receiving benefits	53
Active participants	119
	261

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards 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, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. At this time, Plan members are not required to make contributions to the Plan. For the fiscal year ended June 30, 2023, the City's contribution rate was 20.32% of annual payroll. City contributions to the Plan were $1,266,275 for the fiscal year ended June 30, 2023.

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2023 with update procedures performed by the actuary to roll forward to the total pension asset measured as of September 30, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% - 8.50%
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2023 valuation were based on the sex-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

Cost of living adjustments were assumed to be 1.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80
Real estate	10%	3.90
Global fixed income	5%	0.46
Domestic fixed income	20%	0.40
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/22	$ 33,371,410	$ 25,727,213	$ 7,644,197
Changes for the year:			
Service cost	275,704	-	275,704
Interest	2,397,158	-	2,397,158
Experience differences	(1,223,606)	-	(1,223,606)
Change of assumptions	-	-	-
Change of benefit terms	-	-	-
Net investment income	-	(4,188,133)	4,188,133
Contributions - employer	-	1,307,088	(1,307,088)
Benefit payments	(2,286,559)	(2,286,559)	-
Administrative expense	-	(100,150)	100,150
Net changes	(837,303)	(5,267,754)	4,430,451
Balances at 9/30/22 reported as of 6/30/23	$ 32,534,107	$ 20,459,459	$ 12,074,648

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City (Continued)

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

1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
$ 15,783,552	$ 12,074,648	$ 8,952,580

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2023, the City recognized pension expense of $1,135,402. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,018,197	$ (2,098,983)
Differences resulting from changes in actuarial assumptions	1,960,955	-
Net difference between projected and actual earnings on pension plan investments	3,323,832	-
Contributions subsequent to the measurement date	1,266,275	-
Total	$ 7,569,259	$ (2,098,983)

City contributions subsequent to the measurement date of $1,266,275 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown on the table on the following page:

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City (Continued)

Fiscal Year ending June 30:		
2024	$	940,121
2025		734,786
2026		680,585
2027		1,848,409
Total	$	4,203,901

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Administration and Benefits. The City, as authorized by the City Council, administers a single-employer defined benefit Postemployment Healthcare Benefits Plan (the "PHCB Plan"). The PHCB Plan is administered by the City management, under the direction of the City Council. Each fiscal year the City determines the plan benefits and the premium rate for participants (active and retirees). However, dependent coverage which is not available for active employees has a co-pay of 50%. The City also provides retiree life insurance with a face value of $19,500. Medical coverage changes to Medicare supplement at age 65. All full time employees who are also eligible to retire and receive unreduced benefits under the Defined Benefit Pension Plan are eligible participants in the Plans. The City Council established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the PHCB Plan.

Plan Membership. Membership of the PHCB Plan consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Active participants	113
Retirees and beneficiaries currently receiving benefits	61
Total	174

Contributions. The City Council has elected to fund the PHCB plan on a "pay as you go" basis. Plan members, once retired, contribute to the plan based on the number of years of creditable service. Per a City resolution, the City is required to contribute the current year benefit costs of the PHCB Plan which are not paid by the retiree. For the fiscal year ended June 30, 2023, the City did not make any contributions to the pay as you go benefits for the PHCB Plan.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability of the City

The City's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.65%
Healthcare Cost Trend Rate:	5.00%
Inflation Rate:	2.00%

Mortality rates were based on the PubG-2010 Mortality Table, projected by the MP-2020 Mortality Improvement Scale.

Discount rate. The discount rate used to measure the total OPEB liability was 3.65%, an increase from the rate of 3.54% utilized for the previous valuation. The Plan is not funded. Therefore, the 20-year tax-free municipal bond (Bond Buyer 20-Bond General Obligation Index) yield of 3.65% as of June 30, 2023 was used as the discount rate.

Changes in the Total OPEB Liability of the City. The changes in the components of the total OPEB liability of the City for the fiscal year ended June 30, 2023, were as follows:

	Total OPEB Liability (a)
Balances at 6/30/22	$ 12,282,676
Changes for the year:	
Service cost	341,834
Interest	384,835
Experience differences	(461,082)
Assumption changes	(1,272,662)
Benefit payments, including refunds of employee contributions	(283,199)
Net changes	(1,290,274)
Balances at 6/30/23	$ 10,992,402

The required schedule of changes in the City's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability of the City (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 12,068,594	$ 10,992,402	$ 10,098,122

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4%) or 1-percentage-point higher (6%) than the current discount rate:

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	$ 10,305,096	$ 10,992,402	$ 11,774,567

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of $308,958. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 182,223	$ (1,388,457)
Changes in assumptions	1,818,875	(2,415,096)
Total	$ 2,001,098	$ (3,803,553)

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability of the City (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:		
2024	$	(417,712)
2025		(417,711)
2026		(321,644)
2027		(201,657)
2028		(248,003)
Thereafter		(195,728)
Total	$	(1,802,455)

NOTE 12. DEFINED CONTRIBUTION PENSION PLAN

The City of Hapeville's Internal Revenue Code Section 457 and 401(a) Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by Mass Mutual for all full time employees. Plan provisions and contribution requirements are established and may be amended by the City's Council. All employees who work at least 30 hours per week are eligible to participate in the plan. At June 30, 2023, there were 19 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the fiscal year ended June 30, 2023, was $42,526.

The City also provides an opportunity for the City Manager to participate in a defined contribution money-purchase pension plan, known as City of Hapeville/City Manager Plan, administered by ICMA Retirement Corporation. Participant contributions are not required to be eligible for the employer contribution. There is no vesting period. Loans are not permitted under the Plan. The City has no fiduciary relationship with the plan and plan assets are not available to the City or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. For the fiscal year ended June 30, 2023, the City contributed $12,219 of matching contributions to the Plan for the City manager.

NOTE 13. FUND DEFICITS

As of June 30, 2023, the City's Development Authority Fund had a deficit of net position of $5,119,535. The deficit will be reduced annually as payments, funded by budgeted transfers from other funds, are made on the Development Authority's outstanding bond issuances (see Note 8).

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In response to these risks, the City has purchased commercial insurance for all property and liability coverage. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments

For the fiscal year ended June 30, 2023, contractual commitments on uncompleted contracts were $449,400.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

NOTE 16. HOTEL/MOTEL LODGING AND MOTOR VEHICLE EXCISE TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were $3,680,574 for the fiscal year ended June 30, 2023. The City is required to spend an amount equal to 62.5% of the total taxes collected for the purpose of promoting tourism, conventions, and trade shows, or for facilities used for these purposes as required by O.C.G.A. 48-13-51(b). The City transferred $3,680,574 to the General Fund.

The City imposes a 3% excise tax on all rental motor vehicles within the City. This car rental tax is intended to be used for public safety activities. Revenues were $207,496 for the fiscal year ended June 30, 2023, of which 100% was transferred to the General Fund.

NOTE 17. CONDUIT DEBT

To further economic development in the City, the Development Authority issued $424,097,500 of Series 2017 Economic Development Bonds that provide capital financing to a private-sector entity for the acquisition of land and construction of a hotel at the Porsche facility in the City of Hapeville. The land and construction are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entity on the underlying promissory note. In addition, no commitments beyond the collateral, the payments from the private-sector entity, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Development Authority or the City for the bonds. At June 30, 2023, the bonds have an aggregate outstanding principal amount payable of $33,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HAPEVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 275,704	$ 300,705	$ 185,503	$ 126,131	$ 102,027
Interest on total pension liability	2,397,158	2,418,542	1,757,491	2,546,090	2,162,781
Differences between expected and actual experience	(1,223,606)	(701,871)	1,072,922	(3,955,417)	-
Change of assumptions	-	-	-	414,599	4,475,000
Change of benefit terms	-	-	(94,477)	-	-
Benefit payments, including refunds of employee contributions	(2,286,559)	(2,278,098)	(1,755,300)	(974,289)	(2,331,960)
Net change in total pension liability	(837,303)	(260,722)	1,166,139	(1,842,886)	4,407,848
Total pension liability - beginning	33,371,410	33,632,132	32,465,993	34,308,879	29,901,031
Total pension liability - ending (a)	$ 32,534,107	$ 33,371,410	$ 33,632,132	$ 32,465,993	$ 34,308,879
Plan fiduciary net position					
Contributions - employer	$ 1,307,088	$ 739,718	$ 765,000	$ -	$ 910,715
Net investment income	(4,188,133)	5,265,391	(229,317)	1,147,958	1,295,740
Benefit payments, including refunds of member contributions	(2,286,559)	(2,278,098)	(1,755,300)	(974,289)	(2,331,960)
	(100,150)	(62,884)	-	-	-
Net change in plan fiduciary net position	(5,267,754)	3,664,127	(1,219,617)	173,669	(125,505)
Plan fiduciary net position - beginning	25,727,213	22,063,086	23,282,703	23,109,034	23,234,539
Plan fiduciary net position - ending (b)	$ 20,459,459	$ 25,727,213	$ 22,063,086	$ 23,282,703	$ 23,109,034
City's net pension liability - ending (a) - (b)	$ 12,074,648	$ 7,644,197	$ 11,569,046	$ 9,183,290	$ 11,199,845
Plan fiduciary net position as a percentage of the total pension liability	62.9%	77.1%	65.6%	71.7%	67.4%
Covered payroll	$ 6,467,133	$ 6,232,059	$ 6,210,550	$ 6,672,676	$ 5,050,634
City's net pension liability as a percentage of covered payroll	186.7%	122.7%	186.3%	137.6%	221.8%

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	$ 94,909	$ 96,591	$ 111,626	$ 117,867	$ 121,891
Interest on total pension liability	2,038,463	2,108,653	2,030,740	2,032,600	2,034,184
Differences between expected and actual experience	1,886,300	(808,685)	1,166,057	46,763	45,428
Benefit payments, including refunds of employee contributions	(2,363,741)	(2,299,009)	(2,211,614)	(2,219,779)	(2,217,473)
Net change in total pension liability	1,655,931	(902,450)	1,096,809	(22,549)	(15,970)
Total pension liability - beginning	28,245,100	29,147,550	28,050,741	28,073,290	28,089,260
Total pension liability - ending (a)	$ 29,901,031	$ 28,245,100	$ 29,147,550	$ 28,050,741	$ 28,073,290
Plan fiduciary net position					
Contributions - employer	$ 664,738	$ 698,388	$ 526,090	$ 557,148	$ 1,158,240
Net investment income	1,360,784	2,564,916	361,896	563,309	3,892,858
Benefit payments, including refunds of member contributions	(2,363,741)	(2,299,009)	(2,211,614)	(2,219,778)	(2,217,473)
Administrative expenses	-	-	-	-	(69,202)
Net change in plan fiduciary net position	(338,219)	964,295	(1,323,628)	(1,099,321)	2,764,423
Plan fiduciary net position - beginning	23,572,758	22,608,463	23,932,091	25,031,412	22,266,989
Plan fiduciary net position - ending (b)	$ 23,234,539	$ 23,572,758	$ 22,608,463	$ 23,932,091	$ 25,031,412
City's net pension liability - ending (a) - (b)	$ 6,666,492	$ 4,672,342	$ 6,539,087	$ 4,118,650	$ 3,041,878
Plan fiduciary net position as a percentage of the total pension liability	77.7%	83.5%	77.6%	85.3%	89.2%
Covered payroll	$ 5,429,796	$ 4,279,786	$ 4,541,206	$ 5,249,658	$ 4,912,290
City's net pension liability as a percentage of covered payroll	122.8%	109.2%	144.0%	78.5%	61.9%

Notes to the Schedule:

(1) During the fiscal year ended June 30, 2020, the City dissolved its Pension Trust Fund and moved to the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association.

CITY OF HAPEVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 1,266,275	$ 1,307,088	$ 1,033,282	$ 765,000	$ 910,715
Contributions in relation to the actuarially determined contribution	1,266,275	1,307,088	739,718	765,000	910,715
Contribution deficiency (excess)	$ -	$ -	$ 293,564	$ -	$ -
Covered payroll	$ 6,232,059	$ 6,210,550	$ 6,173,227	$ 6,132,589	$ 5,050,634
Contributions as a percentage of covered payroll	20.32%	21.05%	11.98%	12.47%	18.03%

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 664,738	$ 698,388	$ 526,090	$ 557,148	$ 1,158,240
Contributions in relation to the actuarially determined contribution	664,738	698,388	526,090	557,148	1,158,240
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,429,796	$ 4,279,786	$ 4,541,206	$ 5,249,658	$ 4,912,290
Contributions as a percentage of covered payroll	12.24%	16.32%	11.58%	10.61%	23.58%

Notes to the Schedule:

(1) During the fiscal year ended June 30, 2020, the City dissolved its Pension Trust Fund and moved to the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association.

CITY OF HAPEVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	$ 341,834	$ 339,607	$ 306,432	$ 243,151	$ 124,037
Interest on total OPEB liability	384,835	305,145	308,303	398,231	421,339
Experience differences	(461,082)	(156,107)	296,136	(1,963,876)	-
Changes of assumptions and other inputs	(1,272,662)	(1,996,905)	12,397	1,899,004	2,369,482
Benefit payments	(283,199)	(267,409)	(425,493)	(229,416)	(221,678)
Net change in total OPEB liability	(1,290,274)	(1,775,669)	497,775	347,094	2,693,180
Total OPEB liability - beginning	12,282,676	14,058,345	13,560,570	13,213,476	10,520,296
Total OPEB liability - ending	$ 10,992,402	$ 12,282,676	$ 14,058,345	$ 13,560,570	$ 13,213,476
Covered-employee payroll	$ 7,892,194	$ 6,578,589	$ 6,471,653	$ 6,271,035	$ 5,050,634
Total OPEB liability as a percentage of covered-employee payroll	139.3%	186.7%	217.2%	216.2%	261.6%

	2018
Total OPEB liability	
Service cost	$ 119,266
Interest on total OPEB liability	413,178
Experience differences	-
Changes of assumptions and other inputs	(19,303)
Benefit payments	(402,091)
Net change in total OPEB liability	111,050
Total OPEB liability - beginning	10,409,246
Total OPEB liability - ending	$ 10,520,296
Covered-employee payroll	$ 5,249,658
Total OPEB liability as a percentage of covered-employee payroll	200.4%

Notes to the Schedule:

(1) The schedule will present 10 years of information once it is accumulated.

(2) The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

CITY OF HAPEVILLE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

The City reports the following nonmajor special revenue funds:

Asset Forfeiture Fund – This fund is used to account for the City's share of monies that have been forfeited through the court system and are restricted for law enforcement purposes.

Emergency 911 (E-911) Fund – This fund is used to account for receipt of "911" emergency telephone system charges collected by communication firms. Funds are restricted by state laws.

Vehicle Excise Tax Fund – This fund is used to account for the collection and expenditures of an excise tax levied on motor vehicles in the City. The proceeds of this tax are restricted by state law.

Tax Allocation District Fund – This fund is used to account for the collection of tax increments within the City's tax allocation district. The tax is restricted for redevelopment within the district.

Other Special Revenue Fund – This fund is used to account for specific revenues such as various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The City reports the following nonmajor capital project funds:

Capital Project Fund – This fund is used to account for the receipt and expenditure of funds related to major capital projects throughout the City. These funds are restricted for capital construction projects within the City.

T-SPLOST Fund – This fund is used to account for revenues collected from the Transportation Special Purpose Local Options Sales Tax levied by the City. The funds are restricted for transportation projects within the City.

CITY OF HAPEVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds					Capital Projects Funds		
ASSETS	Asset Forfeiture Fund	E-911 Fund	Vehicle Excise Tax Fund	Tax Allocation District Fund	Other Special Revenue Fund	Capital Project Fund	T-SPLOST Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 27,122	$ 40,221	$ -	$ 35,051	$ 4,834	$ 144,368	$ 1,330,025	$ 1,581,621
Taxes receivable	-	-	14,102	-	-		-	14,102
Intergovernmental receivables	-	-	-	-	6,077	65,000	135,859	206,936
Accounts receivable	5,962	30,944	-	-	-	-	-	36,906
Total assets	$ 33,084	$ 71,165	$ 14,102	$ 35,051	$ 10,911	$ 209,368	$ 1,465,884	$ 1,839,565
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ 36,931	$ -	$ -	$ -	$ 18,119	$ -	$ 55,050
Due to other funds	-	-	14,102	-	-	-	55,836	69,938
Total liabilities	-	36,931	14,102	-	-	18,119	55,836	124,988
FUND BALANCES								
Assigned:								
E911 services	-	34,234	-	-	-	-	-	34,234
Capital construction	-	-	-	-	-	191,249	-	191,249
Restricted:								
Law enforcement	33,084	-	-	-	-	-	-	33,084
Culture and recreation	-	-	-	-	10,911	-	-	10,911
Transportation projects	-	-	-	-	-	-	1,410,048	1,410,048
Capital construction	-	-	-	35,051	-	-	-	35,051
Total fund balances	33,084	34,234	-	35,051	10,911	191,249	1,410,048	1,714,577
Total liabilities and fund balances	$ 33,084	$ 71,165	$ 14,102	$ 35,051	$ 10,911	$ 209,368	$ 1,465,884	$ 1,839,565

CITY OF HAPEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					Capital Projects Funds		
	Asset Forfeiture Fund	E-911 Fund	Vehicle Excise Tax Fund	Tax Allocation District Fund	Other Special Revenue Fund	Capital Project Fund	T-SPLOST Fund	Total Nonmajor Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ 207,496	$ -	$ -	$ -	$ -	$ 207,496
Charges for services	-	184,939	-	-	-	-	-	184,939
Intergovernmental	-	-	-	-	13,666	138,561	1,433,593	1,585,820
Other revenues	10,567	-	-	-	-	-	-	10,567
Total revenues	10,567	184,939	207,496	-	13,666	138,561	1,433,593	1,988,822
EXPENDITURES								
Current:								
Public safety	-	723,864	-	-	-	-	-	723,864
Public works	-	-	-	-	10,379	-	-	10,379
Capital outlay	-	-	-	-	-	1,280,951	979,528	2,260,479
Total expenditures	-	723,864	-	-	10,379	1,280,951	979,528	2,994,722
Excess (deficiency) of revenues over (under) expenditures	10,567	(538,925)	207,496	-	3,287	(1,142,390)	454,065	(1,005,900)
Other financing sources (uses):								
Transfers in	-	533,308	-	-	-	1,142,390	-	1,675,698
Transfers out	-	-	(207,496)	-	-	-	(97,000)	(304,496)
Total other financing sources (uses)	-	533,308	(207,496)	-	-	1,142,390	(97,000)	1,371,202
Net change in fund balances	10,567	(5,617)	-	-	3,287	-	357,065	365,302
FUND BALANCES beginning of fiscal year	22,517	39,851	-	35,051	7,624	191,249	1,052,983	1,349,275
FUND BALANCES, end of fiscal year	$ 33,084	$ 34,234	$ -	$ 35,051	$ 10,911	$ 191,249	$ 1,410,048	$ 1,714,577

CITY OF HAPEVILLE, GEORGIA
ASSET FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget			
	Original	**Final**	**Actual**	**Variance With Final Budget**
REVENUES				
Other revenues	$ -	$ 4,891	$ 10,567	$ 5,676
Total revenues	-	4,891	10,567	5,676
FUND BALANCES, beginning of year	22,517	22,517	22,517	-
FUND BALANCES, end of year	$ 22,517	$ 27,408	$ 33,084	$ 5,676

CITY OF HAPEVILLE, GEORGIA
EMERGENCY- 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 887,081	$ 184,939	$ 184,939	$ -
Total revenues	887,081	184,939	184,939	-
EXPENDITURES				
Public safety	881,641	729,898	723,864	6,034
Total expenditures	881,641	729,898	723,864	6,034
Excess (deficiency) of revenues over/(under) expenditures	5,440	(544,959)	(538,925)	6,034
OTHER FINANCING SOURCES				
Transfers in	-	544,959	533,308	(11,651)
Total other financing sources	-	544,959	533,308	(11,651)
Net change in fund balances	5,440	-	(5,617)	(5,617)
FUND BALANCES, beginning of fiscal year	39,851	39,851	39,851	-
FUND BALANCES, end of fiscal year	$ 45,291	$ 39,851	$ 34,234	$ (5,617)

CITY OF HAPEVILLE, GEORGIA
VEHICLE EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 220,000	$ 208,000	$ 207,496	$ (504)
Total revenues	220,000	208,000	207,496	(504)
OTHER FINANCING USES				
Transfers out	(220,000)	(208,000)	(207,496)	504
Total other financing uses	(220,000)	(208,000)	(207,496)	504
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

CITY OF HAPEVILLE, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
FUND BALANCES, beginning of fiscal year	$ 35,051	$ 35,051	$ 35,051	-
FUND BALANCES, end of fiscal year	$ 35,051	$ 35,051	$ 35,051	$ -

CITY OF HAPEVILLE, GEORGIA
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 5,980	$ 14,000	$ 13,666	$ (334)
Total revenues	5,980	14,000	13,666	(334)
EXPENDITURES				
Public works	5,980	14,000	10,379	3,621
Total expenditures	5,980	14,000	10,379	3,621
Net change in fund balances	-	-	3,287	(3,955)
FUND BALANCES, beginning of fiscal year	7,624	7,624	7,624	-
FUND BALANCES, end of fiscal year	$ 7,624	$ 7,624	$ 10,911	$ 3,287

CITY OF HAPEVILLE, GEORGIA
CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 454,000	$ 139,000	$ 138,561	$ (439)
Total revenues	454,000	139,000	138,561	(439)
EXPENDITURES				
Capital outlay	630,000	1,281,390	1,280,951	439
Total expenditures	630,000	1,281,390	1,280,951	439
Deficiency of revenues under expenditures	(176,000)	(1,142,390)	(1,142,390)	-
OTHER FINANCING SOURCES				
Transfers in	176,000	1,142,390	1,142,390	-
Total other financing sources	176,000	1,142,390	1,142,390	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	191,249	191,249	191,249	-
FUND BALANCES, end of fiscal year	$ 191,249	$ 191,249	$ 191,249	$ -

CITY OF HAPEVILLE, GEORGIA
T-SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,380,000	$ 1,435,000	$ 1,433,593	$ (1,407)
Total revenues	1,380,000	1,435,000	1,433,593	(1,407)
EXPENDITURES				
Capital outlay	1,380,000	1,338,000	979,528	358,472
Total expenditures	1,380,000	1,338,000	979,528	358,472
Excess of revenues over expenditures	-	97,000	454,065	(357,065)
OTHER FINANCING USES				
Transfers out	-	(97,000)	(97,000)	-
Total other financing uses	-	(97,000)	(97,000)	-
Net change in fund balances	-	-	357,065	(357,065)
FUND BALANCES, beginning of fiscal year	1,052,983	1,052,983	1,052,983	-
FUND BALANCES, end of fiscal year	$ 1,052,983	$ 1,052,983	$ 1,410,048	$ 357,065

CITY OF HAPEVILLE, GEORGIA

Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2023

Project Description	Original Estimated Costs	Current Estimated Costs	Prior Years	Current Year	Total	Percentage of Completion
Operation and Safety Improvement - Silent Crossing Project	$ 1,600,000	$ 1,800,000	$ 1,557,520	$ 73,182	$ 1,630,702	91%
Pedestrian Improvements - Sidewalk, Curb & Gutter, Bike Lane - Dogwood	1,900,000	1,200,000	1,141,254	55,836	1,197,090	99%
Maintenance and Safety - (Paving) Loop Road & Rail Facility Project	1,400,000	3,100,000	2,211,234	868,356	3,079,590	99%
Traffic & Street Signage and Traffic Signal Improvements	600,000	300,000	144,381	79,154	223,535	75%
Pre-Engineering, Project Administration	834,792	334,792	271,565	-	271,565	81%
	$ 6,334,792	$ 6,734,792	$ 5,325,954	$ 1,076,528	$ 6,402,482	95%

Introduction to Statistical Section
(Unaudited)

This part of City of Hapeville's annual comprehensive financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary financial information. This information is unaudited.

Contents	***Exhibits***
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	I - XIIA
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue sources, property taxes.	XIII-XXI
Debt Capacity These tables contain information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.	XXII-XXIV
Demographic and Economic Information These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the City operates and (2) to provide information that facilitates comparisons of financial statement information over time and among cities.	XXV-XXVI
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.	XXVII-XXVIII

Data Source:

Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the applicable year.

Exhibit I

City of Hapeville, Georgia

Changes in Net Position - Governmental Activities (Unaudited)

Last Ten Fiscal Years [1]

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities										
General government	$ 2,148,678	$ 2,086,642	$ 2,265,737	$ 3,177,991	$ 2,490,217	$ 2,721,802	$ 3,064,547	$ 3,181,487	$ 3,616,969	$ 3,428,481
Judicial	-	-	-	129,440	124,583	154,675	357,220	328,236	350,371	327,947
Public safety	5,923,757	5,011,852	4,936,495	5,729,064	5,496,731	6,111,073	7,803,633	7,757,447	8,170,183	8,455,609
Highways and streets	1,101,104	1,025,120	956,954	784,781	953,406	1,363,892	1,485,918	1,593,163	1,819,584	4,479,415
Culture and recreation[1]	557,634	548,727	551,428	1,832,125	1,715,312	1,809,491	2,201,635	2,063,606	2,352,165	1,369,678
Parks and grounds[1]	1,051,603	934,433	865,972	-	-	-	-	-	-	-
Planning and zoning	273,602	284,203	241,023	298,772	184,740	187,009	330,671	189,853	910,918	300,230
Trade, tourism and development	594,325	673,741	730,231	905,390	2,045,399	2,410,903	2,142,435	1,602,145	2,150,115	2,575,037
Debt-related expenses	16,782	11,008	22,095	44,846	48,535	61,350	60,495	63,272	12,505	42,465
Total Primary Government Expenses	11,667,485	10,575,726	10,569,935	12,902,409	13,058,923	14,820,195	17,446,554	16,779,209	19,382,810	20,978,862
Program Revenues:										
Governmental Activities										
Charges for services	1,011,165	1,048,241	866,148	1,330,553	1,208,343	1,052,832	1,767,968	1,548,094	2,742,489	2,078,561
Operating grants and contributions	49,232	40,977	39,138	26,333	5,290	17,656	4,630	1,220,517	1,318,236	30,586
Capital grants and contributions	725,947	613,912	780,581	667,438	3,054,072	5,334,753	1,904,573	1,644,661	2,192,145	1,728,170
Total Primary Government Program Revenues	1,786,344	1,703,130	1,685,867	2,024,324	4,267,705	6,405,241	3,677,171	4,413,272	6,252,870	3,837,317
Net (Expense) Revenue	(9,881,141)	(8,872,596)	(8,884,068)	(10,878,085)	(8,791,218)	(8,414,954)	(13,769,383)	(12,365,937)	(13,129,940)	(17,141,545)
General Revenues:										
Governmental activities										
Taxes										
Property	4,066,615	3,795,160	4,604,469	5,452,637	5,242,270	6,177,974	7,439,950	7,475,538	6,974,646	7,935,120
Sales	1,668,856	1,739,336	1,751,341	1,771,491	1,865,494	1,992,229	1,867,684	2,030,907	2,441,710	2,468,745
Occupation	265,775	289,887	324,329	-	-	-	-	-	-	-
Franchise	643,481	673,023	679,502	653,527	665,196	681,134	689,010	650,940	690,475	766,004
Insurance premium	351,426	354,276	391,735	407,163	433,106	466,835	510,484	537,202	554,124	567,472
Hotel/motel	1,951,860	2,275,691	2,462,623	2,771,189	3,108,228	3,636,829	2,801,045	2,022,758	3,032,107	3,680,574
Other	544,169	558,608	546,226	545,769	631,991	751,228	599,053	579,565	662,987	713,431
Other local revenue	27,884	27,320	39,844	243,593	194,039	54,761	86,011	437,927	161,615	110,029
Unrestricted investment earnings	121	191	218	448	781	53	5,847	13	7	7
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	383,433
Transfers	(304,924)	265,139	(361,340)	(452,339)	(439,256)	(484,720)	(354,836)	(795,048)	(663,237)	3,539,105
Total Primary Government General Revenues	9,215,263	9,978,631	10,438,947	11,393,478	11,701,849	13,276,323	13,644,248	12,939,802	13,854,434	20,163,920
Total Primary Government Change in Net Position	$ (665,878)	$ 1,106,035	$ 1,554,879	$ 515,393	$ 2,910,631	$ 4,861,369	$ (125,135)	$ 573,865	$ 724,494	$ 3,022,375

Data Source:

Applicable years' annual financial report.

Notes:

[1] In fiscal year 2017, the costs for these two functions were merged.

Exhibit II

City of Hapeville, Georgia

Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities										
General government	18.4%	19.7%	21.4%	24.6%	19.1%	18.4%	17.6%	19.0%	18.7%	16.3%
Judicial	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	2.0%	2.0%	1.8%	1.6%
Public safety	50.8%	47.4%	46.7%	44.4%	42.1%	41.2%	44.7%	46.2%	42.2%	40.3%
Highways and streets	9.4%	9.7%	9.1%	6.1%	7.3%	9.2%	8.5%	9.5%	9.4%	21.4%
Culture and recreation[1]	4.8%	5.2%	5.2%	14.2%	13.1%	12.2%	12.6%	12.3%	12.1%	6.5%
Parks and grounds [1]	9.0%	8.8%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Planning and zoning	2.3%	2.7%	2.3%	2.3%	1.4%	1.3%	1.9%	1.1%	4.7%	1.4%
Trade, tourism and development	5.1%	6.4%	6.9%	7.0%	15.7%	16.3%	12.3%	9.5%	11.1%	12.3%
Debt-related expenses	0.2%	0.1%	0.1%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Total Primary Government Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Governmental Activities										
Charges for services	56.6%	61.5%	51.4%	65.7%	28.3%	16.4%	48.1%	35.1%	43.9%	54.2%
Operating grants and contributions	2.8%	2.4%	2.3%	1.3%	0.1%	0.3%	0.1%	27.7%	21.1%	0.8%
Capital grants and contributions	40.6%	36.0%	46.3%	33.0%	71.6%	83.3%	51.8%	37.3%	35.1%	45.0%
Total Primary Government Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Governmental activities										
Taxes										
Property	44.1%	38.0%	44.1%	47.9%	44.8%	46.5%	54.5%	57.8%	50.3%	39.4%
Sales	18.1%	17.4%	16.8%	15.5%	15.9%	15.0%	13.7%	15.7%	17.6%	12.2%
Occupation	2.9%	2.9%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Franchise	7.0%	6.7%	6.5%	5.7%	5.7%	5.1%	5.0%	5.0%	5.0%	3.8%
Insurance premium	3.8%	3.6%	3.8%	3.6%	3.7%	3.5%	3.7%	4.2%	4.0%	2.8%
Hotel/motel	21.2%	22.8%	23.6%	24.3%	26.6%	27.4%	20.5%	15.6%	21.9%	18.3%
Other	5.9%	5.6%	5.2%	4.8%	5.4%	5.7%	4.4%	4.5%	4.8%	3.5%
Other local revenue	0.3%	0.3%	0.4%	2.1%	1.7%	0.4%	0.6%	3.4%	1.2%	0.5%
Unrestricted investment earnings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gain on sale of capital assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%
Transfers	-3.3%	2.7%	-3.5%	-4.0%	-3.8%	-3.7%	-2.6%	-6.1%	-4.8%	17.6%
Total Primary Government General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

[1] In fiscal year 2017, the costs for these two functions were merged.

Data Source:

Applicable years' annual comprehensive financial report.

Exhibit III

City of Hapeville, Georgia

Changes in Net Position - Business-type Activities (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

Source	2014	2015	2016	2017	2018 (restated) [2]	2019	2020	2021	2022	2023
Expenses:										
Water and sewer	$ 2,898,611	$ 2,915,863	$ 3,341,251	$ 3,282,497	$ 3,140,345	$ 4,021,474	$ 3,802,086	$ 4,118,383	$ 4,315,335	$ 5,067,755
Stormwater	544,970	465,351	488,436	131,665	70,284	468,413	286,534	190,984	312,686	272,777
Solid waste management[1]	-	-	-	616,717	492,131	504,518	528,226	572,581	562,623	580,408
Development authority	658,283	616,700	577,621	1,338,589	512,467	532,926	458,689	264,593	203,838	441,667
Total Expenses	4,101,864	3,997,914	4,407,308	5,369,468	4,215,227	5,527,331	5,075,535	5,146,541	5,394,482	6,362,607
Program Revenues:										
Charges for services	4,700,291	4,824,266	5,162,897	5,907,246	5,527,472	5,744,255	5,771,583	5,070,344	5,691,433	6,088,326
Operating grants	-	17,484	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	138,544	873,348
Total Program Revenues	4,700,291	4,841,750	5,162,897	5,907,246	5,527,472	5,744,255	5,771,583	5,070,344	5,829,977	6,961,674
Net (Expense) Revenue	598,427	843,836	755,589	537,778	1,312,245	216,924	696,048	(76,197)	435,495	599,067
General Revenues:										
Unrestricted investment income	-	-	7,633	-	-	-	-	-	-	52,897
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	1,719,940
Lease revenue	-	-	-	-	-	-	-	-	-	120,592
Other	-	-	(297,348)	-	-	-	-	355,140	56,081	58,789
Transfers	304,924	(265,139)	361,340	452,339	439,256	484,720	354,836	795,048	663,237	(3,539,105)
Total General Revenues	304,924	(265,139)	71,625	452,339	439,256	484,720	354,836	1,150,188	719,318	(1,586,887)
Change in Net Position	$ 903,351	$ 578,697	$ 827,214	$ 990,117	$ 1,751,501	$ 701,644	$ 1,050,884	$ 1,073,991	$ 1,154,813	$ (987,820)

Data Source:

Applicable years' annual comprehensive financial report.

Notes:

[1] Beginning in fiscal year 2017, the City created a new solid waste management fund.

[2] The 2018 Column was restated to correct prior year revenues for the Stormwater Fund.

City of Hapeville, Georgia
Changes in Net Position - Total (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

Source	**2014**	**2015**	**2016**	**2017**	**2018 (restated)**	**2019**	**2020**	**2021**	**2022**	**2023**
Expenses:										
Governmental activities[1]	$ 11,667,485	$ 10,575,726	$ 10,569,935	$ 12,902,409	$ 13,058,923	$ 14,820,195	$ 17,446,554	$ 16,779,209	$ 19,382,810	$ 20,978,862
Business-type activities[2]	4,101,864	3,997,914	4,407,308	5,369,468	4,215,227	5,527,331	5,075,535	5,146,541	5,394,482	6,362,607
Total Expenses	15,769,349	14,573,640	14,977,243	18,271,877	17,274,150	20,347,526	22,522,089	21,925,750	24,777,292	27,341,469
Program Revenues:										
Governmental activities[1]	1,786,344	1,703,130	1,685,867	2,024,324	4,267,705	6,405,241	3,677,171	4,413,272	6,252,870	3,837,317
Business-type activities[2]	4,700,291	4,841,750	5,162,897	5,907,246	5,527,472	5,744,255	5,771,583	5,070,344	5,829,977	6,961,674
Total Program Revenues	6,486,635	6,544,880	6,848,764	7,931,570	9,795,177	12,149,496	9,448,754	9,483,616	12,082,847	10,798,991
Net (Expense) Revenue	(9,282,714)	(8,028,760)	(8,128,479)	(10,340,307)	(7,478,973)	(8,198,030)	(13,073,335)	(12,442,134)	(12,694,445)	(16,542,478)
General Revenues:										
Governmental activities[1]	9,215,263	9,978,631	10,438,947	11,393,478	11,701,849	13,276,323	13,644,248	12,939,802	13,854,434	20,163,920
Business-type activities[2]	304,924	(265,139)	71,625	452,339	439,256	484,720	354,836	1,150,188	719,318	(1,586,887)
Total General Revenues	9,520,187	9,713,492	10,510,572	11,845,817	12,141,105	13,761,043	13,999,084	14,089,990	14,573,752	18,577,033
Change in Net Position	$ 237,473	$ 1,684,732	$ 2,382,093	$ 1,505,510	$ 4,662,132	$ 5,563,013	$ 925,749	$ 1,647,856	$ 1,879,307	$ 2,034,555

Notes:

[1] See Exhibit I

[2] See Exhibit III

City of Hapeville, Georgia

Government-wide Net Position by Category (Unaudited) [2]

Last Ten Fiscal Years [1]

(accrual basis of accounting)

	2014	2015 [2]	2016 [2]	2017	Restated 2018 [3]	2019	2020	Restated 2021 [4]	2022	2023
Governmental Activities										
Net investment in capital assets	$ 14,818,698	$ 14,921,279	$ 15,380,764	$ 14,979,549	$ 16,800,830	$ 23,391,066	$ 25,503,707	$ 26,015,801	$ 27,867,045	$ 28,725,526
Restricted	263,636	567,630	994,663	2,235,010	3,078,512	1,520,642	970,169	1,007,836	2,209,458	3,242,800
Unrestricted (deficit)	(1,072,361)	(5,309,749)	(4,613,716)	(11,993,586)	(11,747,738)	(11,918,735)	(13,606,038)	(13,581,934)	(15,910,306)	(14,779,754)
Subtotal Governmental Activities Net Position	14,009,973	10,179,160	11,761,711	5,220,973	8,131,604	12,992,973	12,867,838	13,441,703	14,166,197	17,188,572
Business-type Activities										
Net investment in capital assets	5,095,322	13,480,537	13,552,649	13,831,713	13,533,322	13,095,381	13,427,038	12,976,904	15,795,700	13,536,706
Restricted	1,259,777	901,288	1,064,752	1,430,587	908,311	812,819	878,447	1,099,955	520,068	1,152,104
Unrestricted (deficit)	(3,278,274)	(11,274,713)	(10,710,747)	(11,323,812)	(8,751,644)	(7,516,567)	(6,862,968)	(5,589,816)	(6,673,912)	(6,034,774)
Subtotal Business-type Activities Net Position	3,076,825	3,107,112	3,906,654	3,938,488	5,689,989	6,391,633	7,442,517	8,487,043	9,641,856	8,654,036
Primary Government										
Net investment in capital assets	19,914,020	28,401,816	28,933,413	28,811,262	30,334,152	36,486,447	38,930,745	38,992,705	43,662,745	42,262,232
Restricted	1,523,413	1,468,918	2,059,415	3,665,597	3,986,823	2,333,461	1,848,616	2,107,791	2,729,526	4,394,904
Unrestricted (deficit)	(4,350,635)	(16,584,462)	(15,324,463)	(23,317,398)	(20,499,382)	(19,435,302)	(20,469,006)	(19,171,750)	(22,584,218)	(20,814,528)
Total Primary Government Net Position	$ 17,086,798	$ 13,286,272	$ 15,668,365	$ 9,159,461	$ 13,821,593	$ 19,384,606	$ 20,310,355	$ 21,928,746	$ 23,808,053	$ 25,842,608

Notes:

[1] Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Georgia or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City. There are no restrictions currently reported as a result of enabling legislation.

[2] In fiscal year 2015, the City implemented a new pension standard which required reporting the net pension obligation on the statement of net position.

[3] In fiscal year 2018, the City implemented a new OPEB standard which required reporting the total OPEB liability on the statement of net position, resulting in an increase in the net negative unrestricted amount.

[4] In fiscal year 2022, the City implemented GASB 87.

Exhibit V-A

City of Hapeville, Georgia

Total Government-wide Net Position (Unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

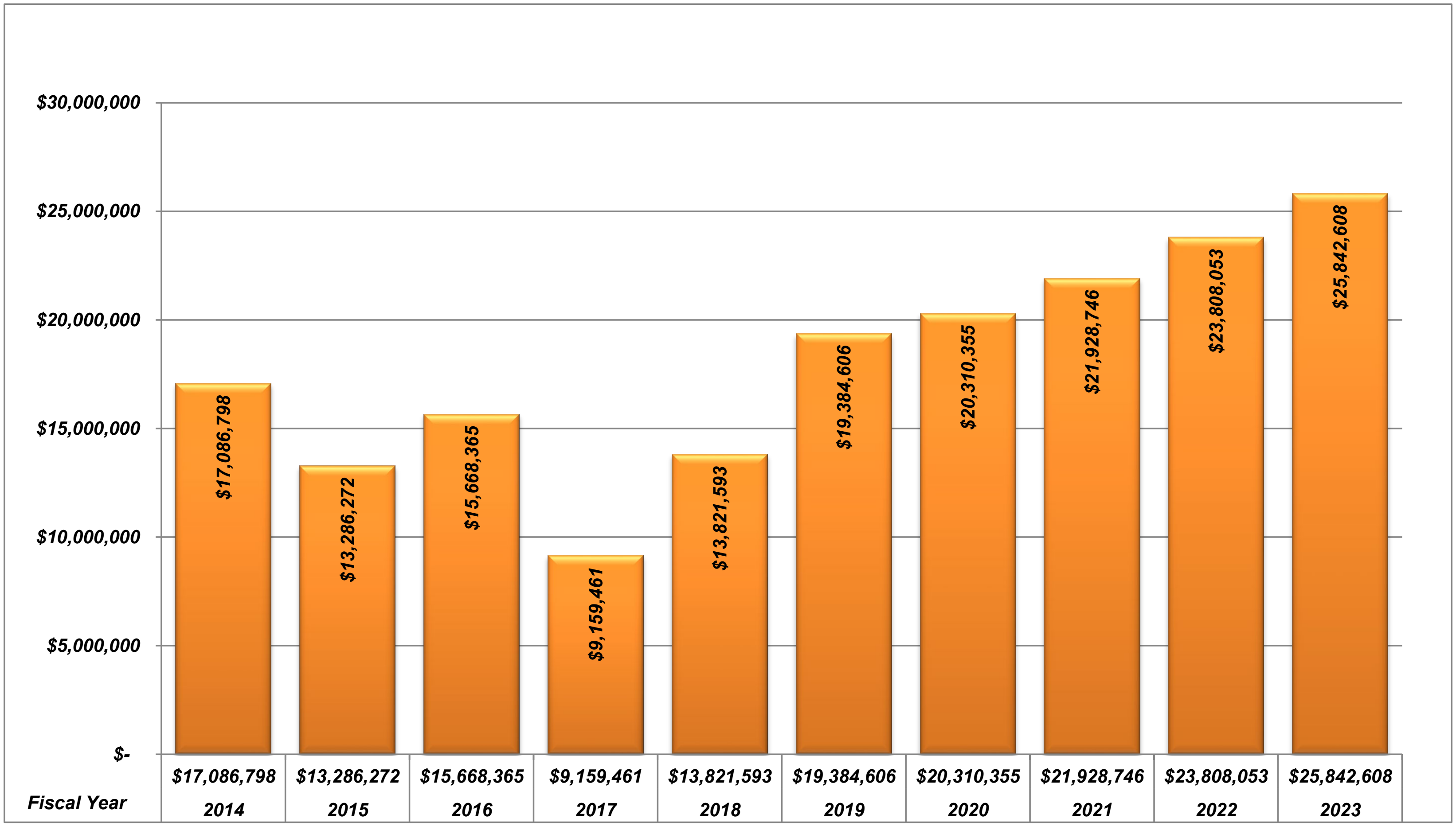


Exhibit VI

City of Hapeville, Georgia

General Governmental Revenues by Source (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenue Source	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Taxes	$ 9,642,439	$ 9,642,439	$ 11,452,396	$ 11,452,396	$ 11,924,128	$ 13,918,539	$ 13,904,632	$ 13,347,004	$ 14,331,341	$ 16,224,636
Licenses and permits	162,052	210,250	293,601	715,397	519,926	341,141	707,583	580,767	1,555,739	875,797
Charges for services	341,630	353,917	344,438	434,378	479,351	566,222	597,868	474,714	649,752	705,566
Fines and forfeitures	515,742	480,305	203,109	180,778	209,066	145,469	462,517	492,613	535,833	496,033
Intergovernmental	736,294	640,843	791,677	681,579	3,054,072	5,334,753	1,904,573	2,822,562	3,495,551	1,741,836
Contributions	21,244	8,360	28,042	12,192	5,290	17,656	4,630	500	14,830	16,920
Investment earnings	121	191	218	448	781	53	5,847	13	7	7
Other local revenue	37,182	36,773	39,844	243,593	194,039	54,761	86,011	100,377	162,780	111,194
Total revenues	$ 11,456,704	$ 11,373,078	$ 13,153,325	$ 13,720,761	$ 16,386,653	$ 20,378,594	$ 17,673,661	$ 17,818,550	$ 20,745,833	$ 20,171,989
% change from prior year	-9.9%	-0.7%	15.7%	4.3%	19.4%	24.4%	-13.3%	0.8%	16.4%	-2.8%

Taxes	84.2%	84.8%	87.1%	83.5%	72.8%	68.3%	78.7%	74.9%	69.1%	80.4%
Licenses and permits	1.4%	1.8%	2.2%	5.2%	3.2%	1.7%	4.0%	3.3%	7.5%	4.3%
Charges for services	3.0%	3.1%	2.6%	3.2%	2.9%	2.8%	3.4%	2.7%	3.1%	3.5%
Fines and forfeitures	4.5%	4.2%	1.5%	1.3%	1.3%	0.7%	2.6%	2.8%	2.6%	2.5%
Grant revenue	6.4%	5.6%	6.0%	5.0%	18.6%	26.2%	10.8%	15.8%	16.8%	8.6%
Contributions	0.2%	0.1%	0.2%	0.1%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%
Investment earnings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other local revenue	0.3%	0.4%	0.4%	1.8%	1.2%	0.3%	0.5%	0.6%	0.8%	0.6%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

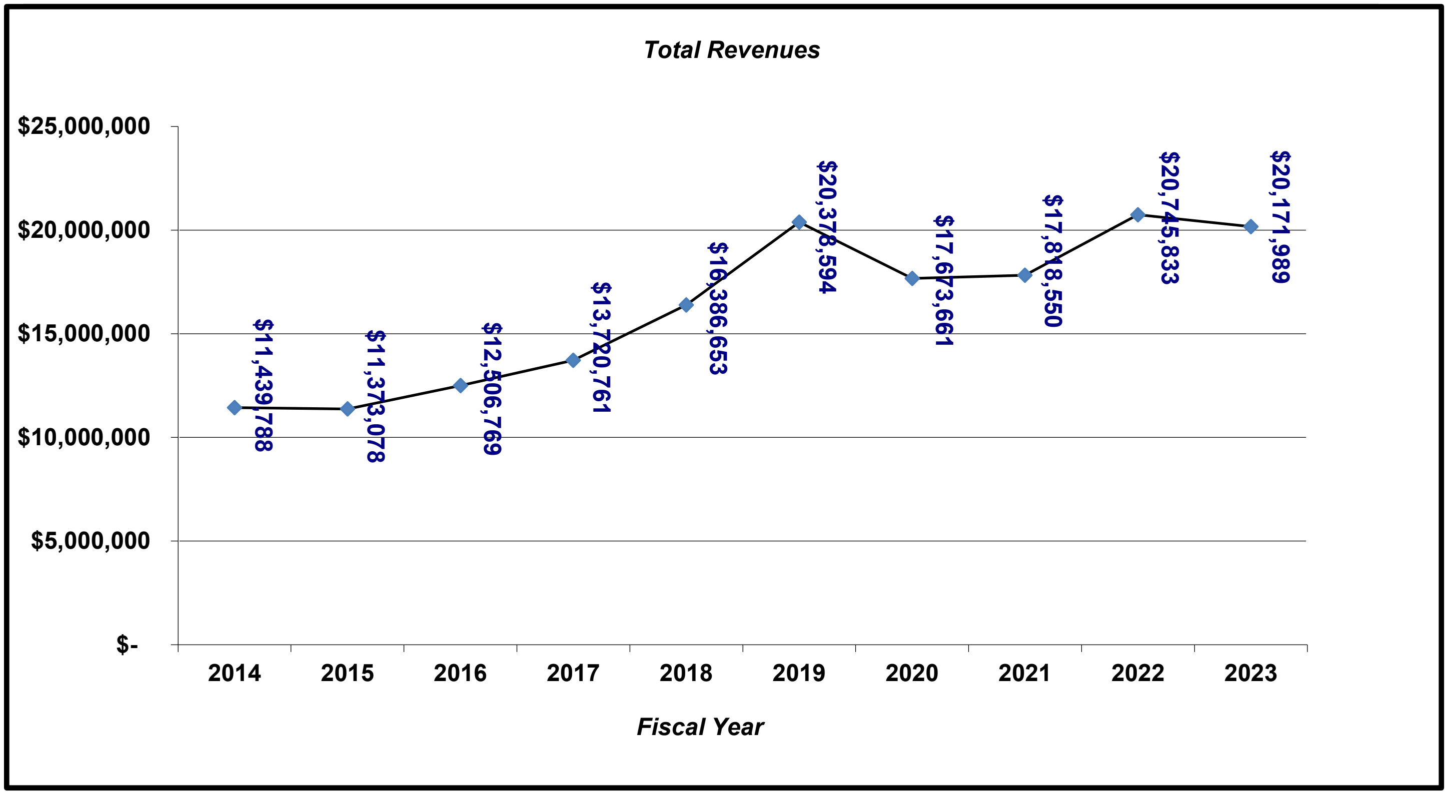
Notes:

[1] Includes all governmental fund types.

Data Source:

Applicable years' annual financial report.

City of Hapeville, Georgia
Chart-General Governmental Revenues (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



City of Hapeville, Georgia

Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For The Fiscal Year Ended June 30,	Property	Sales & Use	Business and Occupation	Franchise	Insurance Premium	Hotel/ Motel	Other	Total
2014	$ 4,199,957	$ 1,668,856	$ 265,775	$ 643,481	$ 351,426	$ 1,951,860	$ 544,168	$ 9,625,523
2015	3,751,618	1,739,336	289,887	673,023	354,276	2,275,691	558,608	9,642,439
2016	4,650,084	1,751,341	324,329	679,502	391,735	2,462,623	546,226	10,805,840
2017	5,280,086	1,771,491	545,769	653,527	407,163	2,771,189	23,171	11,452,396
2018	5,198,135	1,865,494	631,991	665,196	433,106	3,108,228	21,978	11,924,128
2019	6,248,912	1,992,229	751,228	681,134	466,835	3,636,829	141,372	13,918,539
2020	7,236,669	1,867,684	599,053	689,010	510,484	2,801,045	200,687	13,904,632
2021	7,303,874	2,030,907	579,565	650,940	537,202	2,022,758	221,758	13,347,004
2022	6,675,929	2,441,710	662,987	690,475	554,124	3,032,107	274,009	14,331,341
2023	7,820,914	2,468,745	713,431	766,004	567,472	3,680,574	207,496	16,224,636
% Change in Dollars Over 10 Years	86.2%	47.9%	168.4%	19.0%	61.5%	88.6%	-61.9%	68.6%
	Percentage of Total							
2014	43.6%	17.3%	2.8%	6.7%	3.7%	20.3%	5.7%	100.0%
2015	38.9%	18.0%	3.0%	7.0%	3.7%	23.6%	5.8%	100.0%
2016	43.0%	16.2%	3.0%	6.3%	3.6%	22.8%	5.1%	100.0%
2017	46.1%	15.5%	4.8%	5.7%	3.6%	24.2%	0.2%	100.0%
2018	43.6%	15.6%	5.3%	5.6%	3.6%	26.1%	0.2%	100.0%
2019	44.9%	14.3%	5.4%	4.9%	3.4%	26.1%	1.0%	100.0%
2020	52.0%	13.4%	4.3%	5.0%	3.7%	20.1%	1.4%	100.0%
2021	54.7%	15.2%	4.3%	4.9%	4.0%	15.2%	1.6%	100.0%
2022	46.6%	17.0%	4.6%	5.2%	4.2%	22.7%	2.0%	100.0%
2023	48.2%	15.2%	4.4%	5.7%	4.3%	27.6%	1.5%	100.0%

Data Source:

Applicable years' annual financial report.

City of Hapeville, Georgia

Chart-Tax Revenues by Source - Governmental Funds (Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)

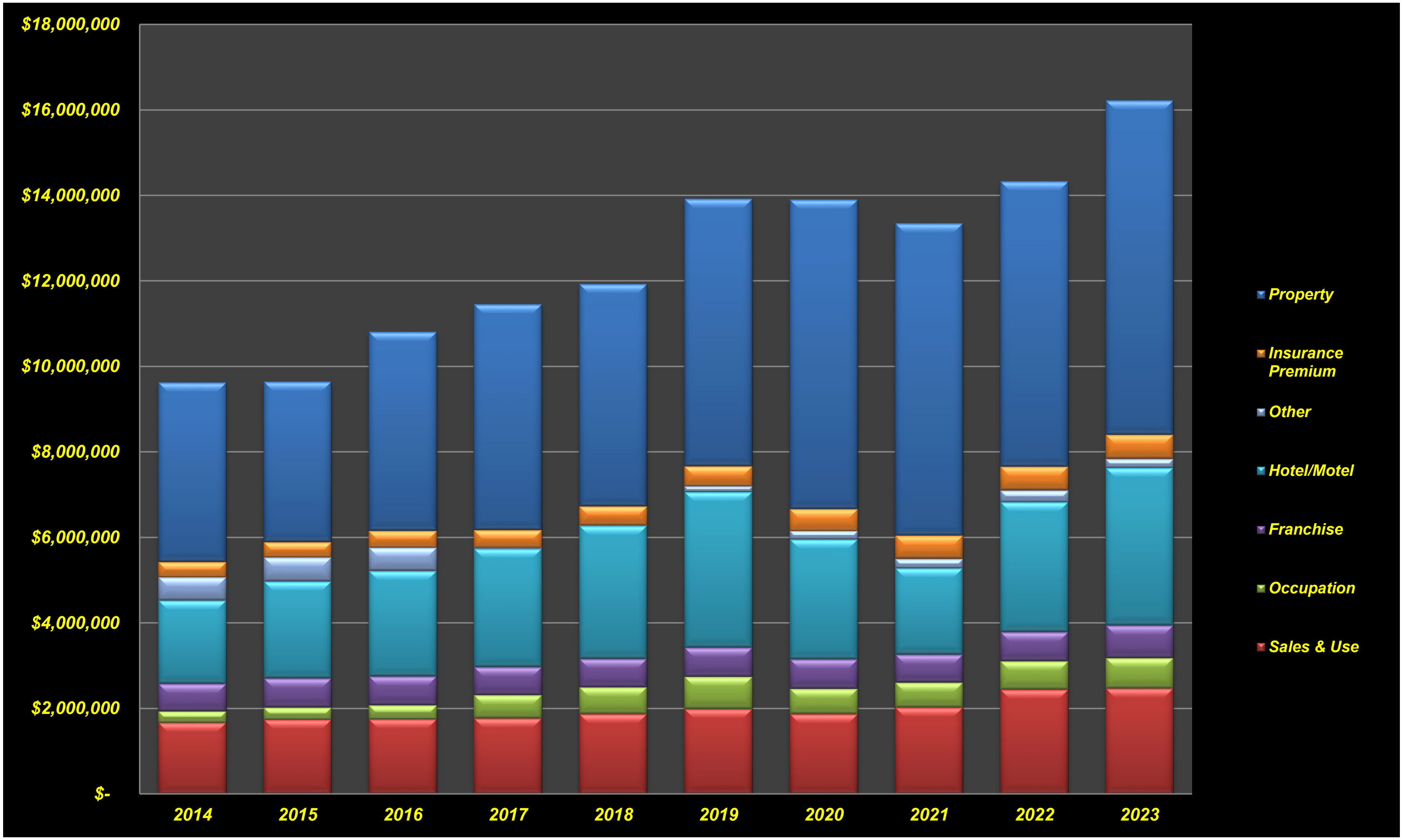


Exhibit VIII

City of Hapeville, Georgia

General Governmental Expenditures by Function (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

Function	2014	2015	2016	2017	2018	2019 [2]	2020	2021	2022	2023
Current:										
General government	$ 2,098,323	$ 2,152,548	$ 2,265,142	$ 3,140,702	$ 2,729,155	$ 2,389,436	$ 2,497,277	$ 2,803,651	$ 3,520,410	$ 3,366,861
Judicial	-	-	-	128,399	128,537	148,668	308,218	304,382	328,694	325,851
Public safety	5,574,850	5,082,874	6,175,585	5,229,710	5,387,641	5,475,912	6,693,118	7,458,803	7,374,225	8,015,895
Highways and streets	630,731	653,502	645,837	731,217	662,784	811,407	829,856	922,443	2,574,626 [3]	3,672,808
Culture and recreation	530,340	522,023	512,870	1,607,025	1,514,033	1,508,680	1,754,389	1,736,042	1,924,719	992,361
Parks and ground	889,047	802,037	711,505	-	-	-	-	-	-	-
Planning and zoning	216,639	234,728	232,704	281,799	179,123	164,460	285,311	176,056	854,559 [3]	298,311
Trade, tourism and development	583,485	695,948	686,384	849,574	2,008,033	4,088,543	2,678,510	1,639,296	2,068,621	2,466,263
Total Current	10,523,415	10,143,660	11,230,027	11,968,426	12,609,306	14,587,106	15,046,679	15,040,673	18,645,854	19,138,350
% Change From Prior Year	-11.6%	-3.6%	10.7%	6.6%	5.4%	15.7%	3.2%	0.0%	24.0%	2.6%
Capital Outlay	859,824	957,584	1,133,938	718,560	2,349,152	6,054,963	2,117,293	1,559,152	1,257,045	2,260,479
% Change From Prior Year	-39.2%	11.4%	18.4%	-36.6%	226.9%	157.8%	-65.0%	-26.4%	-19.4%	79.8%
Debt Service										
Principal	182,172	125,552	226,234	301,243	323,101	338,556	408,374	375,487	465,350	394,039
Interest and fees	16,782	11,008	22,095	44,846	48,535	61,350	60,495	63,272	12,505	42,465
Total Debt Service	198,954	136,560	248,329	346,089	371,636	399,906	468,869	438,759	477,855	436,504
% Change From Prior Year	-73.9%	-31.4%	81.8%	39.4%	7.4%	7.6%	17.2%	-6.4%	8.9%	-8.7%
Total Expenditures	$ 11,582,193	$ 11,237,804	$ 12,612,294	$ 13,033,075	$ 15,330,094	$ 21,041,975	$ 17,632,841	$ 17,038,584	$ 20,380,754	$ 21,835,333
% Change From Prior Year	-17.7%	-3.0%	12.2%	3.3%	17.6%	37.3%	-16.2%	-3.4%	19.6%	7.1%
Debt Service as a % of Noncapital Expenditures	1.9%	1.3%	2.2%	2.8%	2.9%	3.0%	3.3%	3.2%	2.5%	2.3%

Notes:

[1] Includes all governmental fund types.

[2] In fiscal year 2019, trade, tourism and development costs included expenditures for theater renovations.

[3] In fiscal year 2022, the City experienced significant development and construction costs as projects started to back up following delays during the COVID-19 pandemic.

Data Source:

Applicable years' annual financial report.

Exhibit IX

City of Hapeville, Georgia

General Governmental Current Expenditures by Function (Unaudited) (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

Function	2014	2015	2016	2017	2018	2019 (2)	2020	2021	2022	2023
Current:										
General government	$ 2,098,323	$ 2,152,548	$ 2,265,142	$ 3,140,702	$ 2,729,155	$ 2,389,436	$ 2,497,277	$ 2,803,651	$ 3,520,410	$ 3,366,861
Judicial	-	-	-	128,399	128,537	148,668	308,218	304,382	328,694	325,851
Public safety	5,574,850	5,082,874	6,175,585	5,229,710	5,387,641	5,475,912	6,693,118	7,458,803	7,374,225	8,015,895
Highways and streets	630,731	653,502	645,837	731,217	662,784	811,407	829,856	922,443	2,574,626 (3)	3,672,808
Culture and recreation	530,340	522,023	512,870	1,607,025	1,514,033	1,508,680	1,754,389	1,736,042	1,924,719	992,361
Parks and grounds	889,047	802,037	711,505	-	-	-	-	-	-	-
Planning and zoning	216,639	234,728	232,704	281,799	179,123	164,460	285,311	176,056	854,559 (3)	298,311
Trade, tourism and development	583,485	695,948	686,384	849,574	2,008,033	4,088,543	2,678,510	1,639,296	2,068,621	2,466,263
Total Current	$ 10,523,415	$ 10,143,660	$ 11,230,027	$ 11,968,426	$ 12,609,306	$ 14,587,106	$ 15,046,679	$ 15,040,673	$ 18,645,854	$ 19,138,350

	2014	2015	2016	2017	2018	2019 (2)	2020	2021	2022	2023
Current:										
General government	19.9%	21.2%	20.2%	26.2%	21.6%	16.4%	16.6%	18.6%	18.9%	17.6%
Judicial	0.0%	0.0%	0.0%	1.1%	1.0%	1.0%	2.0%	2.0%	1.8%	1.7%
Public safety	53.0%	50.1%	55.0%	43.7%	42.7%	37.5%	44.5%	49.6%	39.5%	41.9%
Public works	6.0%	6.4%	5.8%	6.1%	5.3%	5.6%	5.5%	6.1%	13.8%	19.2%
Culture and recreation	5.0%	5.1%	4.6%	13.4%	12.0%	10.3%	11.7%	11.5%	10.3%	5.2%
Parks and grounds	8.4%	7.9%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Planning, zoning and development	2.1%	2.3%	2.1%	2.4%	1.4%	1.1%	1.9%	1.2%	4.6%	1.6%
Trade and tourism	5.5%	6.9%	6.1%	7.1%	15.9%	28.0%	17.8%	10.9%	11.1%	12.9%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

(1) Includes all governmental fund types.

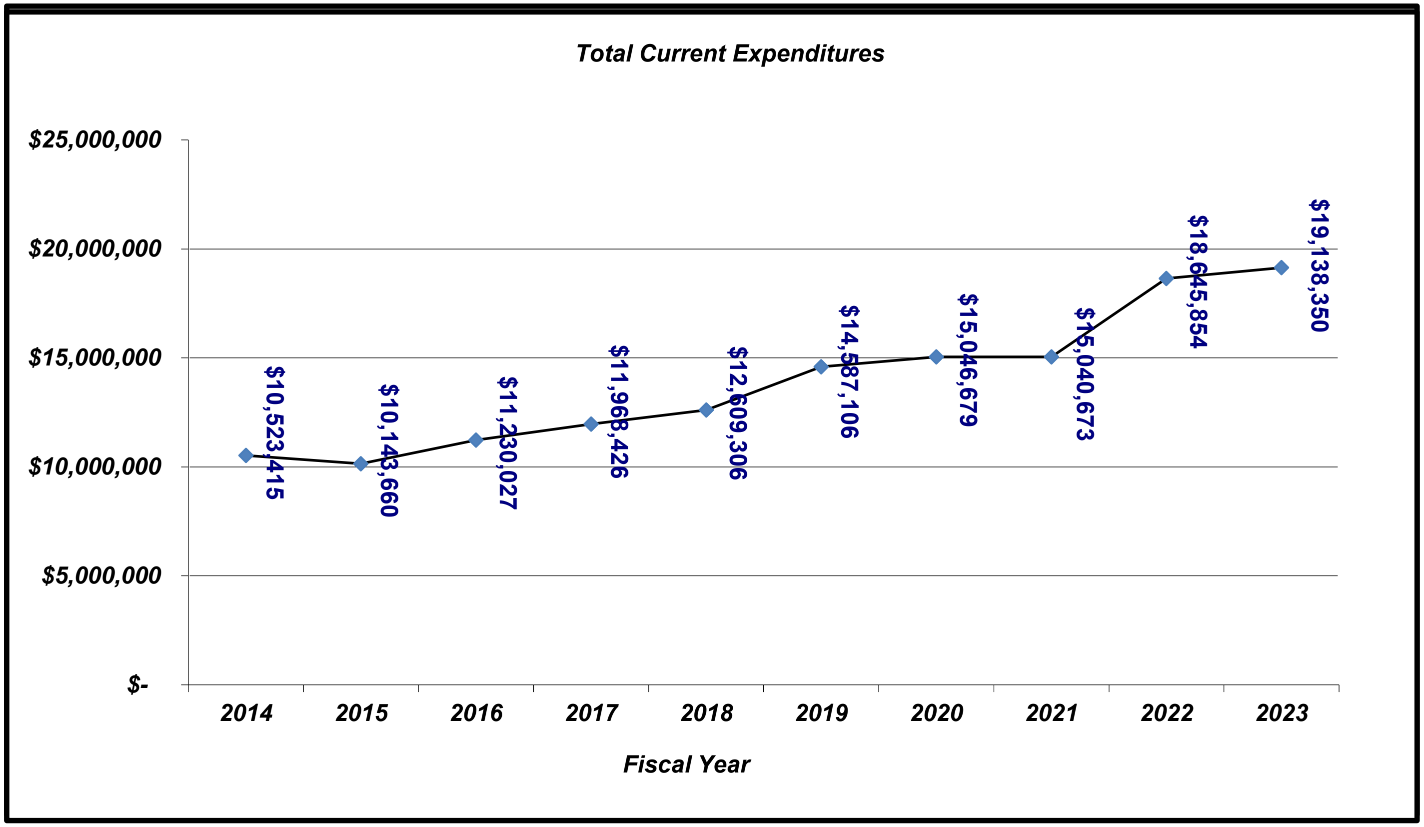
(2) Fiscal year 2019 trade, tourism and development expenditures included additional expenditures for theater renovations.

(3) In fiscal year 2022, the City experienced significant development and construction costs as projects started to back up following delays during the COVID-19 pandemic.

Data Source:

Applicable years' annual financial report.

City of Hapeville, Georgia
Chart-General Governmental Current Expenditures (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



City of Hapeville, Georgia

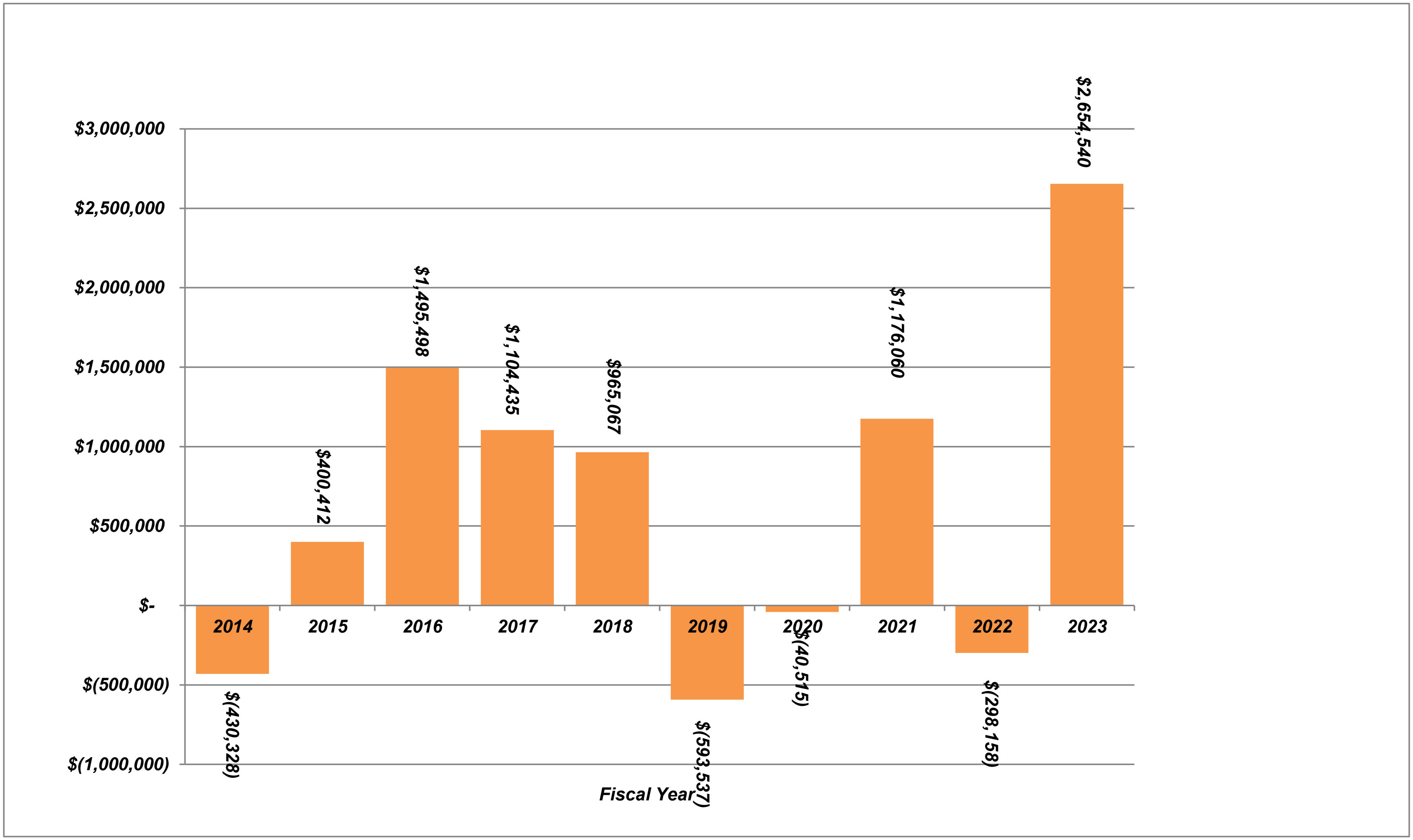
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Source	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Revenues	$ 11,456,704	$ 11,373,078	$ 13,153,325	$ 13,720,761	$ 16,386,653	$ 20,378,594	$ 17,673,661	$ 17,818,550	$ 20,745,833	$ 20,171,989
Total Expenditures	11,582,193	11,237,804	12,612,294	13,033,075	15,330,094	21,041,975	17,632,841	17,038,584	20,380,754	21,835,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,489)	135,274	541,031	687,686	1,056,559	(663,381)	40,820	779,966	365,079	(1,663,344)
Other Financing Sources (Uses)										
Financed purchases	-	-	1,290,807	319,088	347,764	554,564	273,501	853,592	-	395,346
Sale of capital assets	86	-	25,000	-	-	-	-	337,550	-	383,433
Transfers in	3,193,278	3,186,516	3,113,335	3,608,731	3,248,254	3,914,833	3,459,723	2,595,919	3,975,583	(6,506,931)
Transfers out	(3,498,203)	(2,921,378)	(3,474,675)	(3,511,070)	(3,687,510)	(4,399,553)	(3,814,559)	(3,390,967)	(4,638,820)	10,046,036
Total Other Financing Sources (Uses)	(304,839)	265,138	954,467	416,749	(91,492)	69,844	(81,335)	396,094	(663,237)	4,317,884
Net Change in Fund Balances	$ (430,328)	$ 400,412	$ 1,495,498	$ 1,104,435	$ 965,067	$ (593,537)	$ (40,515)	$ 1,176,060	$ (298,158)	$ 2,654,540

Data Source:
Applicable years' annual financial report.

Exhibit XA

City of Hapeville, Georgia
Chart-Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



City of Hapeville, Georgia
Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ -	$ 147,736	$ 166,949	$ 116,047	$ 17,699	$ 306,384	$ 922,606	$ 1,224,247	$ 1,157,867	$ 3,475,988
Restricted-Program Purposes	51,283	51,008	50,734	84,926	46,583 **	647,939	356,158	645,105	877,182	1,753,706
Unassigned	816,807	765,489	1,189,853	1,129,057	1,324,756	2,000,404	1,897,150	2,760,072	1,280,393	374,986
Total General Fund	868,090	964,233	1,407,536	1,330,030	1,389,038	2,954,727	3,175,914	4,629,424	3,315,442	5,604,680
General Fund Percentage Change	-63.0%	11.1%	46.0%	-5.5%	4.4%	112.7%	7.5%	45.8%	-28.4%	69.0%
All Other Governmental Funds										
Nonspendable	-	-	-	351,139	-	-	-	-	-	-
Restricted:										
Program Purposes	212,353	516,622	943,929	2,117,690	3,031,929	872,703	614,011	320,615	1,118,175	1,489,094
Assigned	-	-	-	-	-	-	-	12,936	231,200	225,583
Unassigned (deficit)	-	-	-	(342,959)	-	-	(3,010)	-	-	-
Total All Other Governmental Funds	212,353	516,622	943,929	2,125,870	3,031,929	872,703	611,001	333,551	1,349,375	1,714,677
All Other Governmental Funds Percentage Change	3329.5%	143.3%	82.7%	125.2%	42.6%	-71.2%	-30.0%	-45.4%	304.5%	27.1%
Total Governmental Funds										
Nonspendable	-	147,736	166,949	467,186	17,699	306,384	922,606	1,224,247	1,157,867	3,475,988
Restricted	263,636	567,630	994,663	2,202,616	3,078,512	1,520,642	970,169	965,720	1,995,357	3,242,800
Assigned	-	-	-	-	-	-	-	12,936	231,200	225,583
Unassigned	816,807	765,489	1,189,853	786,098	1,324,756	2,000,404	1,894,140	2,760,072	1,280,393	374,986
Total Governmental Funds	$ 1,080,443	$ 1,480,855	$ 2,351,465	$ 3,455,900	$ 4,420,967	$ 3,827,430	$ 3,786,915	$ 4,962,975	$ 4,664,817	$ 7,319,357
All Governmental Funds Percentage Change	-54.0%	37.1%	58.8%	47.0%	27.9%	-13.4%	-1.1%	31.1%	-6.0%	56.9%

Notes:
** The City dissolved the Hapeville Association of Trade and Tourism, which was previously reported as a blended component unit and major special revenue fund. These fund balances are now reported in the General Fund.
Data Source:
Applicable years' annual financial report.

Exhibit XII

City of Hapeville, Georgia

Taxable Assessed Value and Estimated Actual Value of Property By Type (Unaudited)
Last Ten Calendar Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utility Property	Motor Vehicles	Other Property [2]	Less: Tax Exempt Property	Total Taxable Assessed Value[1]	Total Direct Tax Rate [3]	Estimated Actual Value	Annual Percentage Change
	Amounts										
2014	$ 41,617,080	$ 202,738,210	$ 4,295,200	$ 6,895,880	$ 8,428,420	$ -	$ 1,300,140	$ 262,674,650	16.610	$ 656,686,625	-2.8%
2015	46,201,180	199,786,880	9,342,080	5,585,087	7,102,350	19,080	8,292,600	259,744,057	16.610	649,360,143	-1.1%
2016	45,694,000	199,454,270	9,114,920	7,372,269	5,237,390	14,800	7,512,400	259,375,249	16.610	648,438,123	-0.1%
2017	46,282,180	205,240,460	16,488,000	20,331,731	4,025,640	28,800	7,225,550	285,171,261	16.610	712,928,153	9.9%
2018	47,735,190	312,457,620	16,113,920	27,267,698	2,902,570	28,800	10,240,610	396,265,188	16.610	990,662,970	39.0%
2019	92,655,980	230,352,900	16,868,000	32,176,619	2,066,900	93,080	7,627,470	366,586,009	16.610	916,465,023	-7.5%
2020	113,906,300	268,208,410	16,898,680	35,698,772	1,584,490	108,360	7,803,640	428,601,372	16.610	1,071,503,430	16.9%
2021	128,101,400	268,106,720	17,322,760	37,538,572	1,281,810	116,520	11,827,920	440,639,862	16.610	1,101,599,655	2.8%
2022	144,587,410	242,062,060	19,135,560	55,194,879	934,410	129,480	13,816,080	448,227,719	15.729	1,120,569,298	1.7%
2023	188,629,730	256,828,740	17,920,640	28,856,478	746,640	75,200	3,243,280	489,814,148	15.729	1,224,535,370	9.3%
*	$ 89,541,045	$ 238,523,627	$ 14,349,976	$ 25,691,799	$ 3,431,062	$ 61,412	$ 7,888,969	$ 363,709,952	$ 16.434	$ 909,274,879	
**	353.3%	26.7%	317.2%	318.5%	-91.1%	-	149.5%	86.5%	-5.3%	86.5%	
	Percentage of Total Assessed Value										
2014	15.8%	76.8%	1.6%	2.6%	3.2%	0.0%	0.5%	99.5%			
2015	17.2%	74.5%	3.5%	2.1%	2.6%	0.0%	3.2%	96.8%			
2016	17.1%	74.7%	3.4%	2.8%	2.0%	0.0%	2.8%	97.2%			
2017	15.8%	70.2%	5.6%	7.0%	1.4%	0.0%	2.5%	97.5%			
2018	11.7%	76.9%	4.0%	6.7%	0.7%	0.0%	2.5%	97.5%			
2019	24.8%	61.6%	4.5%	8.6%	0.6%	0.0%	2.0%	98.0%			
2020	26.1%	61.5%	3.9%	8.2%	0.4%	0.0%	1.8%	98.2%			
2021	28.3%	59.3%	3.8%	8.3%	0.3%	0.0%	2.6%	97.4%			
2022	31.3%	52.4%	4.1%	11.9%	0.2%	0.0%	3.0%	97.0%			
2023	38.3%	52.1%	3.6%	5.9%	0.2%	0.0%	0.7%	99.3%			

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

[1] All property is assessed at 40% of fair market value.

[2] Generally includes timber and heavy equipment.

[3] Tax rates expressed in rate per $1,000.

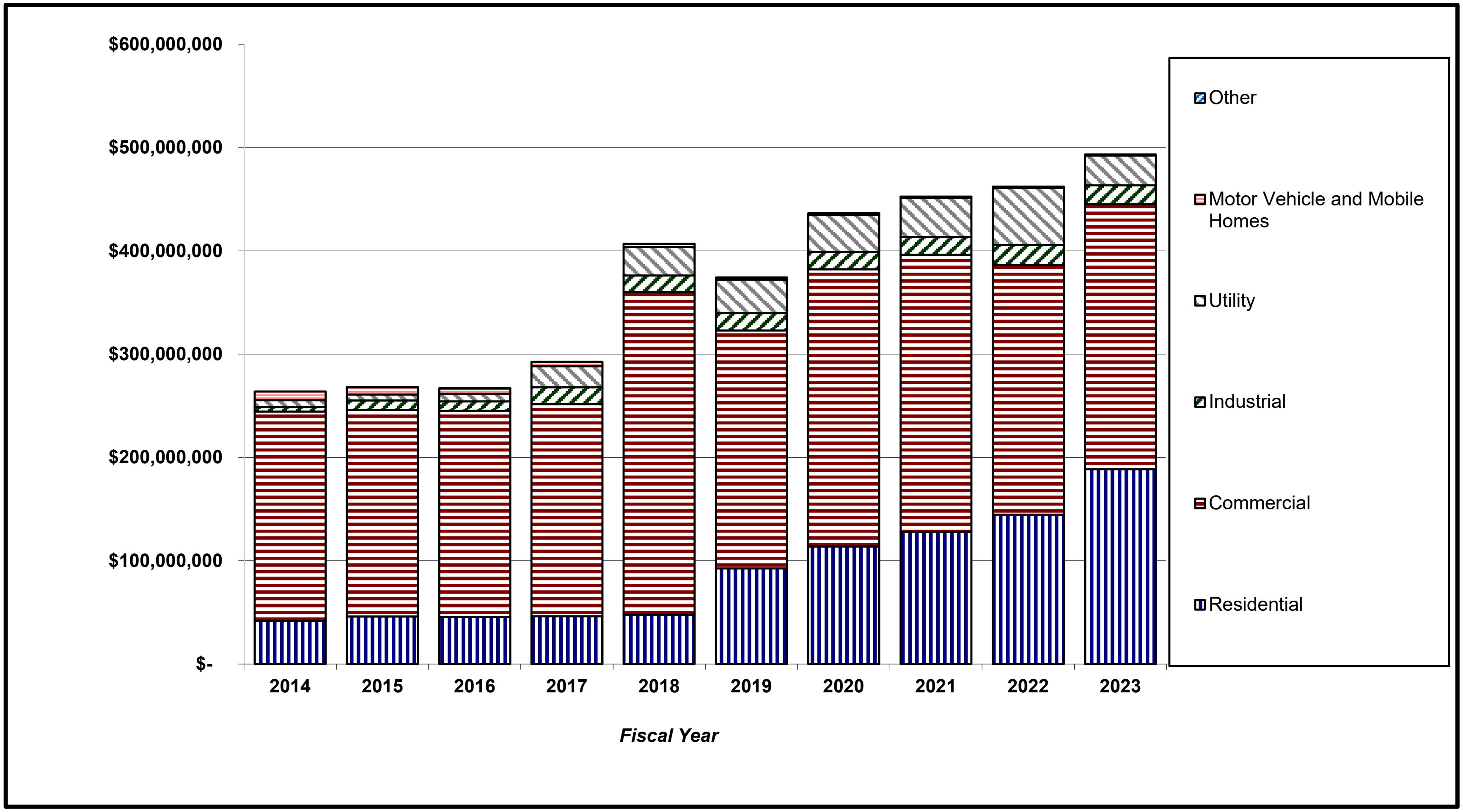
[4] The fiscal year indicated above reports the tax digest from the prior calendar year.

Data Source:

Georgia Department of Revenue, Tax Digest Consolidation Summary

http://dor.georgia.gov/county-ad-valorem-tax-digest-consolidated-summaries

City of Hapeville, Georgia
Chart-Total Assessed Value (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



City of Hapeville, Georgia

Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years
(rate per $1,000 of assessed taxable value)

	Direct	Overlapping [1]		
Fiscal Year	Updated City Rate	State of Georgia [2]	Updated Amounts Fulton County	Fulton County School Board
2014	16.610	0.150	10.481	18.502
2015	16.610	0.100	12.051	18.502
2016	16.610	0.050	10.500	18.502
2017	16.610	0.000	10.450	18.483
2018	16.440	0.000	10.380	18.546
2019	16.440	0.000	10.200	18.546
2020	16.110	0.000	10.200	17.796
2021	16.000	0.000	10.200	17.796
2022	15.729	0.000	9.330	17.590
2023	15.729	0.000	8.870	17.240

Notes:

[1] Overlapping rates are those of governments that overlap the City's geographic boundaries.

[2] This tax phased out beginning in fiscal year 2013.

Data Source:

Georgia Department of Revenue, Property Tax Division,
https://dor.georgia.gov/local-government-services/digest-compliance-section/property-tax-millage-rates

City of Hapeville, Georgia

Chart-Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years - Updated with Year 2023 - 2014
(rate per $1,000 of assessed taxable value)

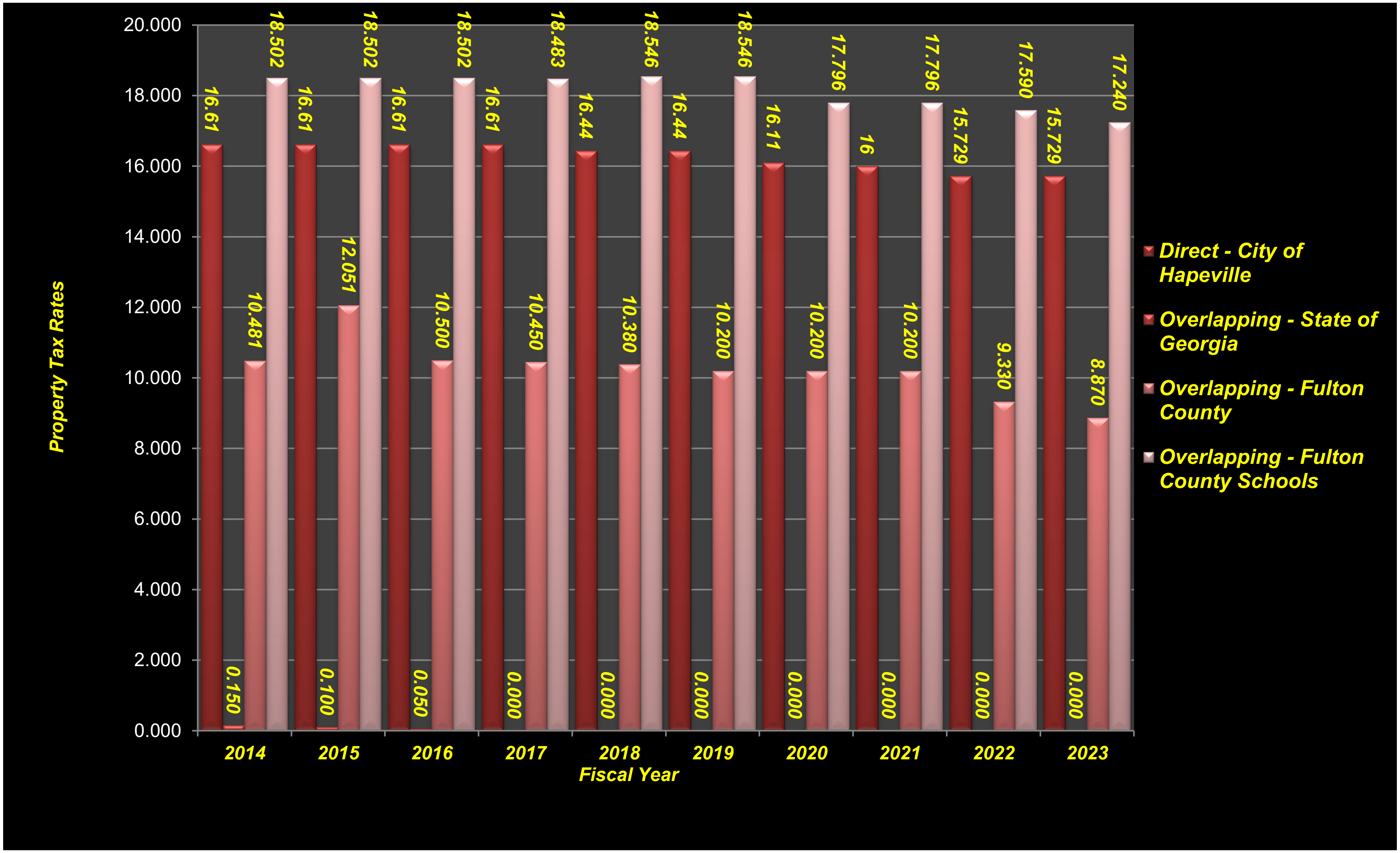


Exhibit XIV

City of Hapeville, Georgia

Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years
(in $1,000)

Fiscal Year	Taxes Levied for the Calendar Year	Collected Within the Fiscal Year of The Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes [1]	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2014	3,968	3,845	96.90%	114	3,959	99.77%	9	99.77%
2015	3,895	3,841	98.61%	46	3,887	99.79%	8	99.79%
2016	4,569	4,529	99.12%	29	4,558	99.76%	11	99.76%
2017	4,942	4,710	95.31%	209	4,919	99.53%	23	99.53%
2018	4,975	4,822	96.92%	144	4,966	99.82%	9	99.82%
2019	5,934	5,794	97.64%	128	5,922	99.80%	12	99.80%
2020	6,928	6,780	97.86%	135	6,915	99.81%	13	99.81%
2021	7,060	6,947	98.40%	93	7,040	99.72%	20	99.72%
2022	6,617	6,450	97.48%	134	6,584	99.50%	33	99.50%
2023	7,331	7,184	97.99%	-	7,184	97.99%	147	97.99%

Notes:

[1] The amounts reported in the total uncollected taxes column are the uncollected taxes for each tax levy.

Data Source:

City Tax Office

City of Hapeville, Georgia

Principal Property Taxpayers (Unaudited)
Fiscal Years Ended June 30, 2023 and 2014

2023				2014			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
WS HAA OWNER LLC	$ 47,629,800	1	4.99%	DIGITAL DOUG DAVIS LLC	$ 46,604,000	1	9.44%
DIGITAL DOUG DAVIS LLC	45,974,200	2	4.82%	FIRST STATES INVESTORS THIRTY	43,234,100	2	8.76%
BLUE ATLANTIC HARTSFIELD LP	43,152,700	3	4.52%	HAPEVILLE LTD PARTNERSHIP	42,000,000	3	8.51%
MIKEONE EK ATL OPS CENTER LLC	42,649,900	4	4.47%	BELL FUND IV ASBURY PARK APART	32,300,000	4	6.54%
DELTA AIR LINES INC	29,928,500	5	3.13%	DELTA AIR LINES INC	23,152,736	5	4.69%
LAMODAR LLC	18,315,900	6	1.92%	ATL AIRPORT PR1 LLC	20,077,664	6	4.07%
CITY OF ATLANTA	17,689,100	7	1.85%	CITY OF ATLANTA	16,534,800	7	3.35%
APSILON MANAGEMENT ATLANTA LLC	14,161,800	8	1.48%	DELTA COMMUNITY CREDIT UNION	8,700,000	8	1.76%
STATE BANK OF TEXAS	13,465,800	9	1.41%	HOSPITALITY PROPERTIES INC	9,181,200	9	1.86%
PORSCHE CARS NORTH AMERICA INC	10,351,600	10	1.08%	APSILON MANAGEMENT INC	7,500,000	10	1.52%
Total Principal Taxpayers	283,319,300		29.68%	**Total Principal Taxpayers**	249,284,500		50.49%
All Other Taxpayers	671,398,380		70.32%	**All Other Taxpayers**	244,429,844		49.51%
Total	$ 954,717,680		100.00%	**Total**	$ 493,714,344		100.00%

Data Source:

City Tax Office / INCODE Tax Module / Statistics Reports

City of Hapeville, Georgia

Direct and Overlapping Sales and Use Tax Rates (Unaudited)
Last Ten Calendar Years

Calendar Year	Direct: City LOST [1]	Overlapping: Fulton County [4]	Overlapping: State of Georgia	Overlapping: Fulton County Schools [2]	Overlapping: MARTA [3]	Total Direct and Overlapping Rates
2014	1.00%	1.00%	4.00%	1.00%	1.00%	8.00%
2015	1.00%	1.00%	4.00%	1.00%	1.00%	8.00%
2016	1.00%	1.00%	4.00%	1.00%	1.00%	8.00%
2017	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%
2018	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%
2019	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%
2020	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%
2021	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%
2022	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%
2023	1.00%	2.00%	4.00%	1.00%	1.00%	9.00%

Notes:

[1] The local option sales tax (LOST) was approved by referendum effective January 1, 1979 and is effective indefinitely. The City is required to reduce their property tax millage rate in the current year by the amount of these taxes collected in the prior year.

[2] The current education special purpose local option sales tax was approved effective July 1, 2012 and expired June 30, 2017. The latter tax is being used to construct new school buildings and renovate existing school buildings.

[3] This sales tax rate is levied in counties in the Metropolitan Atlanta Rapid Transit Authority (MARTA) district which have a service contract with MARTA, currently Fulton and DeKalb counties.

[4] The transportation sales tax was approved April 1, 2017.

Data Source:

Georgia Department of Revenue, Sales and Use Tax Division

http://dor.georgia.gov/documents/historical-sales-tax-rate-chart

City of Hapeville, Georgia

Water Consumption Billed (Unaudited) [(1)]
Last Ten Fiscal Years

Fiscal Year	Gallons	% Change
2014	212,189,000	2.3%
2015	209,846,000	-1.1%
2016	220,707,000	5.2%
2017	232,370,000	5.3%
2018	224,782,000	-3.3%
2019	227,299,000	1.1%
2020 [(2)]	182,265,400	-19.8%
2021	180,065,557	-1.2%
2022	186,994,602	3.8%
2023 [(3)]	229,099,436	22.5%

Data Source:

[(1)] City's billing department.

[(2)] Decline is due to new and more accurate meter reading system.

[(3)] Increase in consumption is attributable to completed development projects being placed into service in fiscal year 2023.

Exhibit XVIII

City of Hapeville, Georgia

Water Service Rates (Unaudited)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2018	2019	2020	2021	2022	2023
Minimum charge (0-2k gal)	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 20.56
0-2k gal	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	10.53
2k-10k gal	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	10.53
10k-50k	-	-	-	-	-	-	-	-	-	-	-
50k + gal	-	-	-	-	-	-	-	-	-	-	-
10k - 16 k gal	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	12.73
16k gal	17.56	17.56	17.56	17.56	17.56	17.56	17.56	17.56	17.56	17.56	19.31

Data Source:
City Customer Service Department

City of Hapeville, Georgia

Number of Water Customer Accounts at Fiscal Year-end (Unaudited) [1]
Last Ten Fiscal Years

Fiscal Year	Number	% Change
2014	2,075	-0.5%
2015	2,129	2.6%
2016	2,156	1.3%
2017	2,100	-2.6%
2018	2,188	4.2%
2019	2,205	0.8%
2020	2,267	2.8%
2021	2,320	2.3%
2022	2,317	-0.1%
2023	2,344	1.2%

Data Source:
[1] City Customer Service Department.

Exhibit XX

City of Hapeville, Georgia

Ten Largest Customers - Water Service (Unaudited)
Fiscal Years 2023 & 2014

	Fiscal Year 2023			Fiscal Year 2014		
Rank	**Customer**	**Consumption Gallons (000)**	**%**	**Customer**	**Consumption Gallons (000)**	**%**
1	WS HAA OWNER LLC	21,010	10.1%	DIGITAL DOUG DAVIS, LLC	12,521	13.9%
2	INCITY SUITES	11,271	5.4%	DELTA AIRLINES INC. RESERV.	5,059	5.6%
3	BLUE ATLANTIC HARTSFIELD LP	10,937	5.3%	QD PROPERTIES L.L.C.	2,740	3.0%
4	ACRON 2 PORSCHE DR.	7,170	3.5%	MARROTT INC. SITE #57231 C/O	2,390	2.7%
5	PORSCHE CARS NORTH AMERICA	6,062	2.9%	BEST WESTERN HAPEVILLE	2,329	2.6%
6	DELTA AIRLINES , INC. RESERV	5,055	2.4%	HAPEVILLE COIN LAUNDRY	2,327	2.6%
7	MIKEONE EK ATL OPS CENTER, LLC	4,267	2.1%	DELTA AIRLINES , INC. RESERV	2,194	2.4%
8	SCP HAPEVILLE OWNER LLC	3,974	1.9%	HPT CY TRS, INC	2,085	2.3%
9	HPT CY TRS, INC	3,840	1.9%	VIRGINIA 800, L.L.C	1,750	1.9%
10	QD PROPERTIES L.L.C.	3,115	1.5%	FRANKLIN VILLAGE	1,732	1.9%
	Total Ten Largest Customers	76,699	37.0%	**Total Ten Largest Customers**	35,127	39.1%
	All Other Customers	130,540	63.0%	**All Other Customers**	54,720	60.9%
	Total	207,239	100.0%	**Total**	89,847	100.0%

Data Source:
City Water Department

Exhibit XXI

City of Hapeville, Georgia

Sewer Service Rates (Unaudited)
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Minimum charge (0-2k gal)	$ 12.24	$ 12.24	$ 12.24	$ 12.24	$ 12.24	$ 12.24	$ 12.24	$ 12.24	$ 12.24	$ 12.24
0-2k gal	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12
2k-10k gal	7.77	7.77	7.77	7.77	7.77	7.77	7.77	7.77	7.77	7.77
10k-50k	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58
50k +	8.99	8.99	8.99	8.99	8.99	8.99	8.99	8.99	8.99	8.99

Data Source:

City Customer Service Department

City of Hapeville, Georgia

Ratios of Total Debt Outstanding by Type (Unaudited) [1]
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities						
June 30,	Certificates of Participation	Notes	Financed Purchases	Total	Revenue Bonds	Notes Payable	Total	Grand Total	Percentage of Personal Income	Estimated [2] Population	Per Capita
2014	-	-	$ 553,081	$ 553,081	$ 16,395,000	$ -	$ 16,395,000	$ 16,948,081	11.110%	6,640	2,552
2015	-	-	427,529	427,529	15,345,000	-	15,345,000	15,772,529	10.073%	6,614	2,385
2016	-	-	1,492,102	1,492,102	14,165,000	-	14,165,000	15,657,102	9.689%	6,603	2,371
2017	-	-	1,509,947	1,509,947	12,925,000	-	12,925,000	14,434,947	8.962%	6,581	2,193
2018	-	-	1,534,610	1,534,610	11,630,000	-	11,630,000	13,164,610	8.174%	6,581	2,000
2019	-	-	1,750,618	1,750,618	10,280,000	-	10,280,000	12,030,618	7.383%	6,658	1,807
2020	-	-	1,615,745	1,615,745	9,015,000	1,047,027	10,062,027	11,677,772	7.369%	6,534	1,787
2021	-	-	2,093,850	2,093,850	7,465,000	1,062,619	8,527,619	10,621,469	6.603%	6,553	1,621
2022	-	-	1,628,500	1,628,500	5,870,000	1,014,192	6,884,192	8,512,692	4.851%	6,538	1,302
2023	-	-	1,629,807	1,629,807	8,185,000	965,157	9,150,157	10,779,964	5.609%	6,575	1,640

Data Sources:

[1] Applicable years' annual financial report.

[2] Exhibit XXVI.

City of Hapeville, Georgia

Direct and Overlapping Governmental Activities Debt (Unaudited)
June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Underlying Debt
Overlapping General Obligation Debt [2,3]			
Fulton County, Georgia	$ 228,618,000	0.56%	$ 1,284,088
Total Overlapping Debt	228,618,000		1,284,088
City Direct Debt			
Financed purchases	1,629,807	100.00%	1,629,807
Total Direct and Overlapping Debt	$ 230,247,807		$ 2,913,895

Notes:

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

[2] Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

[3] *Outstanding debt obtained from Fulton County ACFR as of 12-31-21.*

Data Source:

Each specific government

Exhibit XXIV

City of Hapeville, Georgia

Legal Debt Margin (Unaudited)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Taxable Assessed Value [1]	$ 262,674,650	$ 259,744,057	$ 259,375,249	$ 285,171,261	$ 396,265,188	$ 366,586,009	$ 428,601,372	$ 440,639,862	$ 448,227,719	$ 489,814,148
Legal Debt Margin										
Debt limit (10% of assessed value)[2]	$ 26,267,465	$ 25,974,406	$ 25,937,525	$ 28,517,126	$ 39,626,519	$ 36,658,601	$ 42,860,137	$ 44,063,986	$ 44,822,772	$ 48,981,415
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 26,267,465	$ 25,974,406	$ 25,937,525	$ 28,517,126	$ 39,626,519	$ 36,658,601	$ 42,860,137	$ 44,063,986	$ 44,822,772	$ 48,981,415
Total net debt applicable to the limit as a % of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

[2] Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed value of the taxable property located within the City.

[3] The City has no outstanding general obligation debt.

Data Source:

[1] Exhibit XII

City of Hapeville, Georgia

Demographic and Economic Statistics (Unaudited)
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income	Per Capita: Per Capita Income (1)	Per Capita: Per Capita Income % of U.S. (1)	Median Age (1)	Unemployment Rate: County (2)	Unemployment Rate: State of Georgia (2)	Unemployment Rate: United States (2)
2014	6,640	$ 152,554,000	$ 22,975	79.89%	35.2	7.5%	7.8%	6.1%
2015	6,614	156,579,836	23,674	78.29%	35.2	6.0%	6.1%	5.3%
2016	6,603	161,595,219	24,473	78.69%	35.2	5.9%	6.3%	5.4%
2017	6,581	161,063,394	24,474	76.52%	35.2	4.3%	4.3%	4.1%
2018	6,581	161,063,394	24,474	72.61%	35.2	3.7%	3.6%	4.0%
2019	6,658	162,947,892	24,474	72.61%	34.8	3.1%	3.4%	3.5%
2020	6,534	158,475,636	24,254	71.96%	33.0	8.3%	6.3%	6.9%
2021	6,553	160,849,938	24,546	68.81%	32.5	5.4%	4.5%	6.1%
2022	6,538	175,473,382	26,839	75.85%	37.5	3.2%	2.9%	3.5%
2023	6,575	192,205,175	29,689	78.88%	38.9	3.4%	3.2%	3.6%

1 U. S. Census Bureau
2 Georgia Department of Labor

City of Hapeville, Georgia

Principal Employers (Unaudited)
Fiscal Years Ended June 30, 2023 and 2014

2023

Employer	Type of Business	Rank	Number of Employees	Percentage of Total Employment
DELTA AIR LINES, INC.	Airlines	10	1,392	27.98%
FEDERAL EXPRESS CORP.	Cargo	9	671	13.49%
TRAVELPORT LP	Reservation - Airlines	8	272	5.47%
PRIMEFLIGHT AVIATION SVCS. IN	Airlines	7	227	4.56%
MERRITT HOSPITALITY, LLC	Hotel/Motel	6	186	3.74%
THE DWARF HOUSE	Restaurant	5	106	2.13%
SYLVAN AIRPORT PARKING, LLC	Airport Parking	4	80	1.61%
SWISSPORT CARGO SERVICES, LP	Cargo	3	65	1.31%
JACMAT MANAGEMENT	Restaurant	2	55	1.11%
MNX GLOBAL LOGISTICS CORP.	Transportation	1	48	0.96%

2014

Employer	Type of Business	Rank	Number of Employees	Percentage of Total Employment
DELTA AIR LINES, INC.	Airlines	10	1,392	27.98%
NORRED & ASSOCIATES, INC.	Security	9	1067	21.45%
TRAVELPORT LP	Reservations	8	272	5.47%
HAPEVELLE HOTEL, LTD	Hotel/Motel	7	206	4.14%
THE DWARF HOUSE	Restaurant	6	106	2.13%
BELL FUND IV ASBURY PARK APTS	Apartments	5	100	2.01%
SYLVAN AIRPORT PARKING LLC	Parking	4	80	1.61%
PRIME FLIGHT AVIATION SERVICE	Aircraft	3	75	1.51%
JACMAT MANAGEMENT	Restaurant	2	55	1.11%
MNX GLOBAL LOGISTICS CORP	Logistics	1	48	0.96%

City of Hapeville, Georgia

City Employees by Function/Program (Unaudited)

Last Ten Fiscal Years

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City clerk	1	1	1	1	2	2	2	2	2	2
Human resources	1	1	2	2	1	1	1	1	1	2
Finance and information technology	5	5	3	3	5	5	6	6	6	5
Purchasing	-	-	-	0	0	-	-	-	-	-
Planning	-	-	-	0	0	-	-	-	-	-
Public Works	15	12	13	13	12	10	12	12	12	12
Courts	3	1	2	2	2	1	2	2	2	2
Police	42	54	51	51	41	37	43	43	45	34
Fire	31	33	33	33	34	33	35	33	31	38
Sanitation	6	6	6	6	6	2	1	1	1	1
Highways & Streets	8	8	8	8	12	11	11	10	10	10
Economic development	3	2	3	3	3	3	3	2	2	3
Recreation/Hoyt Smith Center	17	11	10	10	6	5	6	12	11	20
Depot Museum	-	-	-	0	0	-	-	-	-	1
Water and sewer	6	6	8	8	7	8	7	7	10	10
Total	138	140	140	140	131	118	129	131	133	140
Percentage Change From Prior Year	-0.7%	0.7%	0.7%	1.4%	-6.4%	-9.9%	9.3%	11.0%	1.5%	5.3%

Data Source:

City Administration - Payroll Service Provider (Paycom)

City of Hapeville, Georgia

Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol units	21	21	21	21	21	24	29	31	31	42
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Administration	2	1	1	1	1	1	1	1	1	1
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Fire Engines	3	3	3	3	3	3	3	3	3	3
Ambulances	2	2	2	2	2	3	3	3	3	3
Refuse Collections										
Collection Trucks	5	5	5	5	5	5	5	5	5	5
Other Public Works										
Streets (miles)	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9
Streetlights	-	-	-	-	-	-	-	-	-	-
Traffic Signals	4	4	4	4	4	4	5	5	5	5
Parks & Recreation										
Acreage	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67
Community Centers	2	2	2	2	2	2	2	2	2	2
Water										
Miles of water mains	21	21	21	21	21	21	21	21	21	21
Sewer Service:										
Miles of sanitary sewers	24	24	24	24	24	24	24	24	24	24

Data Source

Various City Departments

Hapeville
georgia

COMPLIANCE SECTION

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

Honorable Mayor and Members
Of the City Council
Hapeville, 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, business-type activities, each major fund, and the aggregate remaining fund information of City of Hapeville, Georgia (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that 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 result 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 13, 2023

CITY OF HAPEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended June 30, 2023 due to the total amount expended being less than $750,000.

CITY OF HAPEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS

None noted