

CITY OF HAPEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE THREE-MONTH PERIOD ENDED
SEPTEMBER 30, 2024

Prepared By:
Finance Department

CITY OF HAPEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
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SEPTEMBER 30, 2024

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INTRODUCTORY SECTION



ALAN HALLMAN
MAYOR

MIKE RAST
ALDERMAN

BRETT REICHERT
COUNCILMAN AT LARGE

MARK ADAMS
COUNCILMAN WARD I

CHLOE ALEXANDER
COUNCILMAN WARD II

April 24, 2025

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 three-month period ended September 30, 2024.

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 three-month period ended September 30, 2024, 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 three-month period ended September 30, 2024, 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 three-month period ended September 30, 2024, 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 auditors' report.

Community Service
3474 N. Fulton Avenue
404-669-2120

Economic Development
3468 N. Fulton Avenue
404-669-8269

Fire Department
606 King Arnold Street
404-669-2141

Police Department
700 Doug Davis Drive
404-768-7171

Recreation Department
3444 N. Fulton Avenue
404-669-2136

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 6,691 according to 2023 estimates from U.S. Census Bureau.

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 City operates.

Local Economy

The City of Hapeville staff continues 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 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
- Refurbishing the Water, Sewer and Storm water infrastructure
- Renovation/landscaping of North Central Avenue business district
- Continuation of art projects enhancing the brand a city for the arts

Community Service 3474 N. Fulton Avenue 404-669-2120	Economic Development 3468 N. Fulton Avenue 404-669-8269	Fire Department 606 King Arnold Street 404-669-2141	Police Department 700 Doug Davis Drive 404-768-7171	Recreation Department 3444 N. Fulton Avenue 404-669-2136
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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 nine years, including this past 2023 year. Due to the City's recent fiscal year change from fiscal year ending June 30th to fiscal year ending September 30th, the GFOA application was submitted for fiscal year ending June 30, 2024, but not expected to be received timely for inclusion in this report for three-month period ending September 30, 2024.

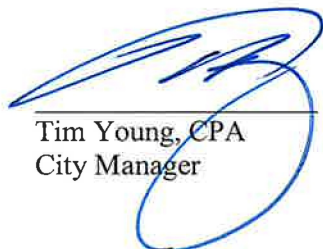
Based on GFOA guidelines, to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy generally accepted accounting principles, applicable legal requirements and GFOA standards.

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.

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 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

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ALAN HALLMAN
MAYOR

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ALDERMAN AT LARGE

BRETT REICHERT
COUNCILMAN AT LARGE

MARK ADAMS
COUNCILMAN WARD I

CHLOE ALEXANDER
COUNCILMAN WARD II

List of Principal Officials as of September 30, 2024

- 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
- Bruce Hedley – Police Chief
- Nicholas Condrey – Interim Fire Chief
- Randy Brewer – Finance Director
- Smith, Welch, Webb & White – City Attorney

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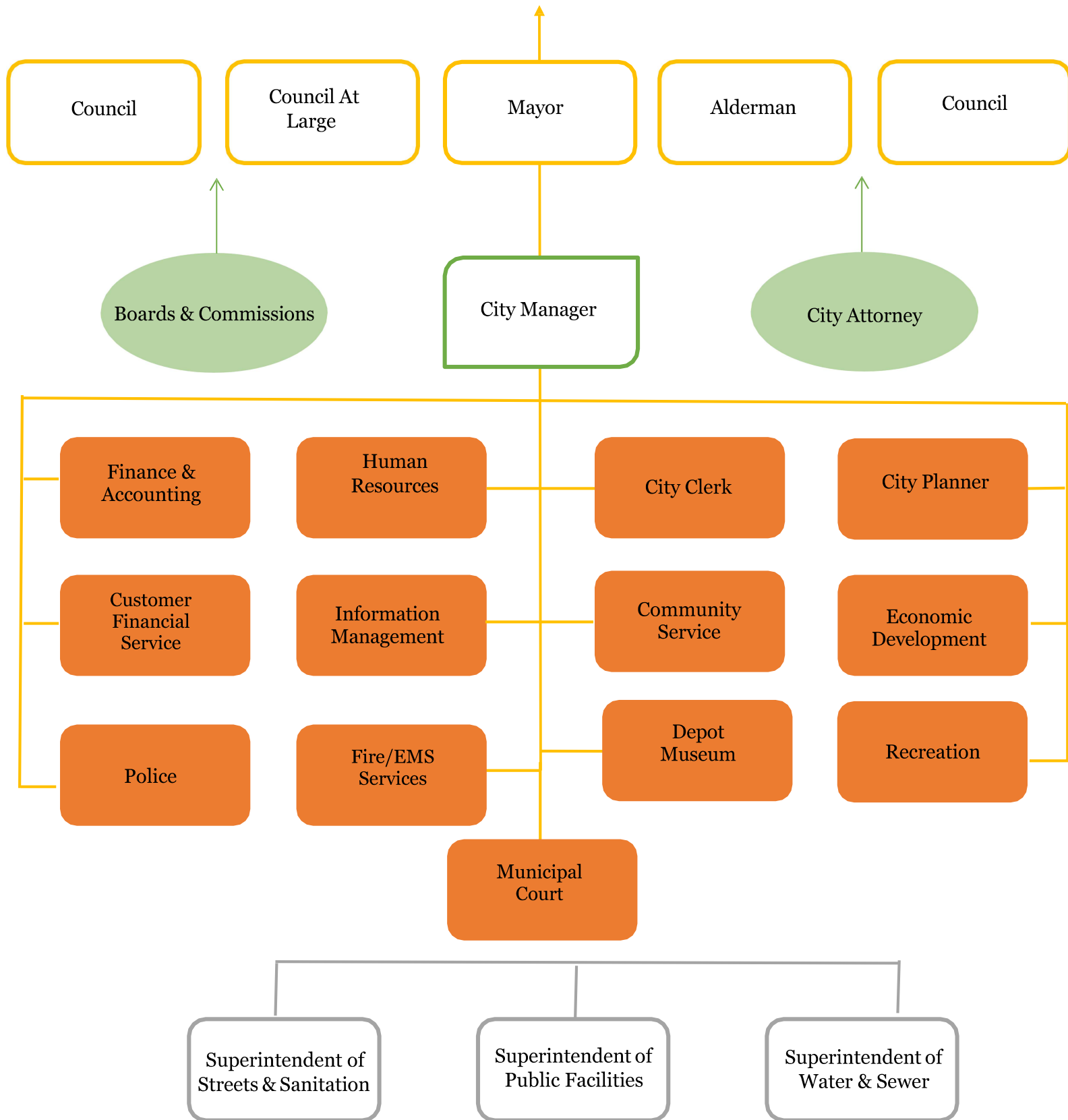
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Recreation Department
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City of Hapeville
Organization Chart



Hapeville Citizens





FINANCIAL SECTION



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 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 three-month period ended September 30, 2024, 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 September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 18 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, as of July 1, 2024. These standards significantly changed the reporting of the City's compensated absences liability. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 April 24, 2025 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
April 24, 2025

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 three-month period ended September 30, 2024. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024 FINANCIAL HIGHLIGHTS

- The City's fiscal year end was previously June 30. The City has changed its fiscal year end to September 30 in order to better align the budgeting process with the property tax millage determination. In order to complete this conversion, an audit for the three-month period ended September 30, 2024 is required.
- The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$16,560,958 (total net position) as of September 30, 2024.
- Total net position at September 30, 2024 is comprised of the following:
 - (1) The net investment in capital assets of \$38,596,615 includes property and equipment, net of accumulated depreciation, less outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$4,920,693 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 \$26,956,350.
- The City's governmental funds reported total ending fund balance of \$6,274,384 at September 30, 2024. This compares to the prior period ending fund balance of \$7,711,173 showing a decrease of \$1,436,789 during the three-month period.
- Unassigned fund balance in the General Fund decreased from a deficit of \$259,700 at June 30, 2024 to a deficit of \$1,905,500 at September 30, 2024.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management 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 16 and 17 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 and hotel motel fund's budget to actual comparison statement is presented as a basic financial statement.

The basic governmental fund financial statements are presented on pages 18 - 22 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 23 - 25 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 26 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 64 - 66 of this report.

Supplementary Information

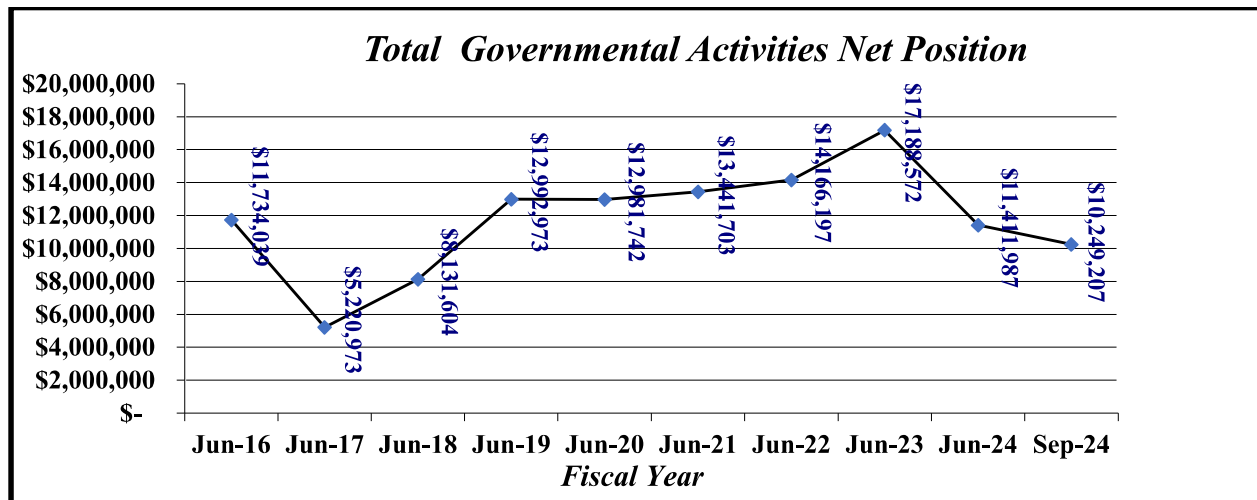
As discussed, the City reports major funds in the basic financial statements. Comparative information for major funds and combining and individual statements and schedules for nonmajor funds, including budgetary comparison schedules, are presented in a supplementary information section of this report beginning on page 67.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's net position at September 30, 2024 and June 30, 2024 as restated was \$16,560,958 and \$19,355,038, respectively. 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	
	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024
Assets:						
Current assets	\$ 6,938,947	\$ 8,527,313	\$ 3,123,920	\$ 3,027,140	\$ 10,062,867	\$ 11,554,453
Noncurrent assets						
Other	692,309	692,309	3,236,382	3,296,619	3,928,691	3,988,928
Capital	30,272,816	30,650,543	17,555,311	17,658,962	47,828,127	48,309,505
Total assets	37,904,072	39,870,165	23,915,613	23,982,721	61,819,685	63,852,886
Deferred outflows of resources	6,877,516	6,877,516	656,312	656,312	7,533,828	7,533,828
Liabilities:						
Current liabilities	2,079,856	2,875,872	6,311,153	4,159,231	8,391,009	7,035,103
Long-term liabilities	28,169,443	28,176,740	9,057,044	9,624,260	37,226,487	37,801,000
Total liabilities	30,249,299	31,052,612	15,368,197	13,783,491	45,617,496	44,836,103
Deferred inflows of resources	4,283,082	4,283,082	2,891,977	2,912,491	7,175,059	7,195,573
Net position:						
Net investment in capital assets	28,257,043	28,365,511	10,339,572	9,802,511	38,596,615	38,168,022
Restricted	4,070,388	3,542,625	850,305	806,995	4,920,693	4,349,620
Unrestricted (deficit)	(22,078,224)	(20,496,149)	(4,878,126)	(2,666,455)	(26,956,350)	(23,162,604)
Total net position	\$ 10,249,207	\$ 11,411,987	\$ 6,311,751	\$ 7,943,051	\$ 16,560,958	\$ 19,355,038

The following chart reports the City's total governmental activities net position balances from fiscal year 2016- 2024.



From 2016 to 2017, the City's net position from governmental activities decreased from \$11,734,079 to \$5,220,973 or by 55.5%. Since the low point of 2017, the City's net position from governmental activities increased to \$10,249,207 or by 96.31%.

Current assets in governmental activities decreased significantly by \$1,588,366 or 18.63% and current assets for business-type activities increased slightly by \$96,780 or 3.2% in fiscal period September 30, 2024.

The City's overall financial position remained healthy for three-month period ended September 30, 2024. Net position for governmental activities decreased by \$1,162,780 or 10.19%, ending the year at \$10,249,207. Net position for business-type activities decreased by \$1,631,300 or 20.54% ending the year at \$6,311,751.

Note that approximately 80% 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 73% of total business-type 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 77% of its total assets in capital assets, as presented in the government-wide statement of net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Three-Month Period Ended September 30, 2024

City of Hapeville, Georgia

The following table provides a summary of the City's changes in net position for the three-month period ended September 30, 2024 and the fiscal year ended June 30, 2024.

	Summary of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	Three Months Ended		Three Months Ended		Three Months Ended	
	September 30, 2024	Year Ended June 30, 2024	September 30, 2024	Year Ended June 30, 2024	September 30, 2024	Year Ended June 30, 2024
Revenues:						
Program:						
Charges for services and fines	\$ 415,161	\$ 1,826,699	\$ 1,770,130	\$ 6,350,239	\$ 2,185,291	\$ 8,176,938
Operating grants	9,210	44,288	-	5,000	9,210	49,288
Capital grants	427,177	1,750,714	302,473	1,168,938	729,650	2,919,652
General:						
Property taxes	772,005	8,190,574	-	-	772,005	8,190,574
Sales taxes	604,999	2,411,791	-	-	604,999	2,411,791
Hotel/motel taxes	825,891	3,445,766	-	-	825,891	3,445,766
Other taxes	151,956	2,186,996	-	-	151,956	2,186,996
Gain on sale of capital assets	-	9,582	-	-	-	9,582
Other	23,470	60,447	36,566	226,915	60,036	287,362
Total revenues	3,229,869	19,926,857	2,109,169	7,751,092	5,339,038	27,677,949
Program Expenses:						
General government	799,066	4,017,389	-	-	799,066	4,017,389
Judicial	92,705	469,688	-	-	92,705	469,688
Public safety	1,672,781	11,131,581	-	-	1,672,781	11,131,581
Highways and streets	704,699	4,037,758	-	-	704,699	4,037,758
Culture and recreation	383,683	1,305,313	-	-	383,683	1,305,313
Planning and zoning	64,683	344,723	-	-	64,683	344,723
Trade, tourism, and development	571,519	2,697,966	-	-	571,519	2,697,966
Interest	17,498	80,069	-	-	17,498	80,069
Water and sewer	-	-	3,594,260	6,652,909	3,594,260	6,652,909
Stormwater	-	-	56,036	468,086	56,036	468,086
Solid waste management	-	-	109,620	869,894	109,620	869,894
Development authority	-	-	66,568	386,714	66,568	386,714
Total expenses	4,306,634	24,084,487	3,826,484	8,377,603	8,133,118	32,462,090
Revenues over expenses	(1,076,765)	(4,157,630)	(1,717,315)	(626,511)	(2,794,080)	(4,784,141)
Transfers in and out	(86,015)	(20,433)	86,015	20,433	-	-
Changes in net position	(1,162,780)	(4,178,063)	(1,631,300)	(606,078)	(2,794,080)	(4,784,141)
Beginning net position, as restated	11,411,987	14,590,050	7,943,051	8,549,129	18,355,038	23,139,179
Ending net position, as restated	\$ 10,249,207	\$ 10,411,987	\$ 6,311,751	\$ 7,943,051	\$ 15,560,958	\$ 18,355,038

Governmental Activity - Revenues

Governmental revenues for the three-month period ended September 30, 2024 were \$3,229,869 compared to the annual and quarterly average of \$19,926,857 and \$4,981,714, respectively, for the year ended June 30, 2024. Property taxes were \$772,005 for the three-month period ended September 30, 2024 compared to the annual total of \$8,190,574 and quarterly average of \$2,047,644, respectively, for fiscal year June 30, 2024 as no taxes were billed during the three-month period ended September 30, 2024. Other taxes were \$151,956 for the three-month period ended September 30, 2024 compared to the annual total of \$2,186,996 and quarterly average of \$546,749, respectively, for the fiscal year June 30, 2024 as these taxes are primarily comprised of insurance premium taxes which are not recognized in the quarter ended September 30, 2024. Other remaining categories of revenue for the three-month period ended September 30, 2024 were in line with quarterly averages for fiscal year June 30, 2024.

Governmental Activity Expenses

Overall governmental expenses for the three-month period ended September 30, 2024 were \$4,306,634 compared to the annual and quarterly average of \$24,084,487 and \$6,021,122, respectively, for the year ended June 30, 2024. The primary reason for decreases for the three-month period ended September 30, 2024 compared to quarterly averages for the prior year June 30, 2024 relate to pension and OPEB expenses as there were no valuations performed during the three-month period ended September 30, 2024.

Business-Type Activities

Overall Analysis – Total operating losses for all proprietary funds were \$1,993,289 for the three-month period ended September 30, 2024 compared to losses of \$1,674,563 for the full fiscal year for June 30, 2024.

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

	Three Months Ended September 30, 2024	Year Ended June 30, 2024
Water and sewerage system	\$(2,074,599)	\$ (1,099,410)
Stormwater utility	3,701	(211,377)
Solid Waste	90,887	(234,307)
Development authority	(13,278)	(129,469)
	<u>\$(1,993,289)</u>	<u>\$ (1,674,563)</u>

The following includes an analysis of the three-month period ended September 30, 2024 financial activities for each enterprise fund.

Water and Sewerage System Fund – The operating revenues for the three-month period ended September 30, 2024 were \$1,516,813 compared to annual and quarterly averages of \$5,541,718 and \$1,385,430, respectively, for the year ended June 30, 2024. The increase in revenue compared to the quarterly average is primarily attributable to seasonal demand for water during the summer months. Operating expenses for the three-month period ended September 30, 2024 were \$3,591,412 compared to annual and quarterly averages of \$6,641,128 and \$1,660,282, respectively, for the year ended June 30, 2024. The increase in expenses compared to the quarterly average is primarily attributable to significant water main infrastructure repair costs incurred during this quarter. Transfers to other funds for three month period ended September 30, 2024 and June 30, 2024 were \$147,495 and \$685,200, respectively. At fiscal year-end, net position totaled \$10,150,899, a decrease of \$1,922,469 or 15.92% from the prior year.

Stormwater Utility Fund – Operating income for the three-month period ended September 30, 2024 was \$3,701 compared to a loss of \$211,377 for fiscal year ended June 30, 2024. Operating revenues for the three-month period ended September 30, 2024 were \$59,737 compared to annual and quarterly averages of \$256,709 and \$64,177, respectively, for fiscal year ended June 30, 2024. Total operating expenses were \$56,036 for the three-month period ended September 30, 2024 compared to annual and quarterly averages of \$468,086 and \$117,022, respectively for the year ended June 30, 2024. Operating expenses for fiscal year June 30, 2024 included significant repair and maintenance costs not required during the latest quarter. Ending net position for this fund September 30, 2024 was \$718,494, an increase of \$3,701 over the prior year.

Solid Waste Fund – Operating income for the three-month period ended September 30, 2024 was \$90,887 compared to a loss of \$234,307 for the year ended June 30, 2024. Operating revenues for the three-month period ended September 30, 2024 were \$195,630 compared to annual and quarterly averages of \$632,269 and \$158,067, respectively, for fiscal year ended June 30, 2024. Operating revenues increased on a quarterly comparison basis due to continuing increases in customers. Operating expenses for the three-month period ended September 30, 2024 were \$104,643 compared to annual and quarterly averages of \$866,576 and \$216,644, respectively. Operating expenses decreased on a quarterly comparison primarily from increased pension and retirement benefit allocations for the year

ended June 30, 2024. Ending net deficit for this fund at September 30, 2024 was \$110,042 compared to a deficit of \$195,952 at June 30, 2024, an increase of \$85,910 over the prior year.

Development Authority Fund – This fund is utilized as the bond agent for the City. Operating losses for this fund were (\$13,278) and (\$129,469) for the three-month period ended September 30, 2024 and fiscal year June 30, 2024, respectively. Ending net deficit for this fund at September 30, 2024 was \$4,447,600, an increase of \$201,558 from the prior fiscal year.

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 \$6,274,384 as of fiscal year end of September 30, 2024 compared to a balance of \$7,711,173 at fiscal year end of June 30, 2024, a decrease of \$1,436,789.

The fund balance of \$6,274,384 included a deficit of unassigned fund balance of \$1,905,500. This is a decrease of \$1,645,800 from the prior year deficit of \$259,700. Non-spendable fund balances were \$3,726,490 at September 30, 2024 compared to \$3,809,040 at June 30, 2024. Restricted fund balances of \$4,018,915 at September 30, 2024 are set aside for specific program purposes. Management has assigned \$434,479 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 the three-month period ended September 30, 2024 compared to the fiscal year ended June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Three-Month Period Ended September 30, 2024

City of Hapeville, Georgia

General Fund					
	Three Months Ended September 30, 2024	Year Ended June 30, 2024	Quarterly Average of Fiscal Year June 30, 2024	Increase (Decrease) of Three-Months Ended September 30, 2024 Over Quarterly Average	% Change Over Quarterly Averages
Revenues:					
Taxes	\$ 1,465,727	\$ 12,641,080	3,160,270	(1,694,543)	-53.6%
Licenses and permits	68,119	598,811	149,703	(81,584)	-54.5%
Fines and forfeitures	162,843	549,307	137,327	25,516	18.6%
Charges for services	136,661	492,563	123,141	13,520	11.0%
Interest income	2	8	2	-	0.0%
Other	53,096	93,063	23,266	29,830	128.2%
Total revenues	<u>1,886,448</u>	<u>14,374,832</u>	<u>3,593,708</u>	<u>(1,707,260)</u>	<u>-47.5%</u>
Expenditures:					
General government	850,095	3,172,201	793,050	57,045	7.2%
Public safety	1,516,467	8,092,437	2,023,109	(506,642)	-25.0%
Highways and streets	633,781	3,087,439	771,860	(138,079)	-17.9%
Culture and recreation	253,390	858,413	214,603	38,787	18.1%
Judicial	102,536	373,868	93,467	9,069	9.7%
Planning and zoning	71,543	274,397	68,599	2,944	4.3%
Trade tourism and development	256,973	1,190,888	297,722	(40,749)	-13.7%
Debt service				-	
Principal	232,360	573,932	143,483	88,877	61.9%
Interest	17,498	80,069	20,017	(2,519)	-12.6%
Total expenditures	<u>3,934,643</u>	<u>17,703,644</u>	<u>4,425,911</u>	<u>(491,268)</u>	<u>-11.1%</u>
Excess (deficiency) of revenues over (under) expenditures	(2,048,195)	(3,328,812)	(832,203)	(1,215,992)	146.1%
Other financing sources (uses)					
Financed purchases	-	1,133,286	283,322	(283,322)	-100.0%
Proceeds from sale of capital assets	-	9,582	2,396	(2,396)	-100.0%
Transfers in	530,200	2,769,447	692,362	(162,162)	-23.4%
Transfers out	(196,661)	(1,145,387)	(286,347)	89,686	-31.3%
Total other financing sources (uses)	<u>333,539</u>	<u>2,766,928</u>	<u>691,732</u>	<u>(1,574,185)</u>	<u>25.0%</u>
Net change in fund balances	(1,714,656)	(561,884)			
Fund balances, beginning of fiscal year	<u>5,042,796</u>	<u>5,604,680</u>			
Fund balances, end of fiscal year	<u>\$ 3,328,140</u>	<u>\$ 5,042,796</u>			

Total General Fund revenues were \$1,886,448. Tax revenues were \$1,465,727 which is significantly less than the \$3,160,270 quarterly average of fiscal year June 30, 2024 as tax revenues were not due or billed during the quarter ended September 30, 2024. Licenses and permits were \$68,119 for the quarter ended September 30, 2024 which is significantly less than the quarterly average for fiscal year ended June 30, 2024 as most licenses and permits are renewable in the December 31, quarter. Other revenue categories for the three-months ended September 30, 2024 were in line with prior year quarterly averages.

Total General Fund expenditures for the quarter ended September 30, 2024 were \$3,934,643 compared to quarterly averages of \$4,425,911 for the fiscal year ended June 30, 2024. Public safety expenses for the three-month period ended September 30, 2024 were \$506,642 or 25% below prior year quarterly averages because the prior year included significant purchase of new police vehicles. Highway and street expenses for the three-month period ended September 30, 2024 were \$633,781 or 18% below the prior year quarterly averages because the prior year included significant land improvement costs. Trade and tourism costs for the three-month period were \$256,973 or 13.7% below prior year averages as most related costs take place during other quarters. Debt service costs for the three-month period ended September 30, 2024 were significantly higher than prior year averages based on scheduled dates of payment in the current quarter.

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 \$825,891 for the three-month period ended September 30, 2024 and \$3,445,766 for fiscal year ended June 30, 2024. Revenues were in line with quarterly averages. For the fiscal period September 30, 2024 and June 30, 2024, \$464,564 and \$1,938,243, respectively, were transferred to the General fund to be used for the legally specified purposes.

T-SPLOST Fund – This fund accounts 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. For the three-month period ended September 30, 2024 the City collected \$353,670 and spent \$68,152 for the restricted purposes. At September 30, 2024 this fund has \$2,422,951 available for designated transportation projects.

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 21 of this report. In total, revenues were \$109,661 less than budgeted and expenditures were \$78,904 greater than budgeted. Overall, budgeted fund balance was \$188,574 less 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 September 30, 2024 was \$30,272,816 and \$17,555,311, respectively. The net decrease in book value for governmental fixed assets was \$377,727 or 1.23%. Book value for business-type fixed assets decreased \$103,651 or less than 1%. See Note 7 for additional information about changes in capital assets during the fiscal year and balances at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Three-Month Period Ended September 30, 2024

City of Hapeville, Georgia

The following table provides a summary of capital asset activity:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024
Non-depreciable assets:						
Land	\$ 2,677,329	\$ 2,677,329	\$ -	\$ -	\$ 2,677,329	\$ 2,677,329
Construction in progress	1,117,916	998,556	-	-	1,117,916	998,556
Total non-depreciable	3,795,245	3,675,885	-	-	3,795,245	3,675,885
Depreciable assets:						
Water system	-	-	18,065,904	18,006,099	18,065,904	18,006,099
Rights to capacity	-	-	5,508,846	5,508,846	5,508,846	5,508,846
Buildings and improvements	10,053,731	10,053,731	2,264,642	2,264,642	12,318,373	12,318,373
Land improvements	6,905,254	6,905,254	-	-	6,905,254	6,905,254
Auto, trucks and equipment	12,850,097	12,850,097	1,739,424	1,739,424	14,589,521	14,589,521
Infrastructure	35,576,701	35,576,701	1,341,038	1,341,038	36,917,739	36,917,739
Total depreciable assets	65,385,783	65,385,783	28,919,854	28,860,049	94,305,637	94,245,832
Less accumulated depreciation	38,908,212	38,411,125	11,364,543	11,201,087	50,272,755	49,612,212
Book value - depreciable assets	26,477,571	26,974,658	17,555,311	17,658,962	44,032,882	44,633,620
Percentage depreciated	60%	59%	39%	39%	53%	53%
Total book value	\$ 30,272,816	\$ 30,650,543	\$ 17,555,311	\$ 17,658,962	\$ 47,828,127	\$ 48,309,505

Long-Term Debt

The following table reports long-term debt balances at fiscal year ended September 30, 2024 and June 30, 2024:

	Governmental Activities		Business-Type Activities		Totals	
	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024
Financed purchases	\$ 1,956,801	\$ 2,189,161	\$ 435,622	\$ 435,622	\$ 2,392,423	\$ 2,624,783
Revenue bonds payable	-	-	6,040,000	6,675,000	6,040,000	6,675,000
Notes payable	-	-	902,994	915,505	902,994	915,505
Net pension liability	14,844,908	14,844,908	1,434,342	1,434,342	16,279,250	16,279,250
Total OPEB liability	9,874,681	9,874,681	847,079	847,079	10,721,760	10,721,760
Compensated absences						
(restated)	2,265,708	2,672,497	258,821	247,880	2,524,529	2,920,377
	<u>\$ 28,942,098</u>	<u>\$ 29,581,247</u>	<u>\$ 9,918,858</u>	<u>\$ 10,555,428</u>	<u>\$ 38,860,956</u>	<u>\$ 40,136,675</u>

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 September 30, 2024 was estimated to be 6,691 and per capita income is estimated at \$33,724 which is 81.73% of the national average.

The unemployment rate for Fulton County, where the City is located is 3.9%.

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 2025 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 request 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 SEPTEMBER 30, 2024

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 3,277,553	\$ 2,638,247	\$ 5,915,800
Restricted cash	-	850,305	850,305
Taxes receivable	1,024,470	-	1,024,470
Accounts receivable, net of allowances	-	1,440,984	1,440,984
Lease receivable, current	-	14,907	14,907
Lease receivable, noncurrent	-	2,662,197	2,662,197
Intergovernmental receivables	114,946	93,350	208,296
Other receivables	43,633	-	43,633
Prepaid items	476,379	20,505	496,884
Notes receivable, current	-	9,813	9,813
Notes receivable, noncurrent	-	57,775	57,775
Internal balances	2,001,966	(2,001,966)	-
Property held for redevelopment	692,309	574,185	1,266,494
Capital assets:			
Non-depreciable	3,795,245	-	3,795,245
Depreciable, net of accumulated depreciation	26,477,571	17,555,311	44,032,882
Total assets	37,904,072	23,915,613	61,819,685
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	5,966	5,966
OPEB-related items	1,307,730	112,182	1,419,912
Pension-related items	5,569,786	538,164	6,107,950
Total deferred outflows of resources	6,877,516	656,312	7,533,828
LIABILITIES			
Accounts payable	1,117,248	2,696,938	3,814,186
Accrued liabilities	189,953	2,477,447	2,667,400
Customer deposits payable	-	274,954	274,954
Compensated absences due within one year	222,705	16,725	239,430
Compensated absences due in more than one year	2,043,003	242,096	2,285,099
Note payable due within one year	-	50,433	50,433
Note payable due in more than one year	-	852,561	852,561
Financed purchases due within one year	549,950	64,656	614,606
Financed purchases due in more than one year	1,406,851	370,966	1,777,817
Bonds payable due within one year	-	730,000	730,000
Bonds payable due in more than one year	-	5,310,000	5,310,000
Net pension liability due in more than one year	14,844,908	1,434,342	16,279,250
Total OPEB liability due in more than one year	9,874,681	847,079	10,721,760
Total liabilities	30,249,299	15,368,197	45,617,496
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - leases	-	2,511,696	2,511,696
Pension-related items	1,186,980	114,688	1,301,668
OPEB-related items	3,096,102	265,593	3,361,695
Total deferred inflows of resources	4,283,082	2,891,977	7,175,059
NET POSITION			
Net investment in capital assets	28,257,043	10,339,572	38,596,615
Restricted for:			
Debt service	210,375	850,305	1,060,680
Capital construction	69,132	-	69,132
Transportation projects	2,474,424	-	2,474,424
Trade and tourism	1,296,775	-	1,296,775
Culture and recreation	10,293	-	10,293
Law enforcement	9,389	-	9,389
Unrestricted (deficit)	(22,078,224)	(4,878,126)	(26,956,350)
Total net position	\$ 10,249,207	\$ 6,311,751	\$ 16,560,958

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

CITY OF HAPEVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Primary government:							
Governmental activities:							
General government	\$ 799,066	\$ 68,187	\$ 1,703	\$ -	\$ (729,176)	\$ -	\$ (729,176)
Public safety	1,672,781	324,519	2,735	-	(1,345,527)	-	(1,345,527)
Highway and streets	704,699	2,195	4,772	376,670	(321,062)	-	(321,062)
Recreation	383,683	20,260	-	50,507	(312,916)	-	(312,916)
Judicial	92,705	-	-	-	(92,705)	-	(92,705)
Planning and zoning	64,683	-	-	-	(64,683)	-	(64,683)
Trade tourism and development	571,519	-	-	-	(571,519)	-	(571,519)
Interest on long-term debt	17,498	-	-	-	(17,498)	-	(17,498)
Total governmental activities	4,306,634	415,161	9,210	427,177	(3,455,086)	-	(3,455,086)
Business-type activities:							
Development Authority	66,568	-	-	-	-	(66,568)	(66,568)
Water and sewer utility	3,594,280	1,516,813	-	302,473	-	(1,774,974)	(1,774,974)
Solid waste	109,620	195,530	-	-	-	85,910	85,910
Stormwater utility	56,036	57,787	-	-	-	1,751	1,751
Total business-type activities	3,826,484	1,770,130	-	302,473	-	(1,753,881)	(1,753,881)
Total primary government	\$ 8,133,118	\$ 2,185,291	\$ 9,210	\$ 729,650	(3,455,086)	(1,753,881)	(5,208,967)
General revenues:							
Property taxes		\$ 772,005	\$ -	\$ -	\$ 772,005	\$ -	\$ 772,005
Franchise taxes			38,993		38,993	-	38,993
Hotel/Motel taxes					825,891	-	825,891
Sales taxes					604,999	-	604,999
Other taxes					112,963	-	112,963
Unrestricted investment earnings					2	-	2
Lease revenue					-	20,512	20,512
Interest revenue					-	13,059	13,059
Miscellaneous					23,468	2,995	26,463
Transfers					(86,015)	86,015	-
Total general revenues and transfers					2,292,306	122,581	2,414,887
Change in net position					(1,162,780)	(1,631,300)	(2,794,080)
Net position, beginning of fiscal year, restated					11,411,987	7,943,051	19,355,038
Net position, end of fiscal year					\$ 10,249,207	\$ 6,311,751	\$ 16,560,958

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

CITY OF HAPEVILLE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2024

ASSETS	Major Funds			Nonmajor	Total
	General Fund	T-SPLOST Fund	Hotel/Motel Fund	Governmental Funds	Governmental Funds
Cash and cash equivalents	\$ 2,060	\$ 2,415,314	\$ 335,725	\$ 524,454	\$ 3,277,553
Taxes receivable, net of allowances	448,739	-	560,709	15,022	1,024,470
Intergovernmental receivables	-	114,946	-	-	114,946
Other receivables	13,288	-	-	30,345	43,633
Due from other funds	488,981	-	-	-	488,981
Advances to other funds	2,557,802	-	-	-	2,557,802
Prepaid items	476,379	-	-	-	476,379
Property held for redevelopment	692,309	-	-	-	692,309
Total assets	<u>\$ 4,679,558</u>	<u>\$ 2,530,260</u>	<u>\$ 896,434</u>	<u>\$ 569,821</u>	<u>\$ 8,676,073</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 611,794	\$ 51,473	\$ 431,870	\$ 22,111	\$ 1,117,248
Accrued liabilities	189,953	-	-	-	189,953
Due to other funds	500,000	55,836	464,564	24,417	1,044,817
Total liabilities	<u>1,301,747</u>	<u>107,309</u>	<u>896,434</u>	<u>46,528</u>	<u>2,352,018</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	49,671	-	-	-	49,671
Total deferred inflows of resources	<u>49,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,671</u>
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	476,379	-	-	-	476,379
Property held for redevelopment	692,309	-	-	-	692,309
Advances to other funds	2,557,802	-	-	-	2,557,802
Assigned:					
Public safety	-	-	-	-	-
E911 services	-	-	-	40,414	40,414
Capital construction	-	-	-	394,065	394,065
Restricted:					
Capital construction	-	-	-	69,132	69,132
Debt service	210,375	-	-	-	210,375
Transportation projects	-	2,422,951	-	-	2,422,951
Trade and tourism	1,296,775	-	-	-	1,296,775
Culture and recreation	-	-	-	10,293	10,293
Law enforcement	-	-	-	9,389	9,389
Unassigned	(1,905,500)	-	-	-	(1,905,500)
Total fund balances	<u>3,328,140</u>	<u>2,422,951</u>	<u>-</u>	<u>523,293</u>	<u>6,274,384</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,679,558</u>	<u>\$ 2,530,260</u>	<u>\$ 896,434</u>	<u>\$ 569,821</u>	
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.					30,272,816
Some receivables are not available to pay for current-period expenditures, and, therefore, are deferred in the governmental funds.					49,671
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.					(4,222,509)
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.					(22,125,155)
Net position of governmental activities					<u>\$ 10,249,207</u>

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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Major Funds			Nonmajor	Total
	General	T-SPLOST	Hotel/Motel	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
Revenues					
Taxes	\$ 1,465,727	\$ -	\$ 825,891	\$ 50,646	\$ 2,342,264
Licenses and permits	68,119	-	-	-	68,119
Intergovernmental	23,000	353,670	-	55,279	431,949
Fines and forfeitures	162,843	-	-	-	162,843
Charges for services	136,661	-	-	45,348	182,009
Investment income	2	-	-	-	2
Contributions	4,438	-	-	-	4,438
Other revenues	25,658	-	-	-	25,658
Total revenues	1,886,448	353,670	825,891	151,273	3,217,282
Expenditures					
Current:					
General government	850,095	-	-	-	850,095
Public safety	1,516,467	-	-	141,004	1,657,471
Judicial	102,536	-	-	-	102,536
Highway and streets	633,781	-	-	-	633,781
Recreation	253,390	-	-	55,431	308,821
Planning and zoning	71,543	-	-	-	71,543
Trade, tourism, and development	256,973	-	361,327	-	618,300
Capital Outlay	-	68,152	-	7,499	75,651
Debt Service:					
Principal	232,360	-	-	-	232,360
Interest	17,498	-	-	-	17,498
Total expenditures	3,934,643	68,152	361,327	203,934	4,568,056
Excess (deficiency) of revenues over (under) expenditures	(2,048,195)	285,518	464,564	(52,661)	(1,350,774)
Other financing sources (uses):					
Transfers out	(196,661)	(7,499)	(464,564)	(50,646)	(719,370)
Transfers in	530,200	-	-	103,155	633,355
Total other financing sources (uses)	333,539	(7,499)	(464,564)	52,509	(86,015)
Net change in fund balances	(1,714,656)	278,019	-	(152)	(1,436,789)
Fund balances, beginning of fiscal year	5,042,796	2,144,932	-	523,445	7,711,173
Fund balances, end of fiscal year	\$ 3,328,140	\$ 2,422,951	\$ -	\$ 523,293	\$ 6,274,384

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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

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

Net change in fund balances - total governmental funds	\$	(1,436,789)
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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 depreciation expense exceeded capital outlays in the current period.		(377,727)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		12,587
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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 principal payments during the current fiscal year.		232,360
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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.		406,789
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Change in net position - governmental activities	\$	(1,162,780)
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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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property	\$ 558,083	\$ 816,701	\$ 708,772	\$ (107,929)
Franchise	2,500	39,200	38,993	(207)
Sales	571,500	605,100	604,999	(101)
Business	85,000	113,500	112,963	(537)
Licenses and permits	84,000	68,300	68,119	(181)
Intergovernmental	-	23,000	23,000	-
Fines and forfeitures	95,000	162,850	162,843	(7)
Interest	2	3	2	(1)
Charges for services	95,850	137,130	136,661	(469)
Contributions	1,200	4,550	4,438	(112)
Miscellaneous	15,765	25,775	25,658	(117)
Total revenues	1,508,900	1,996,109	1,886,448	(109,661)
EXPENDITURES				
Current:				
General government:				
Governing body	12,500	8,961	8,960	1
Mayor and Commission	7,017	2,256	2,256	-
City Manager	516,818	189,032	239,017	(49,985)
City Clerk	40,215	39,289	39,138	151
Finance	252,462	235,410	233,843	1,567
Law	35,000	36,800	36,705	95
Human resources	126,440	158,033	157,815	218
Information technology	118,701	132,600	132,361	239
Total general government	1,109,153	802,381	850,095	(47,714)
Public safety:				
Police	827,883	721,436	719,683	1,753
Fire	857,108	797,375	796,784	591
Total public safety	1,684,991	1,518,811	1,516,467	2,344
Judicial	74,292	102,707	102,536	171
Highway and streets	533,861	598,388	633,781	(35,393)
Recreation	337,942	254,132	253,390	742
Planning and zoning	61,842	71,694	71,543	151
Trade, tourism, and development	370,767	257,759	256,973	786
Debt service:				
Principal	229,361	232,363	232,360	3
Interest	17,497	17,504	17,498	6
Total expenditures	4,419,706	3,855,739	3,934,643	(78,904)
Deficiency of revenues over expenditures	(2,910,806)	(1,859,630)	(2,048,195)	(188,565)
OTHER FINANCING SOURCES (USES)				
Transfers out	(286,691)	(196,661)	(196,661)	-
Transfers in	554,375	530,209	530,200	(9)
Total other financing sources (uses)	267,684	333,548	333,539	(9)
Net change in fund balances	(2,643,122)	(1,526,082)	(1,714,656)	(188,574)
Fund balances, beginning of fiscal year	5,042,796	5,042,796	5,042,796	-
Fund balances, end of fiscal year	\$ 2,399,674	\$ 3,516,714	\$ 3,328,140	\$ (188,574)

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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 900,000	\$ 825,891	\$ 825,891	\$ -
Total revenues	900,000	825,891	825,891	-
EXPENDITURES				
Current:				
Trade, tourism, and development	393,750	361,327	361,327	-
Total expenditures	393,750	361,327	361,327	-
Excess of revenues over expenditures	506,250	464,564	464,564	-
OTHER FINANCING USES				
Transfers:				
Transfers out	(506,250)	(464,564)	(464,564)	-
Total other financing uses	(506,250)	(464,564)	(464,564)	-
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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

ASSETS	Business-Type Activities - Enterprise Funds				Totals
	Development Authority Fund	Water and Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund	
CURRENT ASSETS					
Cash	\$ 274,867	\$ 2,287,671	\$ -	\$ 75,709	\$ 2,638,247
Restricted cash	850,305	-	-	-	850,305
Accounts receivable, net of allowances	-	1,095,512	125,234	220,238	1,440,984
Intergovernmental receivable	-	93,350	-	-	93,350
Lease receivable, current	14,907	-	-	-	14,907
Due from other funds	-	555,836	-	-	555,836
Prepaid items	-	20,505	-	-	20,505
Notes receivable, current	9,813	-	-	-	9,813
Total current assets	1,149,892	4,052,874	125,234	295,947	5,623,947
NONCURRENT ASSETS					
Lease receivable, long-term	2,662,197	-	-	-	2,662,197
Notes receivable, long-term	57,775	-	-	-	57,775
Property held for redevelopment	574,185	-	-	-	574,185
Buildings and improvements	2,264,642	-	-	-	2,264,642
Infrastructure	-	17,756,674	-	1,650,268	19,406,942
Furniture, fixtures, and equipment	-	951,515	787,909	-	1,739,424
Intangible asset-capacity rights	-	5,508,846	-	-	5,508,846
Accumulated depreciation	(99,078)	(10,204,857)	(198,054)	(862,554)	(11,364,543)
Total noncurrent assets	5,459,721	14,012,178	589,855	787,714	20,849,468
Total assets	6,609,613	18,065,052	715,089	1,083,661	26,473,415
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	5,966	-	-	-	5,966
OPEB-related items	-	85,413	8,555	18,214	112,182
Pension-related items	-	388,997	82,250	66,917	538,164
Total deferred outflows of resources	5,966	474,410	90,805	85,131	656,312
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	999	2,675,994	7,563	12,382	2,696,938
Accrued liabilities	42,095	2,420,165	11,648	3,539	2,477,447
Customer deposits payable	-	274,954	-	-	274,954
Compensated absences payable	-	10,726	3,116	2,883	16,725
Bonds payable	730,000	-	-	-	730,000
Notes payable	-	50,433	-	-	50,433
Financed purchase	-	-	64,656	-	64,656
Total current liabilities	773,094	5,432,272	86,983	18,804	6,311,153
NONCURRENT LIABILITIES					
Compensated absences, long-term	-	136,886	46,981	58,229	242,096
Advance from other funds	2,468,389	-	89,413	-	2,557,802
Financed purchase, long-term	-	-	370,966	-	370,966
Bonds payable, long-term	5,310,000	-	-	-	5,310,000
Net pension liability	-	1,036,776	219,216	178,350	1,434,342
Total OPEB liability, long-term	-	644,951	64,596	137,532	847,079
Notes payable, long-term	-	852,561	-	-	852,561
Total noncurrent liabilities	7,778,389	2,671,174	791,172	374,111	11,614,846
Total liabilities	8,551,483	8,103,446	878,155	392,915	17,925,999
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - leases	2,511,696	-	-	-	2,511,696
Pension-related items	-	82,899	17,528	14,261	114,688
OPEB-related items	-	202,218	20,253	43,122	265,593
Total deferred inflows of resources	2,511,696	285,117	37,781	57,383	2,891,977
NET POSITION					
Net investment in capital assets	(3,711,559)	13,109,184	154,233	787,714	10,339,572
Restricted for debt service	850,305	-	-	-	850,305
Unrestricted (deficit)	(1,586,346)	(2,958,285)	(264,275)	(69,220)	(4,878,126)
Total net position (deficit)	\$ (4,447,600)	\$ 10,150,899	\$ (110,042)	\$ 718,494	\$ 6,311,751

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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds				
	Development Authority Fund	Water and Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund	Totals
OPERATING REVENUE					
Water fees	\$ -	\$ 1,516,813	\$ -	\$ -	\$ 1,516,813
Stormwater fees	-	-	-	57,787	57,787
Sanitation fees	-	-	195,530	-	195,530
Miscellaneous	1,045	-	-	1,950	2,995
Total operating revenues	1,045	1,516,813	195,530	59,737	1,773,125
OPERATING EXPENSES					
Cost of sales and services	169	2,996,867	90,718	47,785	3,135,539
Water purchases	-	467,419	-	-	467,419
Depreciation	14,154	127,126	13,925	8,251	163,456
Total operating expenses	14,323	3,591,412	104,643	56,036	3,766,414
Operating income (loss)	(13,278)	(2,074,599)	90,887	3,701	(1,993,289)
NON-OPERATING REVENUES (EXPENSES)					
Municipal option sales tax revenue	-	302,473	-	-	302,473
Lease revenue	20,512	-	-	-	20,512
Interest on lease receivable	13,052	-	-	-	13,052
Interest on note receivable	7	-	-	-	7
Interest expense	(52,245)	(2,848)	(4,977)	-	(60,070)
Total non-operating revenues (expenses)	(18,674)	299,625	(4,977)	-	275,974
Income (loss) before transfers	(31,952)	(1,774,974)	85,910	3,701	(1,717,315)
Transfers in	248,500	-	-	-	248,500
Transfers out	(14,990)	(147,495)	-	-	(162,485)
Total transfers	233,510	(147,495)	-	-	86,015
Change in net position	201,558	(1,922,469)	85,910	3,701	(1,631,300)
Total net position (deficit), beginning, restated	(4,649,158)	12,073,368	(195,952)	714,793	7,943,051
Total net position (deficit), ending	<u>\$ (4,447,600)</u>	<u>\$ 10,150,899</u>	<u>\$ (110,042)</u>	<u>\$ 718,494</u>	<u>\$ 6,311,751</u>

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

CITY OF HAPEVILLE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds				
	Development Authority Fund	Water and Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,045	\$ 1,434,603	\$ 192,839	\$ 16,827	\$ 1,645,314
Payments to suppliers	(1,168)	(1,504,695)	(50,067)	(10,041)	(1,565,971)
Payments to employees	-	(185,470)	(28,850)	(29,153)	(243,473)
Net cash provided by (used in) operating activities	(123)	(255,562)	113,922	(22,367)	(164,130)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	248,500	-	-	-	248,500
Transfers out to other funds	(14,990)	(147,495)	-	-	(162,485)
Advances from other funds	(47,136)	-	(108,945)	-	(156,081)
Payments received on note receivable	2,363	-	-	-	2,363
Net cash provided by (used in) non-capital financing activities	188,737	(147,495)	(108,945)	-	(67,703)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Receipts on lease receivable	4,969	-	-	-	4,969
Principal payments on bonds payable	(89,489)	-	-	-	(89,489)
Municipal option sales tax revenue	-	302,473	-	-	302,473
Interest paid on long-term debt	(115,702)	(2,847)	(4,977)	-	(123,526)
Interest income	13,059	-	-	-	13,059
Principal payments on notes payable	-	(12,511)	-	-	(12,511)
Purchases of capital assets	-	(59,805)	-	-	(59,805)
Net cash provided by (used in) capital and related financing activities	(187,163)	227,310	(4,977)	-	35,170
Net change in cash	1,451	(175,747)	-	(22,367)	(196,663)
Cash, beginning of fiscal year	1,123,721	2,463,418	-	98,076	3,685,215
Cash, end of fiscal year	\$ 1,125,172	\$ 2,287,671	\$ -	\$ 75,709	\$ 3,488,552
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (13,278)	\$ (2,074,599)	\$ 90,887	\$ 3,701	\$ (1,993,289)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	14,154	127,126	13,925	8,251	163,456
Change in assets and liabilities:					
Increase in accounts receivable	-	(82,210)	(2,691)	(42,910)	(127,811)
Decrease in intergovernmental receivable	-	17,531	-	-	17,531
Increase in due from other funds	-	(500,000)	-	-	(500,000)
Increase in prepaid items	-	(19,689)	-	-	(19,689)
Increase (decrease) in accounts payable	(999)	2,290,305	3,325	6,039	2,298,670
Increase (decrease) in accrued liabilities	-	(21,578)	4,295	(145)	(17,428)
Increase in compensated absences payable	-	4,062	4,181	2,697	10,940
Increase in customer deposits	-	3,490	-	-	3,490
Net cash provided by (used in) operating activities	\$ (123)	\$ (255,562)	\$ 113,922	\$ (22,367)	\$ (164,130)

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

NOTES TO 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 noncurrent assets and noncurrent 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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 **TSPLOST Fund** accounts 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.

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.

NOTES TO FINANCIAL STATEMENTS

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 *nonoperating* 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 nonoperating 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.

NOTES TO FINANCIAL STATEMENTS

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 nonspendable 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2024, 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 September 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:

<u>Assets</u>	<u>Years</u>
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

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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. It is also the City's policy to permit employees to accumulate earned but unused sick benefits. All sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. Sick benefits are not paid out at termination, resignation, or retirement; however, a liability for the amount of sick time estimated to be used during employment is reported in the government-wide and proprietary fund financial statements.

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 \$4,222,509 difference are as follows:

Financed purchases payable	\$ (1,956,801)
Compensated absences	<u>(2,265,708)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (4,222,509)</u>

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 \$22,125,155 difference are as follows:

Deferred outflows of resources - pension related items	\$ 5,569,786
Deferred inflows of resources - pension related items	(1,186,980)
Deferred outflows of resources - OPEB related items	1,307,730
Deferred inflows of resources - OPEB related items	(3,096,102)
Net pension liability	(14,844,908)
Total OPEB liability	<u>(9,874,681)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (22,125,155)</u>

NOTES TO FINANCIAL STATEMENTS

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 \$377,727 difference are as follows:

Capital outlay	\$ 119,360
Depreciation expense	<u>(497,087)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (377,727)</u>

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 \$406,789 difference are as follows:

Compensated absences	\$ <u>(406,789)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (406,789)</u>

NOTES TO FINANCIAL STATEMENTS

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.

For the three month period ended September 30, 2024, expenditures of the General Fund exceeded their appropriations City Manager by \$49,985 and Highway and streets by \$35,393. These excess expenditures were funded by available fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

The table below summarizes the City's cash and cash equivalents by type as of September 30, 2024:

	<u>Maturities</u>	<u>Balance</u>
Deposits with financial institutions	--	\$ 6,746,809
Money market funds	20 days	19,296
Total		<u>\$ 6,766,105</u>

As Reported in the Statement of Net Position:

Cash and cash equivalents	\$ 5,915,800
Restricted cash	850,305
Total	<u>\$ 6,766,105</u>

NOTES TO FINANCIAL STATEMENTS

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 September 30, 2024, 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.

NOTES TO FINANCIAL STATEMENTS

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 September 30, 2024, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

<u>Investment</u>	<u>Weighted-Average Maturity (Days)</u>	<u>Moody's Credit Rating</u>	<u>Fair Value</u>
Money market funds	20	Aaa	\$ 19,296

Fair Value Measurements: The City has the following recurring fair value measurements as of September 30, 2024:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money market funds	\$ 19,296	\$ -	\$ -	\$ 19,296
Total investments measured at fair value	<u>\$ 19,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,296</u>

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. Revenues are recognized when available. The City did not bill or levy property taxes in the three-month period ended September 30, 2024.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Accounts Receivable

Receivables at September 30, 2024, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>T-SPLOST Fund</u>	<u>Hotel/Motel Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:				
Taxes	\$ 654,421	\$ -	\$ 560,709	\$ 15,022
Intergovernmental	-	114,946	-	-
Other	13,288	-	-	30,345
Less allowance for uncollectible	(205,682)	-	-	-
Net total receivable	<u>\$ 462,027</u>	<u>\$ 114,946</u>	<u>\$ 560,709</u>	<u>\$ 45,367</u>

	<u>Development Authority</u>	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>
Receivables:				
Accounts	\$ -	\$ 1,356,183	\$ 195,451	\$ 375,865
Intergovernmental	-	93,350	-	-
Less allowance for uncollectible	-	(260,671)	(70,217)	(155,627)
Note receivable	67,588	-	-	-
Net total receivable	<u>\$ 67,588</u>	<u>\$ 1,188,862</u>	<u>\$ 125,234</u>	<u>\$ 220,238</u>

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 three-month period ended September 30, 2024 is shown below.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Note Receivable	\$ 69,951	\$ -	\$ 2,363	\$ 67,588	\$ 9,813
Total	<u>\$ 69,951</u>	<u>\$ -</u>	<u>\$ 2,363</u>	<u>\$ 67,588</u>	<u>\$ 9,813</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Note Receivable (Continued)

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 9,813	\$ 3,857	\$ 13,670
2026	10,418	3,252	13,670
2027	11,060	2,609	13,669
2028	11,742	1,927	13,669
2029	12,467	1,203	13,670
2030	12,088	436	12,524
Total	<u>\$ 67,588</u>	<u>\$ 13,284</u>	<u>\$ 80,872</u>

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 \$20,512 in lease revenue. As of September 30, 2024, the City's receivable for lease payments was \$2,677,104. Also, the City has a deferred inflow of resources associated with the leases that will be recognized over the lease term that ends on September 30, 2058. This deferred inflow of resources has a balance of \$2,511,696 as of September 30, 2024.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease receivable	\$ 2,682,073	\$ -	\$ (4,969)	\$ 2,677,104	\$ 14,907

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,907	\$ 41,730	\$ 56,637
2026	23,636	51,864	75,500
2027	27,481	50,283	77,764
2028	31,415	48,683	80,098
2029	35,442	47,058	82,500
2030-2034	241,012	210,133	451,145
2035-2039	357,248	165,753	523,001
2040-2044	450,169	117,918	568,087
2045-2049	505,252	77,618	582,870
2050-2054	634,824	40,883	675,707
2055-2058	355,718	70,314	426,032
Total	<u>\$ 2,677,104</u>	<u>\$ 922,237</u>	<u>\$ 3,599,341</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for governmental activities for the three-month period ended September 30, 2024, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets					
not being depreciated:					
Land	\$ 2,677,329	\$ -	\$ -	\$ -	\$ 2,677,329
Construction in progress	998,556	119,360	-	-	1,117,916
Total	<u>3,675,885</u>	<u>119,360</u>	<u>-</u>	<u>-</u>	<u>3,795,245</u>
Capital assets, being depreciated:					
Autos, trucks, and equipment	12,850,097	-	-	-	12,850,097
Land improvements	6,905,254	-	-	-	6,905,254
Buildings and improvements	10,053,731	-	-	-	10,053,731
Infrastructure	35,576,701	-	-	-	35,576,701
Total	<u>65,385,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,385,783</u>
Less accumulated depreciation for:					
Autos, trucks, and equipment	(9,034,471)	(193,056)	-	-	(9,227,527)
Land improvements	(3,663,830)	(59,008)	-	-	(3,722,838)
Buildings and improvements	(4,338,087)	(65,509)	-	-	(4,403,596)
Infrastructure	(21,374,737)	(179,514)	-	-	(21,554,251)
Total	<u>(38,411,125)</u>	<u>(497,087)</u>	<u>-</u>	<u>-</u>	<u>(38,908,212)</u>
Total capital assets, being depreciated, net	<u>26,974,658</u>	<u>(497,087)</u>	<u>-</u>	<u>-</u>	<u>26,477,571</u>
Governmental activities capital assets, net	<u>\$ 30,650,543</u>	<u>\$ (377,727)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,272,816</u>

NOTES TO FINANCIAL STATEMENTS

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	\$ 30,480
Public safety	174,234
Highway and streets	175,396
Recreation	104,473
Trade, tourism, and development	12,504
	<u> </u>
Total depreciation expense - governmental activities	<u>\$ 497,087</u>

Capital asset activity for business-type activities for the three-month period ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, being depreciated:					
Water System	\$ 18,006,099	\$ 59,805	\$ -	\$ -	\$ 18,065,904
Rights to Capacity	5,508,846	-	-	-	5,508,846
Equipment	1,739,424	-	-	-	1,739,424
Infrastructure	1,341,038	-	-	-	1,341,038
Buildings and Improvements	2,264,642	-	-	-	2,264,642
Total	<u>28,860,049</u>	<u>59,805</u>	<u>-</u>	<u>-</u>	<u>28,919,854</u>
Less accumulated depreciation for:					
Water System	(7,487,868)	(99,581)	-	-	(7,587,449)
Rights to Capacity Amortization	(1,860,094)	(27,545)	-	-	(1,887,639)
Equipment	(913,897)	(13,925)	-	-	(927,822)
Infrastructure	(854,304)	(8,251)	-	-	(862,555)
Buildings and Improvements	(84,924)	(14,154)	-	-	(99,078)
Total	<u>(11,201,087)</u>	<u>(163,456)</u>	<u>-</u>	<u>-</u>	<u>(11,364,543)</u>
Total capital assets, being depreciated, net	<u>17,658,962</u>	<u>(103,651)</u>	<u>-</u>	<u>-</u>	<u>17,555,311</u>
Business-type activities capital assets, net	<u>\$ 17,658,962</u>	<u>\$ (103,651)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,555,311</u>

NOTES TO FINANCIAL STATEMENTS

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 and Sewer Utility	\$ 99,581
Amortization of Rights to Capacity - Water and Sewer	27,545
Solid Waste	13,925
Stormwater Utility	8,251
Development Authority	14,154
Total depreciation expense - business-type activities	<u>\$ 163,456</u>

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the three-month period ended September 30, 2024, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases from					
direct borrowings	\$ 2,189,161	\$ -	\$ (232,360)	\$ 1,956,801	\$ 549,950
Total OPEB liability	9,874,681	-	-	9,874,681	-
Net pension liability	14,844,908	-	-	14,844,908	-
Compensated absences	2,672,497	201,276	(608,065)	2,265,708	222,705
Governmental activity					
Long-term liabilities	<u>\$ 29,581,247</u>	<u>\$ 201,276</u>	<u>\$ (840,425)</u>	<u>\$ 28,942,098</u>	<u>\$ 772,655</u>
Business-type activities:					
Bonds payable - direct placement	\$ 6,675,000	\$ -	\$ (635,000)	\$ 6,040,000	\$ 730,000
Notes payable - direct borrowing	915,505	-	(12,511)	902,994	50,433
Financed purchase - direct borrowing	435,622	-	-	435,622	64,656
Total OPEB liability	847,079	-	-	847,079	-
Net pension liability	1,434,342	-	-	1,434,342	-
Compensated absences	247,880	19,635	(8,694)	258,821	16,725
Business-type activity					
Long-term liabilities	<u>\$ 10,555,428</u>	<u>\$ 19,635</u>	<u>\$ (656,205)</u>	<u>\$ 9,918,858</u>	<u>\$ 861,814</u>

NOTES TO FINANCIAL STATEMENTS

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, the Stormwater Fund, and the Solid Waste Fund.

Financed Purchases – Equipment – Governmental Activities. 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 inception. Lease payments are due in annual installments.

The original cost of the City's assets under lease arrangements at September 30, 2024 is \$4,574,568 and there has been \$1,480,878 of accumulated depreciation as of fiscal year end. Annual amortization of leased assets is included in depreciation expense.

Phase IV of the agreement 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 an 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 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 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

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.

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.

In July 2023, the City entered into a financed purchase agreement for twenty-one (21) police vehicles costing \$1,133,286. This lease agreement carries an interest rate of 4.53% and matures in September of 2029.

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

	Governmental Activities	
	Principal	Interest
Fiscal Year Ending September 30,		
2025	\$ 549,950	\$ 68,943
2026	381,772	52,714
2027	351,763	38,678
2028	366,394	24,048
2029	306,922	8,814
Total	<u>\$ 1,956,801</u>	<u>\$ 193,197</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Financed Purchases – Equipment – Business-Type Activities. The City has entered into a finance purchase agreement as lessee for financing the acquisition of equipment used in business-type activities. The agreement qualifies as a financed purchase for accounting purposes as either the title transfers at the end of the lease terms or the lease includes a bargain purchase option and, therefore, has been recorded at the present values of the future minimum lease payments as of the date of their inception. Lease payments are due in annual installments.

In April 2024, the City entered into a financed purchase agreement for two (2) solid waste freightliner garbage trucks costing \$435,622. This lease agreement carries an interest rate of 4.57% and matures in May of 2030.

The City's total financed purchases debt service requirements to maturity for business-type activities are as follows:

	Business-Type Activities	
	Principal	Interest
Fiscal Year Ending September 30,		
2025	\$ 64,656	\$ 19,178
2026	67,644	16,189
2027	70,771	13,062
2028	74,042	9,791
2029	77,464	6,369
2030	81,045	2,788
Total	<u>\$ 435,622</u>	<u>\$ 67,377</u>

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 semiannually 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

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 September 30, 2024, the current outstanding amount of debt considered legally defeased for the 2004A Series Bonds equals \$125,000.

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 semiannually on February 1 and August 1 each year. As of September 30, 2024, the current outstanding amount of debt considered legally defeased for the 2004B Series Bonds equals \$380,000.

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 semiannual 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 September 30, 2024, the current outstanding amount of debt considered legally defeased for the 2007 Series Bonds equals \$635,000.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2014 A-1			
Fiscal Year Ending September 30,			
2025	\$ 515,000	\$ 83,494	\$ 598,494
2026	535,000	63,770	598,770
2027	555,000	43,279	598,279
2028	575,000	22,022	597,022
Total	<u>\$ 2,180,000</u>	<u>\$ 212,565</u>	<u>\$ 2,392,565</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2019A			
Fiscal Year Ending September 30,			
2025	\$ 215,000	\$ 8,502	\$ 223,502
2026	165,000	4,469	169,469
2027	80,000	872	80,872
Total	<u>\$ 460,000</u>	<u>\$ 13,843</u>	<u>\$ 473,843</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2022			
Fiscal Year Ending September 30,			
2025	\$ -	\$ 117,300	\$ 117,300
2026	-	117,300	117,300
2027	-	117,300	117,300
2028	-	117,300	117,300
2029	-	117,300	117,300
2030-2034	2,020,000	416,588	2,436,588
2035-2037	1,380,000	72,450	1,452,450
Total	<u>\$ 3,400,000</u>	<u>\$ 1,075,538</u>	<u>\$ 4,475,538</u>

NOTES TO FINANCIAL STATEMENTS

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%. The outstanding balance of the note payable at September 30, 2024 is \$902,995. 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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending September 30,			
2025	\$ 50,433	\$ 10,999	\$ 61,432
2026	51,067	10,365	61,432
2027	51,709	9,723	61,432
2028	52,359	9,073	61,432
2029	53,018	8,415	61,433
2030-2034	275,255	31,907	307,162
2035-2039	292,999	14,163	307,162
2040	76,154	636	76,790
Total	<u>\$ 902,994</u>	<u>\$ 95,281</u>	<u>\$ 998,275</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at September 30, 2024 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 24,417
General Fund	Hotel/Motel Fund	464,564
Water and Sewer Utility Fund	General Fund	500,000
Water and Sewer Utility Fund	T-SPLOST Fund	55,836
		<u>\$ 1,044,817</u>

Advanced to/from other funds at September 30, 2024 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Development Authority Fund	\$ 2,468,389
General Fund	Solid Waste Fund	89,413
		<u>\$ 2,557,802</u>

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. TSPLOST represents allowable program costs incurred in the Water and Sewer Fund. The advance to the Development Authority will be repaid by the Authority through future sale of real estate properties held for redevelopment. The advance to the Solid Waste fund will be repaid by future charges for solid waste services.

Interfund transfers for the fiscal year ended September 30, 2024 consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Fund	\$ 464,564
General Fund	Development Authority Fund	14,990
General Fund	Nonmajor Governmental Funds	50,646
Development Authority Fund	General Fund	101,005
Development Authority Fund	Water and Sewer Utility Fund	147,495
Nonmajor Governmental Funds	General Fund	95,656
Nonmajor Governmental Funds	T-SPLOST Fund	7,499
		<u>\$ 881,855</u>

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.

NOTES TO FINANCIAL STATEMENTS

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, 2024, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	88
Terminated vested participants not yet receiving benefits	52
Active participants	125
	<u>265</u>

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. The City did not make any contributions to the Plan during the three-month period ended September 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2024 with update procedures performed by the actuary to roll forward to the total pension asset measured as of September 30, 2023.

Actuarial Assumptions. The total pension liability in the January 1, 2024 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, 2024 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, 2024 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, 2023 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20%	7.21
Real estate	10%	3.61
Global fixed income	5%	1.67
Domestic fixed income	20%	1.61
Cash	—%	
Total	100%	

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

NOTES TO FINANCIAL STATEMENTS

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 City did not have any changes in the components of the net pension liability for the three-month period ended September 30, 2024 as shown below:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/24	\$ 38,446,940	\$ 22,167,690	\$ 16,279,250
Changes for the year:			
Service cost	-	-	-
Interest	-	-	-
Experience differences	-	-	-
Change of assumptions	-	-	-
Change of benefit terms	-	-	-
Net investment income	-	-	-
Contributions - employer	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Other	-	-	-
Net changes	-	-	-
Balances at 9/30/24	\$ 38,446,940	\$ 22,167,690	\$ 16,279,250

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.

NOTES TO FINANCIAL STATEMENTS

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%)
\$ 20,838,954	\$ 16,279,250	\$ 12,448,339

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, 2023 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 three-month period ended September 30, 2024, the City did not recognize any pension expense. At September 30, 2024, 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	\$ 2,094,917	\$ (1,301,668)
Differences resulting from changes in actuarial assumptions	1,458,146	-
Net difference between projected and actual earnings on pension plan investments	1,367,376	-
Contributions subsequent to the measurement date	1,187,511	-
Total	<u>\$ 6,107,950</u>	<u>\$ (1,301,668)</u>

Contributions subsequent to the measurement date will be recognized in fiscal year 2025. 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:

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City (Continued)

<u>Fiscal Year Ending September 30:</u>	
2025	\$ 943,040
2026	888,839
2027	2,056,663
2028	<u>(269,771)</u>
Total	<u>\$ 3,618,771</u>

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, 2023, the date of the latest actuarial valuation:

Active participants	129
Retirees and beneficiaries currently receiving benefits	<u>57</u>
Total	<u>186</u>

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 three-month period ended September 30, 2024, the City did not make any contributions to the pay-as-you-go benefits for the PHCB Plan.

NOTES TO FINANCIAL STATEMENTS

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, 2024 and was determined by an actuarial valuation as of July 1, 2023 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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.93%
Healthcare Cost Trend Rate:	5.00%
Inflation Rate:	2.00%

Mortality rates were based on the PubG-2010 Mortality Table, projected by the MP-2021 Mortality Improvement Scale.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.93%, an increase from the rate of 3.65% 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 3.93% as of September 30, 2024 was used as the discount rate.

Changes in the Total OPEB Liability of the City. The City did not have any changes in the total OPEB liability for the three-month period ended September 30, 2024, as shown below:

	Total OPEB Liability (a)
Balances at 6/30/24	<u>\$ 10,721,760</u>
Changes for the year:	
Service cost	-
Interest	-
Experience differences	-
Assumption changes	-
Benefit payments, including refunds of employee contributions	-
Net changes	<u>-</u>
Balances at 9/30/24	<u><u>\$ 10,721,760</u></u>

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.

NOTES TO FINANCIAL STATEMENTS

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 11,879,536	\$ 10,721,760	\$ 9,735,564

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	\$ 10,034,900	\$ 10,721,760	\$ 11,503,675

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, 2024 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 three-month period ended September 30, 2024, the City did not recognize any OPEB expense. At September 30, 2024, 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	\$ 144,252	\$ (1,311,804)
Changes in assumptions	1,275,660	(2,049,891)
Total	<u>\$ 1,419,912</u>	<u>\$ (3,361,695)</u>

NOTES TO FINANCIAL STATEMENTS

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 September 30:		
2025	\$	(600,347)
2026		(504,280)
2027		(384,293)
2028		(257,135)
2029		(195,728)
Thereafter		-
Total	\$	<u>(1,941,783)</u>

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 September 30, 2024, there were 24 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 three-month period ended September 30, 2024, was \$13,750.

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 three-month period ended September 30, 2024, the City contributed \$3,365 of matching contributions to the Plan for the City manager.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. FUND DEFICITS

As of September 30, 2024, the City's Development Authority Fund had a deficit of net position of \$4,447,600. 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). The City's Solid Waste Fund also had a deficit of net position of \$110,042 which will be reduced as revenues increase following an increase in solid waste service rates.

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

As of September 30, 2024, contractual commitments on uncompleted contracts were \$302,049.

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.

NOTES TO FINANCIAL STATEMENTS

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 \$825,891 for the three-month period ended September 30, 2024. 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 \$464,564 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 \$50,646 for the three-month period ended September 30, 2024, 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 September 30, 2024, the bonds have an aggregate outstanding principal amount payable of \$25,000,000.

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NOTES TO FINANCIAL STATEMENTS

NOTE 18. ACCOUNTING CHANGES

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. The following restatement was required to the beginning net position of the governmental activities, business-type activities and beginning proprietary fund balances.

	Governmental Activities	Business-Type Activities	
Beginning net position, as previously reported	\$ 13,010,509	\$ 8,047,958	
Restatement due to implementation of GASB No. 101	(1,598,522)	(104,907)	
Beginning net position, as restated	<u>\$ 11,411,987</u>	<u>\$ 7,943,051</u>	
	Water and Sewer Utility Fund	Solid Waste Fund	Nonmajor Fund Stormwater Utility Fund
Beginning net position, as previously reported	\$ 12,134,017	\$ (173,509)	\$ 736,608
Restatement due to implementation of GASB No. 101	(60,649)	(22,443)	(21,815)
Beginning net position, as restated	<u>\$ 12,073,368</u>	<u>\$ (195,952)</u>	<u>\$ 714,793</u>



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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 310,937	\$ 275,704	\$ 300,705	\$ 185,503	\$ 126,131
Interest on total pension liability	2,335,371	2,397,158	2,418,542	1,757,491	2,546,090
Differences between expected and actual experience	1,912,101	(1,223,606)	(701,871)	1,072,922	(3,955,417)
Change of assumptions	-	-	-	-	414,599
Change of benefit terms	-	-	-	(94,477)	-
Other	3,712,430	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,358,006)	(2,286,559)	(2,278,098)	(1,755,300)	(974,289)
Net change in total pension liability	5,912,833	(837,303)	(260,722)	1,166,139	(1,842,886)
Total pension liability - beginning	32,534,107	33,371,410	33,632,132	32,465,993	34,308,879
Total pension liability - ending (a)	\$ 38,446,940	\$ 32,534,107	\$ 33,371,410	\$ 33,632,132	\$ 32,465,993
Plan fiduciary net position					
Contributions - employer	\$ 1,274,453	\$ 1,307,088	\$ 739,718	\$ 765,000	\$ -
Net investment income	2,816,860	(4,188,133)	5,265,391	(229,317)	1,147,958
Benefit payments, including refunds of member contributions	(2,358,006)	(2,286,559)	(2,278,098)	(1,755,300)	(974,289)
Administrative expense	(25,076)	(100,150)	(62,884)	-	-
Net change in plan fiduciary net position	1,708,231	(5,267,754)	3,664,127	(1,219,617)	173,669
Plan fiduciary net position - beginning	20,459,459	25,727,213	22,063,086	23,282,703	23,109,034
Plan fiduciary net position - ending (b)	\$ 22,167,690	\$ 20,459,459	\$ 25,727,213	\$ 22,063,086	\$ 23,282,703
City's net pension liability - ending (a) - (b)	\$ 16,279,250	\$ 12,074,648	\$ 7,644,197	\$ 11,569,046	\$ 9,183,290
Plan fiduciary net position as a percentage of the total pension liability	57.7%	62.9%	77.1%	65.6%	71.7%
Covered payroll	\$ 7,307,997	\$ 6,467,133	\$ 6,232,059	\$ 6,210,550	\$ 6,672,676
City's net pension liability as a percentage of covered payroll	222.8%	186.7%	122.7%	186.3%	137.6%
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 102,027	\$ 94,909	\$ 96,591	\$ 111,626	\$ 117,867
Interest on total pension liability	2,162,781	2,038,463	2,108,653	2,030,740	2,032,600
Differences between expected and actual experience	-	1,886,300	(808,685)	1,166,057	46,763
Change of assumptions	4,475,000	-	-	-	-
Change of benefit terms	-	-	-	-	-
Other	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,331,960)	(2,363,741)	(2,299,009)	(2,211,614)	(2,219,779)
Net change in total pension liability	4,407,848	1,655,931	(902,450)	1,096,809	(22,549)
Total pension liability - beginning	29,901,031	28,245,100	29,147,550	28,050,741	28,073,290
Total pension liability - ending (a)	\$ 34,308,879	\$ 29,901,031	\$ 28,245,100	\$ 29,147,550	\$ 28,050,741
Plan fiduciary net position					
Contributions - employer	\$ 910,715	\$ 664,738	\$ 698,388	\$ 526,090	\$ 557,148
Net investment income	1,295,740	1,360,784	2,564,916	361,896	563,309
Benefit payments, including refunds of member contributions	(2,331,960)	(2,363,741)	(2,299,009)	(2,211,614)	(2,219,778)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	(125,505)	(338,219)	964,295	(1,323,628)	(1,099,321)
Plan fiduciary net position - beginning	23,234,539	23,572,758	22,608,463	23,932,091	25,031,412
Plan fiduciary net position - ending (b)	\$ 23,109,034	\$ 23,234,539	\$ 23,572,758	\$ 22,608,463	\$ 23,932,091
City's net pension liability - ending (a) - (b)	\$ 11,199,845	\$ 6,666,492	\$ 4,672,342	\$ 6,539,087	\$ 4,118,650
Plan fiduciary net position as a percentage of the total pension liability	67.4%	77.7%	83.5%	77.6%	85.3%
Covered payroll	\$ 5,050,634	\$ 5,429,796	\$ 4,279,786	\$ 4,541,206	\$ 5,249,658
City's net pension liability as a percentage of covered payroll	221.8%	122.8%	109.2%	144.0%	78.5%

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.
- (2) There were no changes to the City's net pension liability during the three month period ended September 30, 2024 as there was no change in the measurement period.

CITY OF HAPEVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN

SCHEDULE OF CITY CONTRIBUTIONS

	<u>September 30, 2024 (2)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 494,569	\$ 1,187,511	\$ 1,266,275	\$ 1,307,088	\$ 1,033,282
Contributions in relation to the actuarially determined contribution	-	1,187,511	1,266,275	1,307,088	739,718
Contribution deficiency (excess)	<u>\$ 494,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,564</u>
Covered payroll	\$ 1,826,999	\$ 6,467,133	\$ 6,232,059	\$ 6,210,550	\$ 6,173,227
Contributions as a percentage of covered payroll	0.00%	18.36%	20.32%	21.05%	11.98%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 765,000	\$ 910,715	\$ 664,738	\$ 698,388	\$ 526,090
Contributions in relation to the actuarially determined contribution	765,000	910,715	664,738	698,388	526,090
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,132,589	\$ 5,050,634	\$ 5,429,796	\$ 4,279,786	\$ 4,541,206
Contributions as a percentage of covered payroll	12.47%	18.03%	12.24%	16.32%	11.58%

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.
- (2) The City changed its year end from June 30th to September 30th effective September 30, 2024. Column represents the three month period ended September 30, 2024.

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

	2024	2023	2022	2021	2020
Total OPEB liability					
Service cost	\$ 402,979	\$ 341,834	\$ 339,607	\$ 306,432	\$ 243,151
Interest on total OPEB liability	394,090	384,835	305,145	308,303	398,231
Experience differences	(434,362)	(461,082)	(156,107)	296,136	(1,963,876)
Changes of assumptions and other inputs	(305,314)	(1,272,662)	(1,996,905)	12,397	1,899,004
Benefit payments	(328,035)	(283,199)	(267,409)	(425,493)	(229,416)
Net change in total OPEB liability	(270,642)	(1,290,274)	(1,775,669)	497,775	347,094
Total OPEB liability - beginning	10,992,402	12,282,676	14,058,345	13,560,570	13,213,476
Total OPEB liability - ending	\$ 10,721,760	\$ 10,992,402	\$ 12,282,676	\$ 14,058,345	\$ 13,560,570
Covered-employee payroll	\$ 7,877,369	\$ 7,892,194	\$ 6,578,589	\$ 6,471,653	\$ 6,271,035
Total OPEB liability as a percentage of covered-employee payroll	136.1%	139.3%	186.7%	217.2%	216.2%
	2019	2018			
Total OPEB liability					
Service cost	\$ 124,037	\$ 119,266			
Interest on total OPEB liability	421,339	413,178			
Experience differences	-	-			
Changes of assumptions and other inputs	2,369,482	(19,303)			
Benefit payments	(221,678)	(402,091)			
Net change in total OPEB liability	2,693,180	111,050			
Total OPEB liability - beginning	10,520,296	10,409,246			
Total OPEB liability - ending	\$ 13,213,476	\$ 10,520,296			
Covered-employee payroll	\$ 5,050,634	\$ 5,249,658			
Total OPEB liability as a percentage of covered-employee payroll	261.6%	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.
- (3) There were no changes to the City's OPEB liability during the three month period ended September 30, 2024 as there was no change in the measurement period.

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.

ARP Fund – This fund is used to account for grant funding received by the City under the American Rescue Plan Act of 2021.

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 or assigned for capital construction projects within the City.

CITY OF HAPEVILLE, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2024

ASSETS	Special Revenue Funds						Capital Projects Funds	Total Nonmajor Governmental Funds
	Asset Forfeiture Fund	E-911 Fund	Vehicle Excise Tax Fund	Tax Allocation District Fund	Other Special Revenue Fund	ARP Fund	Capital Project Fund	
Cash and cash equivalents	\$ 9,389	\$ 22,411	\$ -	\$ 69,132	\$ 21,958	\$ -	\$ 401,564	\$ 524,454
Taxes receivable	-	-	15,022	-	-	-	-	15,022
Accounts receivable	-	30,345	-	-	-	-	-	30,345
Total assets	<u>\$ 9,389</u>	<u>\$ 52,756</u>	<u>\$ 15,022</u>	<u>\$ 69,132</u>	<u>\$ 21,958</u>	<u>-</u>	<u>\$ 401,564</u>	<u>\$ 569,821</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ 12,342	\$ -	\$ -	\$ 2,270	\$ -	\$ 7,499	\$ 22,111
Due to other funds	-	-	15,022	-	9,395	-	-	24,417
Total liabilities	<u>-</u>	<u>12,342</u>	<u>15,022</u>	<u>-</u>	<u>11,665</u>	<u>-</u>	<u>7,499</u>	<u>46,528</u>
FUND BALANCES								
Assigned:								
E911 services	-	40,414	-	-	-	-	-	40,414
Capital construction	-	-	-	-	-	-	394,065	394,065
Restricted:								
Law enforcement	9,389	-	-	-	-	-	-	9,389
Culture and recreation	-	-	-	-	10,293	-	-	10,293
Capital construction	-	-	-	69,132	-	-	-	69,132
Total fund balances	<u>9,389</u>	<u>40,414</u>	<u>-</u>	<u>69,132</u>	<u>10,293</u>	<u>-</u>	<u>394,065</u>	<u>523,293</u>
Total liabilities and fund balances	<u>\$ 9,389</u>	<u>\$ 52,756</u>	<u>\$ 15,022</u>	<u>\$ 69,132</u>	<u>\$ 21,958</u>	<u>\$ -</u>	<u>\$ 401,564</u>	<u>\$ 569,821</u>

CITY OF HAPEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Special Revenue Funds						Capital Projects Funds	Total Nonmajor Governmental Funds
	Asset Forfeiture Fund	E-911 Fund	Vehicle Excise Tax Fund	Tax Allocation District Fund	Other Special Revenue Fund	ARP Fund	Capital Project Fund	
REVENUES								
Taxes	\$ -	\$ -	\$ 50,646	\$ -	\$ -	\$ -	\$ -	\$ 50,646
Charges for services	-	45,348	-	-	-	-	-	45,348
Intergovernmental	-	-	-	-	4,772	50,507	-	55,279
Total revenues	-	45,348	50,646	-	4,772	50,507	-	151,273
EXPENDITURES								
Current:								
Public safety	-	141,004	-	-	-	-	-	141,004
Recreation	-	-	-	-	4,824	50,607	-	55,431
Capital outlay	-	-	-	-	-	-	7,499	7,499
Total expenditures	-	141,004	-	-	4,824	50,607	7,499	203,934
Excess (deficiency) of revenues over (under) expenditures	-	(95,656)	50,646	-	(52)	(100)	(7,499)	(52,661)
Other financing sources (uses):								
Transfers in	-	95,656	-	-	-	-	7,499	103,155
Transfers out	-	-	(50,646)	-	-	-	-	(50,646)
Total other financing sources (uses)	-	95,656	(50,646)	-	-	-	7,499	52,509
Net change in fund balances	-	-	-	-	(52)	(100)	-	(152)
FUND BALANCES, beginning of fiscal year	9,389	40,414	-	69,132	10,345	100	394,065	523,445
FUND BALANCES, end of fiscal year	<u>\$ 9,389</u>	<u>\$ 40,414</u>	<u>\$ -</u>	<u>\$ 69,132</u>	<u>\$ 10,293</u>	<u>\$ -</u>	<u>\$ 394,065</u>	<u>\$ 523,293</u>

CITY OF HAPEVILLE, GEORGIA
ASSET FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Other revenues	\$ -	\$ 2	\$ -	\$ (2)
Total revenues	-	2	-	(2)
EXPENDITURES				
Public safety	-	2	-	2
Total expenditures	-	2	-	2
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	9,389	9,389	9,389	-
FUND BALANCES, end of year	<u>\$ 9,389</u>	<u>\$ 9,389</u>	<u>\$ 9,389</u>	<u>\$ -</u>

CITY OF HAPEVILLE, GEORGIA

EMERGENCY- 911 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 45,000	\$ 45,348	\$ 45,348	\$ -
Total revenues	45,000	45,348	45,348	-
EXPENDITURES				
Public safety	174,466	141,004	141,004	-
Total expenditures	174,466	141,004	141,004	-
Deficiency of revenues over expenditures	(129,466)	(95,656)	(95,656)	-
OTHER FINANCING SOURCES				
Transfers in	129,466	95,656	95,656	-
Total other financing sources	129,466	95,656	95,656	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	40,414	40,414	40,414	-
FUND BALANCES, end of fiscal year	\$ 40,414	\$ 40,414	\$ 40,414	\$ -

CITY OF HAPEVILLE, GEORGIA
VEHICLE EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 30,000	\$ 50,646	\$ 50,646	\$ -
Total revenues	30,000	50,646	50,646	-
OTHER FINANCING USES				
Transfers out	(30,000)	(50,646)	(50,646)	-
Total other financing uses	(30,000)	(50,646)	(50,646)	-
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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	69,132	69,132	69,132	-
FUND BALANCES, end of fiscal year	<u>\$ 69,132</u>	<u>\$ 69,132</u>	<u>\$ 69,132</u>	<u>\$ -</u>

**CITY OF HAPEVILLE, GEORGIA
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,000	\$ 5,166	\$ 4,772	\$ (394)
Total revenues	6,000	5,166	4,772	(394)
EXPENDITURES				
Recreation	6,000	5,218	4,824	394
Total expenditures	6,000	5,218	4,824	394
Net change in fund balances	-	(52)	(52)	(788)
FUND BALANCES, beginning of fiscal year	10,345	10,345	10,345	-
FUND BALANCES, end of fiscal year	<u>\$ 10,345</u>	<u>\$ 10,293</u>	<u>\$ 10,293</u>	<u>\$ -</u>

CITY OF HAPEVILLE, GEORGIA
ARP FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 40,000	\$ 50,507	\$ 50,507	\$ -
Total revenues	40,000	50,507	50,507	-
EXPENDITURES				
Recreation	40,000	50,507	50,607	(100)
Total expenditures	40,000	50,507	50,607	(100)
Net change in fund balances	-	-	(100)	(100)
FUND BALANCES, beginning of fiscal year	100	100	100	-
FUND BALANCES, end of fiscal year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ (100)</u>

CITY OF HAPEVILLE, GEORGIA
CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 1,800	\$ -	\$ -	\$ -
Total revenues	1,800	-	-	-
EXPENDITURES				
Capital outlay	1,800	7,499	7,499	-
Total expenditures	1,800	7,499	7,499	-
Deficiency of revenues over expenditures	-	(7,499)	(7,499)	-
OTHER FINANCING SOURCES				
Transfers in	-	7,499	7,499	-
Total other financing sources	-	7,499	7,499	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	394,065	394,065	394,065	-
FUND BALANCES, end of fiscal year	<u>\$ 394,065</u>	<u>\$ 394,065</u>	<u>\$ 394,065</u>	<u>\$ -</u>

CITY OF HAPEVILLE, GEORGIA
T-SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 285,000	\$ 353,670	\$ 353,670	\$ -
Total revenues	285,000	353,670	353,670	-
EXPENDITURES				
Capital outlay	285,000	346,171	68,152	278,019
Total expenditures	285,000	346,171	68,152	278,019
Excess of revenues over expenditures	-	7,499	285,518	278,019
OTHER FINANCING USES				
Transfers out	-	(7,499)	(7,499)	-
Total other financing uses	-	(7,499)	(7,499)	-
Net change in fund balances	-	-	278,019	278,019
Fund balances, beginning of fiscal year	2,144,932	2,144,932	2,144,932	-
Fund balances, end of fiscal year	<u>\$ 2,144,932</u>	<u>\$ 2,144,932</u>	<u>\$ 2,422,951</u>	<u>\$ 278,019</u>

CITY OF HAPEVILLE, GEORGIA

**Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax
For the Three-Month Period Ended September 30, 2024**

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	\$ 1,630,702	\$ -	\$ 1,630,702	91%
Pedestrian Improvements - Sidewalk, Curb and Gutter, Bike Lane - Dogwood	1,900,000	1,732,292	1,667,086	65,206	1,732,292	100%
Maintenance and Safety - (Paving) Loop Road and Rail Facility Project	1,400,000	3,300,000	3,276,245	7,499	3,283,744	100%
Traffic and Street Signage and Traffic Signal Improvements	600,000	300,000	237,535	-	237,535	79%
Pre-Engineering, Project Administration	834,792	334,792	282,481	2,946	285,427	85%
	<u>\$ 6,334,792</u>	<u>\$ 7,467,084</u>	<u>\$ 7,094,049</u>	<u>\$ 75,651</u>	<u>\$ 7,169,700</u>	<u>96%</u>

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.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 ^a
Expenses:										
Governmental Activities										
General government	\$ 2,265,737	\$ 3,177,991	\$ 2,490,217	\$ 2,721,802	\$ 3,064,547	\$ 3,181,487	\$ 3,616,969	\$ 3,428,481	\$ 4,017,389	\$ 799,066
Judicial	-	129,440	124,583	154,675	327,220	328,236	350,371	327,947	469,688	92,705
Public safety	4,936,495	5,729,064	5,486,731	6,111,073	7,803,633	7,757,447	8,170,183	8,455,609	11,131,581	1,672,781
Highways and streets	996,954	764,781	953,406	1,363,892	1,485,918	1,593,163	1,819,584	4,479,415	4,037,758	704,699
Culture and recreation ^f	551,428	1,832,125	1,715,312	1,809,491	2,201,635	2,063,606	2,352,165	1,369,678	1,305,313	383,683
Parks and grounds ^f	865,972	-	-	-	-	-	-	-	-	-
Planning and zoning	241,023	298,772	184,740	187,009	330,671	189,863	910,918	300,230	344,723	64,683
Trade, tourism, and development	730,231	905,390	2,045,399	2,410,903	2,142,435	1,602,145	2,150,115	2,575,037	2,697,966	571,519
Debt-related expenses	22,095	44,846	48,535	61,350	60,495	63,272	12,505	42,465	80,069	17,498
Total Primary Government Expenses	10,569,935	12,902,409	13,058,923	14,820,195	17,446,554	16,779,209	19,382,810	20,978,862	24,084,487	4,306,634
Program Revenues:										
Governmental Activities										
Charges for services	886,148	1,330,553	1,208,343	1,052,832	1,767,968	1,548,094	2,742,489	2,078,561	1,826,699	415,161
Operating grants and contributions	39,138	26,333	5,290	17,656	4,630	1,220,517	1,318,236	30,586	44,288	9,210
Capital grants and contributions	780,581	667,438	3,054,072	5,334,753	1,904,573	1,644,661	2,192,145	1,728,170	1,750,714	427,177
Total Primary Government Program Revenues	1,695,867	2,024,324	4,267,705	6,405,241	3,677,171	4,413,272	6,252,870	3,837,317	3,621,701	851,548
Net (Expense) Revenue	(8,884,068)	(10,878,085)	(8,791,218)	(8,414,954)	(13,769,383)	(12,365,937)	(13,129,940)	(17,141,545)	(20,462,786)	(3,455,086)
General Revenues:										
Governmental activities										
Taxes										
Property	4,604,469	5,452,637	5,242,270	6,177,974	7,439,950	7,475,538	6,974,646	7,935,120	8,190,574	772,005
Sales	1,751,341	1,771,491	1,865,494	1,992,229	1,867,684	2,030,907	2,441,710	2,468,745	2,411,791	604,989
Occupation	324,329	-	-	-	-	-	-	-	-	-
Franchise	679,502	653,527	665,196	681,134	689,010	650,940	690,475	766,004	816,906	38,993
Insurance premium	391,735	407,163	433,106	468,835	510,484	537,202	554,124	567,472	617,133	-
Hotel/motel	2,462,623	2,771,189	3,108,228	3,636,829	2,801,045	2,022,758	3,032,107	3,680,574	3,445,766	825,891
Other	546,226	545,769	631,991	751,228	599,053	579,585	662,987	713,431	752,957	112,963
Other local revenue	39,844	243,593	194,039	54,761	86,011	437,927	161,615	110,029	60,439	23,468
Unrestricted investment earnings	218	448	781	53	5,847	13	7	7	8	2
Gain on sale of capital assets	-	-	-	-	-	-	-	383,433	9,582	-
Transfers	(361,340)	(452,339)	(439,256)	(484,720)	(354,836)	(795,048)	(663,237)	3,539,105	(20,433)	(86,015)
Total Primary Government General Revenues	10,438,947	11,393,478	11,701,849	13,276,323	13,644,248	12,939,802	13,854,434	20,163,920	16,284,723	2,292,306
Total Primary Government Change in Net Position	\$ 1,554,879	\$ 515,393	\$ 2,910,631	\$ 4,861,369	\$ (125,135)	\$ 573,865	\$ 724,494	\$ 3,022,375	\$ (4,178,063)	\$ (1,162,780)
Data Source:										
Applicable years' annual financial report.										
Notes:										
^f In fiscal year 2017, the costs for these two functions were merged.										
^a In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.										

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 ²
Expenses:										
Governmental Activities										
General government	21.4%	24.6%	19.1%	18.4%	17.6%	19.0%	18.7%	16.3%	16.7%	18.6%
Judicial	0.0%	1.0%	1.0%	1.0%	2.0%	2.0%	1.8%	1.6%	2.0%	2.2%
Public safety	46.7%	44.4%	42.1%	41.2%	44.7%	46.2%	42.2%	40.3%	46.2%	38.8%
Highways and streets	9.1%	6.1%	7.3%	9.2%	8.6%	9.5%	9.4%	21.4%	16.8%	16.4%
Culture and recreation ¹	5.2%	14.2%	13.1%	12.2%	12.6%	12.3%	12.1%	6.5%	5.4%	8.9%
Parks and grounds ¹	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Planning and zoning	2.3%	2.3%	1.4%	1.3%	1.9%	1.1%	4.7%	1.4%	1.4%	1.5%
Trade, tourism, and development	6.9%	7.0%	15.7%	16.3%	12.3%	9.5%	11.1%	12.3%	11.2%	13.3%
Debt-related expenses	0.1%	0.4%	0.4%	0.4%	0.3%	0.3%	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	51.4%	65.7%	28.3%	16.4%	48.1%	35.1%	43.9%	54.2%	50.4%	48.8%
Operating grants and contributions	2.3%	1.3%	0.1%	0.3%	0.1%	27.7%	21.1%	0.8%	1.2%	1.1%
Capital grants and contributions	46.3%	33.0%	71.6%	83.3%	51.8%	37.3%	35.1%	45.0%	48.3%	50.2%
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%	47.9%	44.8%	46.5%	54.5%	57.8%	50.3%	39.4%	50.3%	33.7%
Sales	16.8%	15.5%	15.9%	15.0%	13.7%	15.7%	17.6%	12.2%	14.8%	26.4%
Occupation	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Franchise	6.5%	5.7%	5.7%	5.1%	5.0%	5.0%	5.0%	3.8%	5.0%	1.7%
Insurance premium	3.8%	3.8%	3.7%	3.5%	3.7%	4.2%	4.0%	2.8%	3.8%	0.0%
Hotel/motel	23.6%	24.3%	26.6%	27.4%	20.5%	15.6%	21.9%	18.3%	21.2%	36.0%
Other	5.2%	4.8%	5.4%	5.7%	4.4%	4.5%	4.8%	3.5%	4.6%	4.9%
Other local revenue	0.4%	2.1%	1.7%	0.4%	0.6%	3.4%	1.2%	0.5%	0.4%	1.0%
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%	1.9%	0.1%	0.0%
Transfers	-3.5%	-4.0%	-3.8%	-3.7%	-2.6%	-6.1%	-4.8%	17.6%	-0.1%	-3.8%
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.

² In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

Data Source:

Applicable years' annual comprehensive financial report.

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

Source	2016	2017	2018 (Restated) ²	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 ³
Expenses:										
Water and sewer	\$ 3,341,251	\$ 3,282,497	\$ 3,140,345	\$ 4,021,474	\$ 3,802,086	\$ 4,118,383	\$ 4,315,335	\$ 5,067,755	\$ 6,652,909	\$ 3,594,260
Stormwater	488,436	131,665	70,284	468,413	286,534	190,984	312,686	272,777	488,086	56,036
Solid waste management ¹	-	616,717	492,131	504,518	528,226	572,581	562,623	580,408	869,894	109,620
Development authority	577,621	1,338,589	512,467	532,926	458,689	264,593	203,838	441,667	386,714	66,568
Total Expenses	4,407,308	5,369,468	4,215,227	5,527,331	5,075,535	5,146,541	5,394,482	6,362,607	8,377,603	3,826,484
Program Revenues:										
Charges for services	5,162,897	5,907,246	5,527,472	5,744,255	5,771,583	5,070,344	5,691,433	6,088,326	6,350,239	1,770,130
Operating grants	-	-	-	-	-	-	-	-	5,000	-
Capital grants and contributions	-	-	-	-	-	-	138,544	873,348	1,168,938	302,473
Total Program Revenues	5,162,897	5,907,246	5,527,472	5,744,255	5,771,583	5,070,344	5,829,977	6,961,674	7,524,177	2,072,603
Net (Expense) Revenue	755,589	537,778	1,312,245	216,924	696,048	(76,197)	435,495	599,067	(853,426)	(1,753,881)
General Revenues:										
Unrestricted investment income	7,633	-	-	-	-	-	-	52,897	55,023	13,059
Gain on sale of capital assets	-	-	-	-	-	-	-	1,719,940	-	-
Lease revenue	-	-	-	-	-	-	-	120,592	86,906	20,512
Other	(297,348)	-	-	-	-	355,140	56,081	58,789	84,986	2,995
Transfers	361,340	452,339	439,256	484,720	354,836	795,048	663,237	(3,539,105)	20,433	86,015
Total General Revenues	71,625	452,339	439,256	484,720	354,836	1,150,188	719,318	(1,586,887)	247,348	122,581
Change in Net Position	\$ 827,214	\$ 990,117	\$ 1,751,501	\$ 701,644	\$ 1,050,884	\$ 1,073,991	\$ 1,154,813	\$ (987,820)	\$ (606,078)	\$ (1,631,300)

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.³ In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

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

Source	2016	2017	2018 (Restated)	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 ³
Expenses:										
Governmental activities ¹	\$ 10,569,935	\$ 12,902,409	\$ 13,058,923	\$ 14,820,195	\$ 17,446,554	\$ 16,779,209	\$ 19,382,810	\$ 20,978,862	\$ 24,084,487	\$ 4,306,634
Business-type activities ²	4,407,308	5,369,468	4,215,227	5,527,331	5,075,535	5,146,541	5,394,482	6,362,607	8,377,603	3,826,484
Total Expenses	14,977,243	18,271,877	17,274,150	20,347,526	22,522,089	21,925,750	24,777,292	27,341,469	32,462,090	8,133,118
Program Revenues:										
Governmental activities ¹	1,685,867	2,024,324	4,267,705	6,405,241	3,677,171	4,413,272	6,252,870	3,837,317	3,621,701	851,548
Business-type activities ²	5,162,897	5,907,246	5,527,472	5,744,255	5,771,583	5,070,344	5,829,977	6,961,674	7,524,177	2,072,603
Total Program Revenues	6,848,764	7,931,570	9,795,177	12,149,496	9,448,754	9,483,616	12,082,847	10,798,991	11,145,878	2,924,151
Net (Expense) Revenue	(8,128,479)	(10,340,307)	(7,478,973)	(8,198,030)	(13,073,335)	(12,442,134)	(12,694,445)	(16,542,478)	(21,316,212)	(5,208,967)
General Revenues:										
Governmental activities ¹	10,438,947	11,393,478	11,701,849	13,276,323	13,644,248	12,939,802	13,854,434	20,163,920	16,284,723	2,292,306
Business-type activities ²	71,625	452,339	439,256	484,720	354,836	1,150,188	719,318	(1,586,887)	247,348	122,581
Total General Revenues	10,510,572	11,845,817	12,141,105	13,761,043	13,999,084	14,089,990	14,573,752	18,577,033	16,532,071	2,414,887
Change in Net Position	\$ 2,382,093	\$ 1,505,510	\$ 4,662,132	\$ 5,563,013	\$ 925,749	\$ 1,647,856	\$ 1,879,307	\$ 2,034,555	\$ (4,784,141)	\$ (2,794,080)

Notes:

¹ See Exhibit I

² See Exhibit III

³ In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

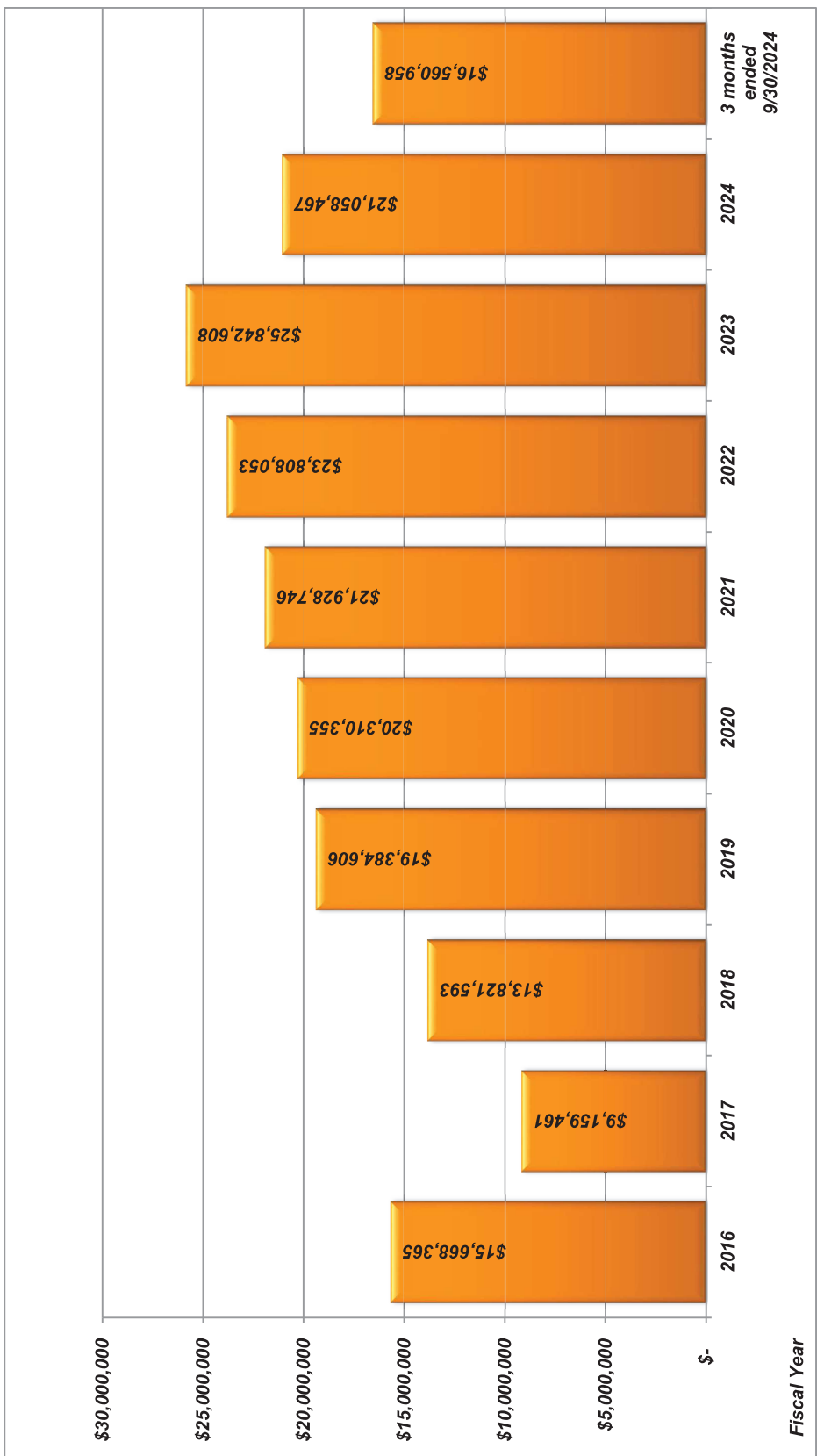
City of Hapeville, Georgia
Government-Wide Net Position by Category (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	Restated 2018 (1)	2019	2020	Restated 2021 (2)	2022	2023	2024	3 Months Ended September 30, 2024 (3)
Governmental Activities										
Net investment in capital assets	\$ 15,380,764	\$ 14,979,549	\$ 16,800,830	\$ 23,391,066	\$ 25,503,707	\$ 26,015,801	\$ 27,867,045	\$ 28,725,526	\$ 28,365,511	\$ 28,257,043
Restricted	994,663	2,235,010	3,078,512	1,520,642	970,169	1,007,836	2,209,458	3,242,800	3,823,125	4,070,388
Unrestricted (deficit)	(4,613,716)	(11,993,586)	(11,747,738)	(11,918,735)	(13,606,036)	(13,581,934)	(15,910,306)	(14,779,754)	(19,178,127)	(22,078,224)
Subtotal Governmental Activities Net Position	11,761,711	5,220,973	8,131,604	12,992,973	12,867,838	13,441,703	14,166,197	17,188,572	13,010,509	10,249,207
Business-Type Activities										
Net investment in capital assets	13,552,649	13,831,713	13,533,322	13,095,381	13,427,038	12,976,904	15,795,700	13,536,706	9,808,477	10,339,572
Restricted	1,064,752	1,430,587	908,311	812,819	878,447	1,099,955	520,068	1,152,104	806,995	850,305
Unrestricted (deficit)	(10,710,747)	(11,323,812)	(8,751,644)	(7,516,367)	(6,862,968)	(5,589,816)	(6,673,912)	(6,034,774)	(2,567,514)	(4,878,126)
Subtotal Business-Type Activities Net Position	3,906,654	3,938,488	5,689,989	6,391,833	7,442,517	8,487,043	9,641,856	8,654,036	8,047,958	6,311,751
Primary Government										
Net investment in capital assets	28,933,413	28,811,262	30,334,152	36,486,447	38,930,745	38,992,705	43,662,745	42,262,232	38,173,988	38,596,615
Restricted	2,059,415	3,665,597	3,986,823	2,333,461	1,848,616	2,107,791	2,729,526	4,394,904	4,630,120	4,920,693
Unrestricted (deficit)	(15,324,463)	(23,317,398)	(20,499,382)	(19,435,302)	(20,469,006)	(19,171,750)	(22,584,218)	(20,814,528)	(21,745,641)	(26,956,350)
Total Primary Government Net Position	\$ 15,668,365	\$ 9,159,461	\$ 13,821,593	\$ 19,384,606	\$ 20,310,355	\$ 21,928,746	\$ 23,808,053	\$ 25,842,608	\$ 21,058,467	\$ 16,560,958

Notes:

- (1) 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.
- (2) In fiscal year 2022, the City implemented GASB 87.
- (3) In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

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



City of Hapeville, Georgia
General Governmental Revenues by Source (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 ²
Revenue Source										
Taxes	\$ 11,452,396	\$ 11,452,396	\$ 11,924,128	\$ 13,918,539	\$ 13,904,632	\$ 13,347,004	\$ 14,331,341	\$ 16,224,636	\$ 16,275,614	\$ 2,342,284 (3)
Licenses and permits	293,601	715,397	519,926	341,141	707,583	580,767	1,555,739	875,797	598,811	88,119
Charges for services	344,438	434,378	479,351	566,222	597,868	474,714	649,752	705,566	677,416	182,009
Fines and forfeitures	203,109	180,778	209,066	145,469	462,517	492,613	535,833	496,033	549,307	162,843
Intergovernmental	791,677	681,579	3,054,072	5,334,753	1,904,573	2,822,562	3,495,551	1,741,836	1,763,542	431,949
Contributions	28,042	12,192	5,290	17,656	4,630	500	14,830	16,920	31,460	4,438
Investment earnings	218	448	781	53	5,847	13	7	7	8	2
Other local revenue	39,844	243,593	194,039	54,761	86,011	100,377	162,780	111,194	61,604	25,658
Total revenues	\$ 13,153,325	\$ 13,720,761	\$ 16,386,653	\$ 20,378,594	\$ 17,673,661	\$ 17,818,550	\$ 20,745,833	\$ 20,171,989	\$ 19,957,762	\$ 3,217,282
% change from prior year	15.7%	4.3%	19.4%	24.4%	-13.3%	0.8%	16.4%	-2.8%	-1.1%	-83.9%
Taxes	87.1%	83.5%	72.8%	68.3%	78.7%	74.9%	69.1%	80.4%	81.6%	72.8%
Licenses and permits	2.2%	5.2%	3.2%	1.7%	4.0%	3.3%	7.5%	4.3%	3.0%	2.1%
Charges for services	2.6%	3.2%	2.9%	2.8%	3.4%	2.7%	3.1%	3.5%	3.4%	5.7%
Fines and forfeitures	1.5%	1.3%	1.3%	0.7%	2.6%	2.8%	2.6%	2.5%	2.8%	5.1%
Grant revenue	6.0%	5.0%	18.6%	26.2%	10.8%	15.8%	16.8%	8.6%	8.8%	13.4%
Contributions	0.2%	0.1%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	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	0.4%	1.8%	1.2%	0.3%	0.5%	0.6%	0.8%	0.6%	0.3%	0.8%
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.

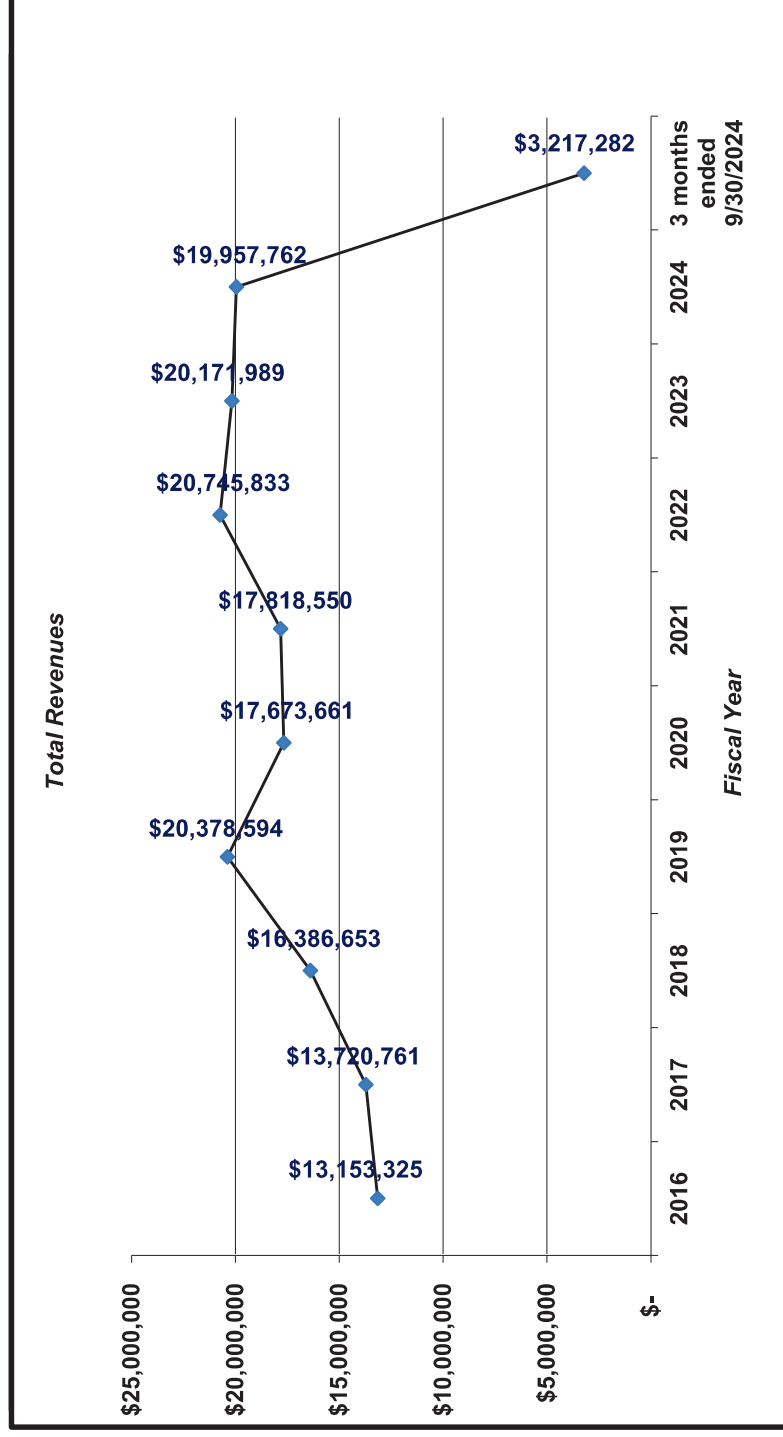
² In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

³ The City did not levy or bill any property taxes during the three month period ended September 30, 2024.

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 and Use	Business and Occupation	Franchise	Insurance Premium	Hotel/ Motel	Other	Total
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
2024	8,042,293	2,411,791	752,957	816,906	617,133	3,445,766	188,768	16,275,614
3 Months Ended 9/30/2024 (1)	708,772	604,999	112,963	38,993	-	825,891	50,646	2,342,264
% Change in Dollars Over 10 Years	114.4%	38.7%	159.7%	21.4%	74.2%	51.4%	-66.2%	68.8%
Percentage of Total								
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%	1.7%	100.0%
2022	46.6%	17.0%	4.6%	4.8%	3.9%	21.2%	1.9%	100.0%
2023	48.2%	15.2%	4.4%	4.7%	3.5%	22.7%	1.3%	100.0%
2024	49.4%	14.8%	4.6%	5.0%	3.8%	21.2%	1.2%	100.0%
3 Months Ended 9/30/2024 (1)	30.3%	25.8%	4.8%	1.7%	0.0%	35.3%	2.2%	100.0%

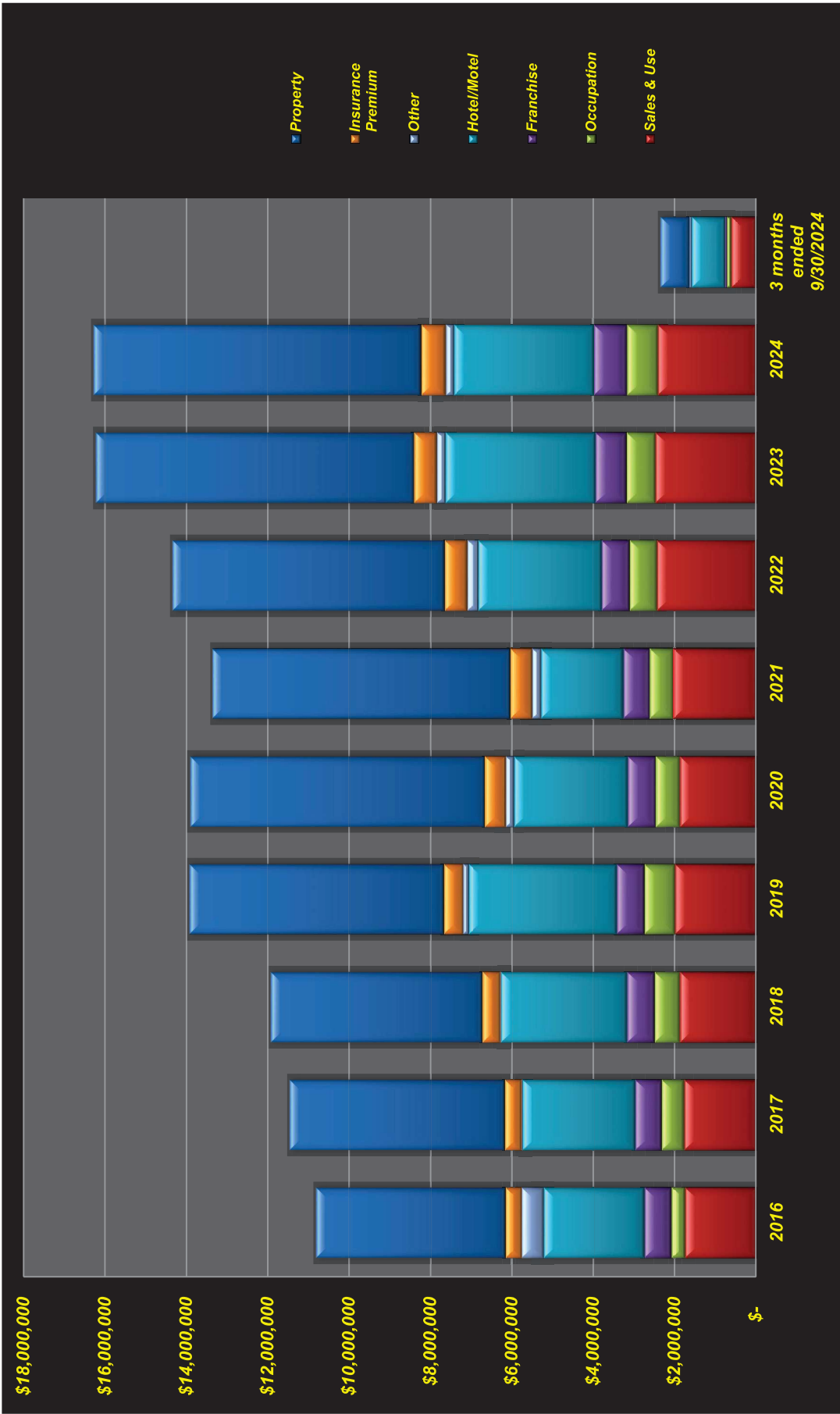
Notes:

(1) In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024. No property taxes were levied or billed during the period.

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)



City of Hapeville, Georgia
General Governmental Expenditures by Function (Unaudited) (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function	2016	2017	2018	2019 (2)	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 (4)
Current:										
General government	\$ 2,285,142	\$ 3,140,702	\$ 2,729,155	\$ 2,389,436	\$ 2,497,277	\$ 2,803,651	\$ 3,520,410	\$ 3,366,861	\$ 3,172,201	\$ 850,095
Judicial	-	128,399	128,537	148,668	308,218	304,382	328,694	325,851	373,868	102,536
Public safety	6,175,585	5,229,710	5,387,641	5,475,912	6,693,118	7,458,803	7,374,225	8,015,895	8,743,243	1,657,471
Highways and streets	645,837	731,217	682,784	811,407	829,856	922,443	2,574,626 (3)	3,672,808	3,087,439	633,781
Culture and recreation	512,870	1,607,025	1,514,033	1,508,680	1,754,389	1,736,042	1,924,719	992,361	964,481	308,821
Parks and ground	711,505	-	-	-	-	-	-	-	-	-
Planning and zoning	232,704	281,799	179,123	164,460	285,311	176,056	854,559 (3)	298,311	274,397	71,543
Trade, tourism, and development	686,384	849,574	2,008,033	4,088,543	2,678,510	1,639,296	2,068,821	2,466,263	2,698,411	618,300
Total Current	11,230,027	11,968,426	12,609,306	14,587,106	15,046,679	15,040,673	18,645,854	19,138,350	19,314,040	4,242,547
% Change from Prior Year	10.7%	6.6%	5.4%	15.7%	3.2%	0.0%	24.0%	2.6%	0.9%	-78.0%
Capital Outlay	1,133,938	718,560	2,349,152	6,054,963	2,117,293	1,559,152	1,257,045	2,260,479	720,340	75,651
% Change from Prior Year	18.4%	-36.6%	226.9%	157.8%	-65.0%	-26.4%	-19.4%	79.8%	-68.1%	-89.5%
Debt Service										
Principal	226,234	301,243	323,101	338,556	408,374	375,487	465,350	394,039	573,932	232,360
Interest and fees	22,095	44,846	48,535	61,350	60,495	63,272	12,505	42,465	80,069	17,498
Total Debt Service	248,329	346,089	371,636	399,906	468,869	438,759	477,855	436,504	654,001	249,858
% Change from Prior Year	81.8%	39.4%	7.4%	7.6%	17.2%	-6.4%	8.9%	-8.7%	49.8%	-61.8%
Total Expenditures	\$ 12,612,294	\$ 13,033,075	\$ 15,330,094	\$ 21,041,975	\$ 17,632,841	\$ 17,038,584	\$ 20,380,754	\$ 21,835,333	\$ 20,688,381	\$ 4,568,056
% Change from Prior Year	12.2%	3.3%	17.6%	37.3%	-16.2%	-3.4%	19.6%	7.1%	-5.3%	-77.9%
Debt Service as a % of Noncapital Expenditures	2.2%	2.8%	2.9%	3.0%	3.3%	3.2%	2.5%	2.3%	3.5%	10.7%

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.
(4) In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

Data Source:

Applicable years' annual financial report.

City of Hapeville, Georgia
General Governmental Current Expenditures by Function (Unaudited) (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function	2016	2017	2018	2019 (2)	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 (4)
Current:										
General government	\$ 2,265,142	\$ 3,140,702	\$ 2,729,155	\$ 2,389,436	\$ 2,497,277	\$ 2,803,651	\$ 3,520,410	\$ 3,366,861	\$ 3,172,201	\$ 850,095
Judicial	-	128,399	128,537	148,668	308,218	304,382	328,694	325,851	373,868	102,536
Public safety	6,175,585	5,229,710	5,387,641	5,475,912	6,693,118	7,458,803	7,374,225	8,015,895	8,743,243	1,657,471
Highways and streets	645,837	731,217	662,784	811,407	829,856	922,443	2,574,626 (3)	3,672,808	3,087,439	633,781
Culture and recreation	512,870	1,607,025	1,514,033	1,508,680	1,754,389	1,736,042	1,924,719	992,361	964,481	308,821
Parks and grounds	711,505	-	-	-	-	-	-	-	-	-
Planning and zoning	232,704	281,799	179,123	164,460	285,311	176,056	854,559 (3)	298,311	274,397	71,543
Trade, tourism, and development	686,384	849,574	2,008,033	4,088,543	2,678,510	1,639,296	2,068,621	2,466,263	2,698,411	618,300
Total Current	\$ 11,230,027	\$ 11,968,426	\$ 12,609,306	\$ 14,587,106	\$ 15,046,679	\$ 15,040,673	\$ 18,645,854	\$ 19,138,350	\$ 19,314,040	\$ 4,242,547
Current:										
General government	20.2%	26.2%	21.6%	16.4%	16.6%	18.6%	18.9%	17.6%	16.4%	20.0%
Judicial	0.0%	1.1%	1.0%	1.0%	2.0%	2.0%	1.8%	1.7%	1.9%	2.4%
Public safety	55.0%	43.7%	42.7%	37.5%	44.5%	49.6%	39.5%	41.9%	45.3%	39.1%
Public works	5.8%	6.1%	5.3%	5.6%	5.5%	6.1%	13.8%	19.2%	16.0%	14.9%
Culture and recreation	4.6%	13.4%	12.0%	10.3%	11.7%	11.5%	10.3%	5.2%	5.0%	7.3%
Parks and grounds	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Planning, zoning, and development	2.1%	2.4%	1.4%	1.1%	1.9%	1.2%	4.6%	1.6%	1.4%	1.7%
Trade and tourism	6.1%	7.1%	15.9%	28.0%	17.8%	10.9%	11.1%	12.9%	14.0%	14.6%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

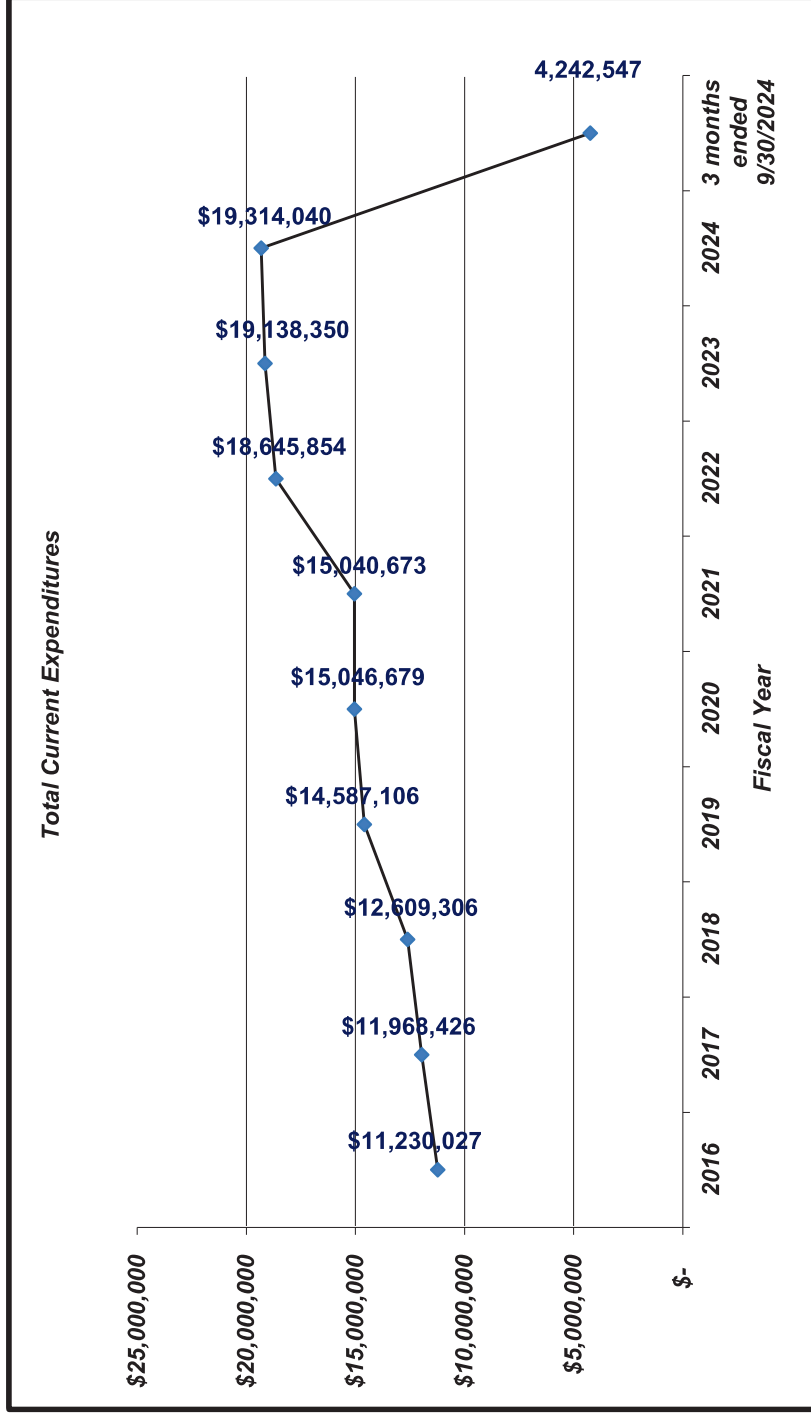
Notes:

- (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.
(4) In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 (1)
Total Revenues	\$ 13,153,325	\$ 13,720,761	\$ 16,386,653	\$ 20,378,594	\$ 17,673,661	\$ 17,818,550	\$ 20,745,833	\$ 20,171,989	\$ 19,957,762	\$ 3,217,282
Total Expenditures	12,612,294	13,033,075	15,330,094	21,041,975	17,632,841	17,038,584	20,380,754	21,835,333	20,688,381	4,568,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	541,031	687,686	1,056,559	(663,381)	40,820	779,966	365,079	(1,663,344)	(730,619)	(1,350,774)
Other Financing Sources (Uses)										
Financed purchases	1,290,807	319,088	347,764	554,564	273,501	853,592	-	395,346	1,133,286	-
Sale of capital assets	25,000	-	-	-	-	337,550	-	383,433	9,582	-
Transfers in	3,113,335	3,608,731	3,248,254	3,914,833	3,459,723	2,595,919	3,975,583	10,046,039	3,414,539	633,355
Transfers out	(3,474,675)	(3,511,070)	(3,687,510)	(4,399,553)	(3,814,559)	(3,390,967)	(4,638,820)	(6,506,931)	(3,434,972)	(719,370)
Total Other Financing Sources (Uses)	954,467	416,749	(91,492)	69,844	(81,335)	396,094	(663,237)	4,317,887	1,122,435	(86,015)
Net Change in Fund Balances	\$ 1,495,498	\$ 1,104,435	\$ 965,067	\$ (593,537)	\$ (40,515)	\$ 1,176,060	\$ (298,158)	\$ 2,654,543	\$ 391,816	\$ (1,436,789)

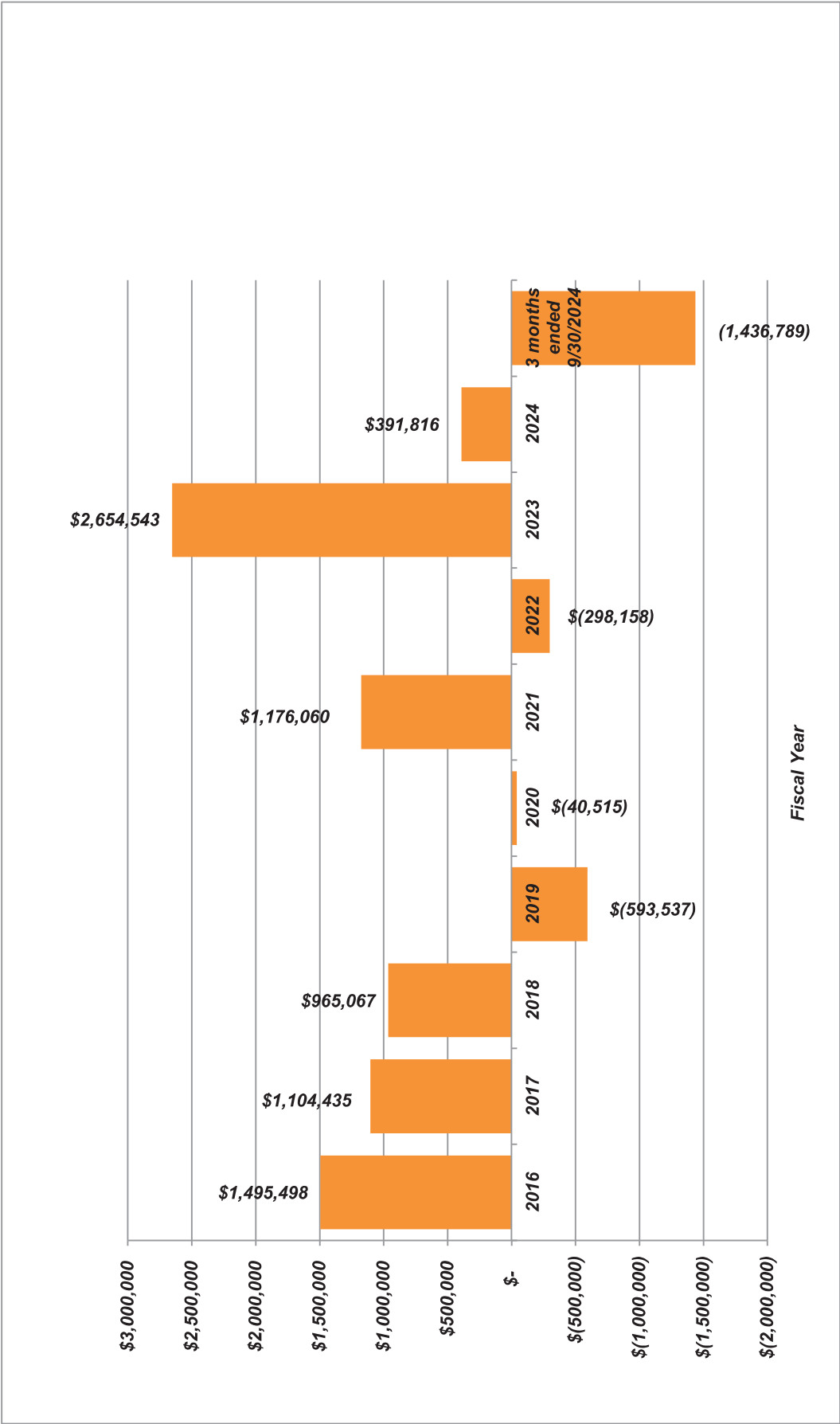
Notes:

(1) In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

Data Source:

Applicable years' annual financial report.

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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 (1)
General Fund										
Nonspendable	\$ 166,949	\$ 116,047	\$ 17,699	\$ 306,384	\$ 922,606	\$ 1,224,247	\$ 1,157,867	\$ 3,475,988	\$ 3,809,040	\$ 3,726,490
Restricted-Program Purposes	50,734	84,926	46,583	**	356,198	645,105	877,182	1,753,706	1,493,466	1,507,150
Unassigned	1,189,853	1,129,057	1,324,756	2,000,404	1,897,150	2,760,072	1,280,393	374,986	(259,700)	(1,905,500)
Total General Fund	1,407,536	1,330,030	1,389,038	2,954,727	3,175,914	4,629,424	3,315,442	5,604,680	5,042,796	3,328,140
General Fund Percentage Change	46.0%	-5.5%	4.4%	112.7%	7.5%	45.8%	-28.4%	69.0%	-10.0%	-34.0%
All Other Governmental Funds										
Nonspendable	-	351,139	-	-	-	-	-	-	-	-
Restricted:										
Program Purposes	943,929	2,117,690	3,031,929	872,703	614,011	320,615	1,118,175	1,489,094	2,233,798	2,511,765
Assigned	-	-	-	-	-	12,936	231,200	225,583	434,579	434,479
Unassigned (Deficit)	-	(342,959)	-	-	(3,010)	-	-	-	-	-
Total All Other Governmental Funds	943,929	2,125,870	3,031,929	872,703	611,001	333,551	1,349,375	1,714,677	2,668,377	2,946,244
All Other Governmental Funds Percentage Change	82.7%	125.2%	42.8%	-71.2%	-30.0%	-45.4%	304.5%	27.1%	55.6%	10.4%
Total Governmental Funds										
Nonspendable	166,949	467,186	17,699	306,384	922,606	1,224,247	1,157,867	3,475,988	3,809,040	3,726,490
Restricted	994,663	2,202,616	3,078,512	1,520,642	970,169	965,720	1,995,357	3,242,800	3,727,254	4,018,915
Assigned	-	-	-	-	-	12,936	231,200	225,583	434,579	434,479
Unassigned	1,189,853	786,098	1,324,756	2,000,404	1,894,140	2,760,072	1,280,393	374,986	(259,700)	(1,905,500)
Total Governmental Funds	\$ 2,351,465	\$ 3,455,900	\$ 4,420,967	\$ 3,827,430	\$ 3,786,915	\$ 4,962,975	\$ 4,664,617	\$ 7,319,357	\$ 7,711,173	\$ 6,274,384
All Governmental Funds Percentage Change	58.8%	47.0%	27.9%	-13.4%	-1.1%	31.1%	-6.0%	56.9%	5.4%	-18.6%

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.

(1) In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024.

Data Source:

Applicable years' annual financial report.

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,	Amounts										
	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
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	386,586,009	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%
2024	220,213,960	253,266,280	18,544,000	42,743,757	688,770	105,520	7,211,520	528,350,767	15.209	1,320,876,918	7.9%
*	\$ 107,400,733	\$ 243,576,434	\$ 15,774,856	\$ 29,276,586	\$ 2,657,097	\$ 71,964	\$ 8,480,107	\$ 390,277,563	\$ 16	\$ 975,693,908	
**	376.6%	26.8%	98.5%	685.3%	-90.3%	453.0%	-13.0%	103.4%	-8.4%	103.4%	

Percentage of Total Assessed Value

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%	
2024	41.1%	47.3%	3.5%	8.0%	0.1%	0.0%	1.3%	98.7%	

* 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.

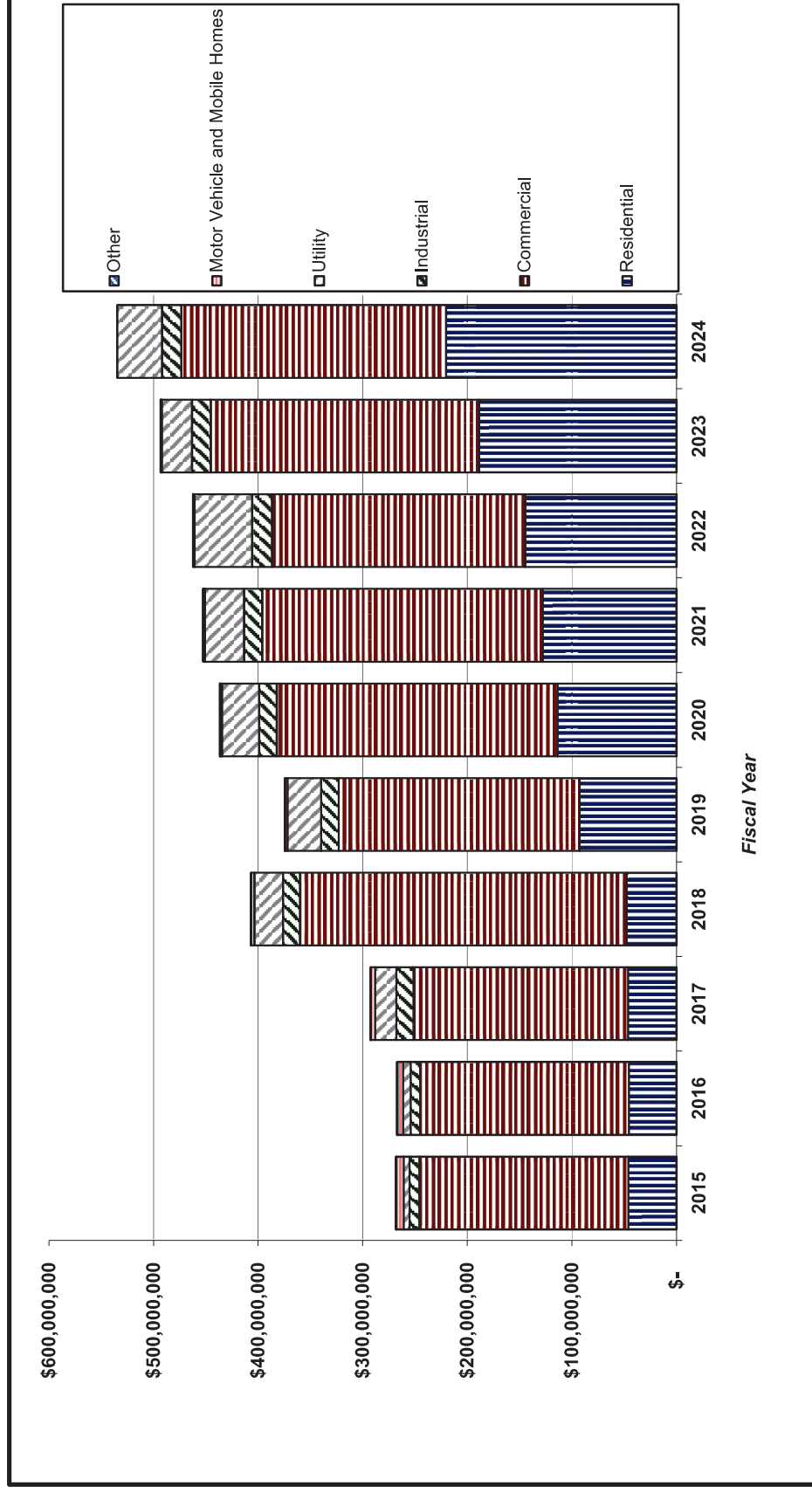
⁴ The fiscal year indicated above reports the tax digest from the prior calendar year.

⁵ The assessed values as of September 30, 2024 are the same as those presented above as of June 30, 2024 considering property values are assessed as of January 1 of each 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)

Fiscal Year	Direct	Overlapping ¹		
	Updated City Rate	State of Georgia ²	Updated Amounts Fulton County	Fulton County School Board
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
2024	15.209	0.000	8.870	17.140
9/30/2024	15.209	0.000	8.870	17.140

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.

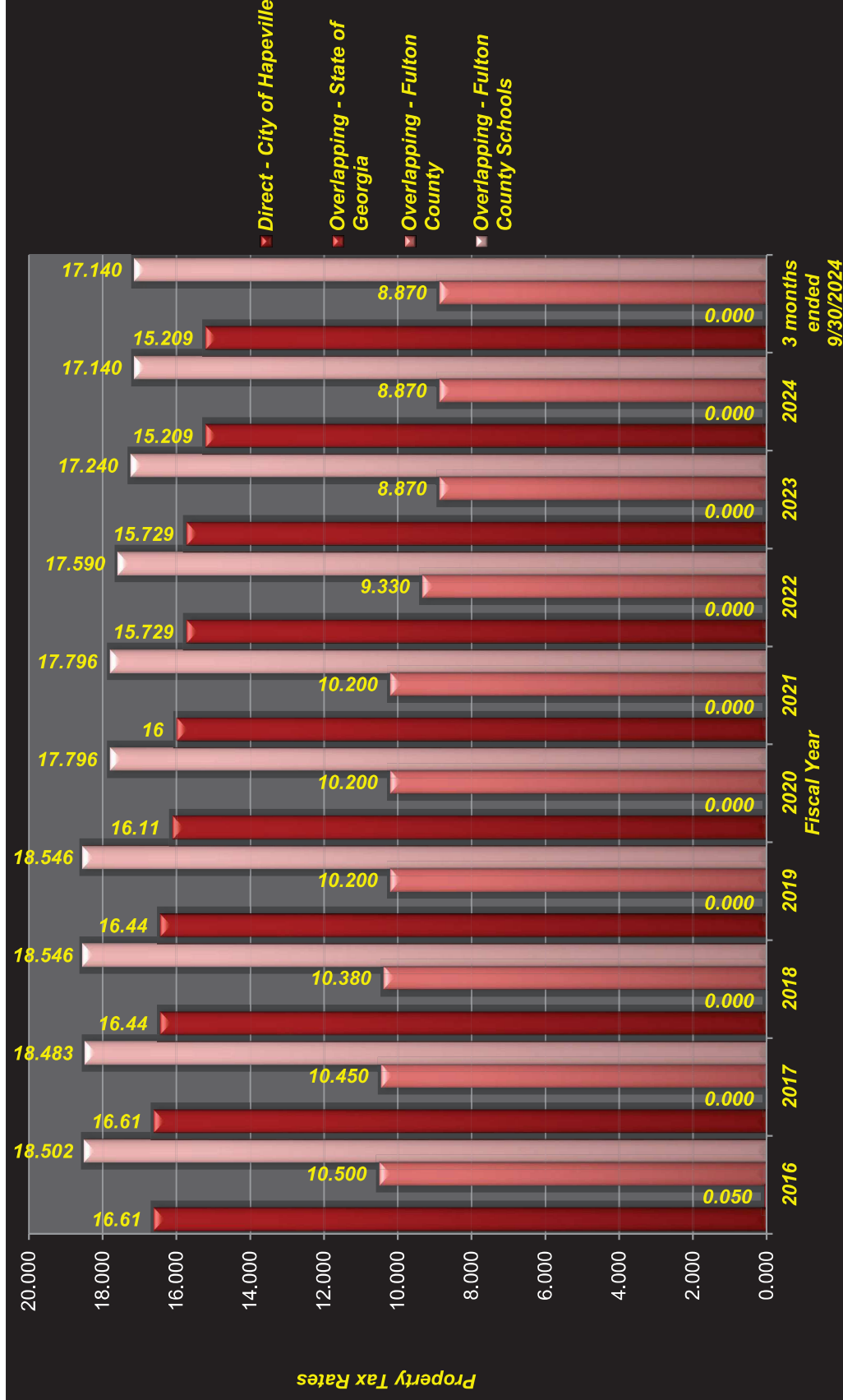
³ In 2024, the City changed its fiscal year end from June 30 to September 30 and an audit was performed on the 3 month period ended September 30, 2024. There were no changes in rates from June 30, 2024 to September 30, 2024.

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)



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
2016	4,569	4,529	99.12%	30	4,559	99.78%	10	99.78%
2017	4,942	4,710	95.31%	211	4,921	99.58%	21	99.58%
2018	4,975	4,822	96.92%	146	4,968	99.86%	7	99.86%
2019	5,934	5,794	97.64%	133	5,927	99.88%	7	99.88%
2020	6,928	6,780	97.86%	140	6,920	99.88%	8	99.88%
2021	7,060	6,947	98.40%	101	7,048	99.83%	12	99.83%
2022	6,617	6,450	97.48%	147	6,597	99.70%	20	99.70%
2023	7,331	7,184	97.99%	94	7,278	99.28%	53	99.28%
2024	7,642	7,512	98.30%	106	7,618	99.69%	24	99.69%
9/30/2024 ²	-	-	0.00%	-	-	0.00%	-	0.00%

Notes:

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

² In 2024, the City changed its fiscal year end from June 30 to September 30 and no taxes were levied or billed in the three month period ended September 30, 2024.

Data Source:

City Tax Office

City of Hapeville, Georgia
Principal Property Taxpayers (Unaudited)
Fiscal Years Ended June 30, 2024 and 2015

2024				2015			
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	\$ 63,000,000	1	5.91%	DIGITAL DOUG DAVIS, LLC	\$ 46,604,000	1	9.07%
DIGITAL DOUG DAVIS, LLC	45,974,200	2	4.31%	HAPEVILLE LTD PARTNERSHIP	42,976,500	2	8.37%
BLUE ATLANTIC HARTSFIELD, LP	43,152,700	3	4.05%	BELL FUND IV ASBURY PARK APART	35,065,700	3	6.83%
MIKEONE EK ATL OPS CENTER, LLC	42,649,900	4	4.00%	DELTA AIR LINES, INC.	30,183,228	4	5.88%
DELTA AIR LINES, INC.	30,925,800	5	2.90%	ATL AIRPORT PR1, LLC	28,289,000	5	5.51%
PORSCHE CARS NORTH AMERICA, INC.	21,976,400	6	2.06%	NFR ECP I 3343 ATLANTA OPS CEN	27,396,571	6	5.33%
LAMODAR, LLC	19,500,000	7	1.83%	CITY OF ATLANTA	16,705,200	7	3.25%
APSILON MANAGEMENT ATLANTA, LLC	14,161,800	8	1.33%	HOSPITALITY PROPERTIES, INC.	9,181,200	8	1.79%
STATE BANK OF TEXAS	13,465,800	9	1.26%	PORSCHE CARS NORTH AMERICA, INC.	9,122,200	9	1.78%
DIAMOND HOLDINGS AND HOSPITALITY	12,814,900	10	1.20%	DELTA COMMUNITY CREDIT UNION	8,700,000	10	1.69%
Total Principal Taxpayers	307,621,500		28.84%	Total Principal Taxpayers	254,223,599		49.50%
All Other Taxpayers	759,113,830		71.16%	All Other Taxpayers	259,345,275		50.50%
Total	\$ 1,066,735,330		100.00%	Total	\$ 513,568,874		100.00%

Note: No taxes were levied or billed in the three month period ended September 30, 2024 and thus fiscal year June 30, 2024 is presented.

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	Overlapping			Total Direct and Overlapping Rates
	LOST ¹	Fulton County ⁴	State of Georgia	Fulton County Schools ²	MARTA ³
2016	1.00%	1.00%	4.00%	1.00%	1.00%
2017	1.00%	2.00%	4.00%	1.00%	1.00%
2018	1.00%	2.00%	4.00%	1.00%	1.00%
2019	1.00%	2.00%	4.00%	1.00%	1.00%
2020	1.00%	2.00%	4.00%	1.00%	1.00%
2021	1.00%	2.00%	4.00%	1.00%	1.00%
2022	1.00%	2.00%	4.00%	1.00%	1.00%
2023	1.00%	2.00%	4.00%	1.00%	1.00%
2024	1.00%	2.00%	4.00%	1.00%	1.00%
9/30/2024	1.00%	2.00%	4.00%	1.00%	1.00%
					8.00%
					9.00%
					9.00%
					9.00%
					9.00%
					9.00%
					9.00%
					9.00%
					9.00%
					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
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%
2024	225,634,544	-1.5%
9/30/2024 ⁽⁴⁾	62,145,973	-72.5%

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.

⁽⁴⁾ In 2024, the City changed its fiscal year end from June 30 to September 30 and this is the water consumption for the three month period ended September 30, 2024.

City of Hapeville, Georgia

Water Service Rates (Unaudited)
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024 (1)
Minimum charge (0-2k gal)	\$ 17.56	\$ 17.56	\$ 17.56	\$ 17.56	\$ 17.56	\$ 17.56	\$ 17.56	\$ 20.56	\$ 20.56	\$ 20.56
0-2k gal	8.78	8.78	8.78	8.78	8.78	8.78	8.78	10.53	10.53	10.53
2k-10k gal	8.78	8.78	8.78	8.78	8.78	8.78	8.78	10.53	10.53	10.53
10k-50k	-	-	-	-	-	-	-	-	-	-
50k+ gal	-	-	-	-	-	-	-	-	-	-
10k-16k gal	10.98	10.98	10.98	10.98	10.98	10.98	10.98	12.73	12.73	12.73
16k gal	17.56	17.56	17.56	17.56	17.56	17.56	17.56	19.31	19.31	19.31

Notes:

(1) In 2024, the City changed its fiscal year end from June 30 to September 30.

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
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%
2024	2,350	0.3%
9/30/2024 ²	2,380	1.3%

Data Source:

¹ City Customer Service Department.

² In 2024, the City changed its fiscal year end from June 30 to September 30.

City of Hapeville, Georgia

Ten Largest Customers - Water Service (Unaudited)
Three-Month Period Ended September 30, 2024 and Fiscal Year 2016

Three-Month Period Ending September 30, 2024				Fiscal Year 2016		
Rank	Customer	Consumption Gallons (000s)	%	Customer	Consumption Gallons (000s)	%
1	WS HAA OWNER, LLC	5,108	8.8%	DIGITAL DOUG DAVIS, LLC	15,521	14.0%
2	INCITY SUITES	3,298	5.7%	PORSCHE CARS NORTH AMERICA	7,690	7.0%
3	BLUE ATLANTIC HARTSFIELD, LP	3,130	5.4%	HPT CY TRS, INC.	5,755	5.2%
4	ACRON 2 PORSCHE AVE	2,188	3.8%	DELTA AIRLINES, INC. RESERV.	4,581	4.1%
5	DELTA AIRLINES, INC. RESERV	1,621	2.8%	STAYBRIDGE SUITES	3,715	3.4%
6	PORSCHE CARS NORTH AMERICA	1,599	2.8%	MARROTT, INC. SITE #57231 C/O	3,169	2.9%
7	MIKEONE EK ATL OPS CENTER, LLC	1,285	2.2%	QD PROPERTIES, LLC	2,673	2.4%
8	HPT CY TRS, INC.	971	1.7%	DELTA AIRLINES, INC. RESERV	2,482	2.2%
9	DWARF HOUSE	780	1.3%	FRANKLIN VILLAGE	2,027	1.8%
10	QD PROPERTIES, LLC	756	1.3%	GARVA PROPERTIES, LLC	1,742	1.6%
Total Ten Largest Customers		20,734	35.8%	Total Ten Largest Customers	49,355	44.6%
All Other Customers		37,143	64.2%	All Other Customers	61,231	55.4%
Total		57,877	100.0%	Total	110,586	100.0%

Data Source:
City Water Department

City of Hapeville, Georgia

Sewer Service Rates (Unaudited)
Last Ten Fiscal Years

	Fiscal Year Ended June 30,										3 Months Ended	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	September 30, 2024 (1)		
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	\$ 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	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	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	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	8.99	8.99

Notes:

(1) In 2024, the City changed its fiscal year end from June 30 to September 30.

Data Source:

City Customer Service Department

City of Hapeville, Georgia

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

June 30,	Governmental Activities				Business-Type Activities				Grand Total	Percentage of Personal Income	Estimated ² Population	Per Capita
	Certificates of Participation	Notes	Financed Purchases	Total	Revenue Bonds	Financed Purchases	Notes Payable	Total				
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
2024	-	-	2,189,161	2,189,161	6,675,000	435,622	915,505	8,026,127	10,215,288	4.527%	6,691	1,527
9/30/2024 ³	-	-	1,956,801	1,956,801	6,040,000	435,622	902,994	7,378,616	9,335,417	4.137%	6,691	1,395

Data Sources:

¹ Applicable years' annual financial report.

² Exhibit XXVI.

³ In 2024, the City changed its fiscal year end from June 30 to September 30.

City of Hapeville, Georgia

Direct and Overlapping Governmental Activities Debt (Unaudited)
September 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Underlying Debt
Overlapping General Obligation Debt ^{2,3}			
Fulton County, Georgia	\$ 216,173,662	0.48%	\$ 1,041,686
Total Overlapping Debt	216,173,662		1,041,686
City Direct Debt			
Financed purchases	1,956,801	100.00%	1,956,801
Total Direct and Overlapping Debt	\$ 218,130,463		\$ 2,998,487

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 12-31-23*.

Data Source:

Each specific government

City of Hapeville, Georgia

Legal Debt Margin (Unaudited) Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxable Assessed Value ¹										
	\$ 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	\$ 528,350,767
Legal Debt Margin										
Debt limit (10% of assessed value) ²	\$ 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	\$ 52,835,077
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	\$ 52,835,077
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.

⁴ The City changed its fiscal year end from June 30 to September 30 as of September 30 2024. Assessed values did not change from June 30, 2024 to September 30, 2024, therefore, no new information is presented as of the three-month period ended September 30, 2024.

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		Median Age (1)	Unemployment Rate		
			Per Capita Income (1)	Income % of U.S. (1)		County (2)	State of Georgia (2)	United States (2)
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%
2024	6,691	225,647,284	33,724	81.73%	38.9	3.9%	3.3%	4.1%

1 U.S. Census Bureau

2 Georgia Department of Labor

City of Hapeville, Georgia

Principal Employers (Unaudited)

Fiscal Years Ended September 30, 2024 and 2015

2024					2015				
Employer	Type of Business	Rank	Number of Employees	Percentage of Total Employment	Employer	Type of Business	Rank	Number of Employees	Percentage of Total Employment
DELTA AIR LINES, INC.	Airlines	1	1,392	27.66%	DELTA AIR LINES, INC.	Airlines	1	1,392	28.83%
FEDERAL EXPRESS CORP.	Cargo	2	671	13.33%	NORRED & ASSOCIATES, INC.	Security	2	1,067	22.10%
TRAVELPORT, LP	Reservation - Airlines	3	272	5.41%	TRAVELPORT, LP	Reservations	3	272	5.63%
PRIMEFLIGHT AVIATION SVCS., INC.	Airlines	4	227	4.51%	HAPEVILLE HOTEL, LTD	Hotel/Motel	4	206	4.27%
MERRITT HOSPITALITY, LLC	Hotel/Motel	5	186	3.70%	THE DWARF HOUSE	Restaurant	5	106	2.20%
THE DWARF HOUSE	Restaurant	6	106	2.11%	BELL FUND IV ASBURY PARK APTS	Apartments	6	100	2.07%
SYLVAN AIRPORT PARKING, LLC	Airport Parking	7	85	1.69%	SYLVAN AIRPORT PARKING, LLC	Parking	7	80	1.66%
SWISSPORT CARGO SERVICES, LP	Cargo	8	65	1.29%	PRIME FLIGHT AVIATION SERVICE	Aircraft	8	75	1.55%
JACMAT MANAGEMENT	Restaurant	9	55	1.09%	JACMAT MANAGEMENT	Restaurant	9	72	1.49%
MXN GLOBAL LOGISTICS CORP.	Transportation	10	48	0.95%	MXN GLOBAL LOGISTICS CORP.	Logistics	10	55	1.14%

Data Source:

City Administration - Business License Listing 2024

City of Hapeville, Georgia
City Employees by Function/Program (Unaudited)
Last Ten Fiscal Years

<u>Function/program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024
General Government:										
City clerk	1	1	2	2	2	2	2	2	2	2
Human resources	2	2	1	1	1	1	1	2	2	2
Finance and information technology	3	3	5	5	6	6	6	5	6	6
Purchasing	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public works	13	13	12	10	12	12	12	12	11	11
Courts	2	2	2	1	2	2	2	2	2	2
Police	51	51	41	37	43	43	45	34	34	34
Fire	33	33	34	33	35	33	31	38	33	33
Sanitation	6	6	6	2	1	1	1	1	3	3
Highways and streets	8	8	12	11	11	10	10	10	9	9
Economic development	3	3	3	3	3	2	2	3	3	3
Recreation/Hoyt Smith Center	10	10	6	5	6	12	11	20	21	21
Depot Museum	-	-	-	-	-	-	-	1	1	1
Water and sewer	8	8	7	8	7	7	10	10	11	11
Total	140	140	131	118	129	131	133	140	138	138
Percentage Change From Prior Year	0.7%	1.4%	-6.4%	-9.9%	9.3%	11.0%	1.5%	5.3%	-1.6%	0.0%

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	3 Months Ended September 30, 2024
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	24	29	31	31	42	55	55
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire administration	1	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	3	3	3	3	3	3	3
Refuse Collections										
Collection trucks	5	5	5	5	5	5	5	5	5	7
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
Streetslights	-	-	-	-	-	-	-	-	-	-
Traffic signals	4	4	4	4	5	5	5	5	5	5
Parks and 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										



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 three-month period ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 24, 2025. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

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.

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
April 24, 2025

CITY OF HAPEVILLE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

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 three-month period ended September 30, 2024 due to the total amount expended being less than \$750,000.

CITY OF HAPEVILLE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS

None noted