

# **CITY OF HARLEM, GEORGIA**

## **ANNUAL FINANCIAL REPORT**

***As of and for the Year Ended December 31, 2024***

***And Reports of Independent Auditor***

**CITY OF HARLEM, GEORGIA**  
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## Report of Independent Auditor

To the Honorable Mayor and Members of City Council  
City of Harlem, Georgia  
Harlem, Georgia

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harlem, Georgia (the "City") as of and for the year ended December 31, 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 financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, American Rescue Plan Fund, and the Special Purpose Local Option Sales Tax 2023-2028 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *Government Auditing Standards*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 statement.
- 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, schedule of changes in net pension liability and related ratios, and schedule of employer's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our 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 and State Reporting Section***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining non-major fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Office Code of Georgia 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 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.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Augusta, Georgia  
June 30, 2025

# CITY OF HARLEM, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

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As management of the City of Harlem (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City for the fiscal year ended December 31, 2024.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year ended December 31, 2024 by approximately \$22.3 million. Of that amount, \$9.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to the citizens and creditors.
- The City's total net position increased by approximately \$1.7 million for the year ended December 31, 2024.
- As of December 31, 2024, the City's governmental funds reported combined ending fund balances of approximately \$16.7 million, an increase of approximately \$2.0 million in comparison with the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business. The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e., roads, drainage improvements, and storm drains, etc.), to assess the overall health or financial condition of the City. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

In the statement of net position and the statement of activities, the City is divided into two categories of activities:

**Governmental Activities** – All of the City's basic services are reported in this category including the police, fire, transportation, culture and recreation, and general administration. Property taxes, sales taxes, insurance premium taxes, and franchise fees finance most of these activities.

**Component Unit** – The Urban Redevelopment Authority (the "URA") serves to promote the development of certain City property in accordance with the Urban Redevelopment Plan adopted by the City. Although legally separate from the City, the City appoints a voting majority of the members of the URA.

# CITY OF HARLEM, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

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### Reporting the City's Most Significant Funds

**Fund Financial Statements** – The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**Governmental Funds** – The City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left in the funds at year-end are those available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term effect of the government's near-term financing decisions.

The relationships or difference between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is detailed in a reconciliation following the fund financial statements. The City maintains nine individual governmental funds.

Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the American Rescue Plan ("ARP") Fund, the Special Purpose Local Option Sales Tax ("SPLOST") 2023-2028 Fund, and the non-major funds. The General Fund, the ARP Fund, and the SPLOST 2023-2028 Fund are considered to be major funds.

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

### Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$22.3 million at the close of the current fiscal year.

**CITY OF HARLEM, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2024

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the City's net position (43%) is unrestricted, which represents the net position of the City which is not restricted for any project or other purpose. Another large portion of the City's net position (28%) reflects its investment in capital assets (e.g., infrastructure, buildings and improvements, vehicles and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary of Net Position  
December 31, 2024 and 2023**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 17,922,760	\$ 15,604,506
Capital assets	10,198,429	10,438,510
Total Assets	28,121,189	26,043,016
Deferred outflows of resources	102,987	212,383
Long-term liabilities outstanding	4,000,000	4,000,000
Other liabilities	1,830,194	1,653,485
Total Liabilities	5,830,194	5,653,485
Deferred inflows of resources	80,735	-
Net Position:		
Net investment in capital assets	6,198,429	6,438,510
Restricted	6,623,562	5,450,377
Unrestricted	9,491,256	8,713,027
Total Net Position	\$ 22,313,247	\$ 20,601,914

**Governmental Activities**

The City's governmental revenues increased by approximately 29.3% (\$1,615,000) when compared to 2023.

The most significant governmental expense for the City in 2024 was public works. Public works expenses totaled approximately \$1.7 million, an increase of 59.3% from 2023. This increase is due to the public works department expending resources to clean up debris related to hurricane Helene. Another significant governmental expense in 2024 was public safety which consists of operations of the Public Safety Department. Public safety expenses totaled approximately \$1,006,000 in 2024.



**CITY OF HARLEM, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2024

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Governmental activities increased the City's net position by approximately \$1.7 million in 2024. A summary of this increase is as follows:

**Changes in Net Position**  
**Years Ended December 31, 2024 and 2023**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Revenues:		
Program Revenues:		
Charges for services	\$ 839,191	\$ 784,994
Operating grants	1,128,872	321,003
Capital grants/contributions	1,156,545	1,196,419
General Revenues:		
Taxes	2,196,457	1,964,801
Sales tax	940,938	886,080
Other	859,722	353,395
Total Revenues	<u>7,121,725</u>	<u>5,506,692</u>
Expenses:		
General government	862,294	789,457
Municipal court	81,014	83,343
Public safety	1,006,179	983,915
Sanitation	421,993	398,317
Fire	578,741	486,064
Public works	1,715,094	1,076,971
Community development	200,871	258,362
Health and welfare	75,079	75,379
Civic center	7,113	7,592
Parks	88,936	2,433
Culture and recreation	155,896	181,786
Interest and bond issuance costs	217,182	-
Total Expenses	<u>5,410,392</u>	<u>4,343,619</u>
Change in net position	1,711,333	1,163,073
Net position, beginning	<u>20,601,914</u>	<u>19,438,841</u>
Net position, ending	<u><u>\$ 22,313,247</u></u>	<u><u>\$ 20,601,914</u></u>

**CITY OF HARLEM, GEORGIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

*DECEMBER 31, 2024*

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2024, the City had \$10.2 million (net of accumulated depreciation) of capital assets. This investment in capital assets includes police and fire equipment, park facilities, roads, and drains. Major capital asset additions were land and building improvements totaling approximately \$111,000, vehicles and equipment totaling approximately \$182,000, and infrastructure totaling \$157,000 in 2024.

**Capital Assets at Year-End  
December 31, 2024**

	<b>Governmental Activities</b>
Land	\$ 1,109,237
Buildings and improvements	7,100,338
Vehicle and equipment	2,685,005
Infrastructure	8,993,230
	<hr/>
	19,887,810
Less accumulated depreciation	(9,689,381)
	<hr/>
	<b>\$ 10,198,429</b>

See the notes to financial statements for more detailed information on the capital asset activity.

**Debt**

At year-end, the City had debt outstanding in the amount of \$4 million. See Note 5 to the financial statements for more detailed information on long-term debt activity.

**General Fund Budgetary Highlights**

For the year, actual revenue and expenditures were consistent with the amounts that were budgeted.

**Economic Factors and Next Year’s Budgets and Rates**

The City’s elected and appointed officials consider many factors when setting the fiscal year 2025 budget including: property tax rates, expected sales tax, insurance premium tax, and various fees that will be collected. Another factor is the economy. The local economy of the City remains strong. The City continues to experience stable economic conditions and a relatively stable 2025 tax digest will provide consistent tax revenue.

**Contacting the City’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mayor, City of Harlem at 320 N. Louisville Street, Harlem, Georgia 30814.

**CITY OF HARLEM, GEORGIA**  
**STATEMENT OF NET POSITION**

DECEMBER 31, 2024

	<b>Government</b>	<b>Component Unit</b>
	<b>Governmental</b>	<b>Urban</b>
	<b>Activities</b>	<b>Redevelopment</b>
		<b>Authority</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 16,735,664	\$ 122,128
Receivables, net:		
Taxes	268,581	-
Accounts	822,329	-
Prepaid expenses	96,186	-
Capital Assets:		
Land	1,109,237	-
Depreciable, net of accumulated depreciation	9,089,192	-
Assets held for sale	-	218,510
<b>Total Assets</b>	<b>28,121,189</b>	<b>340,638</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan	102,987	-
<b>Total Deferred Outflows of Resources Related to Pension</b>	<b>102,987</b>	<b>-</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	798,160	-
Retainage payable	58,935	-
Accrued expenses	99,968	-
Other liabilities	700	525
Unearned revenue	324,864	-
Noncurrent Liabilities:		
Due within one year:		
Compensated absences	185,015	-
Line of credit	-	182,683
Due in more than one year	4,000,000	-
Net pension liability	362,552	-
<b>Total Liabilities</b>	<b>5,830,194</b>	<b>183,208</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Investment experience differences	80,735	-
<b>Total Deferred Inflows of Resources Related to Pension</b>	<b>80,735</b>	<b>-</b>
<b>NET POSITION</b>		
Net investment in capital assets	6,198,429	-
Restricted for:		
Capital projects	6,623,562	-
Unrestricted	9,491,256	157,430
<b>Total Net Position</b>	<b>\$ 22,313,247</b>	<b>\$ 157,430</b>

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

**CITY OF HARLEM, GEORGIA**  
**STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2024

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
					Primary Government		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	Urban Redevelopment Authority
Primary Government							
Functions/Programs:							
Governmental Activities:							
General government	\$ 862,294	\$ 112,589	\$ -	\$ 1,156,545	\$ 406,840	\$ 406,840	\$ -
Municipal court	81,014	129,198	-	-	48,184	48,184	-
Public safety	1,006,179	-	-	-	(1,006,179)	(1,006,179)	-
Fire	578,741	-	-	-	(578,741)	(578,741)	-
Community development	200,871	-	-	-	(200,871)	(200,871)	-
Health and welfare	75,079	-	-	-	(75,079)	(75,079)	-
Civic center	7,113	-	-	-	(7,113)	(7,113)	-
Parks	88,936	-	-	-	(88,936)	(88,936)	-
Public works (highways and streets)	1,715,094	-	1,128,872	-	(586,222)	(586,222)	-
Culture and recreation	155,896	9,214	-	-	(146,682)	(146,682)	-
Sanitation	421,993	588,190	-	-	166,197	166,197	-
Interest and fiscal charges on debt service	217,182	-	-	-	(217,182)	(217,182)	-
Total Governmental Activities	5,410,392	839,191	1,128,872	1,156,545	(2,285,784)	(2,285,784)	-
Total Primary Government	5,410,392	839,191	1,128,872	1,156,545	(2,285,784)	(2,285,784)	-
Component Unit:							
Urban Redevelopment Authority	\$ 8,935	\$ -	\$ -	\$ -	-	-	(8,935)
General Revenues:							
Property taxes					1,588,564	1,588,564	-
Sales taxes					940,938	940,938	-
Other taxes					607,893	607,893	-
Payments in lieu of taxes					6,279	6,279	-
Unrestricted investment earnings					655,207	655,207	1,846
Gain (loss) on asset disposal					95,965	95,965	-
Other income					102,271	102,271	93,000
Total General Revenues					3,997,117	3,997,117	94,846
Change in Net Position					1,711,333	1,711,333	85,911
Net Position, Beginning of Year					20,601,914	20,601,914	71,519
Net Position, End of Year					\$ 22,313,247	\$ 22,313,247	\$ 157,430

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

**CITY OF HARLEM, GEORGIA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**

DECEMBER 31, 2024

	General	ARP Fund	SPLOST 2023-2028 Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,709,107	\$ 459,624	\$ 1,721,982	\$ 844,951	\$ 16,735,664
Taxes receivable	170,207	-	98,374	-	268,581
Accounts receivable	810,693	-	-	11,636	822,329
Prepaid expenses	96,186	-	-	-	96,186
<b>Total Assets</b>	<b>\$ 14,786,193</b>	<b>\$ 459,624</b>	<b>\$ 1,820,356</b>	<b>\$ 856,587</b>	<b>\$ 17,922,760</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 611,397	\$ 191,980	\$ -	\$ 2,068	\$ 805,445
Accrued expenses	109,918	-	-	-	109,918
Unearned revenue	37,097	222,935	-	64,832	324,864
<b>Total Liabilities</b>	<b>758,412</b>	<b>414,915</b>	<b>-</b>	<b>66,900</b>	<b>1,240,227</b>
<b>FUND BALANCE</b>					
Non-Spendable:					
Prepaid expenditures	96,186	-	-	-	96,186
Restricted for:					
Capital projects	4,057,410	-	1,820,356	745,795	6,623,561
Economic development	-	-	-	-	-
Committed to:					
Capital outlay	6,072,376	-	-	30,129	6,102,505
Assigned to:					
Public safety	-	-	-	13,763	13,763
Operations	-	44,709	-	-	44,709
Unassigned	3,801,809	-	-	-	3,801,809
<b>Total Fund Balance</b>	<b>14,027,781</b>	<b>44,709</b>	<b>1,820,356</b>	<b>789,687</b>	<b>16,682,533</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,786,193</b>	<b>\$ 459,624</b>	<b>\$ 1,820,356</b>	<b>\$ 856,587</b>	<b>\$ 17,922,760</b>

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

**CITY OF HARLEM, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

*DECEMBER 31, 2024*

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

Ending fund balances - Governmental funds	\$ 16,682,533
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Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported  
as assets in the funds:

Historical cost of capital assets	19,887,810
Accumulated depreciation	<u>(9,689,381)</u>
	<u>10,198,429</u>

Deferred outflows and inflows of resources related  
to pensions are applicable to future periods and, therefore,  
are not reported in the funds:

Deferred outflows of resources related to pensions	102,987
Deferred inflows of resources related to pensions	<u>(80,735)</u>
	<u>22,252</u>

Certain liabilities, including notes payable and accrued interest  
which are not due and payable in the current period are, therefore,  
not reported in the funds:

Revenue bonds payable	(4,000,000)
Compensated absences	(185,015)
Net pension liability	(362,552)
Accrued interest	<u>(42,400)</u>
	<u>(4,589,967)</u>

Net position of governmental activities	<u><u>\$ 22,313,247</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

**CITY OF HARLEM, GEORGIA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

*YEAR ENDED DECEMBER 31, 2024*

	General	ARP Fund	SPLOST 2023-2028 Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenue:					
Taxes	\$ 2,204,866	\$ -	\$ -	\$ -	\$ 2,204,866
Permits and licenses	114,747	-	-	-	114,747
Fines and forfeitures	129,198	-	-	8,700	137,898
Intergovernmental revenue	932,629	397,360	973,620	182,925	2,486,534
Charges for services	595,809	-	-	4,640	600,449
Interest	577,527	18,568	34,756	24,356	655,207
Culture and recreation	36,444	-	-	-	36,444
Grants	737,791	-	-	-	737,791
Other	58,586	-	-	6,085	64,671
Total Revenue	5,387,597	415,928	1,008,376	226,706	7,038,607
Expenditures:					
Current Operating:					
General government	608,767	540	-	158,666	767,973
Public safety	869,955	-	-	13,510	883,465
Fire	488,692	202,574	-	-	691,266
Public works (highways and streets)	1,539,192	10,492	-	-	1,549,684
Health and welfare	74,267	493	-	-	74,760
Culture and recreation	149,184	-	-	-	149,184
Sanitation	421,993	-	-	-	421,993
Community development	171,209	7,346	-	-	178,555
Parks	92,407	58,265	-	-	150,672
Municipal court	81,014	-	-	-	81,014
Capital outlay	-	117,650	-	39,556	157,206
Debt Service:					
Interest	174,782	-	-	-	174,782
Total Expenditures	4,671,462	397,360	-	211,732	5,280,554
Excess (deficiency) of revenues over (under) expenditures	716,135	18,568	1,008,376	14,974	1,758,053
Other Financial Sources (Uses):					
Transfers in	63	-	-	-	63
Transfers (out)	-	-	-	(63)	(63)
Sale of general capital assets	151,000	-	-	-	151,000
Total Other Financing Sources (Uses)	151,063	-	-	(63)	151,000
Net change in fund balances	867,198	18,568	1,008,376	14,911	1,909,053
Fund balance, beginning of year	13,160,583	26,141	811,980	774,776	14,773,480
Fund balance, end of year	\$ 14,027,781	\$ 44,709	\$ 1,820,356	\$ 789,687	\$ 16,682,533

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

**CITY OF HARLEM, GEORGIA****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES***YEAR ENDED DECEMBER 31, 2024*

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

Net change in fund balances - total governmental funds	\$ 1,909,053
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Governmental funds report capital outlay as expenditures.

However, in the statement of activities the costs of those assets  
are 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.

Current year capital outlay	\$ 499,776	
Gain on disposal of capital assets	95,965	
Proceeds from sale of capital assets	(163,847)	
Depreciation expense	<u>(671,975)</u>	
		(240,081)

The issuance of long-term debt (e.g., notes payable) 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 assets. This amount is the net effect of these  
differences in the treatment of long-term related accounts.

Compensated absences	(28,446)	
Accrued interest	<u>(42,400)</u>	
		(70,846)

In the fund financials, contributions to pension plans are expensed when paid.

In the statement of activities, pension expense is recognized for the change  
in the City's proportionate share of the collective net pension liability and  
related deferred inflows and outflows.

	113,207	
Change in net position of governmental activities	<u>\$ 1,711,333</u>	

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



**CITY OF HARLEM, GEORGIA****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GENERAL FUND***YEAR ENDED DECEMBER 31, 2024*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
Revenues:				
Taxes	\$ 2,025,500	\$ 2,064,600	\$ 2,204,866	\$ 140,266
Permits and licenses	73,350	73,350	114,747	41,397
Fines and forfeitures	130,000	129,100	129,198	98
Intergovernmental	880,000	880,000	932,629	52,629
Charges for services	581,400	583,050	595,809	12,759
Use of money/property	176,700	368,700	577,527	208,827
Culture and recreation	50,500	30,100	36,444	6,344
Grants	3,500	726,000	737,791	11,791
Other	35,720	43,170	58,586	15,416
Total Revenues	<u>3,956,670</u>	<u>4,898,070</u>	<u>5,387,597</u>	<u>489,527</u>
Expenditures:				
General government	622,805	612,305	608,767	3,538
Public safety	944,750	944,750	869,955	74,795
Fire	549,950	549,950	488,692	61,258
Public works, highways	763,750	1,549,750	1,539,192	10,558
Health and welfare	85,200	85,200	74,267	10,933
Culture and recreation	196,700	178,500	149,184	29,316
Sanitation	439,000	423,000	421,993	1,007
Community services	195,500	195,500	171,209	24,291
Municipal court	88,015	88,015	81,014	7,001
Parks	71,000	96,300	92,407	3,893
Debt Service:				
Interest	-	174,800	174,782	18
Total Expenditures	<u>3,956,670</u>	<u>4,898,070</u>	<u>4,671,462</u>	<u>226,608</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>716,135</u>	<u>716,135</u>
Other Financial Sources:				
Transfers in	-	-	63	63
Sale of general capital assets	-	-	151,000	151,000
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>151,063</u>	<u>151,063</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>867,198</u>	<u>\$ 867,198</u>
Fund balance, beginning of year			<u>13,160,583</u>	
Fund balance, end of year			<u>\$ 14,027,781</u>	

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

**CITY OF HARLEM, GEORGIA****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – AMERICAN RESCUE PLAN (ARP) FUND***YEAR ENDED DECEMBER 31, 2024*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
Revenues:				
Intergovernmental	\$ 380,300	\$ 380,300	\$ 397,360	\$ 17,060
Interest earned	18,500	18,500	18,568	68
Total Revenues	<u>398,800</u>	<u>398,800</u>	<u>415,928</u>	<u>17,128</u>
Expenditures:				
General government	540	540	540	-
Fire	202,820	202,820	202,574	246
Public works, highways	11,645	11,645	10,492	1,153
Health and welfare	495	495	493	2
Community services	7,350	7,350	7,346	4
Parks	58,300	58,300	58,265	35
Capital outlay	117,650	117,650	117,650	-
Total Expenditures	<u>398,800</u>	<u>398,800</u>	<u>397,360</u>	<u>1,440</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>18,568</u>	<u>18,568</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>18,568</u>	<u>\$ 18,568</u>
Fund balance, beginning of year			<u>26,141</u>	
Fund balance, end of year			<u>\$ 44,709</u>	

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

**CITY OF HARLEM, GEORGIA****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – SPLOST 2023-2028 FUND***YEAR ENDED DECEMBER 31, 2024*

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
Revenues:				
Intergovernmental	\$ 973,600	\$ 973,600	\$ 973,620	\$ 20
Interest earned	34,750	34,750	34,756	6
Total Revenues	<u>1,008,350</u>	<u>1,008,350</u>	<u>1,008,376</u>	<u>26</u>
Revenue over (under) expenditures	<u>1,008,350</u>	<u>1,008,350</u>	<u>1,008,376</u>	<u>26</u>
Net change in fund balances	<u>\$ 1,008,350</u>	<u>\$ 1,008,350</u>	1,008,376	<u>\$ 26</u>
Fund balance, beginning of year			<u>811,980</u>	
Fund balance, end of year			<u>\$ 1,820,356</u>	

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

# CITY OF HARLEM, GEORGIA

## NOTES THE TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### Note 1—Summary of significant accounting policies

The accounting and reporting policies of the City of Harlem, Georgia (the “City”) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) applicable to state and local governments.

*Introduction* – The City complies with U.S. GAAP pronouncements.

#### A. Financial reporting entity – basis of presentation

*Primary Government* – The City was created in 1870. The City provides the following services: public safety, streets and highways, public improvements, culture and recreation, and general and administrative services. The accompanying financial statements present the City’s primary government funds for which the City is financially accountable.

*Discretely Presented Component Unit:*

*Urban Redevelopment Authority* – The component unit column in the government-wide financial statements includes the financial data of the Urban Redevelopment Authority (the “URA”). It is reported in a separate column to emphasize that it is legally separate from the City. The URA is governed by a five-member board appointed by the Mayor and City Council. The URA serves to promote the development of certain City property in accordance with the Urban Redevelopment Plan adopted by the City. The URA entered an intergovernmental agreement with the City to convey an option for the URA for the purchase of certain real property. Because the financial statements of the URA include only one fund, the fund level is the same as the government-wide level. Therefore, no fund level financial statements for the URA are included in this report.

No separately issued financial statements are available for the URA.

#### B. Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and statement of activities and report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements, if applicable. Governmental activities are supported mainly by taxes and intergovernmental revenues.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include the following: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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 properly included in program revenues are reported as general revenues.

Each major fund is reported in a separate column in the fund financial statements. The combined amounts for these funds are reflected in a single column in the fund balance sheets and statements of revenues, expenditures, and changes in fund balances.

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

*DECEMBER 31, 2024*

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**Note 1—Summary of significant accounting policies (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as does the proprietary fund. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of timing and 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 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Major revenue sources that are susceptible to accrual are property taxes, sales taxes, insurance premium taxes, and intergovernmental revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The government reports the following major governmental funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues, and investment of idle funds. Primary expenditures are for general administration, public safety, public works, streets, recreation, and capital acquisition.

The American Rescue Plan (“ARP”) is a special revenue fund used to account for funds received to support the City’s response to and recovery from the COVID-19 public health emergency.

Sales Tax 2023-2028 Fund is a capital project fund used to account for monies received from intergovernmental revenues (i.e., Special Purpose Sales Taxes) for various City projects.

The government reports the following non-major governmental funds:

Confiscation Fund is a special revenue fund used to account for funds received from seizures and forfeitures by the Police department.

The Revolving Loan Fund is a special revenue fund originating from a grant from the Community Development Block Grant Employment Incentive Program. The grant was received by the City to provide a direct loan to a local business for equipment which created new positions. The repayment of the loan created the Revolving Loan Fund, the funds of which are available to be loaned to local businesses for the creation of new jobs in the area.

The Local Maintenance Improvement Grant (“LMIG”) Fund is a capital project fund used to account for grant funds received for local maintenance and improvement projects.

The Technology Fund is a capital projects fund which accounts for the financial resources to be used for the information technology projects specific for the operations of the City’s courts.

The T-SPLOST Fund is a capital project fund used to account for monies received from intergovernmental revenues (i.e., Special Purpose Sales Taxes) for various City infrastructure projects.

Sales Tax 2017-2022 Fund is a capital project fund used to account for monies received from intergovernmental revenues (i.e., Special Purpose Sales Taxes) for various City projects.

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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**Note 1—Summary of significant accounting policies (continued)**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

**1. Deposits and investments**

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. State statutes and the City’s official Investment Policy authorize the City to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, banker’s acceptances, money market mutual funds, and direct obligations of the state of Georgia.

As of December 31, 2024, the City did not hold any investments.

**2. Receivables and payables**

*Accounts Receivable* – All receivables are deemed collectible by the City and therefore, the City does not report an allowance for doubtful accounts.

Property tax receivables and revenues for property taxes are reflected in the government-wide statements based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed, including billable services for certain contracts, are recorded as receivables and revenues when they are earned in the government-wide statements. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements.

**3. Prepaid expenses**

Expenditures for insurance and similar services extending over more than one accounting period are allocated between accounting periods. Reported prepaid expenses are equally offset by a fund balance reserve which indicates they do not constitute “available spendable resources”.

**4. Capital assets – primary government**

Capital assets, which include land, buildings, and infrastructure assets, are reported in the government-wide financial statements. Capital assets such as vehicles, furniture, and equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned roads and bridges. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets, including vehicles, furniture, equipment, and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40-50 years
Vehicles and equipment	3-10 years
Infrastructure	30 years

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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**Note 1—Summary of significant accounting policies (continued)**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

**5. 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/expenditure) until that time. Deferred outflows of resources for the City consist of pension contributions made after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources for the City consist of the net difference between projected and actual earnings on pension plan investments.

**6. Unearned revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

**7. Compensated absences, pension, and other postemployment benefits**

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* ("GASB 101"). This standard is to better meet the information needs by updating the recognition and measurement guidance for compensated absences. The Statement requires that liabilities for compensated absences be recognized by (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The City adopted this requirement effective January 1<sup>st</sup>, 2024.

The vacation policy of the City provides for the accumulation of up to a certain amount of earned vacation leave with such leave being fully vested when earned. For the City's government-wide financial statements, an expense and a liability for compensated absences and the salary related payments are recorded when leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. No accrual has been established for accumulated sick leave of employees since the City has determined it did merit accrual under GASB 101.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, related to the City of Harlem's Retirement Plan, information about the pension plan's fiduciary net position 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.

# CITY OF HARLEM, GEORGIA

## NOTES THE TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### Note 1—Summary of significant accounting policies (continued)

#### D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

##### 7. Compensated absences, pension, and other postemployment benefits (continued)

The City has established a single-employer defined benefit other postemployment benefit plan (the “OPEB Plan”). The OPEB Plan states that these retirees shall be entitled after separation from City employment to continue to participate in and be covered by the health insurance plan of the City with the same benefits as those offered to active employees provided that such retiree must have served at least 25 years of employment and enroll in a Medicare health insurance plan when the retiree becomes eligible, at which time the retiree will no longer participate in the City’s OPEB Plan. The City has determined that the effects of the OPEB Plan are immaterial to the basic financial statements.

##### 8. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

##### 9. Unemployment compensation benefits

The City is the reimbursing employer for unemployment compensation benefits. Reimbursements are made on the basis of regular billings received from the Georgia Unemployment Commission.

##### 10. Net position/fund balance

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

- *Non-Spendable* – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (a) not in spendable form 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 through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.
- *Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City of Harlem City Council (the “Council”) through the adoption of a formal policy. Only the Council may modify or rescind the commitment.
- *Assigned* – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Council.
- *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 in the general fund only. Negative unassigned fund balances may be reported in all governmental funds.



**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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**Note 1—Summary of significant accounting policies (continued)**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

**Flow assumptions**

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, the City's policy is to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the City's policy is to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

**Net position**

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduces this category.
- *Restricted Net Position* – This category represents external restrictions imposed by creditors, grantors, contributors, laws, or regulations of other governments and restrictions imposed by law through Constitutional provision enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the City which is not restricted for any project or other purpose. The City first applies unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net positions are available.

**11. Use of estimates**

The preparation of the basic financial statements in conformance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**E. Stewardship, compliance, and accountability**

**1. Budgetary information**

During the year preceding the budget year, the City follows the administrative and fiscal procedures below in establishing the budgetary data reflected in the accompanying financial statements of the General Fund, ARP and SPLOST 2023-2028:

In October, City Department Heads prepare a tentative budget to be given to the City Manager for review. After the review is completed, the City Manager prepares a preliminary budget to be submitted to the Mayor and City Council. The City Clerk then publishes notice of a public hearing on the proposed budget. The hearing is held a week from the date the notice is published.

After the public hearing has been held, the budget is voted on and approved at the first City Council meeting in December.

Changes in and amendments to the adopted budget are approved during the course of the year, as long as reserves are available to fund these modifications.

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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**Note 1—Summary of significant accounting policies (continued)**

**E. Stewardship, compliance, and accountability (continued)**

**1. Budgetary information (continued)**

The accompanying statement of revenues, expenditures, and changes in fund balances, budget (budgetary basis) and actual, for the General Fund, ARPA, and SPLOST 2023-2028, presents a comparison of the legally adopted budget with actual operating results on a budgetary basis. The City's budget is prepared using U.S. GAAP. Encumbrance accounting, under which purchase orders and contracts are recorded in order to reserve that portion of the applicable appropriation, is not used by the City.

**2. Fund balance deficit**

As of December 31, 2024, there were no funds with a deficit fund balance.

**F. New accounting pronouncements**

In fiscal year 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. The standard provides guidance and addresses how compensated absences are accounted for and disclosed. The adoption of this statement has no material impact to the City's financial statements.

**Note 2—Deposits, investments, and investment policies**

**A. Custodial credit risk – deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. It is the City's policy for cash to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation ("FDIC") insurance. At December 31, 2024, the carrying amount of the City's deposits was \$16,735,189 and cash on hand was \$475 which are classified as cash and cash equivalents in the accompanying statement of net position. As of December 31, 2024, all of the deposits of the City were properly insured and collateralized as required by the Official Code of Georgia Annotated ("OCGA") Section 45-8-12(c) and as defined by Government Accounting Standards Board ("GASB") pronouncements. The City uses the pooled method to collateralize funds, which are held in the name of the City.

**Note 3—Property taxes and other receivables**

The Columbia County Tax Commissioner bills and collects property taxes, then remits the City its respective share of property taxes. Property taxes for 2024 that were levied on September 15, 2024, were due November 15, 2024. The unpaid taxes became a lien 30 days after the due date. Unpaid property taxes received within 60 days of the year-end are recognized and recorded as revenue.

The City receives approximately 2.5% of a 1% local option sales tax on all retail sales within the County. The proceeds of such tax collected each year are used to reduce, on a dollar-for-dollar basis, the millage equivalent amount of property taxes to be levied in the subsequent year. Local option sales taxes recognized and recorded as revenue during the year ended December 31, 2024 totaled \$932,629.

The City also receives approximately 3% of a 1% SPLOST funds to be used as designated and approved after public hearings. The approved expenditures are generally for capital projects in the City. The SPLOST recognized and recorded as revenue during the year ended December 31, 2024 totaled \$973,620.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to November 15 and are delinquent after that date.

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

**Note 4—Capital assets**

**A. General government**

A summary of changes in capital assets follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,109,237	\$ -	\$ -	\$ 1,109,237
Total capital assets, not being depreciated	1,109,237	-	-	1,109,237
Capital assets, being depreciated:				
Infrastructure	8,836,023	157,207	-	8,993,230
Buildings and improvements	7,026,220	160,952	(86,834)	7,100,338
Vehicles and equipment	2,622,862	181,617	(119,474)	2,685,005
Total capital assets, being depreciated	18,485,105	499,776	(206,308)	18,778,573
Less accumulated depreciation:				
Infrastructure	(4,975,085)	(299,445)	-	(5,274,530)
Buildings and improvements	(2,457,267)	(215,228)	20,350	(2,652,145)
Vehicles and equipment	(1,723,480)	(157,302)	118,076	(1,762,706)
Total accumulated depreciation	(9,155,832)	(671,975)	138,426	(9,689,381)
Total capital assets, being depreciated	9,329,273	(172,199)	(67,882)	9,089,192
Governmental activities capital assets, net	<u>\$ 10,438,510</u>	<u>\$ (172,199)</u>	<u>\$ (67,882)</u>	<u>\$ 10,198,429</u>

Depreciation expense for the year ended December 31, 2024 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 105,430
Public safety	122,714
Fire	55,688
Community services	40,210
Public works	329,111
Museum	2,482
Civic center	6,712
Parks	2,514
Community development	7,114
Total depreciation expense - governmental activities	<u>\$ 671,975</u>

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

**Note 4—Capital assets (continued)**

**B. Discretely presented component unit**

A summary of changes in the Urban Redevelopment Authority assets held for sale follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Urban Redevelopment Authority Assets held for sale	\$ 218,510	\$ -	\$ -	\$ 218,510
Total assets held for sale	<u>\$ 218,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,510</u>

**Note 5—Long-term liabilities**

The following is a summary of the changes in noncurrent liabilities reported in the statement of net position for the year ended December 31, 2024:

	<b>Balance January 1, 2024</b>	<b>2024</b>		<b>Balance December 31, 2024</b>	<b>Due Within One Year</b>
		<b>Additions</b>	<b>Reductions</b>		
Governmental activities:					
Revenue bonds, Series 2023	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000	\$ -
Compensated absences	156,569	185,015	156,569	185,015	185,015
Net pension liability	665,891	-	303,339	362,552	-
Governmental activities long-term liabilities	<u>\$ 4,822,460</u>	<u>\$ 185,015</u>	<u>\$ 459,908</u>	<u>\$ 4,547,567</u>	<u>\$ 185,015</u>
Discretely presented component unit:					
Urban Redevelopment Authority					
First State Bank line of credit	\$ 183,046	\$ 300	\$ 663	\$ 182,683	\$ 182,683
Discretely presented component unit long-term liabilities	<u>\$ 183,046</u>	<u>\$ 300</u>	<u>\$ 663</u>	<u>\$ 182,683</u>	<u>\$ 182,683</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

**A. Governmental activities debt**

**1. Revenue bonds**

In December 2023, the Columbia County Public Facilities Authority (“CCPFA”) issued a revenue bond (City of Harlem Project – Series 2023) in the principal amount of \$4,000,000 bearing interest of 4.24% for the purpose of providing funds to finance the cost of the renovation, construction, and equipping of improvements to park and recreational facilities, a new public works facility, demolition and construction of certain dilapidated properties. An intergovernmental contract between the City and CCPFA was executed to secure principal and interest payments of the Series 2023 bond by the City.

Interest is to be paid semi-annually on April 1 and October 1 of each year and principal is to be paid annually on October 1 of each year beginning in 2026.

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

*DECEMBER 31, 2024*

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**Note 5—Long-term liabilities (continued)**

**A. Governmental activities debt (continued)**

**1. Revenue bonds**

The annual principal and interest requirements for the City's outstanding revenue debt as of December 31, 2024 is as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>
2025	\$ -	\$ 169,600	\$ 169,600
2026	938,460	169,600	1,108,060
2027	978,350	129,809	1,108,159
2028	1,019,920	88,327	1,108,247
2029	1,063,270	45,083	1,108,353
	<u>\$ 4,000,000</u>	<u>\$ 602,419</u>	<u>\$ 4,602,419</u>

**B. Discretely presented component unit**

**1. Line of credit**

The URA has a line of credit with a commercial bank with an available credit limit of \$250,000, which matures on October 24, 2024. Amounts outstanding under the line bear interest at 4.5%. The line of credit is due and payable in full on demand. \$182,683 was outstanding under the line of credit at December 31, 2024. The unused amount of the line of credit at December 31, 2024 was \$67,317.

**Note 6—Interfund receivables/transfers**

Interfund receivables and payables result from timing differences related to charges for services or reimbursable expenses. At December 31, 2024, there were no interfund balances.

**Note 7—Risk management**

The City carries property and liability insurance through commercial insurance companies. Annual premiums are based on the amount of coverage and policy deductibles requested by the City.

**A. Risk pool**

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

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

**Note 7—Risk management (continued)**

**A. Risk pool (continued)**

The City carries property and liability insurance through commercial insurance companies. Annual premiums are based on the amount of coverage and policy deductibles requested by the City.

As part of their agreement, the City must assist and cooperate in the defense and settlement of claims against the City. The City must furnish full cooperation to the pools’ attorneys, claims adjusters, and any agent or independent contractor of the pools. In addition, the City must report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member governments’ contracts and in accordance with the workers’ compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the City’s insurance coverage.

**Note 8—Pension plan**

**A. Plan description**

The City Council approved the adoption of a defined benefit pension plan, the City of Harlem Retirement Plan (the “Plan”), covering all full-time employees in 1987, and closed entry to the Plan to new participants as of December 17, 2012. The Plan is administered by the Georgia Municipal Employees Benefit System (“GMEBS”), a statewide, agent multiple-employer, defined benefit pension plan that acts as a common investment and administrative agent for cities in the state of Georgia. GMEBS handles all administrative and investment functions relative to the Plan. All full-time City employees prior to December 17, 2012, were eligible to participate in the Plan after one year of service. Benefits vest after 10 years of service. City employees may retire at age 55 under the early retirement provisions if they have completed 10 years of service. Normal retirement is at age 60. Benefits are payable for life in an amount of covered compensation plus 2% of Participant Final Average Earnings, multiplied by years of service. The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by the GMEBS Pension Trust and Adoption Agreement executed by the City. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to GMEBS, 201 Pryor Street SW, Atlanta, Georgia 30303.

As of July 1, 2023, the Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	20
Inactive Plan members entitled to, but not receiving benefits	25
Active Plan members	12
	<u>57</u>

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

**Note 8—Pension plan (continued)**

**B. 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 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 the Plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2024, the City's contribution rate was 35.4% of annual covered payroll. City contributions to the Plan were \$140,880 for the year ended December 31, 2024.

**C. Net pension liability**

The City's net pension liability was measured as of March 31, 2024, which would make it applicable to the fiscal year beginning January 1, 2024 and ending December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

**D. Actuarial assumptions**

The methods and assumptions used in the July 1, 2024 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted in November and December 2019. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net investment rate of return	7.375%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustment	1.70%

Mortality rates for the valuation period were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The long-term expected rate of return on 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 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 Plan's target asset allocation as of March 31, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45%	6.91%
International equity	20%	7.21%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
	<u>100%</u>	

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

**Note 8—Pension plan (continued)**

**E. Discount rate**

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to actuarially determine contribution rates assumed that City contributions will be made at rates equal to the actuarial determined rates. Based on those assumptions, the 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 Plan investments was applied to all of the projected benefit payments to determine the total pension liability.

The following 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 one percentage point lower (6.375%) or one percentage point higher (8.375%) than the current year.

	<b>1% Decrease (6.375%)</b>	<b>Current Discount Rate (7.375%)</b>	<b>1% Increase (8.375%)</b>
City's net pension liability	\$ 728,386	\$ 362,552	\$ 51,001

**F. Changes in the net pension liability**

The changes in the components of the net pension liability for the City for the year ended December 31, 2024 were as follows:

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at March 31, 2023	<u>\$ 3,179,563</u>	<u>\$ 2,513,672</u>	<u>\$ 665,891</u>
Changes for the year:			
Service cost	30,687	-	30,687
Interest	231,868	-	231,868
Differences between expected and actual experience	(16,761)	-	(16,761)
Contributions – employer	-	136,436	(136,436)
Net investment income	-	421,910	(421,910)
Benefit payments, including refunds of employee contributions	(132,554)	(132,554)	-
Administrative expense	-	(9,213)	9,213
Net changes	<u>113,240</u>	<u>416,579</u>	<u>(303,339)</u>
Balances at March 31, 2024	<u><u>\$ 3,292,803</u></u>	<u><u>\$ 2,930,251</u></u>	<u><u>\$ 362,552</u></u>

The required schedule of changes in the City's net pension liability and related ratios on page 34 presents multi-year trend information about whether the value of Plan assets are increasing or decreasing over time relative to the total pension liability.



**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024

**Note 8—Pension plan (continued)**

**G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2024, the City recognized pension expense of \$113,207. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (80,735)
Employer contributions subsequent to the measurement date	102,987	-
	<u>\$ 102,987</u>	<u>\$ (80,735)</u>

City contributions subsequent to the measurement date of \$102,987 are reported as deferred outflows of resources and will be recognized as an increase of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense as follows:

**Years Ending December 31,**

2025	\$ (96,425)
2026	34,795
2027	28,240
2028	(47,345)
	<u>\$ (80,735)</u>

**Note 9—Georgia Firefighters' Pension Fund**

Certain employees of the Fire Department are covered by The Georgia Firefighters' Pension Fund ("GFPF"). The GFPF was established by the Georgia General Assembly in 1995 for the purpose of providing retirement benefits for qualified firefighters. The GFPF is a cost-sharing, multiple-employer defined benefit pension plan as defined in the GASB Statement 68, *Accounting and Financial Reporting for Pensions*.

Any person employed as a firefighter or enrolled as a volunteer firefighter within the state of Georgia or any regular employee of the GFPF is eligible for membership in the GFPF. The various fire departments located within the state of Georgia, as employers of the members of GFPF, do not make contributions to the fund. The state of Georgia provides non-employer contributions to the GFPF through the collection of insurance premiums tax. Since the City does not contribute directly to the GFPF, management has determined the related impact on the financial statements to be immaterial. GFPF issues a publicly available financial report that can be obtained at <http://gfpf.org/about/annualreports/>.

# **CITY OF HARLEM, GEORGIA**

## **NOTES THE TO FINANCIAL STATEMENTS**

*DECEMBER 31, 2024*

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### **Note 10—Other retirement plans**

In 2011, the City Council approved the adoption of “The Georgia Municipal Association 457(b) Deferred Compensation Plan” (the “457(b) Plan”). The 457(b) Plan allows employees to voluntarily supplement their retirement savings through the deferral of income before it is taxed. All employees of the City are eligible to participate in the 457(b) Plan. The City does not contribute to the 457(b) Plan.

In December 2012, the City Council approved the adoption of “The Georgia Municipal Association 401(a) Defined Contribution Plan” (the “401(a) Plan”). All full-time employees with six months of service hired after December 17, 2012, are eligible to participate in the plan. The City contributes 3% of total compensation to the 401(a) Plan. Additionally, the City will match 100% of contributions to the 457(b) Plan up to 3% of total compensation through contributions to the 401(a) Plan. Matching and nonmatching contributions are 100% vested after a participant has been employed five years and matching contributions remain 0% vested until the participant satisfies the full vesting period. As of December 31, 2024, there were 20 plan participants. For the year ended December 31, 2024, the City made contributions of \$29,420 to the Defined Contribution Plan.

### **Note 11—Joint venture**

Under Georgia law, the City, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the Central Savannah River Area Regional Commission (“RC”) and is required to pay annual dues thereto. During the year ended December 31, 2024, the City paid \$4,496 in such dues and service charges. Membership in a RC is required by the OCGA Section 50-8-34 that provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each City and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: CSRA Regional Commission, 3626 Walton Way Ext. #300, Augusta, GA 30909.

### **Note 12—Housing authority**

The Housing Authority of Harlem, Georgia (the “Housing Authority”), is considered a related organization based in accordance with U.S. GAAP. Pursuant to OCGA 8-3-4, the Housing Authority is a separate legal entity from the City. Further, pursuant to OCGA 8-3-50, the City appoints a voting majority of the Housing Authority members. However, the City is not able to impose its will upon the Housing Authority nor does a financial benefit/burden relationship exist between them. In 2024, the City received \$6,279 for the 2023 assessment year from the Harlem Housing Authority as payment in lieu of taxes.

### **Note 13—Commitments and contingencies**

#### **A. Commitments**

The City guarantees the URA’s line of credit as discussed in Note 5. No additional outstanding commitments existed for the City as of December 31, 2024.

As of December 31, 2024, the City’s Council authorized a budget of approximately \$6.0 million for current or in-process construction projects. Executed construction commitments associated with these projects approximated \$258,000 and of this amount, approximately \$258,000 was spent as of December 31, 2024.

**CITY OF HARLEM, GEORGIA**  
**NOTES THE TO FINANCIAL STATEMENTS**

*DECEMBER 31, 2024*

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**Note 13—Commitments and contingencies (continued)**

**B. Contingencies**

The City is subject to various legal proceedings covering a wide range of matters that arise in the ordinary course of its activities.

Grants and contracts require the fulfillment of certain conditions set forth in the agreements which may be subject to audit and adjustments by grantor/contracting agencies. In the opinion of management, any such adjustments would not be material to the City's financial statements.

**Note 14—Landfill post-closure cost**

The City contracts with a disposal company to dispose of its solid waste materials collected. In prior years the City maintained a landfill; however, it was closed during 2016. The state of Georgia requires the City to perform certain maintenance and monitoring functions at the closed landfill and to make periodic reports to the appropriate agencies. The estimated liability for post-closure cost is undeterminable; however, the City believes the maintenance cost is immaterial. However, changes in the post-closure care may occur for increases or decreases in cost due to inflation or deflation, changes in technology, changes to post-closure care requirements, and changes in the extent of environmental remediation required by law. If at such time the post-closure care cost is determined and is a material liability, appropriate disclosure will be reflected in the financial statements. Landfill services fees were \$731,915 and there were no maintenance costs for the year ended December 31, 2024.

**Note 15—Subsequent events**

The City has evaluated subsequent events June 30, 2025, the date which the financial statements were available to be issued. As of this date, there were no material subsequent events requiring adjustment to or disclosure in the financial statements for the year ended December 31, 2024.

**CITY OF HARLEM, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

*DECEMBER 31, 2024*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>										
Service cost	\$ 30,687	\$ 28,857	\$ 32,143	\$ 30,182	\$ 35,636	\$ 39,252	\$ 41,081	\$ 52,796	\$ 57,426	\$ 62,619
Interest on total pension liability	231,868	218,915	205,322	197,186	191,053	181,878	167,511	165,691	154,267	144,614
Differences between expected and actual experience	(16,761)	57,943	78,788	2,321	(8,189)	20,257	76,315	(29,694)	105,065	44,129
Changes of assumptions	-	-	-	-	29,880	-	51,773	-	-	(99,611)
Benefit payments, including refunds of employee contributions	(132,554)	(131,257)	(126,075)	(116,589)	(116,591)	(114,284)	(110,360)	(220,246)	(118,472)	(17,758)
<b>Net Change in Total Pension Liability</b>	<b>113,240</b>	<b>174,458</b>	<b>190,178</b>	<b>113,100</b>	<b>131,789</b>	<b>127,103</b>	<b>226,320</b>	<b>(31,453)</b>	<b>198,286</b>	<b>133,993</b>
Total pension liability - beginning	3,179,563	3,005,105	2,814,927	2,701,827	2,570,038	2,442,935	2,216,615	2,248,068	2,049,782	1,915,789
Total Pension Liability - Ending (a)	<u>\$ 3,292,803</u>	<u>\$ 3,179,563</u>	<u>\$ 3,005,105</u>	<u>\$ 2,814,927</u>	<u>\$ 2,701,827</u>	<u>\$ 2,570,038</u>	<u>\$ 2,442,935</u>	<u>\$ 2,216,615</u>	<u>\$ 2,248,068</u>	<u>\$ 2,049,782</u>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 136,436	\$ 138,967	\$ 147,166	\$ 158,112	\$ 162,578	\$ 152,731	\$ 159,294	\$ 155,680	\$ 152,944	\$ 160,035
Net investment income	421,910	(179,206)	154,295	783,819	(132,166)	63,040	188,091	167,063	5,352	118,981
Benefit payments, including refunds of employee contributions	(132,554)	(131,257)	(126,075)	(116,589)	(116,591)	(114,284)	(110,360)	(220,246)	(118,472)	(99,611)
Administrative expense	(9,213)	(10,938)	(10,513)	(10,221)	(11,244)	(10,684)	(10,685)	(11,072)	(8,025)	(7,582)
<b>Net Change in Fiduciary Net Position</b>	<b>416,579</b>	<b>(182,434)</b>	<b>164,873</b>	<b>815,121</b>	<b>(97,423)</b>	<b>90,803</b>	<b>226,340</b>	<b>91,425</b>	<b>31,799</b>	<b>171,823</b>
Plan fiduciary net position - beginning	2,513,672	2,696,106	2,531,233	1,716,112	1,813,535	1,722,732	1,496,392	1,404,967	1,373,168	1,201,435
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,930,251</u>	<u>\$ 2,513,672</u>	<u>\$ 2,696,106</u>	<u>\$ 2,531,233</u>	<u>\$ 1,716,112</u>	<u>\$ 1,813,535</u>	<u>\$ 1,722,732</u>	<u>\$ 1,496,392</u>	<u>\$ 1,404,967</u>	<u>\$ 1,373,258</u>
<b>Net Pension Liability (a) - (b)</b>	<u><b>\$ 362,552</b></u>	<u><b>\$ 665,891</b></u>	<u><b>\$ 308,999</b></u>	<u><b>\$ 283,694</b></u>	<u><b>\$ 985,715</b></u>	<u><b>\$ 756,503</b></u>	<u><b>\$ 720,203</b></u>	<u><b>\$ 720,223</b></u>	<u><b>\$ 843,101</b></u>	<u><b>\$ 676,524</b></u>
Plan fiduciary net position as a percentage of the total pension liability	88.99%	79.06%	89.72%	89.92%	63.52%	70.56%	70.52%	67.51%	62.50%	66.99%
Covered-employee payroll	<u>\$ 384,469</u>	<u>\$ 393,317</u>	<u>\$ 379,208</u>	<u>\$ 425,406</u>	<u>\$ 431,794</u>	<u>\$ 469,860</u>	<u>\$ 519,400</u>	<u>\$ 518,351</u>	<u>\$ 670,477</u>	<u>\$ 687,814</u>
City's net pension liability as a percentage of covered-employee payroll	94.3%	169.3%	81.5%	66.7%	228.3%	161.0%	138.7%	138.9%	125.7%	98.4%

**CITY OF HARLEM, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTION**

*DECEMBER 31, 2024*

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 140,880	\$ 134,954	\$ 140,305	\$ 149,453	\$ 160,998	\$ 163,105	\$ 149,273	\$ 162,634	\$ 152,944	\$ 152,805
Contributions in relation to the actuarially determined contribution	<u>(140,880)</u>	<u>(134,954)</u>	<u>(140,305)</u>	<u>(149,453)</u>	<u>(160,998)</u>	<u>(163,105)</u>	<u>(149,273)</u>	<u>(162,634)</u>	<u>(152,944)</u>	<u>(152,805)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 384,469	\$ 393,317	\$ 379,208	\$ 425,406	\$ 431,794	\$ 469,860	\$ 519,400	\$ 518,351	\$ 670,477	\$ 687,814
Contributions as a percentage of covered-employee payroll	36.6%	34.3%	35.1%	35.1%	37.3%	34.7%	28.7%	31.4%	22.8%	22.2%

**CITY OF HARLEM, GEORGIA**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

*DECEMBER 31, 2024*

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**Note 1—Methods and assumptions used in calculations of actuarially determined contributions**

The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1 of the year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method	Projected unit credit
Amortization Method	Closed level dollar for the remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of
Actuarial Assumptions:	
Net investment rate of return	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	1.70%

There were no changes in the methods or assumptions from the prior valuation.

**CITY OF HARLEM, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2024

	Special Revenue Funds		Capital Project Funds				
	Confiscation Fund	Revolving Loan Fund	LMIG Fund	Technology Fund	T-SPLOST Fund	SPLOST 2017-2022 Fund	Combined Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 22,633	\$ -	\$ 63,994	\$ 30,129	\$ 454,795	\$ 273,400	\$ 844,951
Accounts receivable	-	-	-	-	11,636	-	11,636
<b>Total Assets</b>	<u>\$ 22,633</u>	<u>\$ -</u>	<u>\$ 63,994</u>	<u>\$ 30,129</u>	<u>\$ 466,431</u>	<u>\$ 273,400</u>	<u>\$ 856,587</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 54	\$ -	\$ -	\$ -	2,014	\$ -	\$ 2,068
Unearned revenue	8,816	-	56,016	-	-	-	64,832
<b>Total Liabilities</b>	<u>8,870</u>	<u>-</u>	<u>56,016</u>	<u>-</u>	<u>2,014</u>	<u>-</u>	<u>66,900</u>
<b>FUND BALANCE</b>							
Restricted for:							
Capital projects	-	-	7,978	-	464,417	273,400	745,795
Committed to:							
Capital outlay	-	-	-	30,129	-	-	30,129
Assigned:							
Public safety	13,763	-	-	-	-	-	13,763
<b>Total Fund Balance</b>	<u>13,763</u>	<u>-</u>	<u>7,978</u>	<u>30,129</u>	<u>464,417</u>	<u>273,400</u>	<u>789,687</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 22,633</u>	<u>\$ -</u>	<u>\$ 63,994</u>	<u>\$ 30,129</u>	<u>\$ 466,431</u>	<u>\$ 273,400</u>	<u>\$ 856,587</u>

**CITY OF HARLEM, GEORGIA**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS**

YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds		Capital Project Funds				Total Non-Major Governmental Funds
	Confiscation Fund	Revolving Loan Fund	LMIG Fund	Technology Fund	T-SPLOST Fund	SPLOST 2017-2022 Fund	
Revenue:							
Fines and forfeitures	\$ 8,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,700
Intergovernmental revenue	-	-	64,357	-	118,568	-	182,925
Charges for services	-	-	-	4,640	-	-	4,640
Uses of money/property	557	612	2,492	821	11,550	8,324	24,356
Other	6,085	-	-	-	-	-	6,085
Total Revenue	15,342	612	66,849	5,461	130,118	8,324	226,706
Expenditures:							
Current Operating:							
General government	-	112,776	24,800	-	6,486	14,604	158,666
Public safety	13,510	-	-	-	-	-	13,510
Capital outlay	-	-	39,556	-	-	-	39,556
Total Expenditures	13,510	112,776	64,356	-	6,486	14,604	211,732
Excess of revenues over (under) expenditures	1,832	(112,164)	2,493	5,461	123,632	(6,280)	14,974
<b>OTHER FINANCING SOURCES (USES)</b>							-
Transfers (out)	-	(63)	-	-	-	-	(63)
Total other financing sources (uses)	-	(63)	-	-	-	-	(63)
Net change in fund balances	1,832	(112,227)	2,493	5,461	123,632	(6,280)	14,911
Fund balance, beginning of year	11,931	112,227	5,485	24,668	340,785	279,680	774,776
Fund balance, end of year	\$ 13,763	\$ -	\$ 7,978	\$ 30,129	\$ 464,417	\$ 273,400	\$ 789,687



**Report of Independent Auditor on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and Members of City Council  
City of Harlem, Georgia  
Augusta, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harlem, Georgia (the “City”), as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 30, 2025.

**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 combination of deficiencies, in internal control that is less 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

*Cherry Bekaert LLP*

Augusta, Georgia  
June 30, 2025

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and Members of City Council  
City of Harlem, Georgia  
Harlem, Georgia

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Harlem, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibility of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Augusta, Georgia  
June 30, 2025

**CITY OF HARLEM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED DECEMBER 31, 2024

<u>Agency and Purpose</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<b>Federal Agency Name:</b>				
Department of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery				
Provision of Services - Various Departments	21.027	PA-0013320	\$ 17,898	-
Provision of Services - Fire Department	21.027	PA-0013320	194,050	-
Sandy Run Walking Trail - Signage	21.027	PA-0013320	10,650	-
Storm Drainage Projects	21.027	PA-0013320	116,497	-
Harlem City Park Upgrades - Phase 1	21.027	PA-0013320	58,265	-
			397,360	\$ -
Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
<i>Passed through the Georgia Division of Emergency Management</i>				
Hurricane Helene	97.036	4830DRGA	728,367	-
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,125,727</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards.

**CITY OF HARLEM****NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED DECEMBER 31, 2024*

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**Note 1—Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards includes grant activity of the City and is presented on the accrual basis of accounting.

**Note 2—Indirect cost rate**

The City did not elect to utilize the 15% de minimis indirect cost rate.

**CITY OF HARLEM**  
**SCHEDULE OF FINDINGS AND QUESTIONS COSTS –**  
**FEDERAL AWARD PROGRAM**

*YEAR ENDED DECEMBER 31, 2024*

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**Part I—Summary of Auditor Results**

**Financial Statement Section**

Type of auditor report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
• Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> no
• Significant deficiency(ies) identified?	<u>    </u> Yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>    </u> Yes	<u>  X  </u> no

**Federal Awards Section**

Internal control over major programs:		
• Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> no
• Significant deficiency(ies) identified?	<u>    </u> Yes	<u>  X  </u> none reported
Type of auditor report on compliance for major federal programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	<u>    </u> yes	<u>  X  </u> no

**CITY OF HARLEM**  
**SCHEDULE OF FINDINGS AND QUESTIONS COSTS –**  
**FEDERAL AWARD PROGRAM (CONTINUED)**

*YEAR ENDED DECEMBER 31, 2024*

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**Part I—Summary of Auditor Results (continued)**

**Federal Awards Section (continued)**

Identification of major federal program:

Federal Program:

<u>Name of Program or Cluster</u>	<u>Assistance Listing Number</u>
Department of Homeland Security – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036

Dollar threshold used to determine Type A programs:

Federal \$750,000

Auditee qualified as low-risk auditee for federal purposes?         Yes                        X   no

**Part II—Schedule of Federal Statement Findings**

None reported.

**Part III—Federal Award Findings and Questioned Costs**

None reported.



**CITY OF HARLEM**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED DECEMBER 31, 2024*

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There were no findings reported in the prior year

**CITY OF HARLEM, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE**  
**LOCAL OPTION SALES TAX PROCEEDS (2011-2016)**

*YEAR ENDED DECEMBER 31, 2024*

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Amended Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>To Date</b>	<b>Percentage of Completion</b>
<b>Tier I</b>						
Vehicles and equipment	\$ 350,000	\$ 325,000	\$ 325,000	\$ -	\$ 325,000	100%
Infrastructure (water and sewer)	718,224	193,224	128,832	-	128,832	67%
Transportation (roads and sidewalks)	200,000	160,000	183,872	-	183,872	115%
Public buildings	850,000	1,480,000	1,672,036	-	1,672,036	113%
Recreation	250,000	210,000	237,227	-	237,227	113%
Total - Tier I	2,368,224	2,368,224	2,546,967	-	2,546,967	
<b>Tier II</b>						
Vehicles and equipment	50,000	50,000	-	-	-	0%
Infrastructure (water and sewer)	610,377	510,377	-	-	-	0%
Public buildings	150,000	150,000	95,892	-	95,892	64%
Total - Tier II	810,377	710,377	95,892	-	95,892	
<b>Tier III</b>						
Infrastructure (water and sewer)	521,749	521,749	-	-	-	0%
Total - Tier III	521,749	521,749	-	-	-	
Grand Total	\$ 3,700,350	\$ 3,600,350	\$ 2,642,859	\$ -	\$ 2,642,859	

**CITY OF HARLEM, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE**  
**LOCAL OPTION SALES TAX PROCEEDS (2017-2022)**

*YEAR ENDED DECEMBER 31, 2024*

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Amended Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>To Date</b>	<b>Percentage of Completion</b>
<b>Tier I</b>						
Public buildings	\$ 1,942,531	\$ 1,955,481	\$ 2,450,041	\$ - *	\$ 2,450,041	125%
Total - Tier I	1,942,531	1,955,481	2,450,041	-	2,450,041	
<b>Tier II</b>						
Vehicles and equipment	25,000	25,000	-	14,604	14,604	58%
Infrastructure (water and sewer)	25,000	25,000	-	-	-	0%
Transportation (roads and sidewalks)	25,000	25,000	372,297	-	372,297	1489%
Public buildings	223,755	262,606	-	-	-	0%
Recreation	25,000	25,000	-	-	-	0%
Total - Tier II	323,755	362,606	372,297	14,604	386,901	
<b>Tier III</b>						
Buildings	283,755	231,954	-	-	-	0%
Transportation (roads and sidewalks)	10,000	10,000	-	-	-	0%
Recreation	10,000	10,000	-	-	-	0%
Vehicles and equipment	10,000	10,000	-	-	-	0%
Infrastructure (water and sewer)	10,000	10,000	-	-	-	0%
Total - Tier III	323,755	271,954	-	-	-	
Grand Total	\$ 2,590,041	\$ 2,590,041	\$ 2,822,338	\$ 14,604	\$ 2,836,942	

\* Consistent with the Intergovernmental Agreement with Columbia County, the City is reimbursing the General Fund for capital outlay expenditures for a public building which occurred in previous years.

**CITY OF HARLEM, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE**  
**LOCAL OPTION SALES TAX PROCEEDS (2023-2028)**

*YEAR ENDED DECEMBER 31, 2024*

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Amended Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>To Date</b>	<b>Percentage of Completion</b>
<b>Tier I</b>						
Recreation	\$ 1,035,755	\$ 1,035,755	\$ -	\$ -	\$ -	0%
Transportation (roads and sidewalks)	1,250,000	1,250,000	-	-	-	0%
Vehicles and equipment	2,000,000	2,000,000	113,692	-	113,692	6%
Public buildings	1,150,000	1,150,000	-	-	-	0%
Total - Tier I	5,435,755	5,435,755	113,692	-	113,692	
<b>Tier II</b>						
Recreation	455,959	455,959	-	-	-	0%
Transportation (roads and sidewalks)	450,000	450,000	-	-	-	0%
Total - Tier II	905,959	905,959	-	-	-	
<b>Tier III</b>						
Recreation	455,959	455,959	-	-	-	0%
Vehicles and equipment	450,000	450,000	-	-	-	0%
Total - Tier III	905,959	905,959	-	-	-	
Grand Total	\$ 7,247,673	\$ 7,247,673	\$ 113,692	\$ -	\$ 113,692	