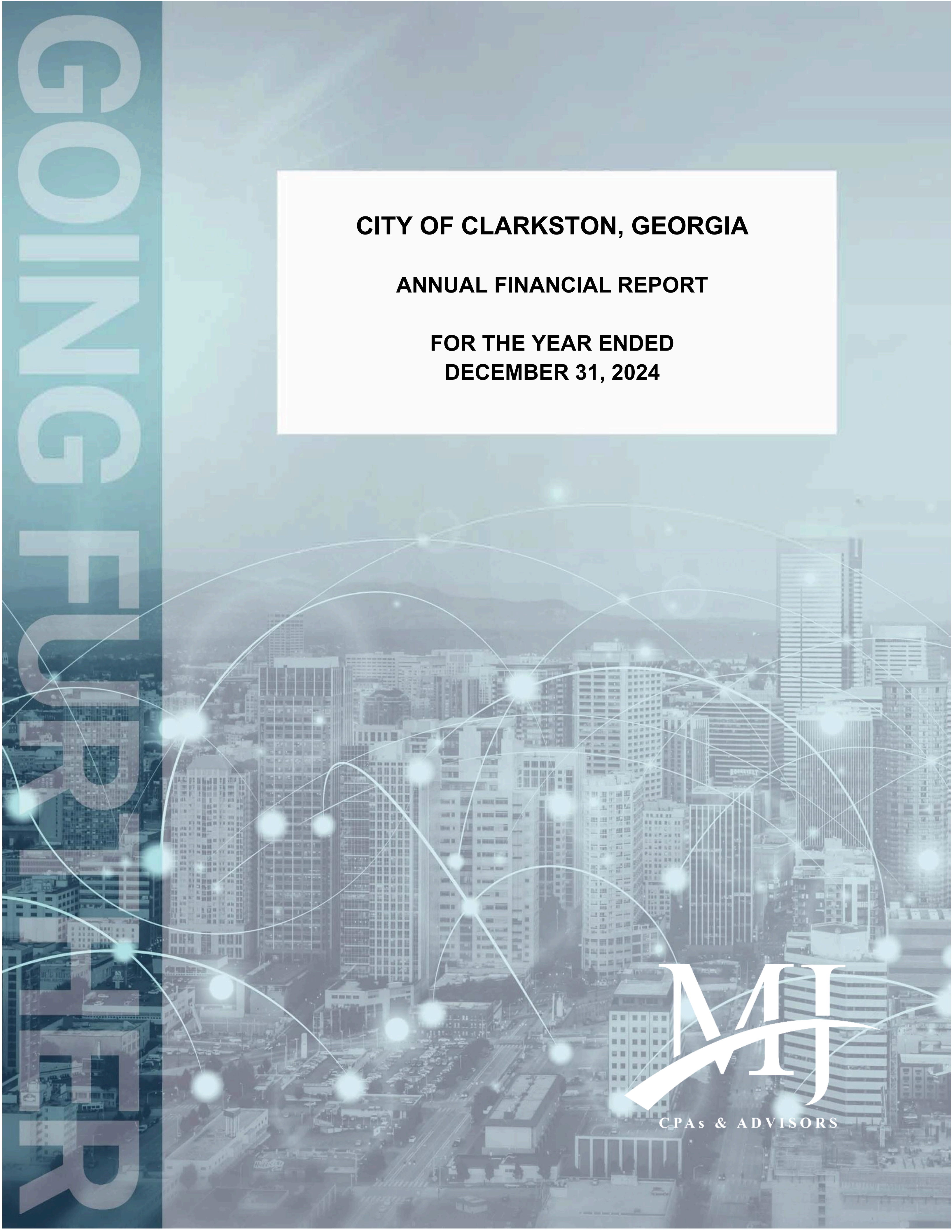

CITY OF CLARKSTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF CLARKSTON, GEORGIA

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Clarkston, 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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clarkston, Georgia as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of January 1, 2024. This standard significantly changed the reporting of the City's compensated absences liability. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the City's net pension liability and related ratios, and the schedule of City contributions 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedule of projects constructed with special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121 and 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*, (the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
July 20, 2026

CITY OF CLARKSTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

As management of the City of Clarkston, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the notes to the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by $28,634,105 (net position). Of this amount, $2,689,559 (*unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors. $22,469,834 of net position consisted of investments in capital assets, net of related debt. The remainder of net position consisted of amounts restricted by law, with $2,862,586 restricted for capital construction, $209,616 restricted for public safety, $94,792 restricted for tree bank funding, $40,000 restricted for environment trust, and $267,718 restricted for public works.

- The City's total net position increased by $2,657,459 in the year ended December 31, 2024. This is compared to an increase of $2,870,582 the prior year. This increase in net position for 2024 resulted primarily from an increase in property tax revenue. The City also saw increases in Charges for Services and Capital Grants and Contributions. Net investment in capital assets increased by $1,600,215. Net position restricted for public works increased by $267,718. Net position restricted for capital construction increased by $402,097 while unrestricted net position decreased by $8,432.

- As of the close of the current year, the City's governmental funds reported combined ending fund balances of $14,427,768. This compares to the prior year ending fund balances of $6,894,822 showing a net increase of $7,532,946 during the current year. The current year increase in total fund balances was primarily due to an increase in the SPLOST Fund balance of $7,103,874 caused by the issuance of bonds for the purpose of starting capital related construction on SPLOST II projects. Nonmajor governmental fund balance increased by $352,953 resulting from an increase in police seizure revenue with a corresponding decrease in spending of those confiscated funds. Governor Kemp and the General Assembly also appropriated additional transportation funds to local governments across the State through the Local Road Assistance Grant (LRA). Neither the annual LMIG funding nor the LRA funds were spent in the current year also contributing to the nonmajor governmental fund balance increase.

- At the end of the current year, the total fund balance for the General Fund was $4,340,620 or 51.91% of General Fund expenditures. Of this amount, $3,995,626 was unassigned, $94,792 was restricted for tree bank, $40,000 was for environment trust, and $210,202 was nonspendable.

- At the end of the current year, the total fund balance for the SPLOST Fund was $9,609,441 restricted to capital construction for transportation, recreation and culture, city administration building, and public safety.

- At the close of the year, the assets of the City's Sanitation Fund exceeded its liabilities by $158,199. This total net position was all unrestricted and available to meet the Sanitation Fund's ongoing obligations to its customers.

- At the close of the year, the assets of the City's Stormwater Utility Fund exceeded its liabilities by $1,735,604. Included in this total net position is $1,431,117 invested in capital assets net of related debt and a balance of $304,487 of unrestricted net position available to meet the Stormwater Utility Fund's ongoing obligations to its customers.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. Governmental activities include general government, buildings and grounds, public safety, public works, recreation and parks, judicial, economic and community development, and planning and zoning. The City's business-type activities include the Sanitation Fund and the Stormwater Utility Fund.

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

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

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

The City maintains six (6) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major fund. The City's major funds are the General Fund, ARPA (American Rescue Plan Act) Fund and the SPLOST Fund. Other nonmajor governmental funds include the Police Seizure Fund, Grant Fund, and the Homestead Option Sales Tax Fund.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund and special revenue funds to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sanitation services and stormwater utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Sanitation Fund and the Stormwater Utility Fund. These two funds are considered major funds of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources that the government holds as a trustee or agent on behalf of an outside party that cannot be used to support the government's own programs. The City uses a fiduciary fund to account for the Affordable Housing Trust set up by a developer for affordable housing projects.

Fiduciary funds provide the same type of information as the government-wide financial statements, only in more detail. The fiduciary fund financial statements provide separate information on the Affordable Housing Trust Fund. This fund was established in December 2019 and funded by a $200,000 donation. No additional revenues or expenditures were recorded in 2024.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide information about the City's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability and related ratios.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Clarkston, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $28,634,105 at the close of the most recent year. Table 1 below is a summary of the City's net position.

Table 1
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
Assets:	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Current and						
other assets	$ 17,444,808	$ 9,536,071	$ 610,171	$ 498,244	$ 18,054,979	$ 10,034,315
Capital assets	24,093,341	24,809,492	1,501,813	1,581,193	25,595,154	26,390,685
Total assets	41,538,149	34,345,563	2,111,984	2,079,437	43,650,133	36,425,000
Deferred outflows of resources	509,095	769,322	-	-	509,095	769,322
Liabilities:						
Current liabilities	5,579,701	5,349,648	168,646	52,782	5,748,347	5,402,430
Long-term liabilities	9,412,762	5,345,951	49,535	70,451	9,462,297	5,416,402
Total liabilities	14,992,463	10,695,599	218,181	123,233	15,210,644	10,818,832
Deferred inflows of resources	314,479	85,893	-	-	314,479	85,893
Net position:						
Net investment						
in capital assets	21,038,717	19,379,593	1,431,117	1,490,026	22,469,834	20,869,619
Restricted	3,474,712	2,721,987	-	-	3,474,712	2,721,987
Unrestricted	2,226,873	2,231,813	462,686	466,178	2,689,559	2,697,991
Total net position	$ 26,740,302	$ 24,333,393	$ 1,893,803	$ 1,956,204	$ 28,634,105	$ 26,289,597

A portion of the City's net position ($22,469,834 or 78.5%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and intangibles, less any related debt used to acquire those assets that is still outstanding). The City uses these 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 that 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.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. $3,474,712 (12.1%) of the City's net position is restricted for capital construction, public safety, public works, tree bank, and environmental trust. The remaining portion of the City's net position ($2,689,559 or 9.4%) is unrestricted. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City was able to report positive balances in all three categories of net position. For the City as a whole, the unrestricted net position of the primary government decreased by $8,432 in 2024 from the previous year's balance of $2,697,991 to a net balance of $2,689,559, a 0.3% decrease.

Analysis of the City's Operations and Changes in Net Position

The schedule below presents a summary of the City's operations for the years ended December 31, 2024 and 2023. Governmental activities during the current year increased the City's net position by $2,719,860. Business-type activities decreased the City's net position by $62,401 for the year ended December 31, 2024.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues:						
Program revenues:						
Charges for services	$ 975,614	$ 778,352	$ 658,970	$ 541,649	$ 1,634,584	$ 1,320,001
Operating grants and contributions	675,072	1,208,271	-	-	675,072	1,208,271
Capital grants and contributions	3,039,537	2,722,974	-	-	3,039,537	2,722,974
General revenues:						
Property taxes	5,239,215	4,283,181	-	-	5,239,215	4,283,181
Franchise taxes	542,117	502,576	-	-	542,117	502,576
Insurance premium taxes	1,407,838	1,308,710	-	-	1,407,838	1,308,710
Business and occupational taxes	224,521	246,738	-	-	224,521	246,738
Alcoholic beverage taxes	98,842	122,512	-	-	98,842	122,512
Unrestricted investment earnings	157	250	24	24	181	274
Total revenues	12,202,913	11,173,564	658,994	541,673	12,861,907	11,715,237
Expenses:						
General government	2,220,781	1,582,514	-	-	2,220,781	1,582,514
Buildings and grounds	251,491	153,954	-	-	251,491	153,954
Public safety	3,029,030	2,851,072	-	-	3,029,030	2,851,072
Public works	1,325,511	1,569,023	-	-	1,325,511	1,569,023
Recreation and parks	1,050,985	324,876	-	-	1,050,985	324,876
Judicial/municipal court	363,091	411,919	-	-	363,091	411,919
Economic/community development	332,323	768,915	-	-	332,323	768,915
Planning and zoning	619,323	438,221	-	-	619,323	438,221
Interest on long-term debt	290,518	143,698	-	-	290,518	143,698
Sanitation	-	-	331,433	287,718	331,433	287,718
Stormwater utility	-	-	389,962	312,745	389,962	312,745
Total expenses	9,483,053	8,244,192	721,395	600,463	10,204,448	8,844,655
Change in net position	2,719,860	2,929,372	(62,401)	(58,790)	2,657,459	2,870,582
Net position - beginning of year	24,333,393	21,404,021	1,956,204	2,014,994	26,289,597	23,419,015
Restatement - change in accounting principle	(312,951)	-	-	-	(312,951)	-
Net position - beginning of year as restated	24,020,442	21,404,021	1,956,204	2,014,994	25,976,646	23,419,015
Net position - end of year	$ 26,740,302	$ 24,333,393	$ 1,893,803	$ 1,956,204	$ 28,634,105	$ 26,289,597

Governmental Activities

Revenues. Charges for services of $975,614 increased by $197,262 primarily due to increased revenue from various permit fees and fines and forfeitures which accounted for 8% of the City's total governmental revenue in 2024 compared to 7% in 2023. Operating Grants and Contributions decreased by $533,199 in 2024 due to a decrease in the use of ARPA funds and represents 6% of total governmental revenue in 2024. Capital Grants and Contributions of $3,039,537 increased by $316,563 due to increases in Special Purpose Local Option Sales Tax (SPLOST) an Atlanta Regional Commission grant used for a greenway feasibility study and the addition of a second round of LMIG funding under the title of Local Road Assistance grant from the Georgia Department of Transportation. Capital Grants and Contributions revenue comprises 25% of total governmental revenue in 2024 compared to 24% in 2023. Property taxes provided 43% of the City's total governmental revenue in 2024 as compared with 38% in the year 2023. Overall, governmental revenues increased by $1,029,349 or 9%.

Expenses. The total expense for governmental activities was $9,483,053 in 2024, an increase of $1,238,861 or 15% compared to 2023. General government saw an increase of $638,267 in 2024 which can be largely explained by an increase in spending for professional services including City Attorney, Interim City Manager, audio and visual services for council meetings, and computer hardware and software services. Recreation and parks saw an increase of $294,434 in 2024 which can be explained by an increase in personnel expenses through the addition of a staff member and additional spending of the Atlanta Regional Commission (ARC) grant for a greenway feasibility study. Economic and community development expenses decreased by $436,592 predominately explained by a large decrease in ARPA funds used on various economic and community development projects.

Business-Type Activities

Revenues. Total revenues for the enterprise funds increased by $117,321 from 2023 to 2024. In the current year, the Sanitation Fund operating revenues were $352,470 with a $118,384 increase from 2023 due an increase in sanitation fees charged to customers. The Stormwater Utility Fund operating revenues were $306,500 in 2024, a decrease of $1,063 from 2023.

Expenses. Total expenses for the Sanitation Fund were $331,433 in the current year compared to $287,718 in the prior year. This 15% increase in expenses was due to an increase in the City's contracted service for garbage and recycling collections. Total expenses for the Stormwater Utility Fund were $389,962 in the current year compared to $312,745 in the prior year. This increase of $77,217 in Stormwater Utility Fund expenses was primarily due to an increase in professional engineering services for various projects and tasks.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current year, the City's governmental funds reported combined ending fund balances of $14,427,768. Of this amount, $3,995,626 or 28% constitutes unassigned fund balance, which is available for spending at the City's discretion. The unassigned fund balance for 2023 was $4,051,979, a $56,353 decrease. The remainder of fund balance is made of $10,221,940 of restricted fund balance due to external limitations on its use, and $210,202 of nonspendable. These restricted uses include: 1) capital projects funded by SPLOST and HOST funds ($9,609,814), 2) public safety expenditures funded by the police seizure funds ($209,616), 3) $94,792 for tree bank funding, 4) $40,000 for environmental trust, and 5) $267,718 for public works road projects funded with LMIG and LRA funds. The nonspendable fund balance portion of $210,202 is for prepaid items.

General Fund – The General Fund is the central operating fund of the City. At the end of the current year, the fund balance of the General Fund was $4,340,620 of which $3,995,626 was unassigned, $94,792 was restricted for tree bank, $40,000 was restricted for environmental trust, and $210,202 was nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total fund balance of $4,340,620 represents approximately 52% of total 2024 General Fund expenditures compared to 59% for the prior year while unassigned fund balance of $3,995,626, represents approximately 48% of total General Fund expenditures compared to 56% for the prior year. The fund balance of the City's General Fund increased by $76,119 during the current year. This was due, primarily, to increases in taxes and licenses and permit revenues.

ARPA (American Rescue Plan Act) Fund – The ARPA Fund was created in 2021 due to the Federal American Rescue Plan Act Grant administered to provide economic relief during the Coronavirus pandemic. The City received an ARPA Grant Award of $2,359,558 in 2021 and an additional $2,359,558 in 2022. As of December 31, 2024, the City's Unearned Revenue liability from these awards was $1,133,348 and the City recorded earned revenue of $668,314. Total Expenditures for the ARPA Fund in 2024 were $668,471.

SPLOST (Special Purpose Local Option Sales Tax) – The SPLOST Fund was created in 2018 (SPLOST I) for a six-year SPLOST. It was voted on and renewed in 2023 for an additional six years with collections starting in April 2024 (SPLOST II). Fund balance at year-end for 2024 was $9,609,441 and restricted for capital outlay related to road projects, transportation improvements, recreation and culture, City administrative building, public safety, and debt service. Fund balance increased by $7,103,874 from 2023 mostly due to the issuance of a $7,000,000 bond in late 2024. SPLOST revenue increased in 2024 by $256,914 primarily due to increased SPLOST collections.

Nonmajor Governmental Funds – Nonmajor governmental funds include the Grants Fund, Police Seizure Fund, and the HOST (*Homestead Option Sales Tax*) Fund. Total fund balance for nonmajor governmental funds at year-end was $477,256 with $209,165 restricted for public safety, $267,718 restricted for transportation improvements, and $373 restricted for capital construction. The net change in fund balance for 2024 was $352,953 due to receipt of LMIG (Local Maintenance and Improvement Grant) and LRA (Local Road Assistance) from the Georgia Department of Transportation with no spending of those funds by year-end and due to police seizure revenue being larger than expenditures.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two (2) enterprise funds that account for the activities of the City that are operated in a business fashion. The City maintains enterprise funds for the Sanitation Fund and the Stormwater Utility Fund.

Stormwater Utility Fund – Stormwater fees are billed on the City property tax bills and are collected by DeKalb County and remitted by the County to the City. The Stormwater Utility Fund decreased its net position by $83,438 in 2024. Revenues were significantly less than expenses due to a large increase in engineering services for various purposes.

Sanitation Fund – Sanitation fees are billed on the City property tax bills and are collected by DeKalb County and remitted by the County to the City. The Sanitation Fund increased its net position by $21,037 in 2024. The increase in revenues from an increase in rates charged to customers was larger than the increase in expenses from an increase in contracted services for garbage and recycling services.

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Table 3 below compares governmental fund revenues and expenditures for 2024 and 2023:

Table 3
Governmental Revenues, Expenditures, and Changes in Fund Balances

	Governmental Funds	
	2024	**2023**
Revenues:		
Taxes	$ 7,570,621	$ 6,437,778
Licenses and permits	361,008	298,711
Intergovernmental	3,713,440	3,930,979
Fines and forfeitures	395,788	237,427
Charges for services	89,456	86,875
Interest income	1,326	516
Other revenues	129,362	155,339
Total Revenue	12,261,001	11,147,625
Expenditures:		
General government	2,249,811	1,541,303
Buildings and grounds	251,491	153,954
Public safety	2,954,699	2,717,676
Public w orks	1,269,875	1,220,783
Recreation and parks	492,757	271,734
Judicial/municipal court	386,418	411,563
Economic and community development	343,784	767,810
Planning and zoning	630,702	439,955
Capital outlay	236,406	600,832
Debt service:		
Principal	2,673,498	2,801,913
Interest	111,790	187,694
Issuance cost	126,824	-
Total Expenditures	11,728,055	11,115,217
Excess of revenues over expenditures	532,946	32,408
Other financing sources:		
Proceeds from bond issuance	7,000,000	-
Issuance of financed purchases	-	138,230
Proceeds from sale of capital assets	-	8,448
Total other financing sources	7,000,000	146,678
Net change in fund balances	7,532,946	179,086
Fund balances, beginning of year	6,894,822	6,715,736
Fund balances, end of year	$ 14,427,768	$ 6,894,822

General Fund Budgetary Highlights

The City's budget is prepared according to Georgia law. A comparison of actual revenues and expenditures compared to budgeted amounts is presented in the financial statements for the General Fund, ARPA Fund, Grant Fund, and Police Seizure Fund. General Fund revenue was $15,201 more than budgeted due to an underestimate of taxes. Expenditures were $87,524 less than budgeted, mostly explained by an overestimate of debt service payments ($135,221) and an underestimate of Public Works expenditures ($31,909). There were no variances between the budget and actual results for the ARPA Fund and Grant Fund. The City underestimated Police Seizure Fund revenue by $18.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to $25,595,154 (net of accumulated depreciation). This investment in capital assets includes land, intangible assets, buildings and improvements, machinery and equipment, park facilities, streets and sidewalks, and stormwater infrastructure. Table 4 below summarizes the capital assets of the City.

Table 4 Capital Assets	**Governmental Activities**		**Business-Type Activities**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Construction in progress	$ 1,369,482	$ 1,286,592	$ 15,275	$ 15,275	$ 1,384,757	$ 1,301,867
Land	656,629	656,629	-	-	656,629	656,629
Intangible asset (easements)	-	-	116,495	116,495	116,495	116,495
Buildings and improvements	3,457,741	3,457,741	-	-	3,457,741	3,457,741
Furniture and equipment	1,189,706	1,156,424	-	-	1,189,706	1,156,424
Vehicles	1,548,858	1,388,452	265,498	265,498	1,814,356	1,653,950
Infrastructure-streets	21,894,066	21,894,066	-	-	21,894,066	21,894,066
Stormwater infrastructure	-	-	2,034,429	2,034,429	2,034,429	2,034,429
Less accumulated depreciation	(6,023,141)	(5,030,412)	(929,884)	(850,504)	(6,953,025)	(5,880,916)
Total	$ 24,093,341	$ 24,809,492	$ 1,501,813	$ 1,581,193	$ 25,595,154	$ 26,390,685

The City's total investment in capital assets decreased from $26,390,685 to $25,595,154 in 2024. The City spent an additional $82,890 on construction in progress (CIP). There were no transfers out of CIP for completed projects during 2024. As of December 31, 2024, there was $1,384,757 of construction projects in progress that are scheduled to be completed in 2025. The largest CIP project to be completed is the Church St/East Ponce de Leon Sidewalks project currently at $1,106,184 where construction has been delayed due to part of the project being located on County property.

During fiscal year 2024, the City purchased vehicles totaling $160,406, which included $48,012 for public safety, $73,849 for administration, and $38,545 for public works. Depreciation on capital assets was $992,729 for governmental activities and $79,380 for business-type activities. There were no capital asset disposals in 2024. Additional information on the City's capital assets can be found in Note 6 in the notes to the financial statements of this report.

Long-Term Debt and Obligations. The City's long-term debt and obligations can be found in Note 7 in the notes to the financial statements of this report. Notes payable, financed purchases, net pension liability, and compensated absences all decreased in 2024. There were no increases in borrowing for financed purchases and notes payable. The City issued a General Obligation Bond of $7,000,000 in 2024, which will be serviced with SPLOST II proceeds. Compensated absences decreased in 2024 due to vacation leave payments and use for both retired and active employees. The City's long-term debt is summarized in the table on the following page.

Table 5 Long-Term Debt	**Governmental Activities**		**Business-Type Activities**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Bonds Payable	$ 7,313,971	$ 2,557,971	$ -	$ -	$ 7,313,971	$ 2,557,971
Financed Purchases	158,581	235,142	70,696	91,167	229,277	326,309
Notes Payable	2,329,300	2,682,237	-	-	2,329,300	2,682,237
Net Pension Liability	1,766,272	2,484,294	-	-	1,766,272	2,484,294
Compensated Absences	548,876	346,254	-	-	548,876	346,254
Governmental Activities Long-Term Liabilities	$ 12,117,000	$ 8,305,898	$ 70,696	$ 91,167	$ 12,187,696	$ 8,397,065

Economic Factors and Next Year's Budgets and Rates

The City considered the current year results as well as other factors in preparing the City's budget for 2025. The budget for 2025 reflects total revenues of $15,356,673, total expenditures of $15,329,391, and an increase in fund balance of $26,402. Total estimated revenues and expenditures are down when compared with 2024 primarily due to a decrease in the use of ARPA funds and other grants. The SPLOST Fund represents $2,722,000 of the total fiscal year 2025 budget for construction of streets and sidewalks. The 2025 General Fund budget is up 10.2% from 2024. Property taxes, insurance premium taxes, and franchise taxes are all estimated to increase. The 2025 General Fund budget provides for a 3% COLA, funding for a Planner, and a rise in costs for goods and services across all departments.

In November of 2017, DeKalb County voters approved a referendum for a six-year Special Purpose Local Option Sales Tax (SPLOST 1) restricted for capital construction of streets and sidewalk improvements with the City estimated to receive $11,353,392 over six years. Collections ended in March 2024 and totaled $12,357,884, or 109% of estimated collections.

In November of 2023, DeKalb County voters approved a referendum for a second six-year Special Purpose Local Option Sales Tax (SPLOST 2) restricted for capital construction of streets and sidewalk improvements at 60%, recreational and cultural facilities at 20%, administrative building at 13%, and public safety capital equipment at 7% with the City estimated to receive $17,245,978 over six years. The total estimated SPLOST 2 revenues increased from SPLOST 1 due to increased population growth over the last few years due to annexation and an increase in total sales tax revenues across the County. Collections started in April 2024 and totaled $2,053,978 for the current year, or 95% of estimated collections through December 31, 2024.

The tax digest valuation for the City increased by approximately 3.40% in 2025. The property tax millage rate was increased from 13.890 mills to 15.800 mills to accommodate a larger increase in estimated expenditures in the General Fund relative to the estimated increase in revenues from property taxes and other sources. The 2025 tax digest is broken down as: 57% Commercial, 31% Residential, 10% Industrial, and 2% Utility and Vehicles. The digest has been experiencing growth over the past few years due to a combination of new development/improvements and reassessments from changes in market conditions.

Fines and forfeitures revenue remains a lower percentage of total revenues than in previous years due to a deliberate approach by law enforcement and our judges to be more lenient by providing instruction and warnings as opposed to just fines. This approach is expected to continue.

During 2025, the City will continue utilizing the federal funding provided through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan Act to support our response in the recovery from the COVID-19 public health emergency. The City will more actively pursue additional grant funding opportunities in 2025.

The City will continue to monitor our revenues and expenditures and the economic environment, including the laws and regulations that have an impact on those revenues and expenditures. The City's goal is to keep the cost of government operations as low as it can without sacrificing the quality of services needed and desired by its citizens.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City Clerk
City of Clarkston
736 Park North Boulevard, Suite 120
Clarkston, GA 30021

CITY OF CLARKSTON, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
ASSETS	**Governmental Activities**	**Business-Type Activities**	**Total**
Cash and cash equivalents	$ 16,026,746	$ 622,474	$ 16,649,220
Taxes receivables, net of allowances	691,897	-	691,897
Intergovernmental receivable	421,130	-	421,130
Other receivables	40,875	-	40,875
Accounts receivables, net of allowances	-	37,484	37,484
Interfund balances	53,958	(53,958)	-
Prepaid items	210,202	4,171	214,373
Capital assets:			
Nondepreciable	2,026,111	131,770	2,157,881
Depreciable, net of accumulated depreciation	22,067,230	1,370,043	23,437,273
Total assets	41,538,149	2,111,984	43,650,133
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related items	509,095	-	509,095
Total deferred outflows of resources	509,095	-	509,095
LIABILITIES			
Accounts payable	596,222	147,485	743,707
Accrued liabilities	195,893	-	195,893
Unearned revenues	1,133,348	-	1,133,348
Compensated absences due within one year	219,550	-	219,550
Compensated absences due in more than one year	329,326	-	329,326
Net pension liability	1,766,272	-	1,766,272
Tax anticipation note payable due within one year	950,000	-	950,000
Notes payable due within one year	361,074	-	361,074
Notes payable due in more than one year	1,968,226	-	1,968,226
Bonds payable due within one year	2,078,971	-	2,078,971
Bonds payable due in more than one year	5,235,000	-	5,235,000
Financed purchases due within one year	44,643	21,161	65,804
Financed purchases due in more than one year	113,938	49,535	163,473
Total liabilities	14,992,463	218,181	15,210,644
DEFERRED INFLOWS OF RESOURCES			
Pension-related items	314,479	-	314,479
Total deferred inflows of resources	314,479	-	314,479
Net investment in capital assets	21,038,717	1,431,117	22,469,834
Restricted for public safety	209,616	-	209,616
Restricted for public works	267,718	-	267,718
Restricted for capital construction	2,862,586	-	2,862,586
Restricted for tree bank	94,792	-	94,792
Restricted for environmental trust	40,000	-	40,000
Unrestricted	2,226,873	462,686	2,689,559
Total net position	$ 26,740,302	$ 1,893,803	$ 28,634,105

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

CITY OF CLARKSTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 2,220,781	$ 504,416	$ 200,558	$ -	$ (1,515,807)	$ -	$ (1,515,807)
Building and grounds	251,491	-	-	-	(251,491)	-	(251,491)
Public safety	3,029,030	400,498	54,127	-	(2,574,405)	-	(2,574,405)
Public works	1,325,511	-	91,264	2,867,897	1,633,650	-	1,633,650
Recreation and parks	1,050,985	70,700	62,584	171,640	(746,061)	-	(746,061)
Judicial/municipal court	363,091	-	-	-	(363,091)	-	(363,091)
Economic and community development	332,323	-	266,539	-	(65,784)	-	(65,784)
Planning and zoning	619,323	-	-	-	(619,323)	-	(619,323)
Interest and fiscal charges	290,518	-	-	-	(290,518)	-	(290,518)
Total governmental activities	9,483,053	975,614	675,072	3,039,537	(4,792,830)	-	(4,792,830)
Business-type activities:							
Sanitation	331,433	352,470	-	-	-	21,037	21,037
Stormwater utility	389,962	306,500	-	-	-	(83,462)	(83,462)
Total business-type activities	721,395	658,970	-	-	-	(62,425)	(62,425)
Total primary government	$ 10,204,448	$ 1,634,584	$ 675,072	$ 3,039,537	(4,792,830)	(62,425)	(4,855,255)

	Governmental Activities	Business-Type Activities	Total
General revenues:			
Property taxes	5,239,215	-	5,239,215
Franchise taxes	542,117	-	542,117
Insurance premium taxes	1,407,838	-	1,407,838
Business and occupational taxes	224,521	-	224,521
Alcoholic beverage taxes	98,842	-	98,842
Unrestricted investment earnings	157	24	181
Total general revenues	7,512,690	24	7,512,714
Change in net position	2,719,860	(62,401)	2,657,459
Net position, beginning of year	24,333,393	1,956,204	26,289,597
Restatement- change in accounting principle	(312,951)	-	(312,951)
Net position, beginning of year, as restated	24,020,442	1,956,204	25,976,646
Net position, end of year	$ 26,740,302	$ 1,893,803	$ 28,634,105

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

CITY OF CLARKSTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

ASSETS	General Fund	ARPA Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 5,262,471	$ 1,166,289	$ 9,388,821	$ 209,165	$ 16,026,746
Taxes receivables, net of allowance	691,897	-	-	-	691,897
Intergovernmental receivable	-	161,500	259,630	-	421,130
Other receivables	40,875	-	-	-	40,875
Prepaid items	210,202	-	-	-	210,202
Due from other funds	219,500	-	-	268,091	487,591
Total assets	$ 6,424,945	$ 1,327,789	$ 9,648,451	$ 477,256	$ 17,878,441
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 524,722	$ 32,490	$ 39,010	$ -	$ 596,222
Accrued liabilities	106,794	-	-	-	106,794
Accrued interest payable	24,890	-	-	-	24,890
Unearned revenue	-	1,133,348	-	-	1,133,348
Tax anticipation note payable	950,000	-	-	-	950,000
Due to other funds	272,133	161,500	-	-	433,633
Total liabilities	1,878,539	1,327,338	39,010	-	3,244,887
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	205,786	-	-	-	205,786
Total deferred inflows of resources	205,786	-	-	-	205,786
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	210,202	-	-	-	210,202
Restricted:					
Public safety	-	451	-	209,165	209,616
Public works	-	-	-	267,718	267,718
Capital construction	-	-	9,609,441	373	9,609,814
Tree bank	94,792	-	-	-	94,792
Environmental trust	40,000	-	-	-	40,000
Unassigned	3,995,626	-	-	-	3,995,626
Total fund balances	4,340,620	451	9,609,441	477,256	14,427,768
Total liabilities, deferred inflows of resources, and fund balances	$ 6,424,945	$ 1,327,789	$ 9,648,451	$ 477,256	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.	24,093,341
Some receivables are not available to pay for current-period expenditures, and therefore, are deferred inflows of resources in the governmental funds.	205,786
The deferred outflows of resources, deferred inflows of resources and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources, and therefore, are not reported in the governmental funds.	(1,571,656)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.	(10,414,937)
Net position of governmental activities	$ 26,740,302

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

CITY OF CLARKSTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	ARPA Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 7,570,621	$ -	$ -	$ -	$ 7,570,621
Licenses and permits	361,008	-	-	-	361,008
Intergovernmental	-	668,314	2,618,481	426,645	3,713,440
Fines and forfeitures	288,190	-	-	107,598	395,788
Charges for services	89,456	-	-	-	89,456
Interest income	-	157	1,169	-	1,326
Other revenues	129,362	-	-	-	129,362
Total revenues	8,438,637	668,471	2,619,650	534,243	12,261,001
Expenditures					
Current:					
General government	2,049,232	200,558	-	-	2,249,790
Building and grounds	251,491	-	-	-	251,491
Public safety	2,897,680	47,369	-	9,650	2,954,699
Public works	1,178,611	91,264	-	-	1,269,875
Recreation and parks	258,533	62,584	-	171,640	492,757
Judicial/municipal court	386,418	-	-	-	386,418
Economic and community development	77,088	266,696	-	-	343,784
Planning and zoning	630,702	-	-	-	630,702
Bank charges	-	-	21	-	21
Capital outlays	110,998	-	125,408	-	236,406
Debt service:					
Principal	429,498	-	2,244,000	-	2,673,498
Interest	92,267	-	19,523	-	111,790
Bond issuance cost	-	-	126,824	-	126,824
Total expenditures	8,362,518	668,471	2,515,776	181,290	11,728,055
Excess of revenues over expenditures	76,119	-	103,874	352,953	532,946
Other financing sources:					
Proceeds from bond issuance	-	-	7,000,000	-	7,000,000
Total other financing sources	-	-	7,000,000	-	7,000,000
Net change in fund balances	76,119	-	7,103,874	352,953	7,532,946
Fund balances, beginning of year	4,264,501	451	2,505,567	124,303	6,894,822
Fund balances, end of year	$ 4,340,620	$ 451	$ 9,609,441	$ 477,256	$ 14,427,768

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

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

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 7,532,946
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(716,151)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(58,088)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Principal payment on financed purchases	76,561
Principal payment on bonds payable	2,244,000
Principal payment on notes payable	352,937
Proceeds from bonds issuance	(7,000,000)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	287,655
Change in net position - governmental activities	$ 2,719,860

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

CITY OF CLARKSTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 8,446,718	$ 7,555,420	$ 7,570,621	$ 15,201
Licenses and permits	349,134	361,008	361,008	-
Fines and forfeitures	235,000	288,190	288,190	-
Charges for services	101,116	89,456	89,456	-
Other revenues	112,977	129,362	129,362	-
Total revenues	9,244,945	8,423,436	8,438,637	15,201
Expenditures				
Current:				
General government:				
City council	146,948	133,974	141,504	(7,530)
Mayor	19,107	19,861	30,742	(10,881)
General administration	1,777,313	1,893,352	1,876,986	16,366
Total general government	1,943,368	2,047,187	2,049,232	(2,045)
Building and grounds	610,281	251,491	251,491	-
Public safety:				
Police	2,766,500	2,887,961	2,897,680	(9,719)
Public works	1,159,672	1,146,702	1,178,611	(31,909)
Recreation and parks	296,416	257,977	258,533	(556)
Judicial/municipal court	403,319	384,999	386,418	(1,419)
Economic and community development	151,000	77,088	77,088	-
Planning and zoning	894,729	628,653	630,702	(2,049)
Capital outlay	170,804	110,998	110,998	-
Debt service:				
Principal	585,456	564,719	429,498	135,221
Interest	95,744	92,267	92,267	-
Total debt service	681,200	656,986	521,765	135,221
Total expenditures	9,077,289	8,450,042	8,362,518	87,524
Excess (deficiency) of revenues over (under) expenditures	167,656	(26,606)	76,119	102,725
Other Financing Sources:				
Proceeds from sale of capital assets	1,500	-	-	-
Total other financing sources	1,500	-	-	-
Net change in fund balances	169,156	(26,606)	76,119	102,725
Fund balances, beginning of year	4,264,501	4,264,501	4,264,501	-
Fund balances, end of year	$ 4,433,657	$ 4,237,895	$ 4,340,620	$ 102,725

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

CITY OF CLARKSTON, GEORGIA
ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 852,128	$ 668,314	$ 668,314	$ -
Interest income	120	157	157	-
Total revenues	852,248	668,471	668,471	-
EXPENDITURES				
Current:				
General government	232,321	200,558	200,558	-
Public safety	51,904	47,369	47,369	-
Public works	83,967	91,264	91,264	-
Recreation and parks	75,355	62,584	62,584	-
Economic and community development	310,958	266,696	266,696	-
Total expenditures	754,505	668,471	668,471	-
Net change in fund balances	97,743	-	-	-
FUND BALANCES, beginning of year	451	451	451	-
FUND BALANCES, end of year	$ 98,194	$ 451	$ 451	$ -

The accompanying notes are an integral part of these financial statements

CITY OF CLARKSTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-Type Activities Enterprise Funds		
ASSETS	**Sanitation Fund**	**Stormwater Utility Fund**	**Total Business-Type Activities - Enterprise Funds**
CURRENT ASSETS			
Cash and cash equivalents	$ 257,121	$ 365,353	$ 622,474
Accounts receivables, net of allowances	17,129	20,355	37,484
Prepaid items	-	4,171	4,171
Due from other funds	-	4,042	4,042
Total current assets	274,250	393,921	668,171
NONCURRENT ASSETS			
Capital assets, nondepreciated	-	131,770	131,770
Capital assets, net of accumulated depreciation	-	1,370,043	1,370,043
Total noncurrent assets	-	1,501,813	1,501,813
Total assets	274,250	1,895,734	2,169,984
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	58,051	89,434	147,485
Due to other funds	58,000	-	58,000
Financed purchase payable, due within one year		21,161	21,161
Total current liabilities	116,051	110,595	226,646
NONCURRENT LIABILITIES			
Financed purchase payable, due in more than one year	-	49,535	49,535
Total noncurrent liabilities	-	49,535	49,535
Total liabilities	116,051	160,130	276,181
NET POSITION			
Net investment in capital assets	-	1,431,117	1,431,117
Unrestricted	158,199	304,487	462,686
Total net position	$ 158,199	$ 1,735,604	$ 1,893,803

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

CITY OF CLARKSTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities Enterprise Funds		
	Sanitation Fund	**Stormwater Utility Fund**	**Total Business-Type Activities - Enterprise Funds**
OPERATING REVENUE			
Stormwater fees	$ -	$ 306,500	$ 306,500
Sanitation fees	352,470	-	352,470
Total operating revenues	352,470	306,500	658,970
OPERATING EXPENSES			
Contracted services - waste pickup	331,433	-	331,433
Personnel services	-	63,179	63,179
Repairs and maintenance	-	245,380	245,380
Depreciation	-	79,380	79,380
Total operating expenses	331,433	387,939	719,372
Operating income (loss)	21,037	(81,439)	(60,402)
NONOPERATING REVENUES (EXPENSES)			
Interest income	-	24	24
Interest expense	-	(2,023)	(2,023)
Total nonoperating revenues (expenses)	-	(1,999)	(1,999)
Change in net position	21,037	(83,438)	(62,401)
Net position, beginning	137,162	1,819,042	1,956,204
Net position, ending	$ 158,199	$ 1,735,604	$ 1,893,803

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

CITY OF CLARKSTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities Enterprise Funds		
	Sanitation Fund	Stormwater Utility Fund	Total Business-Type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 404,071	$ 304,986	$ 709,057
Payments to employees	-	(63,179)	(63,179)
Payments to vendors and suppliers	(297,082)	(164,312)	(461,394)
Net cash provided by operating activities	106,989	77,495	184,484
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Principal payment on financed purchase	-	(20,471)	(20,471)
Interest paid	-	(2,023)	(2,023)
Net cash used by capital financing activities	-	(22,494)	(22,494)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	24	24
Net cash provided by investing activities	-	24	24
Net change in cash	106,989	55,025	162,014
Cash, beginning of year	150,132	310,328	460,460
Cash, end of year	$ 257,121	$ 365,353	$ 622,474
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 21,037	$ (81,439)	$ (60,402)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	79,380	79,380
Change in assets and liabilities:			
Increase in accounts receivables	(6,399)	(1,514)	(7,913)
Increase in due to other funds	58,000	-	58,000
Increase in accounts payable	34,351	81,068	115,419
Net cash provided by operating activities	$ 106,989	$ 77,495	$ 184,484

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

CITY OF CLARKSTON, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	Affordable Housing Private Purpose Trust Fund
ASSETS	
Cash and cash equivalents	$ 200,000
Total assets	$ 200,000
NET POSITION	
Restricted for affordable housing	$ 200,000
	$ 200,000

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

CITY OF CLARKSTON, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2024

	Affordable Housing Private Purpose Trust Fund
ADDITIONS	
Contribution to establish fund	$ -
Total additions	-
Change in net position	-
NET POSITION	
Beginning of fiscal year	200,000
End of fiscal year	$ 200,000

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was incorporated in 1882 and operates under a Mayor/Council/City Manager form of government and provides the following services as authorized by its charter to its citizens: public safety, public works, parks and recreation, and general and administrative services, sanitation and stormwater utility services. The City Manager is the head of the administrative branch of government. As such, he is responsible for the day-to-day operations of the City government. The legislative authority of the City is vested in the Mayor and six (6) member council with an appointed City Manager.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. In conformity with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", and GASB Statement No. 61, "The Financial Reporting Entity", the component unit's financial statements have been included as a blended component unit.

Blended component units, although also legally separate entities, are in substance part of the City's operations; data from this component unit is combined with the data of the City of Clarkston.

Blended Component Unit - The Urban Redevelopment Agency of the City of Clarkston was established as a legally separate entity on December 6, 2016. The five (5) members of the Urban Redevelopment Agency are appointed by the Mayor and City Council and they may also be removed by the Mayor and City Council. The Urban Redevelopment Agency provides a means to issue revenue bonds for development within the City. Although it is legally separate from the City, the Urban Redevelopment Agency is reported as if it were a part of the primary government because its sole purpose is to finance the City's acquisition of property within the City, and the City is repaying the debt. The Authority has no assets, liabilities, or financial transactions for the year ended December 31, 2024.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent, on fees and charges for support. The statement of net position includes noncurrent assets and deferred outflows of resources and noncurrent liabilities and deferred inflows of resources. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

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

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period for property taxes and 180 days for all other revenues. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, alcoholic beverage taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period, if the available criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in nonexchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **ARPA Fund** is used to account for restricted grant monies received under the American Rescue Plan Act.

The **SPLOST Fund** is used to provide financing for the acquisition of capital assets or construction of major projects financed by special purpose local option sales tax proceeds.

The City reports the following major proprietary funds:

The **Sanitation Fund** accounts for the collection of fees to cover the cost of waste management pickup services as contracted out by the City to a third party.

The **Stormwater Utility Fund** accounts for the collection of fees for upgrades to stormwater drains and related expenses.

The City reports the following fiduciary fund:

The **Affordable Housing Private Purpose Trust Fund** accounts for assets held by the City under the terms of a formal trust agreement to be used for affordable housing programs in the City.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for the General Fund and special revenue funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets for governmental funds are adopted on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America, for governmental funds. All appropriations lapse at year end. Encumbrance accounting – under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is not employed by the City. A project length budget is adopted for all capital projects funds.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value as determined by quoted market prices.

F. Interfund Receivables and Payables

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., stormwater catch basins and piping and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Assets	Years
Buildings and improvements	25-40
Infrastructure	15-40
Furniture and equipment	5-10
Vehicles	5

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, drainage, sidewalks, etc. The City implemented the provisions of GASB Statement No. 34 for the year ended December 31, 2004. The City was not required to retroactively report infrastructure assets in governmental activities.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City permits an accumulation of sick leave with no limitation on the amount of hours that can be accrued. Sick leave is payable upon termination to any employee hired prior to 2019. Sick leave is also payable to employees who retire from the City, an estimate of those employees more than likely to retire has been recorded by the City. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts (if any) are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discounts. Bond issuance costs are expensed when incurred.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

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

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

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote of the City Council through the adoption of a resolution. The same formal action is required to subsequently remove or modify a commitment of fund balance.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City’s finance director to assign fund balances. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular governmental fund.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Net Position

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

M. Deferred Outflow/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenue, which arises under a modified accrual basis of accounting, and, therefore, qualifies for reporting in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Management Estimates

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

O. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

P. Pensions

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds". The details of this $10,414,937 difference are as follows:

Compensated absences	$	(548,876)
Bonds payable		(7,313,971)
Financed purchases		(158,581)
Accrued interest payable		(64,209)
Notes payable		(2,329,300)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position - governmental activities*	$	(10,414,937)

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "deferred outflows or resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available financial resources, and, therefore, are not reported in the governmental funds". The details of this $1,571,656 difference are as follows:

Net pension liability	$	(1,766,272)
Deferred outfows of resources		509,095
Deferred inflows of resources		(314,479)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position - governmental activities*	$	(1,571,656)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense". The details of this $716,151 difference are as follows:

Capital outlays	$ 276,578
Depreciation expense	(992,729)
Net adjustment to decrease *net changes in fund balances - total* governmental funds to arrive at *changes in net position of governmental activities*	$ (716,151)

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds". The details of this $287,655 difference are as follows:

Compensated absences	$ 110,329
Change in accrued interest	(51,883)
Change in net pension liability	718,022
Change in pension experience differences	(98,744)
Change in pension investment earnings differences	(468,968)
Change in pension contributions subsequent to measurement date	78,899
Net adjustment to increase *net changes in fund balances - total* governmental funds to arrive at *changes in net position of governmental activities*	$ 287,655

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budget

The City of Clarkston, Georgia employs the following procedures in establishing its annual budget:

1. The initial budget is prepared based on revenues and expenditures of the prior year.
2. Work sessions are held to amend the amounts based on expected revenues.
3. The proposed budget is presented to the City Council in a regular council meeting.
4. The Council sets a date for a public hearing on the proposed budget. After the hearing, the Council adopts the budget.
5. Over or under expended appropriations are not carried forward to the next year.
6. Budget revisions that alter the total expenditures of any line item within a department must be approved by the Council.
7. Budget amounts are as originally adopted, or as amended by the Council.

Encumbrance accounting is not used by the City.

The following fund had departments with excess of actual expenditures over appropriations for the year ended December 31, 2024:

General Fund - General administration	$	2,045
General Fund - Police		9,719
General Fund - Public works		31,909
General Fund - Recreation and parks		556
General Fund - Judicial/municipal court		1,419
General Fund - Planning and zoning		2,049

These over expenditures were funded by greater than anticipated revenues, available fund balance, and expenditures less than appropriations in other departments.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statues and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities or be enrolled in the state secure deposit program. As of December 31, 2024, the City's bank balances were adequately collateralized as defined by state statutes.

Interest Rate Risk: The City's investment policy is to invest in certificates of deposits with maturities not exceeding one year.

Credit Risk: State statutes authorize the City to invest in obligations of the state of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the state of Georgia. As of December 31, 2024, the City had no investment balances that were exposed to credit risk.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At December 31, 2024 the City has no investments and no hierarchy disclosure is presented.

NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of January 1 and are based on property values as of January 1. Property taxes were levied on July 27, 2024 and are due and payable in two installments. The first installment was due on September 30, 2024, and the second installment was due on November 15, 2024. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

In governmental funds, property taxes are recorded as receivables and unavailable revenues (deferred inflows of resources) when assessed. Revenues are recognized when available.

In the enterprise funds, stormwater and sanitation fees are billed annually on July 27 along with the property taxes and are due and payable in two installments. The first installment was due on September 30, 2024, and the second installment was due on November 15, 2024. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

Receivables at December 31, 2024, for the City's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	General	ARPA	SPLOST	Sanitation	Stormwater Utility
Receivables:					
Taxes	$ 730,897	$ -	$ -	$ -	$ -
Accounts	-	-	-	17,129	24,855
Intergovernmental	-	161,500	259,630	-	-
Other	40,875	-	-	-	-
Less allowance for uncollectible	(39,000)	-	-	-	(4,500)
Net total receivable	$ 732,772	$ 161,500	$ 259,630	$ 17,129	$ 20,355

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 1,286,592	$ 82,890	$ -	$ 1,369,482
Land	656,629	-	-	656,629
Total	1,943,221	82,890	-	2,026,111
Capital assets, being depreciated:				
Buildings and improvements	3,457,741	-	-	3,457,741
Furniture and equipment	1,156,424	33,282	-	1,189,706
Infrastructure	21,894,066	-	-	21,894,066
Vehicles	1,388,452	160,406	-	1,548,858
Total	27,896,683	193,688	-	28,090,371
Less accumulated depreciation for:				
Buildings and improvements	(1,793,522)	(96,218)	-	(1,889,740)
Furniture and equipment	(732,537)	(133,206)	-	(865,743)
Infrastructure	(1,613,385)	(547,858)	-	(2,161,243)
Vehicles	(890,968)	(215,447)	-	(1,106,415)
Total	(5,030,412)	(992,729)	-	(6,023,141)
Total capital assets, being depreciated, net	22,866,271	(799,041)	-	22,067,230
Governmental activities capital assets, net	$ 24,809,492	$ (716,151)	$ -	$ 24,093,341
Business-type activities:				
Capital assets, not being depreciated:				
Easements (intangible asset)	$ 116,495	$ -	$ -	$ 116,495
Construction in progress	15,275	-	-	15,275
Total	131,770	-	-	131,770
Capital assets, being depreciated:				
Infrastructure	1,186,913	-	-	1,186,913
Improvements	847,516	-	-	847,516
Vehicles	265,498	-	-	265,498
Total	2,299,927	-	-	2,299,927
Less accumulated depreciation for:				
Infrastructure	(519,242)	(22,511)	-	(541,753)
Improvements	(160,702)	(20,609)	-	(181,311)
Vehicles	(170,560)	(36,260)	-	(206,820)
Total	(850,504)	(79,380)	-	(929,884)
Total capital assets, being depreciated, net	1,449,423	(79,380)	-	1,370,043
Business-type activities capital assets, net	$ 1,581,193	$ (79,380)	$ -	$ 1,501,813

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 60,774
Public safety	247,174
Public works	126,553
Recreation and parks	558,228
Total depreciation expense - governmental activities	$ 992,729
Business-type activities:	
Stormwater utility	$ 79,380

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS

Long-term liability and obligations activity for the year ended December 31, 2024, was as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable-direct placement	$ 2,557,971	$ 7,000,000	$ (2,244,000)	$ 7,313,971	$ 2,078,971
Financed purchases from direct borrowing	235,142	-	(76,561)	158,581	44,643
Notes payable-direct borrowing	2,682,237	-	(352,937)	2,329,300	361,074
Net pension liability	2,484,294	907,436	(1,625,458)	1,766,272	-
Compensated absences	659,205	185,449	(295,778)	548,876	219,550
Governmental activities long-term liabilities	$ 8,618,849	$ 8,092,885	$ (4,594,734)	$ 12,117,000	$ 2,704,238

The net pension liability, notes payable and financed purchases are liquidated by the General Fund. The SPLOST fund repays the SPLOST bond.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Financed purchases from direct borrowing	$ 91,167	$ -	$ (20,471)	$ 70,696	$ 21,161
Business-type activities long-term liabilities	$ 91,167	$ -	$ (20,471)	$ 70,696	$ 21,161

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Financed Purchases from Direct Borrowing - Equipment. The City has entered into financed-purchase agreements for financing the acquisition of vehicles and equipment used in general governmental, public safety, and public works activities. The agreements qualify as financed purchases for accounting purposes (the present value of the minimum lease payments at the beginning of the lease term equals or exceeds 90% of the excess of the fair value of the leased property to the lessor at the inception of the lease), and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inceptions. The outstanding balance at December 31, 2024 is $158,581.

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

	Principal	Interest	Total
Year ending December 31,			
2025	$ 44,643	$ 4,889	$ 49,532
2026	46,178	3,354	49,532
2027	47,771	1,761	49,532
2028	19,989	265	20,254
Total	$ 158,581	$ 10,269	$ 168,850

Financed Purchases from Direct Borrowing – Stormwater Vehicles. The City has entered into a financed-purchase agreement for financing the acquisition of vehicles for stormwater. The agreement qualifies as a financed purchase for accounting purposes (the present value of the minimum lease payments at the beginning of the lease term equals or exceeds 90% of the excess of the fair value of the leased property to the lessor at the inception of the lease), and, therefore, has been recorded at the present value of the future minimum payments as of the date of its inceptions. The outstanding balance at December 31, 2024 is $70,696.

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

	Principal	Interest	Total
Year ending December 31,			
2025	$ 21,161	$ 1,333	$ 22,494
2026	21,615	879	22,494
2027	22,080	414	22,494
2027-2028	5,840	30	5,870
Total	$ 70,696	$ 2,656	$ 73,352

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Bonds Payable - Direct Placement. The City's URA Fund issued bonds of $1,350,000 on March 17, 2017 for the purpose of financing improvements to the Friendship Forest Wildlife Sanctuary. The bonds carry interest rate of 2.65% and mature on December 1, 2025. Semiannual payments began on June 1, 2017.

The City's future annual debt service requirements to maturity are as follows:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 313,971	$ 4,348	$ 318,319
Total	$ 313,971	$ 4,348	$ 318,319

During fiscal year 2024, the City issued General Obligation Sales Tax Bond Series 2024 for $7,000,000 for the purpose of financing certain transportation and recreational capital projects within the City and to pay for the costs of issuance associated with the Series 2024 Bond. The issuance of the bond was approved by a Special Purpose Local Option Sales Tax referendum in November 2023. Pursuant to Georgia law, these bonds will be repaid with the proceeds of a one percent sales tax. Principal payments on the bonds are due annually commencing on June 1, 2025 until maturity June 1, 2028. Interest payments on are due semiannually commencing on December 1, 2025 until maturity at an interest rate of 3.41%.

The City's future annual debt service requirements to maturity are as follows:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 1,765,000	$ 235,423	$ 2,000,423
2026	1,855,000	146,886	2,001,886
2027	1,945,000	82,096	2,027,096
2028	1,435,000	24,467	1,459,467
Total	$ 7,000,000	$ 488,872	$ 7,488,872

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Notes Payable from Direct Borrowing. The City entered into a note payable agreement with a financial institution on April 26, 2012 for the financing and construction of a City Hall Annex Building. The note is for $700,000 and carries an interest rate of 3.22%. The loan is payable over 180 months with monthly principal and interest payments totaling $14,756. The City Hall Annex Building is pledged as collateral on the note. Payments commenced on April 1, 2018.

The City's future annual debt service requirements to maturity are as follows:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 55,138	$ 3,886	$ 59,024
2026	56,935	2,089	59,024
2027	29,160	353	29,513
Total	$ 141,233	$ 6,328	$ 147,561

The City entered into a note payable agreement with the Georgia State Road and Tollway Authority on June 20, 2013 for the financing a streetscape project. The note is for $2,000,000 and carries an interest rate of 2.40%. The loan is payable over fifteen years with monthly principal and interest payments totaling $13,242.

The City entered into a note payable agreement with the Georgia State Road and Tollway Authority on October 20, 2017 for the financing of a streetscape project. The note is for $1,700,000 and carries an interest rate of 1.90%. The loan is payable over ten years with monthly principal and interest payments totaling $15,966.

The City's future annual debt service requirements to maturity on the Georgia State Road and Tollway Authority loans are as follows:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 305,936	$ 44,560	$ 350,496
2026	312,472	38,024	350,496
2027	319,150	31,346	350,496
2028	325,972	24,524	350,496
2029	332,942	17,554	350,496
2030-2033	591,595	20,633	612,228
Total	$ 2,188,067	$ 176,641	$ 2,364,708

NOTE 8. SHORT-TERM BORROWINGS

The City issued a tax anticipation note of $950,000 for operating purposes at a local financial institution. The note carries an interest rate of 5.24% and matured on December 31, 2024. The principal balance was not paid until January 2025 and thus all principal and accrued interest of $24,890 is recorded in the General Fund as of December 31, 2024.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	$ -	$ 950,000	$ -	$ 950,000

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from other funds are as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	General Fund	$ 268,091
General Fund	Sanitation Fund	58,000
Stormwater Fund	General Fund	4,042
General Fund	ARPA Fund	161,500
		$ 491,633

All interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

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

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the Mayor and City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees who work at least thirty (30) hours a week are eligible to participate after one (1) year. Elected officials have no waiting period for eligibility. Benefits vest after ten years of service. A City employee who retires at age 65 with five (5) years of service is entitled to benefits of 2.0% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of ten (10) years total credited service to receive full benefits. Elected officials are entitled to $30 for each year of service after reaching normal retirement age not to exceed twenty (20) years. Employees of the City are not required to make contributions to this Plan.

At July 1, 2024, the date of the most recent actuarial valuation, there were 130 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	29
Terminated vested participants not yet receiving benefits	60
Active participants - vested	25
Active participants - nonvested	16
Total	130

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 recommended contribution described below. For year 2024, the actuarially determined contribution rate was 21.81% of covered payroll. The City makes all contributions to the Plan. For year 2024, the City's contribution to the Plan was $535,655.

Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 with update procedures performed by the actuary to rollforward to the total pension liability measured as of March 31, 2024.

Actuarial Assumptions. 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:

Inflation	2.25%
Salary increases	2.25% plus service-based merit increases
Investment rate of return	7.375%

Mortality rates for the July 1, 2024 valuation were based on the sex-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries and the sex-distinct Pri-2012 headcount weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - June 30, 2019.

Cost-of-living adjustments were assumed to be 2.25% if terminated prior to July 3, 2018 and 3.00% if terminated on or after July 3, 2018.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024 are summarized in the table below:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.375%, this was the same 7.375% rate used in the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2024, were as follows:

	(a)	(b)	(a) - (b)
Balances at 12/31/2023	$ 8,165,462	$ 5,681,168	$ 2,484,294
Changes for the year:			
Service cost	280,424	-	280,424
Interest	613,501	-	613,501
Differences between expected and actual experience	(182,882)	-	(182,882)
Contributions—employer	-	456,757	(456,757)
Net investment income	-	985,819	(985,819)
Benefit payments	(254,466)	(254,466)	-
Administrative expense	-	(13,511)	13,511
Net changes	456,577	1,174,599	(718,022)
Balances at 12/31/2024	$ 8,622,039	$ 6,855,767	$ 1,766,272

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. 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 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 2,974,031	$ 1,766,272	$ 765,764

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2024 and the current sharing pattern of costs between employer and employee.

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 $306,447. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 62,715	$ 121,922
Net difference between projected and actual earnings on pension plan investments	-	192,557
City contributions subsequent to the measurement date	446,380	-
Total	$ 509,095	$ 314,479

City contributions subsequent to the measurement date of $446,380 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2025	$ (195,333)
2026	5,032
2027	50,511
2028	(111,974)
Total	$ (251,764)

NOTE 11. DEFINED CONTRIBUTION PLAN

The City of Clarkston's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by Nationwide Retirement Solutions for all full-time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At December 31, 2024, there were 17 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to the maximum amount allowed by the IRS. The Plan allows employees to increase, decrease, stop, and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the year ended December 31, 2024 was $76,017. The City did not contribute any matching contributions.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by DeKalb County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief-elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 229 Peachtree Street NE, Suite 100, Atlanta, Georgia 30303.

NOTE 13. RELATED ORGANIZATIONS

The City of Clarkston Housing Authority was established to assist low-income individuals in obtaining housing at affordable rates. The Authority was not active as of December 31, 2024. The Authority is independent of the City.

NOTE 14. RISK MANAGEMENT

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 (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

NOTE 14. RISK MANAGEMENT (CONTINUED)

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim or loss.

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

Settled claims have not exceeded the coverages in the last three years.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Contingencies:

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

Construction Commitments:

At December 31, 2024, the City has outstanding construction commitments of approximately $1,258,975 on various construction projects.

NOTE 16. SUBSEQUENT EVENT

The City issued a tax anticipation note of $900,000 for operating purposes at a local financial institution. The note carries an interest rate of 5.81% and matures on December 31, 2025.

NOTE 17. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. Therefore, in conjunction with the implementation of GASB Statement No. 101, the following restatement was required to the beginning net position of the governmental activities.

	Governmental Activities
Beginning net position, as previously reported	$ 24,333,393
Restatement due to implementation of GASB No. 101	(312,951)
Beginning net position, as restated	$ 24,020,442

CITY OF CLARKSTON, GEORGIA

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 280,424	$ 257,032	$ 285,132	$ 246,899	$ 277,466	$ 229,507	$ 243,779	$ 177,308	$ 145,312	$ 164,013
Interest on total pension liability	613,501	556,439	534,720	473,591	431,304	377,433	339,846	229,382	210,131	191,727
Differences between expected and actual experience	(182,882)	188,144	(257,679)	292,896	107,197	151,862	72,115	(92,121)	12,753	96,448
Changes of assumptions	-	-	-	-	95,171	-	(103,236)	-	-	(92,313)
Benefit payments, including refunds of employee contributions	(254,466)	(248,112)	(231,040)	(214,467)	(204,969)	(144,151)	(125,213)	(120,731)	(118,864)	(125,937)
Other	-	-	-	-	-	86,085	-	1,233,738	-	-
Net change in total pension liability	456,577	753,503	331,133	798,919	706,169	700,736	427,291	1,427,576	249,332	233,938
Total pension liability - beginning	8,165,462	7,411,959	7,080,826	6,281,907	5,575,738	4,875,002	4,447,711	3,020,135	2,770,803	2,536,865
Total pension liability - ending (a)	$ 8,622,039	$ 8,165,462	$ 7,411,959	$ 7,080,826	$6,281,907	$ 5,575,738	$4,875,002	$4,447,711	$ 3,020,135	$2,770,803
Plan fiduciary net position										
Contributions - employer	$ 456,757	$ 536,134	$ 495,147	$ 485,351	$ 450,446	$ 482,677	$ 204,429	$ 168,420	$ 167,876	$ 112,067
Net investment income	985,819	(375,756)	316,681	1,574,702	(265,567)	116,924	326,148	288,556	6,467	197,596
Benefit payments, including refunds of member contributions	(254,466)	(248,112)	(231,040)	(214,467)	(204,969)	(144,151)	(125,213)	(120,731)	(118,864)	(125,937)
Administrative expenses	(13,511)	(15,990)	(14,890)	(14,216)	(15,279)	(14,466)	(14,275)	(17,065)	(10,231)	(9,345)
Net change in plan fiduciary net position	1,174,599	(103,724)	565,898	1,831,370	(35,369)	440,984	391,089	319,180	45,248	174,381
Plan fiduciary net position - beginning	5,681,168	5,784,892	5,218,994	3,387,624	3,422,993	2,982,009	2,590,920	2,271,740	2,226,492	2,052,111
Plan fiduciary net position - ending (b)	$ 6,855,767	$ 5,681,168	$ 5,784,892	$ 5,218,994	$3,387,624	$ 3,422,993	$2,982,009	$2,590,920	$ 2,271,740	$2,226,492
City's net pension liability - ending (a) - (b)	$ 1,766,272	$ 2,484,294	$ 1,627,067	$ 1,861,832	$2,894,283	$ 2,152,745	$1,892,993	$1,856,791	$ 748,395	$ 544,311
Plan fiduciary net position as a percentage of the total pension liability	79.51%	69.58%	78.05%	73.71%	53.93%	61.39%	61.17%	58.25%	75.22%	80.36%
Covered payroll	$ 2,578,865	$ 2,428,450	$ 2,236,928	$ 2,280,748	$2,022,384	$ 2,115,817	$1,845,243	$1,867,558	$ 1,872,798	$1,469,336
City's net pension liability as a percentage of covered payroll	68.49%	102.30%	72.74%	81.63%	143.11%	101.75%	102.59%	99.42%	39.96%	37.04%

CITY OF CLARKSTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 535,655	$ 489,974	$ 551,521	$ 476,356	$ 488,350
Contributions in relation to the actuarially determined contribution	535,655	489,974	551,521	476,356	488,350
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,456,006	$ 2,262,114	$ 2,306,654	$ 2,045,324	$ 2,144,708
Contributions as a percentage of covered payroll	21.81%	21.66%	23.91%	23.29%	22.77%

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 437,812	$ 407,153	$ 204,600	$ 175,594	$ 165,303
Contributions in relation to the actuarially determined contribution	437,812	407,153	204,600	175,594	165,303
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,870,192	$ 1,897,265	$ 1,903,256	$ 1,493,146	$ 1,469,336
Contributions as a percentage of covered payroll	23.41%	21.46%	10.75%	11.76%	11.25%

Notes to the Schedule of City Contributions:

Actuarial Assumptions used to determine contributions:

Valuation Date	July 1, 2024
Cost Method	Projected Unit Credit
Actuarial 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 amounts 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 market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-Living Adjustment	2.25% if terminated prior to July 3, 2018 3.00% if terminated on or after July 3, 2018
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects.

The **Police Seizure Fund** is used to account for the use of confiscated drug money by the City's Police Department. These revenues are restricted by state law to be expended on investigations and other law enforcement activities of the City's Police Department.

The **Grant Fund** is used to report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects. This fund is used to account for grants received from various federal and state agencies.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources restricted, committed, or assigned to expenditures for the acquisition or construction of capital assets.

The **Homestead Option Sales Tax (HOST) Fund** is used to account for locally funded acquisition and construction of major capital projects financed by restricted homestead option sales tax funds.

CITY OF CLARKSTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds		Capital Project Fund	
ASSETS	**Police Seizure Fund**	**Grant Fund**	**Homestead Option Sales Tax Fund**	**Total Nonmajor Governmental Funds**
Cash and cash equivalents	$ 209,165	$ -	$ -	$ 209,165
Due from other funds	-	267,718	373	268,091
Total assets	$ 209,165	$ 267,718	$ 373	$ 477,256
FUND BALANCES				
Restricted for:				
Public safety	$ 209,165	$ -	$ -	$ 209,165
Public works	-	267,718	-	267,718
Capital construction	-	-	373	373
Total fund balances	209,165	267,718	373	477,256
Total liabilities and fund balances	$ 209,165	$ 267,718	$ 373	$ 477,256

CITY OF CLARKSTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds		Capital Project Fund	
	Police Seizure Fund	Grant Fund	Homestead Option Sales Tax Fund	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ -	$ 426,645	$ -	$ 426,645
Fines and forfeitures	107,598	-	-	107,598
Total revenues	107,598	426,645	-	534,243
EXPENDITURES				
Current:				
Public safety	9,650	-	-	9,650
Recreation	-	171,640	-	171,640
Total expenditures	9,650	171,640	-	181,290
Net change in fund balances	97,948	255,005	-	352,953
FUND BALANCES, beginning of year	111,217	12,713	373	124,303
FUND BALANCES, end of year	$ 209,165	$ 267,718	$ 373	$ 477,256

CITY OF CLARKSTON, GEORGIA
POLICE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Fines and forfeitures	$ 105,000	$ 107,580	$ 107,598	$ 18
Total revenues	105,000	107,580	107,598	18
Expenditures				
Current:				
Public safety	165,100	9,650	9,650	-
Total expenditures	165,100	9,650	9,650	-
Net change in fund balances	(60,100)	97,930	97,948	18
Fund balances, beginning of year	111,217	111,217	111,217	-
Fund balances, end of year	$ 51,117	$ 209,147	$ 209,165	$ 18

CITY OF CLARKSTON, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget Original	Budget Final	Actual	Variance With Final Budget
REVENUES				
Intergovernmental	$ 426,647	$ 426,645	$ 426,645	$ -
Total revenues	426,647	426,645	426,645	-
EXPENDITURES				
Current:				
Public safety	404,000	-	-	-
Recreation	178,161	171,640	171,640	-
Capital outlays	110,000	-	-	-
Total expenditures	692,161	171,640	171,640	-
Net change in fund balances	(265,514)	255,005	255,005	-
FUND BALANCES, beginning of year	12,713	12,713	12,713	-
FUND BALANCES, end of year	$ (252,801)	$ 267,718	$ 267,718	$ -

CITY OF CLARKSTON, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2024

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST:						
Roads projects	$ 6,202,053	$ 5,345,389	$ 4,740,446	$ -	$ 4,740,446	88.68 %
Transportation improvements	4,717,481	6,074,145	5,989,717	-	5,989,717	98.61
SPLOST Bond closing fees	95,942	196,273	196,110	-	196,110	99.92
SPLOST Bond interest	540,638	681,625	623,612	19,543	643,155	94.36
SPLOST Bond principal	5,150,000	8,762,000	6,518,000	2,244,000	8,762,000	100.00
Total SPLOST	$ 16,706,114	$ 21,059,432	$ 18,067,885	$ 2,263,543	$ 20,331,428	

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST II:						
Transportation improvements	$ 10,347,587	$ 10,347,587	$ -	$ 82,925	$ 82,925	0.80 %
Recreational, cultural and/or historic facilities	3,449,196	3,449,196	-	-	-	0.00
City administrative building	2,241,977	2,241,977	-	-	-	0.00
Public safety	1,207,218	1,207,218	-	42,484	42,484	3.52
SPLOST Bond closing fees	130,000	126,824	-	126,824	126,824	100.00
Total SPLOST	$ 17,375,978	$ 17,372,802	$ -	$ 252,233	$ 252,233	

SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

**Honorable Mayor and Members
of City Council
City of Clarkston, Georgia
Clarkston, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Clarkston, 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, and have issued our report thereon dated July 20, 2026. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences.*

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and, therefore, material weaknesses or significant deficiencies in internal control may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
July 20, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members
of City Council
City of Clarkston, Georgia
Clarkston, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Clarkston, 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 programs are 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 that 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.

MAULDIN & JENKINS, LLC • 200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GEORGIA 30339-5946
770-955-8600 • FAX 770-980-4489 • www.mjcpa.com

Responsibilities 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
July 20, 2026

CITY OF CLARKSTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Passed through the Georgia Governor's Office of Planning and Budget			
Coronavirus State and Local Fiscal Recovery Fund	21.027	GA-0004853	$ 668,471
Total U.S. Department of Treasury			668,471
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Atlanta Regional Commission			
Highway Planning and Construction	20.205	UP2245	171,640
Total U.S. Department of Transportation			171,640
Total Expenditures of Federal Awards			$ 840,111

See notes to schedule of expenditures of federal awards.

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Clarkston, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

The City did not utilize the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

The City did not pass any federal awards to subrecipients.

CITY OF CLARKSTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	____ yes _X_ no
Significant deficiency(ies) identified?	____ yes _X_ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to reported in accordance with 2 CFR 200.516(a)?	____ yes _X_ no

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes _X_ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024-001 Internal Controls over Financial Reporting

Criteria: Sound accounting policies and practices should enable a governmental entity to report financial information timely, completely, and accurately. To ensure the adequacy of financial reporting, account balances should be reconciled and reviewed, and necessary adjustments posted, within several months after the end of each fiscal year.

Condition/Context: Due to significant turnover in the finance department, the City lacks adequate processes and procedures in place to properly review and reconcile account balances in a timely manner and report information to the City Council. Accounting entries for the year ended December 31, 2024 were still being posted to the City's accounts through June 2026.

Additionally, the following adjusting audit entries were required to appropriately report account balances:

- An entry of $668,314 was required to properly recognize revenue and reduce unearned revenue in the ARPA Fund.
- An entry of $259,630 was required to properly accrue revenue that was earned but not received until after year end in the SPLOST Fund.
- An entry of $243,121 was required to remove expenditures and related accounts payable for cost which were not incurred until 2025 in the SPLOST Fund.
- An entry of $126,824 was required to properly record cost of issuance related to the City 2024 SPLOST bonds.
- An entry of $22,074 was required to accrue payroll expenditures occurred before December 31, 2024 but not paid until 2025 in the General Fund.
- An entry of $160,112 was required to remove a bond payment which was not made until 2025 in the General Fund.
- An entry of $24,890 was required to accrue interest on the City's Tax Anticipation Note which was due but not paid as of December 31, 2024 in the General Fund.

Effect: The City is unable to produce complete and accurate financial data within a reasonable timeframe subsequent to the end of the fiscal year. Adjustments totaling $1,504,965, as noted above, were required to properly report account balances at December 31, 2024.

Recommendation: We recommend that City management develop and approve a formal annual financial close schedule to ensure timely and accurate financial reporting.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. We will develop an annual financial close schedule that can be used to ensure timely and accurate financial reporting.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

CITY OF CLARKSTON, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

None reported

Beverly H. Burks, **Mayor**

City Council
Debra Johnson, Vice Mayor
Sharifa Adde
Lynne Bayonnne
Yterenickia Bell
Dean Moore
Mark Perkins

ChaQuias Miller-Thornton, **City Manager**

MANAGEMENT'S CORRECTIVE ACTION
FOR THE YEAR ENDED DECEMBER 31, 2024

2024-001 Internal Controls over Financial Reporting

Name of the Contact Person Responsible for the Corrective Action Plan: Kenneth Abidde – Finance Director

Corrective Action Plan*:* Management concurs with the finding. We will develop an annual financial close schedule that can be used to ensure timely and accurate financial reporting.

Anticipated Completion Date: December 31, 2026.

736 Park North Boulevard, Suite 120, Clarkston, Georgia 30021
Phone: 404-296-6489 ♦ Fax (404-296-6480