CITY OF MABLETON, GEORGIA

Riverside EpiCenter 135 Riverside Pkwy, Austell,
GA 30168
January 28, 2026 at 5:15 PM

The Honorable Michael Owens, Mayor
The Honorable Ron Davis, Mayor Pro Tem/District 1 Councilmember
The Honorable Michael McNeely, District 2 Councilmember
The Honorable Keisha Jeffcoat, District 3 Councilmember
The Honorable Cassandra Brown, District 4 Councilmember
The Honorable TJ Ferguson, District 5 Councilmember
The Honorable Debora Herndon, District 6 Councilmember

CITY COUNCIL WORK SESSION AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **INVOCATION**
4. **PLEDGE OF ALLEGIANCE**
5. **AGENDA ITEMS AND DISCUSSION**
   a. **2026 City Events Calendar - Dr. Ashlee Houston, Events Coordinator**
   b. **Presentation of 2024-25 Audit Report - Finance Director Karen Ellis and Meredith Lipson of Mauldin & Jenkins**
6. **PRE REGULAR MEETING AGENDA REVIEW**
7. **ANNOUNCEMENTS**
8. **EXECUTIVE SESSION (IF NEEDED) FOR LITIGATION (O.C.G.A. 50-14-3(B)(1)(A)REAL ESTATE(O.C.G.A. 50-14-3 (B)(1)) PERSONNEL (O.C.G.A. 50-14-3 (B)(2)) AND MISC. EXEMPTIONS (O.C.G.A. 50-14-3 (B)(4)&(5))**
9. **ADJOURNMENT**

Persons with special needs relating to handicapped accessibility, disability, or foreign language may contact the City Clerk at (404) 927-9502 or susan.hiott@mableton.gov at least three days prior to the meeting. The clerk can be located at the City of Mableton Administrative Offices, 1245 Veterans Memorial Highway, Mableton, Georgia 30126 during regular office hours.

AGENDA ITEM MEMORANDUM

MEETING OF: January 28, 2026
DEPARTMENT: [DEPARTMENT]

ISSUE/AGENDA ITEM TITLE: 2026 City Events Calendar - Dr. Ashlee Houston, Events Coordinator

BACKGROUND/SUMMARY: Dr. Ashlee Newton will be providing all logistics and information concerning the scheduled events for the year 2026.

BUDGETED/FINANCIAL IMPACT – FUND:

RECOMMENDATION:

ATTACHMENTS:
1. 2026 Mableton City Events Calendar - City Council Powerpoint Presentation (3)

January 28, 2026

Cultural Arts & Affairs Events

For the Year of 2026

Dr. Ashlee Newton - Events Coordinator

2026 CITY EVENTS CALENDAR

- *Mableton Movie Night Series* - March 20, 2026; September 11, 2026; October 16, 2026; October 23, 2026; December 11, 2026
- *Living Legends Seniors Brunch* - May 29, 2026
- *Mableton Day Festival* - May 30, 2026
- *Food Truck Fridays* - July 17, 2026 + July 31, 2026
- *Blues & BBQ* - August 15, 2026
- *Fall Jazz Concert* - September 25, 2026
- *Seniors Thanksgiving Luncheon* - November 13, 2026

Mableton Movie Night Series

March 20, 2026

September 11, 2026

October 16, 2026

October 23, 2026

December 11, 2026

Movie Theme for Each Date:

- Woman's History Month
- Hispanic Heritage Month
- Halloween (Family-Friendly)
- Horror (Adults Only)
- Holiday

EXPENSES INCLUDE:

- Movie Licensing Fee per date
- Blu-Ray DVDs
- Cobb County Overflow Parking
- Movie Screen Rental per date
- Cobb County Police Department Officers for public safety and road blockage
- Marketing + Advertising
- Porta Potty + Handwashing Stations per date

PROJECTED TOTAL: $22,500

- Please note the total will potentially decrease with sponsorship and vendor fees

Living Legends Senior's Brunch

May 29, 2026

EXPENSES INCLUDE:

- Mableton Banquet Hall Venue Rental
- DJ
- Brunch for Seniors (Roughly 200 Seniors; Elected Officials + Workers)
- Living Legends Awards
- Marketing + Advertising
- Entertainment

PROJECTED TOTAL: $8,000

- Please note the total will potentially decrease with sponsorship and vendor fees

Mableton Day Festival

May 30, 2026

EXPENSES INCLUDE:

- LED Screen + Stage Rental + MC
- Staff T-Shirts
- Cobb County Overflow Parking
- DJ; Kid Zone; Stage Entertainment
- Tent; Table + Chairs for Patrons
- Marketing + Advertising
- Porta Potty + Handwashing Stations
- Cobb County Police Department Officers for public safety and road blockage

PROJECTED TOTAL: $17,000

- Please note the total will potentially decrease with sponsorship and vendor fees

Food Truck Fridays

July 17, 2026
July 31, 2026

EXPENSES INCLUDE:

- DJ
- Staff T-Shirts
- Bounce House
- Cobb County Overflow Parking
- Tent; Tables + Chairs for Patrons
- Marketing + Advertising
- Porta Potty + Handwashing Stations
- Cobb County Police Department Officers for public safety and road blockage

PROJECTED TOTAL: $7,800

- Please note the total will potentially decrease with sponsorship and vendor fees

Blues & BBQ

August 15, 2026

EXPENSES INCLUDE:

- LED Screen + Stage Rental + MC
- Staff T-Shirts
- Blues Performers
- Cobb County Overflow Parking
- Tent; Tables + Chairs for Patrons
- Marketing + Advertising
- Porta Potty + Handwashing Stations
- Cobb County Police Department Officers for public safety and road blockage

PROJECTED TOTAL: $12,000

- Please note the total will potentially decrease with sponsorship and vendor fees

Fall Jazz Concert

September 25, 2026

EXPENSES INCLUDE:

- LED Screen + Stage Rental
- Staff T-Shirts
- Jazz Bands
- Cobb County Overflow Parking
- Tent; Tables + Chairs for Patrons
- Marketing + Advertising
- Porta Potty + Handwashing Stations
- Cobb County Police Department Officers for public safety and road blockage

PROJECTED TOTAL: $12,000

- Please note the total will potentially decrease with sponsorship and vendor fees

Seniors Thanksgiving Luncheon

November 13, 2026

EXPENSES INCLUDE:

- Entertainment
- Mableton Banquet Hall Rental + Decor
- DJ
- Marketing + Advertising
- Thanksgiving Meal (Roughly 200 Seniors; Elected Officials + Workers)

PROJECTED TOTAL: $8,000

- Please note the total will potentially decrease with sponsorship and vendor fees

PROJECTED TOTAL FOR ALL CITY EVENTS

PROJECTED TOTAL: $87,300

- Please note the total will potentially decrease with sponsorship and vendor fees

QUESTIONS?

AGENDA ITEM MEMORANDUM

MEETING OF: January 28, 2026
DEPARTMENT: [DEPARTMENT]

ISSUE/AGENDA ITEM TITLE: Presentation of 2024-25 Audit Report - Finance Director Karen Ellis and Meredith Lipson of Mauldin & Jenkins

BACKGROUND/SUMMARY:

BUDGETED/FINANCIAL IMPACT – FUND:

RECOMMENDATION:

ATTACHMENTS:
1. City of Mableton, Georgia 2025 Annual Financial Report
2. City of Mableton, Georgia 2025 Annual Financial Report (1)

CITY OF MABLETON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

CITY OF MABLETON, GEORGIA

ANNUAL FINANCIAL REPORT FOR THE YEAR

ENDED JUNE 30, 2025

Prepared by:
Finance Department

Submitted by:
William Tanks
City Manager

CITY OF MABLETON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

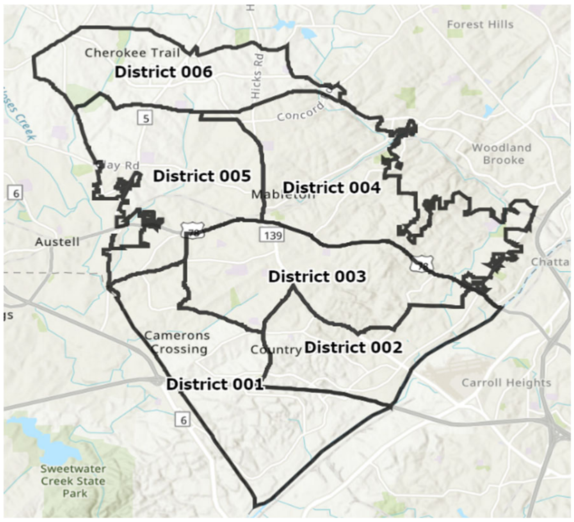
TABLE OF CONTENTS

INTRODUCTORY SECTION

MAYOR AND CITY COUNCIL

Governance in Mableton

The City of Mableton is governed by a duly authorized Mayor and six (6) Councilmembers, who together form the City's legislative and policy-making body.



Mayor Michael Owens
michael.owens@mableton.gov

DISTRICT 1
Ron Davis
ron.davis@mableton.gov

DISTRICT 2
Michael McNeely
michael.mcneely@mableton.gov

DISTRICT 3
Keisha Jeffcoat
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DISTRICT 4
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DISTRICT 5
T.J. Ferguson
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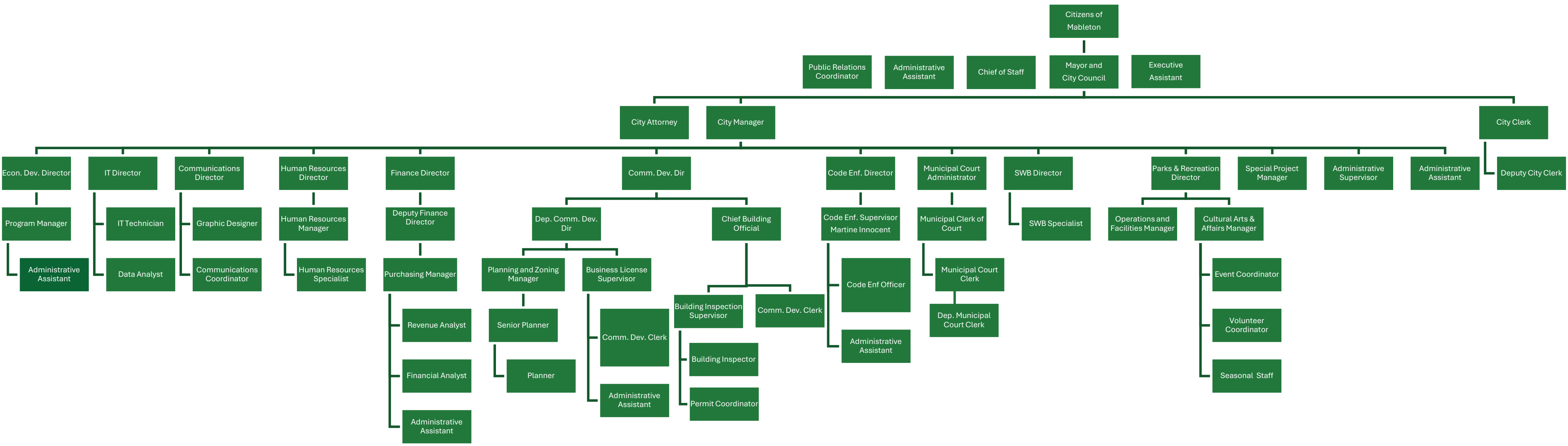
DISTRICT 6
Debora Herndon
debora.herndon@mableton.gov

City of Mableton Organizational Chart FY 2025



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Mableton, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Mableton, Georgia (the "City"), as of and for the fiscal year ended June 30, 2025, 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 and each major fund of the City of Mableton, Georgia as of June 30, 2025, and the respective changes in financial position and the budgetary comparison information for the General Fund and Hotel Motel Tax Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Responsibility 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, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025 on our consideration of the City of Mableton, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 31, 2025

As management of the City of Mableton (the "City"), we present this narrative overview of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to review the information presented here in conjunction with additional information that we have included in our letter of transmittal, located in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded their liabilities and deferred inflows of resources at the close of the fiscal year by $8,713,475 (total net position), which represents an increase of $3,602,053 or 70.47% from the prior year. Of the total net position, $2,546,572 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $10,485,622. This represents an increase of $5,383,724 from the prior year.
- Total governmental fund revenues were $9,391,165, an increase of $2,820,879 or 42.93%.
- Total governmental fund expenditures were $9,951,520 an increase of $8,334,408 or 515.39% over the prior year, primarily related to City increasing staff and activity from prior year as well as land purchases through the Urban Redevelopment Agency when the Series 2024 Bonds were issued mid-fiscal year 2025.

Overview of the Financial Statements

This discussion and analysis 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City's assets, 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes (governmental activities). The governmental activities of the City include general government, public works, culture and recreation, and housing and community development.

The government-wide financial statements can be found on pages 12 and 13 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 three 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 the general, capital projects and urban redevelopment agency funds, which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds, except capital project funds for which project length budgets are adopted. A budgetary comparison statement has been provided for the General Fund and each of the special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

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 to the financial statements can be found on pages 19 through 34 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities by $8,713,475, representing a $3,602,053 or 70.47% increase over last year.

Net investment in capital assets of $813,435 (e.g., buildings, machinery and equipment, roadways, sidewalks, culverts, and signals) is reflected 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.

Other than the amount of net position that is restricted ($5,353,468) as to use by law or agreement, the remaining portion of the City's net position represents unrestricted net position of $2,546,572 that is available to meet the ongoing obligations of the government. This amount represents 43.00% of current governmental expenses.

The City has current assets of $11,808,387, an increase of $6,472,965 or 121.32% over the prior year. These assets include $8,296,397 of cash and investments.

The City's capital assets increased $4,019,357, which represents an increase due primarily to the acquisition of land through use of the Series 2024 bond proceeds.

Long-term liabilities increased $5,297,076 from the prior year because of new borrowing for land acquisition and infrastructure improvements.

The table below summarizes the City's Net Position for 2025.

City of Mableton Net Position

	Governmental Activities		Dollar Increase	
	2025	2024	Decrease	Percent
Assets				
Current assets	$ 11,808,387	$ 5,335,422	$ 6,472,965	121.32 %
Capital and other assets	4,139,162	119,805	4,019,357	3,354.92
Total assets	15,947,549	5,455,227	$ 10,492,322	192.34
Liabilities				
Current liabilities	1,884,784	291,591	1,593,193	546.38
Long-term liabilities	5,349,290	52,214	5,297,076	10,144.93
Total liabilities	7,234,074	343,805	6,890,269	2,004.12
Net position				
Net investment in capital assets	813,435	23,921	789,514	3,300.51
Restricted	5,353,468	169,986	5,183,482	3,049.36
Unrestricted	2,546,572	4,917,515	(2,370,943)	(48.21)
Total net position	$ 8,713,475	$ 5,111,422	$ 3,602,053	70.47 %

Governmental activities: Governmental activities are those that have a direct impact on its citizens such as public works, zoning, recreation, and improvements. The table below reflects changes in net position for 2025 and 2024.

Revenues: Charges for services include licenses and permits. These revenues increased $580,097 or 100.00%, primarily because of building activity beginning in March 2025 in the City. Motor vehicle property taxes decreased $216,839 or 6.96%. Business taxes increased $1,259,939 (92.32%) and were driven by fully realized revenues transitioning from the county as well as improvements in the retail economy. Franchise taxes increased $743,988 or 40.94% primarily related to increases in taxes allocated by the gas and electric utilities operating in the City. Unrestricted investment earnings increased $103,539 or 607.20%, as a result of income earned on higher balances and higher interest rates. Miscellaneous revenues increased $40,297 or 100.00% as the City collected no miscellaneous revenues in the prior year.

Expenses: General government expenses increased $2,489,515 or 187.12% and is primarily attributable to continued hiring of staff as the City expands its services. Public works expenses increased $122,804 or 100.00%, culture and recreation expenses increased $95,121 or 100.00% and economic development expenses increased $450,107 or 100% because these departments were not active in the prior year. Housing and development costs increased $811,883 and are primarily related to additional staff and operations coming on board related to our growing city.

City of Mableton Changes in Net Position

	Governmental Activities 2025	Governmental Activities 2024	Dollar Increase Decrease	Percent
Revenues:				
Program revenues:				
Charges for services	$ 580,097	$ -	$ 580,097	100.00 %
General revenues:				
Property taxes	2,897,760	3,114,599	(216,839)	(6.96)
Hotel/motel taxes	566,343	256,484	309,859	120.81
Franchise taxes	2,561,409	1,817,421	743,988	40.94
Business taxes	2,624,668	1,364,729	1,259,939	92.32
Unrestricted investment earnings	120,591	17,052	103,539	607.20
Miscellaneous revenues	40,297	-	40,297	100.00
Total revenues	9,391,165	6,570,285	2,820,880	42.93
Expenses:				
General government	3,819,974	1,330,459	2,489,515	187.12
Public works	122,804	-	122,804	100.00
Culture and recreation	95,121	-	95,121	100.00
Housing and development	940,127	128,244	811,883	633.08
Economic development	450,107	-	450,107	100.00
Interest and fiscal charges	360,979	160	360,819	225,511.88
Total expenses	5,789,112	1,458,863	4,330,249	296.82
Change in net position	3,602,053	5,111,422	(1,509,369)	(29.53)
Net position, beginning of year	5,111,422	-		
Net position, end of year	$ 8,713,475	$ 5,111,422		

Financial Analysis of the City'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. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below summarizes governmental revenues for 2025 and 2024.

City of Mableton Governmental Revenues, Expenditures, and Changes in Fund Balance

	Governmental Funds 2025	Governmental Funds 2024	Dollar Increase Decrease	Percent
Revenues:				
Taxes	$ 8,650,180	$ 6,553,234	$ 2,096,946	32.00 %
Licenses and pernits	299,016	-	299,016	100.00
Charges for services	281,081	-	281,081	100.00
Interest	120,591	17,052	103,539	607.20
Other	40,297	-	40,297	100.00
Total revenues	9,391,165	6,570,286	2,820,879	42.93
Expenditures:				
General government	4,817,772	1,319,289	3,498,483	265.18
Public works	122,804	-	122,804	100.00
Culture and recreation	93,451	-	93,451	100.00
Housing and development	1,619,333	244,823	1,374,510	561.43
Economic development	450,107	-	450,107	100.00
Capital outlay	2,262,919	-	2,262,919	100.00
Debt service	585,134	53,000	532,134	1,004.03
Total expenditures	9,951,520	1,617,112	8,334,408	515.39
Excess (deficiency) of revenues over expenditures	(560,355)	4,953,174	(5,513,529)	(111.31)
Issuance of bonds	5,225,000	-	5,225,000	100.00
Issuance of leases	719,079	148,724	570,355	383.50
	5,944,079	148,724	5,795,355	3,896.72
Net change in fund balance	5,383,724	5,101,898	281,826	5.52 %
Fund balance, beginning of year	5,101,898	-		
Fund balance, end of year	$ 10,485,622	$ 5,101,898		

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $10,485,622, an increase of $5,383,724. Of this balance, $5,353,468 is restricted by law or contractual agreement; $2,989,468 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2026; and $2,142,686 is considered unassigned and can be used to meet the near-term operating needs of the City.

Tax revenues include property taxes, franchise taxes, and business taxes and overall increased $2,096,946 or 32.00%. This is primarily made up of business tax increases of $1,259,939 as a result of the local retail economy continuing to grow. Revenues for licenses and permits have increased $299,016 as this new City begins collecting for the activity. Charges for services increased $281,081 and is a result of new sanitation waste charges being collected by the City. Interest income increased $103,539 or 607.20% as interest rates remain high and City investable funds have risen.

Total governmental expenditures have increased $8,334,408 or 515.39%. General government expenditures increased $3,498,483, or 265.18%, primarily related to hiring of new staff and increasing operational needs as the City grows. Public works expenses increased $122,804, or 100.00%, primarily related to beginning activity in this new department. Culture and recreation expenditures increased $93,451, or 100.00%, as well for the same reason.

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was $7,919,851, an increase of $3,074,437 or 63.45%. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2025, was $2,142,686 and represents 31.52% of total General Fund expenditures.

City of Mableton General Fund Revenues, Expenditures, and Changes in Fund Balance

	General Fund		Dollar Increase Decrease	Percent
	2025	2024		
Revenues:				
Taxes	$ 8,083,837	$ 6,296,750	$ 1,787,087	28.38 %
Licenses and pernits	299,016	-	299,016	100.00
Charges for services	281,081	-	281,081	100.00
Interest	74,822	17,052	57,770	338.79
Other	40,297	-	40,297	100.00
Total revenues	8,779,053	6,313,802	2,465,251	39.05
Expenditures:				
Current:				
General government	4,817,772	1,319,289	3,498,483	265.18
Public works	122,804	-	122,804	100.00
Culture and recreation	93,451	-	93,451	100.00
Housing and development	1,619,333	244,823	1,374,510	561.43
Debt service	145,400	53,000	92,400	174.34
Total expenditures	6,798,760	1,617,112	5,181,648	320.43
Excess (deficiency) of revenues over expenditures	1,980,293	4,696,690	(2,716,397)	(57.84)
Transfers in from other funds	375,065	-	375,065	100.00
Issuance of leases	719,079	148,724	570,355	383.50
	1,094,144	148,724	945,420	635.69
Net change in fund balance	3,074,437	4,845,414	(1,770,977)	(36.55) %
Fund balance, beginning of year	4,845,414	-		
Fund balance, end of year	$ 7,919,851	$ 4,845,414		

Total General Fund revenues have increased $2,465,251 or 39.05%. Taxes increased $1,787,088 or 28.38% primarily due to business and franchise taxes. Business taxes increased as the local retail economy continues to grow and franchise tax increases can be attributed to favorable weather conditions and increased development in the City. Licenses and permits increased $299,016 and charges for services increased $281,081, both 100.00%, due to these revenues beginning activity in this fiscal year. Interest revenues have increased $57,770 or 338.77% as interest rates remain high and city investable funds have risen.

Total General Fund expenditures increased $5,181,648 or 320.43%. General government expenses increased $3,498,483 or 265.18% and is primarily due to increased costs related to addition of new staff and operational costs for the growing city. Public works expenses increased $122,804 or 100.00% as culture and recreation also increased $93,451 or 100.00% due to these newly activated departments. Housing and development costs increased $1,374,510 or 561.43% primarily from increased costs related to additional staffing and operational costs associated with a growing city. Debt service expense increased $92,400.

Hotel/Motel Fund

Tax revenues for the Hotel/Motel Fund for 2025 and 2024 were $566,343 and $256,484, respectively, an increase of $309,859 or 120.81%. These revenues come from the City's hotel/motel tax rate of 8%.

Urban Redevelopment Agency Fund

The Urban Redevelopment Agency Fund is used to serve as a financing and ownership partner for major City developments. Total expenditures for 2025 were $2,702,653 with no activity in 2024. This increase in activity is related to the issuance of the Series 2024 Revenue Bond.

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on page 17. For fiscal year 2025, the City had an overall favorable budget variance of $2,174,914.

Total revenues were $4,276,488 less than budgeted. Insurance Premium Tax is the key factor for this variance as the City's expectation of receiving this revenue did not occur until FY 2026. All other revenue categories reflect modest variances as the City continues to use very conservative revenue estimates.

Total expenditures were $5,599,840 better than budgeted. The City's Municipal Court did not begin until FY 2026 and the City was slow to add staff and operational costs in Recreation and Parks, Community Development, and Code Enforcement. All other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2025, amounts to $4,139,162 (net of accumulated depreciation). Capital assets include intangible right-to-use subscription assets. Additional information on the City of Mableton's capital assets can be found in the Note 5 on page 29 of this report.

Long-Term Debt At the end of fiscal year 2025 and 2024, the City had total debt outstanding of $5,794,709 and $95,884, respectively. The Series 2024 Revenue Bonds issuance was $5,225,000 with the remaining debt being comprised of leases and subscription-based information technology arrangements (SBITAs) related to equipment purchases. All debt is backed by the full faith and credit of the City.

Additional information on the City's long-term debt can be found in Note 6 on pages 30-32 of this report.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2026 fiscal year.

- Economic Development: Mableton looks to benefit from Georgia's robust economic development projects, as ongoing initiatives announced in recent years begin to take effect. With its proximity to Atlanta and strong transportation links, Mableton strives to attract businesses and residents looking for affordable housing and a strategic location.
- Population Growth: Georgia's population growth, expected to be double the national average, may drive demand for housing and services in Mableton. The City could see an influx of residents seeking opportunities tied to the state's strong economic performance.
- Sound Leadership: The Mableton City Council has been recognized as a city of civility and ethics by the Georgia Municipal Association. The mayor and the six district council members are engaged and committed to the success of the newly formed City of Mableton.
- Sustainability of Existing Services: The City has deployed a philosophy of budgetary evaluation, which reviews the needs of the City to the standard, which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Fiscally Sound: For the past three years, Mableton has operated with a millage rate of zero (0). The City's mayor recently reported that the Council's intention is to continue this trend into the City's fourth year of operation. This aligns with the council's intention to avoid unnecessarily burdening the citizens with property taxes. The council intends to maintain this trend for as long as financially feasible.
- Economy Impact: The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2026.
- The City restricts the use of one-time revenues to capital projects.

Requests for Information

This financial report is designed to provide a general overview of the City of Mableton'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 the Department of Finance, City of Mableton, 5656 Mableton Parkway, Mableton, Georgia, 30126, or by calling 404-490-1928.

CITY OF MABLETON, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 5,508,700
Accounts receivable, net of allowances	305,333
Taxes receivable, net of allowances	737,675
Restricted cash	5,256,679
Capital assets:	
Nondepreciable	2,262,869
Depreciable, net of accumulated depreciation	1,876,293
Total assets	15,947,549
LIABILITIES	
Accounts payable	931,688
Accrued payroll	391,077
Accrued interest	21,099
Compensated absences due within one year	71,626
Compensated absences due in more than one year	23,875
Subscriptions payable due within one year	70,804
Subscriptions payable due in more than one year	23,638
Lease liability due within one year	138,490
Lease liability due in more than one year	446,777
Bonds payable due within one year	260,000
Bonds payable due in more than one year	4,855,000
Total liabilities	7,234,074
NET POSITION	
Net investment in capital assets	813,435
Restricted for capital projects	2,565,771
Restricted for debt service	2,787,697
Unrestricted	2,546,572
Total net position	$ 8,713,475

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

CITY OF MABLETON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Primary government:					
Governmental activities:					
General government	$ 3,819,974	$ 4,450	$ -	$ -	$ (3,815,524)
Public works	122,804	276,631	-	-	153,827
Culture and recreation	95,121	-	-	-	(95,121)
Housing and development	940,127	-	-	-	(940,127)
Economic development	450,107	299,016	-	-	(151,091)
Interest and fiscal charges	360,979	-	-	-	(360,979)
Total governmental activities	5,789,112	580,097	-	-	(5,209,015)

General revenues:	
Property taxes	2,897,760
Franchise taxes	2,561,409
Hotel/motel taxes	566,343
Business taxes	2,624,668
Miscellaneous revenues	40,297
Interest and investment earnings	120,591
Total general revenues	8,811,068
Change in net position	3,602,053
Net position, beginning of year	5,111,422
Net position, end of year	$ 8,713,475

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

CITY OF MABLETON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	Hotel/Motel Tax Fund	Mableton URA Fund	Total Governmental Funds
Cash and cash equivalents	$ 5,508,700	$ -	$ -	$ 5,508,700
Accounts receivable	305,333	-	-	305,333
Taxes receivable	664,726	72,949	-	737,675
Due from other funds	-	83,129	96,789	179,918
Restricted assets:				
Cash and cash equivalents	2,787,697	-	2,468,982	5,256,679
Total assets	$ 9,266,456	$ 156,078	$ 2,565,771	$ 11,988,305
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 775,610	$ 156,078	$ -	$ 931,688
Accrued payroll	391,077	-	-	391,077
Due to other funds	179,918	-	-	179,918
Total liabilities	1,346,605	156,078	-	1,502,683
FUND BALANCES				
Restricted:				
Capital projects	-	-	2,565,771	2,565,771
Debt service	2,787,697	-	-	2,787,697
Assigned for subsequent year's expenditures	2,989,468	-	-	2,989,468
Unassigned	2,142,686	-	-	2,142,686
Total fund balances	7,919,851	-	2,565,771	10,485,622
Total liabilities and fund balances	$ 9,266,456	$ 156,078	$ 2,565,771	
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.				4,139,162
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Bonds payable			(5,115,000)	
Leases payable			(585,267)	
SBITAs			(94,442)	
Accrued interest			(21,099)	
Compensated absences			(95,501)	(5,911,309)
Net position of governmental activities				$ 8,713,475

The accompanying notes are an integral part of these statements.

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

	General Fund	Hotel/Motel Tax Fund	Mableton URA Fund	Total Governmental Funds
Revenues:				
Taxes	$ 8,083,837	$ 566,343	$ -	$ 8,650,180
Licenses and permits	299,016	-	-	299,016
Charges for services	281,081	-	-	281,081
Interest	74,822	2,345	43,424	120,591
Miscellaneous	40,297	-	-	40,297
Total revenues	8,779,053	568,688	43,424	9,391,165
Expenditures:				
Current:				
General government	4,817,772	-	-	4,817,772
Public works	122,804	-	-	122,804
Culture and recreation	93,451	-	-	93,451
Housing and development	1,619,333	-	-	1,619,333
Economic development	-	450,107	-	450,107
Capital outlay	-	-	2,262,919	2,262,919
Debt service:				
Principal	135,254	-	110,000	245,254
Interest	10,146	-	108,484	118,630
Issuance costs	-	-	221,250	221,250
Total expenditures	6,798,760	450,107	2,702,653	9,951,520
Excess (deficiency) of revenues over expenditures	1,980,293	118,581	(2,659,229)	(560,355)
Other financing sources (uses):				
Issuance of bonds	-	-	5,225,000	5,225,000
Issuance of capital leases	719,079	-	-	719,079
Transfers in	375,065	-	-	375,065
Transfers out	-	(375,065)	-	(375,065)
Total other financing sources (uses)	1,094,144	(375,065)	5,225,000	5,944,079
Net change in fund balances	3,074,437	(256,484)	2,565,771	5,383,724
Fund balances, beginning of year	4,845,414	256,484	-	5,101,898
Fund balances, end of year	$ 7,919,851	$ -	$ 2,565,771	$ 10,485,622

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

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 5,383,724
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 and amortization. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.		
Capital outlay	$ 4,340,100	
Depreciation and amortization expense	(320,743)	4,019,357
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.		
Lease liabilities	$ (638,851)	
Subscription liabilities	(80,228)	
Issuance of bonds payable	(5,225,000)	
Principal payments - lease	53,584	
Principal payments - bonds	110,000	
Principal payments - SBITAs	81,670	(5,698,825)
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.		
Compensated absences	$ (81,104)	
Accrued interest	(21,099)	(102,203)
Change in net position - governmental activities		$ 3,602,053

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

CITY OF MABLETON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 12,483,738	$ 12,397,738	$ 8,083,837	$ (4,313,901)
Licenses and permits	1,244,256	299,256	299,016	(240)
Charges for services	7,366	282,366	281,081	(1,285)
Interest	-	75,000	74,822	(178)
Miscellaneous	1,181	1,181	40,297	39,116
Total revenues	13,736,541	13,055,541	8,779,053	(4,276,488)
Expenditures:				
Current:				
General government:				
Mayor and council	614,833	614,833	516,355	98,478
Administration	1,425,726	1,442,726	1,259,803	182,923
Legal	600,000	600,000	573,770	26,230
Information technology	982,178	525,178	254,557	270,621
Human resources	579,472	579,472	350,338	229,134
Facilities	1,703,284	2,093,284	1,758,436	334,848
Communication and engagement	624,286	624,286	77,249	547,037
General assistance	-	30,000	27,264	2,736
Total general government	6,529,779	6,509,779	4,817,772	1,692,007
Public works:				
Sustainability waste and beautification	489,847	489,847	122,804	367,043
Total public works	489,847	489,847	122,804	367,043
Culture and recreation:				
Parks and recreation	1,866,855	1,185,855	93,451	1,092,404
Total culture and recreation	1,866,855	1,185,855	93,451	1,092,404
Housing and development				
Code enforcement	1,714,923	1,714,923	439,021	1,275,902
Community development	1,928,196	1,948,196	1,180,312	767,884
Total housing and development	3,643,119	3,663,119	1,619,333	2,043,786
Debt service:				
Principal retirements	530,000	530,000	135,254	394,746
Interest and fiscal charges	20,000	20,000	10,146	9,854
Total debt service	550,000	550,000	145,400	404,600
Total expenditures	13,079,600	12,398,600	6,798,760	5,599,840
Excess of revenues over expenditures	656,941	656,941	1,980,293	1,323,352
Other financing sources:				
Issuance of capital leases	-	-	719,079	719,079
Transfers in	242,582	242,582	375,065	132,483
Total other financing sources	242,582	242,582	1,094,144	851,562
Net change in fund balance	899,523	899,523	3,074,437	2,174,914
Fund balance, beginning of year	4,845,414	4,845,414	4,845,414	-
Fund balance, end of year	$ 5,744,937	$ 5,744,937	$ 7,919,851	$ 2,174,914

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

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 242,582	$ 242,582	$ 566,343	$ 323,761
Interest	-	-	2,345	2,345
Total revenues	242,582	242,582	568,688	326,106
Expenditures:				
Current:				
Economic development	142,582	142,582	450,107	(307,525)
Total expenditures	142,582	142,582	450,107	(307,525)
Excess of revenues over expenditures	100,000	100,000	118,581	18,581
Other financing sources:				
Transfers out	(100,000)	(100,000)	(375,065)	(275,065)
Total other financing sources	(100,000)	(100,000)	(375,065)	(275,065)
Net change in fund balance	-	-	(256,484)	(256,484)
Fund balance, beginning of year	256,484	256,484	256,484	-
Fund balance, end of year	$ 256,484	$ 256,484	$ -	$ (256,484)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Mableton, located in Cobb County, Georgia adopted its first City Charter in 2023. The City is governed by an elected mayor and six-member council and provides general government, public works, parks and recreation, economic development, and housing and development services to its citizens. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable.

Blended component unit. The Mableton Urban Redevelopment Agency (the "URA") serves to encourage and develop the industrial base in the City. The URA is legally separate from the City; however, the City appoints a voting majority of the URA's government board and is obligated to fund a significant portion of the debt of the URA through an intergovernmental agreement. The City reports the URA as a capital projects fund. Separate financial statements are not prepared for the Mableton Urban Redevelopment Agency.

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. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The City does not have any business-type activities to report.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those 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 properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are prepared for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. At June 30, 2025, the City has no proprietary funds or fiduciary funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and other long-term liabilities, are recorded only when payment is due.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **Hotel/Motel Tax Fund** is used to account for hotel/motel tax collections that are restricted for tourism in the City.

The **Mableton Urban Redevelopment Agency (URA)** is used to provide financing for the City related to the redevelopment of certain areas within the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Budgets

Annual budgets are prepared and approved by the Mayor and Council for the General Fund and special revenue funds. Prior to the budget being legally enacted through passage of an ordinance, a public hearing is held to obtain taxpayer comments. The budgets are prepared on a basis consistent with generally accepted accounting principles. The level of control (the level on which expenditures may not exceed appropriations) for each legally adopted annual operating budget is the department level. The City does not use the encumbrance system of accounting.

E. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Restricted Assets

Proceeds of the 2024 Series URA Bond Issue are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The Series 2024 Project Account is used to support those proceeds that are restricted for recreational and public park facilities. Additionally, the General Fund maintains money on deposit in a Sinking Fund to be used for the payment of principal and interest on the 2024 Series URA Bond Issue in accordance with the bond agreement.

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.”

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

J. Capital Assets

Capital assets which include intangible right-to-use assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of 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 is not capitalized.

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

Improvements	15-40 years
Machinery and equipment	3-10 years
Vehicles	5-10 years
Furniture and fixtures	5-10 years
Lease assets	3-5 years
SBITAs	3-5 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases

The City is a lessee for noncancellable leases of buildings. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Subscription-Based Information Technology Arrangements

The City has entered into a noncancelable long-term subscription-based information technology arrangement (SBITA) for various software programs. The City recognizes a right-to-use subscription asset and corresponding subscription liability in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of the subscription term, the City measures the subscription liability at the present value of minimum payments required to be paid during the subscription term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the vendor at or before commencement.

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilities are composed of fixed payments due to the vendor over the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities and will remeasure them if changes occur that are expected to significantly affect the reported amount of subscription assets and liabilities.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the City does not report any deferred outflows 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, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the current year, the City does not report any deferred inflows of resources.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation time benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation amounts are accrued when incurred by the City in the government wide financial statements. A liability is recorded only if the benefit has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

O. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the current period.

In the fund financial statements, governmental fund types, bond premiums, and discounts as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Fund Net Position

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources 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 action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, through resolution, has delegated to the Finance Director and City Manager the authority to assign funds for a particular purpose.
- **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)

P. Fund Balance and Fund Net Position (Continued)

Fund Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

Q. Use of Estimates

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

NOTE 2. BUDGET - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the current year, the City incurred expenditures in the Hotel Motel/Tax Special Revenue Fund in excess of the amounts appropriated by $307,525. These over expenditures were covered by available fund balance and actual revenues in excess of budgeted amounts.

NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The state requires that all deposits with financial institutions be fully insured or properly collateralized. The City's deposits are fully insured or collateralized by securities held in the government's name.

Deposits – External Investment Pool: A portion of the City's deposits at June 30, 2025 were invested in Georgia Fund 1. It was created by OCGA 36-83-8 and is a stable fair value investment pool that follows Standard & Poor's criteria for AAA-rated money market funds. However, the State of Georgia Office of Treasury operates Georgia Fund 1 in a manner consistent with rule 2a-7 of the Investment Company Act of 1940 and it is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1 per share value). Fair value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The City considered amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. The Georgia Fund 1 has an average maturity and rating as follows:

Investment	Rating	Maturity	Fair Value
Georgia Fund 1	AAAf	51 days	$ 2,026,968

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The City has no investment policy that would further limit its investment choices. Investments are reported at fair value.

NOTE 4. RECEIVABLES

Receivables at June 30, 2025 for the City are as follows:

	General Fund	Hotel/Motel Tax Fund
Receivables:		
Accounts	$ 305,333	$ -
Taxes	664,726	72,949
Total receivables	$ 970,059	$ 72,949

NOTE 5. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Nondepreciable capital assets:				
Land	$ -	$ 2,262,869	$ -	$ 2,262,869
Total	-	2,262,869	-	2,262,869
Depreciable capital assets:				
Improvements	-	802,959	-	802,959
Vehicles	-	175,544	-	175,544
Computers & equipment	-	170,379	-	170,379
Furniture & fixtures	-	209,270	-	209,270
Lease assets - buildings	-	638,851	-	638,851
Subscription assets	148,724	80,228	-	228,952
Total	148,724	2,077,231	-	2,225,955
Less accumulated depreciation and amortization for:				
Improvements	-	(133,826)	-	(133,826)
Vehicles	-	(17,554)	-	(17,554)
Computers & equipment	-	(28,397)	-	(28,397)
Furniture & fixtures	-	(6,976)	-	(6,976)
Lease assets - buildings	-	(77,677)	-	(77,677)
Subscription assets	(28,919)	(56,313)	-	(85,232)
Total	(28,919)	(320,743)	-	(349,662)
Depreciable capital assets, net	119,805	1,756,488	-	1,876,293
Governmental activities capital assets, net	$ 119,805	$ 4,019,357	$ -	$ 4,139,162

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 225,512
Housing and development	95,231
Total depreciation and amortization expense - governmental activities	$ 320,743

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue bonds	$ -	$ 5,225,000	$ (110,000)	$ 5,115,000	$ 260,000
Lease liabilities	-	638,851	(53,584)	585,267	138,490
Subscription liabilities	95,884	80,228	(81,670)	94,442	70,804
Compensated absences	14,397	81,104 *	-	95,501	71,626
Total governmental activities long-term liabilities	$ 110,281	$ 6,025,183	$ (245,254)	$ 5,890,210	$ 540,920

* The change in compensated absences is presented as a net change

Revenue Bonds – Direct Placement

In December 2024, the Mableton Urban Redevelopment Agency issued $5,225,000 Series 2024 Urban Redevelopment Agency (URA) Revenue Bonds (the “Series 2024 Bonds”) The proceeds from these bonds were used for the purpose of financing the costs of a park and recreational facilities project. The Series 2024 Bonds carry an interest rate of 4.95%. Beginning June 1, 2025, interest payments are due semiannually and principal payments are due annually. The bonds are scheduled to mature on June 1, 2039. As of June 30, 2025, the outstanding balance is $5,115,000.

The URA’s source of revenues to pay for the principal and interest of the 2024 Bonds is an intergovernmental agreement between the URA and the City, whereby the City will make installment payments in amounts sufficient to meet debt service requirements. As security for this agreement, the City has pledged to the URA its full faith and credit and unlimited taxing power to make such payments. The City has agreed that it will exercise its powers of taxation to the extent necessary to pay amounts required under this agreement and will make available and use all taxes levied and collected for this purpose, together with funds received from other sources, for these payments. The obligation of the City to make these payments under this agreement from its General Fund constitutes a general obligation of the City. At June 30, 2025, management believes the City is in compliance with all covenants provided in this issue.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Direct Placement (Continued)

The debt service requirements to maturity are as follows:

	Principal	Interest	Total
2026	$ 260,000	$ 253,193	$ 513,193
2027	275,000	240,322	515,322
2028	290,000	226,710	516,710
2029	305,000	212,355	517,355
2030	320,000	197,258	517,258
2031-2035	1,840,000	733,590	2,573,590
2036-2039	1,825,000	231,165	2,056,165
	$ 5,115,000	$ 2,094,593	$ 7,209,593

Lease Liabilities

In July 2024, the City entered into a five-year lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of $225,014. As of June 30, 2025, the value of the lease liability was $193,900. The City is required to make variable monthly principal and interest payments from $4,000 to $4,408. The lease has an interest rate of 2.49%. The right-to-use asset has a 5-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $225,014 and had accumulated amortization of $43,190.

In March 2025, the City entered into a five-year lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of $413,837. As of June 30, 2025, the value of the lease liability was $391,367. The City is required to make variable monthly principal and interest payments from $8,333 to $10,208. The lease has an interest rate of 2.49%. The right-to-use asset has a 5-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $413,837 and had accumulated amortization of $34,487.

The debt service requirements to maturity for lease liabilities are as follows:

	Principal	Interest	Total
2026	$ 138,490	$ 13,019	$ 151,509
2027	150,436	9,436	159,872
2028	163,239	5,546	168,785
2029	133,102	1,464	134,566
	$ 585,267	$ 29,465	$ 614,732

NOTE 6. LONG-TERM DEBT (CONTINUED)

Subscription Liabilities

In December 2023, the City entered into a noncancellable subscription-based information technology arrangement (SBITA) reported in governmental activities. This arrangement involves the City's right-to-use software related to general government functions. An initial SBITA liability was recorded in the amount of $148,724. As of June 30, 2025, the value of the lease liability was $48,614. The City is required to make annual payments ranging from $50,000 to $53,000 through December 2025. As the arrangements do not contain stated specified interest rates, the City has used its incremental borrowing rate for similar assets of 2.85% as the discount rate for the SBITA at June 30, 2025.The right-to-use asset has a 3-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $148,724 and had accumulated amortization of $78,546.

In March 2025, the City entered into a noncancellable subscription-based information technology arrangement (SBITA) reported in governmental activities. This arrangement involves the City's right-to-use software related to general government functions. An initial SBITA liability was recorded in the amount of $80,228. As of June 30, 2025, the value of the lease liability was $45,828. The city is required to make annual payments ranging from $23,500 to $34,500 through April 2027. As the arrangements do not contain stated specified interest rates, the City has used its incremental borrowing rate for similar assets of 2.85% as the discount rate for the SBITA at June 30, 2025.The right-to-use asset has a 3-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $80,228 and had accumulated amortization of $6,686.

Future principal and interest payments on the City's SBITAs at June 30, 2025 are as follows:

	Principal	Interest	Total
2026	$ 70,804	$ 2,704	$ 73,508
2027	23,638	680	24,318
	$ 94,442	$ 3,384	$ 97,826

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of June 30, 2025 consisted of the following:

Receivable Fund	Payable Fund	Amount
Hotel/Motel Tax Fund	General Fund	$ 83,129
URA Fund	General Fund	96,789
		$ 179,918

The balances reported as Due to/Due from resulted from timing differences between the dates that transactions are recorded in the accounting system and payments between the funds are made.

Interfund transfers consisted of the following for the fiscal year ended June 30, 2025:

Transfers from	Transfers to	Amount
Hotel/Motel Tax Fund	General Fund	$ 375,065

Transfers are used to move taxes collected in the Hotel/Motel Tax Fund to the General Fund in accordance with budgetary authorizations.

NOTE 8. NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current year:

Cost of capital assets, net	$ 4,139,162
Revenue bonds payable	(5,115,000)
Subscriptions payable	(94,442)
Leases payable	(585,267)
Add back: Unspent bond proceeds	2,468,982
	$ 813,435

NOTE 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission (ARC), 229 Peachtree Street #100, Atlanta, GA 30303.

NOTE 10. RISK MANAGEMENT

The City's business activity is primarily with residents located within the City limits.

The City is exposed to various risks of loss related to: torts; injuries to employees; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City purchases commercial insurance to cover the risks of loss. Settled claims from these risks have not exceeded commercial coverage in each of the past three years.

NOTE 11. COMMITMENTS AND CONTINGENCIES

There are no pending claims or litigation against the City of Mableton of which City officials are aware. The City had no ongoing commitments or obligations as of June 30, 2025.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax in accordance with OCGA 48-13-51(b). A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	$	566,343	
Disbursements for tourism, conventions and trade shows	$	106,629	18.75% of tax receipts
Disbursements for tourism product development	$	248,801	43.75% of tax receipts

As a newly incorporated municipality, the City is subject to the provisions outlined in OCGA 48-13-51(b), which allow new cities formed after July 1, 2015, a deferral period before the restricted portion of hotel/motel tax revenues must be spent. Specifically, the statue permits the City to accumulate and carry forward restricted hotel/motel tax revenues for a period of up to 5 years following incorporation. During this period, the City is not required to expend the restricted funds immediately and may use the time to develop the necessary tourism infrastructure, such as establishing a Destination Marketing Organization (DMO) or tourism-related programming.

NOTE 13. CHANGE TO REPORTING ENTITY

During the year ended June 30, 2025, the Mableton Urban Redevelopment Agency (URA) was established and determined to be component unit of the City. The City's financial statements for fiscal year 2025 include the operations of the URA as the City has determined the URA to be a blended component unit.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Mableton, Georgia (the "City") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Items 2025-001 and 2025-002 that we consider to be significant deficiencies.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as Item 2025-003.

City of Mableton, Georgia's Responses to Findings

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

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
December 31, 2025

CITY OF MABLETON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 weaknesses identified?	___ yes _X_ no
Significant deficiencies identified?	_X_ yes ___ none reported
Noncompliance material to financial statements noted?	_X_ yes ___ no

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended June 30, 2025 due to the total amount expended being less than $750,000.

SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS

2025-001 Comprehensive Financial Policies and Procedures Manual

Criteria: Strong internal controls require a comprehensive financial policies and procedures manual to be in place to ensure the City's financial policies are documented, in place, and operating effectively.

Condition: The City does not currently have a formally adopted comprehensive financial policies and procedures manual.

Context/Cause: The City lacks written policies and procedures, including documentation of effective internal controls.

Effects: Failure to properly document financial policies and procedures exposes the City to a greater risk of loss due to errors or fraud.

Recommendation: In order to strengthen internal controls, we recommend the City adopt a formal comprehensive financial policies and procedures manual, clearly documenting processes for all transactions.

Management's Response: Management concurs with this finding. City staff will review its current processes and develop and implement strong documented internal controls and policies to ensure the City's financial transactions are appropriate, authorized, and in accordance with City policies.

2025-002 Segregation of Duties

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as cash receipting and cash disbursements) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets.

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the City. Specifically, we noted the following:

- During audit procedures on journal entries, we noted that journal entries did not have evidence of approval.
- While performing audit procedures on cash, we noted that there is currently no review performed of bank reconciliations by someone other than the preparer.

Context/Cause: Multiple departments at the City lack proper segregation of duties.

CITY OF MABLETON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS (CONTINUED)

2025-002 Segregation of Duties (Continued)

Effects: Failure to properly document review of bank reconciliations and journal entries by someone other than the preparer exposes the City to a greater risk of errors going uncorrected or fraud occurring.

Recommendation: In recommend that each City office review its policies and procedures to determine where it can adequately segregate duties to alleviate the segregation of duties issues. The City Manager or someone in Finance other than the preparer should review bank reconciliations monthly. This review should include a review of and comparison to the bank statement and the cleared check images. In addition, this review should be documented by the initials of the reviewer. Finally, journal entries should be reviewed by someone other than the preparer prior to posting to the general ledger.

Management's Response: Management concurs with this finding. City staff will review its current processes and develop and implement strong documented internal controls and policies to ensure the City's financial transactions are appropriate, authorized, and in accordance with City policies.

2025-003 Budget to Actual Comparisons

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund and each special revenue fund. Actual expenditures should not exceed final amended budget balances.

Condition: The City experienced an excess of expenditures over appropriations in the Hotel Motel Special Revenue Tax Fund.

Context/Cause: The City incurred expenditures in excess of appropriations in the Hotel Motel Tax Special Revenue Fund.

Effects: Failure to amend annual budgets for expenditures over appropriations will place the City in violation of state law.

Recommendation: Management should ensure that annual operating budgets are adopted for each Special Revenue Fund, as required by state law. Budget to actual comparisons should be periodically reviewed by Management and budgets amended as needed to ensure that the City is in compliance with state law.

Management's Response: Management concurs with this finding. Management will review the budget to actual comparisons and recommend any necessary budget revisions to Mayor and City Council so that actual expenditures do not exceed final amended budget balances.

CITY OF MABLETON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

CITY OF MABLETON, GEORGIA

ANNUAL FINANCIAL REPORT FOR THE YEAR

ENDED JUNE 30, 2025

Prepared by:
Finance Department

Submitted by:
William Tanks
City Manager

CITY OF MABLETON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

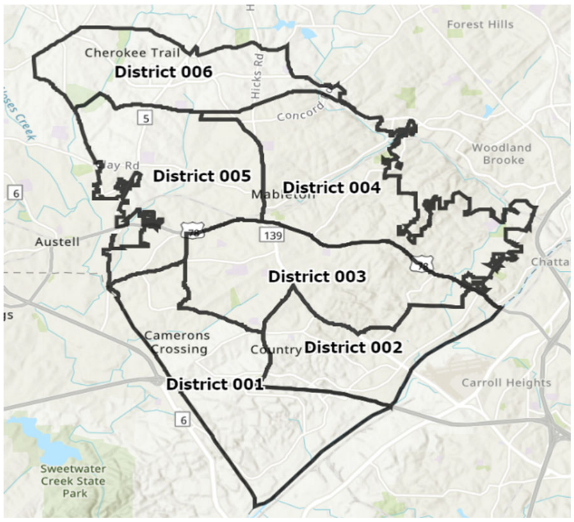
TABLE OF CONTENTS

INTRODUCTORY SECTION

MAYOR AND CITY COUNCIL

Governance in Mableton

The City of Mableton is governed by a duly authorized Mayor and six (6) Councilmembers, who together form the City's legislative and policy-making body.



Mayor Michael Owens
michael.owens@mableton.gov

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Ron Davis
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DISTRICT 2
Michael McNeely
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DISTRICT 3
Keisha Jeffcoat
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DISTRICT 4
Cassandra Brown
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DISTRICT 5
T.J. Ferguson
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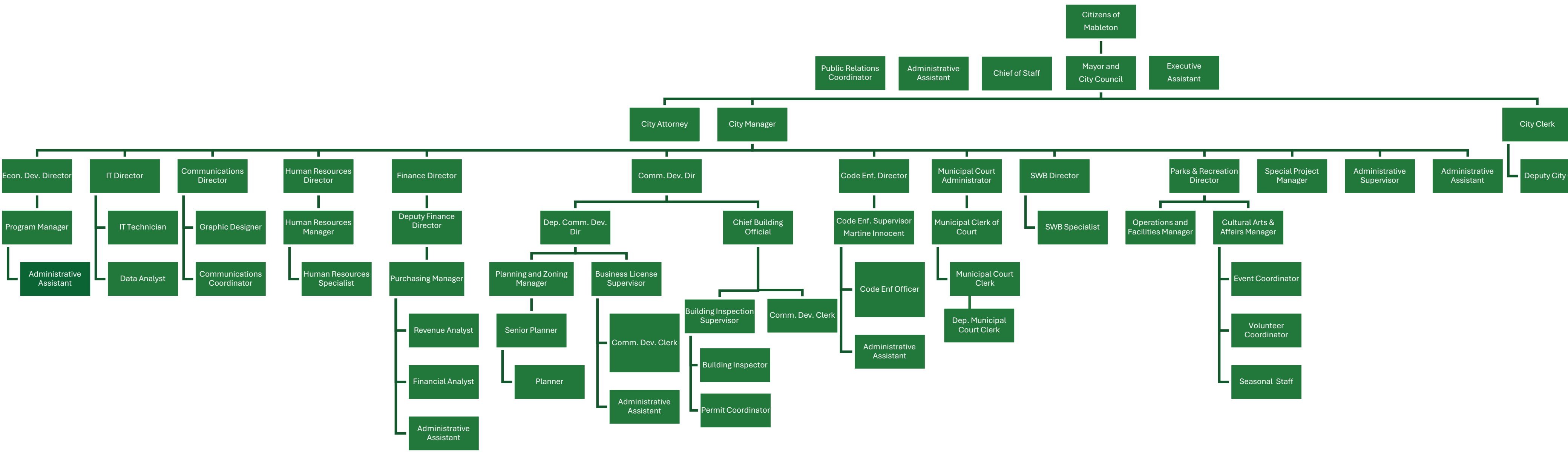
DISTRICT 6
Debora Herndon
debora.herndon@mableton.gov

City of Mableton Organizational Chart FY 2025



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Mableton, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Mableton, Georgia (the "City"), as of and for the fiscal year ended June 30, 2025, 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 and each major fund of the City of Mableton, Georgia as of June 30, 2025, and the respective changes in financial position and the budgetary comparison information for the General Fund and Hotel Motel Tax Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Responsibility 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, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025 on our consideration of the City of Mableton, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 31, 2025

As management of the City of Mableton (the "City"), we present this narrative overview of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to review the information presented here in conjunction with additional information that we have included in our letter of transmittal, located in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded their liabilities and deferred inflows of resources at the close of the fiscal year by $8,713,475 (total net position), which represents an increase of $3,602,053 or 70.47% from the prior year. Of the total net position, $2,546,572 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $10,485,622. This represents an increase of $5,383,724 from the prior year.
- Total governmental fund revenues were $9,391,165, an increase of $2,820,879 or 42.93%.
- Total governmental fund expenditures were $9,951,520 an increase of $8,334,408 or 515.39% over the prior year, primarily related to City increasing staff and activity from prior year as well as land purchases through the Urban Redevelopment Agency when the Series 2024 Bonds were issued mid-fiscal year 2025.

Overview of the Financial Statements

This discussion and analysis 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City's assets, 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes (governmental activities). The governmental activities of the City include general government, public works, culture and recreation, and housing and community development.

The government-wide financial statements can be found on pages 12 and 13 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 three 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 the general, capital projects and urban redevelopment agency funds, which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds, except capital project funds for which project length budgets are adopted. A budgetary comparison statement has been provided for the General Fund and each of the special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

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 to the financial statements can be found on pages 19 through 34 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities by $8,713,475, representing a $3,602,053 or 70.47% increase over last year.

Net investment in capital assets of $813,435 (e.g., buildings, machinery and equipment, roadways, sidewalks, culverts, and signals) is reflected 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.

Other than the amount of net position that is restricted ($5,353,468) as to use by law or agreement, the remaining portion of the City's net position represents unrestricted net position of $2,546,572 that is available to meet the ongoing obligations of the government. This amount represents 43.00% of current governmental expenses.

The City has current assets of $11,808,387, an increase of $6,472,965 or 121.32% over the prior year. These assets include $8,296,397 of cash and investments.

The City's capital assets increased $4,019,357, which represents an increase due primarily to the acquisition of land through use of the Series 2024 bond proceeds.

Long-term liabilities increased $5,297,076 from the prior year because of new borrowing for land acquisition and infrastructure improvements.

The table below summarizes the City's Net Position for 2025.

City of Mableton Net Position

	Governmental Activities		Dollar Increase	
	2025	2024	Decrease	Percent
Assets				
Current assets	$ 11,808,387	$ 5,335,422	$ 6,472,965	121.32 %
Capital and other assets	4,139,162	119,805	4,019,357	3,354.92
Total assets	15,947,549	5,455,227	$ 10,492,322	192.34
Liabilities				
Current liabilities	1,884,784	291,591	1,593,193	546.38
Long-term liabilities	5,349,290	52,214	5,297,076	10,144.93
Total liabilities	7,234,074	343,805	6,890,269	2,004.12
Net position				
Net investment in capital assets	813,435	23,921	789,514	3,300.51
Restricted	5,353,468	169,986	5,183,482	3,049.36
Unrestricted	2,546,572	4,917,515	(2,370,943)	(48.21)
Total net position	$ 8,713,475	$ 5,111,422	$ 3,602,053	70.47 %

Governmental activities: Governmental activities are those that have a direct impact on its citizens such as public works, zoning, recreation, and improvements. The table below reflects changes in net position for 2025 and 2024.

Revenues: Charges for services include licenses and permits. These revenues increased $580,097 or 100.00%, primarily because of building activity beginning in March 2025 in the City. Motor vehicle property taxes decreased $216,839 or 6.96%. Business taxes increased $1,259,939 (92.32%) and were driven by fully realized revenues transitioning from the county as well as improvements in the retail economy. Franchise taxes increased $743,988 or 40.94% primarily related to increases in taxes allocated by the gas and electric utilities operating in the City. Unrestricted investment earnings increased $103,539 or 607.20%, as a result of income earned on higher balances and higher interest rates. Miscellaneous revenues increased $40,297 or 100.00% as the City collected no miscellaneous revenues in the prior year.

Expenses: General government expenses increased $2,489,515 or 187.12% and is primarily attributable to continued hiring of staff as the City expands its services. Public works expenses increased $122,804 or 100.00%, culture and recreation expenses increased $95,121 or 100.00% and economic development expenses increased $450,107 or 100% because these departments were not active in the prior year. Housing and development costs increased $811,883 and are primarily related to additional staff and operations coming on board related to our growing city.

City of Mableton Changes in Net Position

	Governmental Activities		Dollar Increase	
	2025	2024	Decrease	Percent
Revenues:				
Program revenues:				
Charges for services	$ 580,097	$ -	$ 580,097	100.00 %
General revenues:				
Property taxes	2,897,760	3,114,599	(216,839)	(6.96)
Hotel/motel taxes	566,343	256,484	309,859	120.81
Franchise taxes	2,561,409	1,817,421	743,988	40.94
Business taxes	2,624,668	1,364,729	1,259,939	92.32
Unrestricted investment earnings	120,591	17,052	103,539	607.20
Miscellaneous revenues	40,297	-	40,297	100.00
Total revenues	9,391,165	6,570,285	2,820,880	42.93
Expenses:				
General government	3,819,974	1,330,459	2,489,515	187.12
Public works	122,804	-	122,804	100.00
Culture and recreation	95,121	-	95,121	100.00
Housing and development	940,127	128,244	811,883	633.08
Economic development	450,107	-	450,107	100.00
Interest and fiscal charges	360,979	160	360,819	225,511.88
Total expenses	5,789,112	1,458,863	4,330,249	296.82
Change in net position	3,602,053	5,111,422	(1,509,369)	(29.53)
Net position, beginning of year	5,111,422	-		
Net position, end of year	$ 8,713,475	$ 5,111,422		

Financial Analysis of the City'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. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below summarizes governmental revenues for 2025 and 2024.

City of Mableton Governmental Revenues, Expenditures, and Changes in Fund Balance

	Governmental Funds 2025	Governmental Funds 2024	Dollar Increase Decrease	Percent
Revenues:				
Taxes	$ 8,650,180	$ 6,553,234	$ 2,096,946	32.00 %
Licenses and pernits	299,016	-	299,016	100.00
Charges for services	281,081	-	281,081	100.00
Interest	120,591	17,052	103,539	607.20
Other	40,297	-	40,297	100.00
Total revenues	9,391,165	6,570,286	2,820,879	42.93
Expenditures:				
General government	4,817,772	1,319,289	3,498,483	265.18
Public works	122,804	-	122,804	100.00
Culture and recreation	93,451	-	93,451	100.00
Housing and development	1,619,333	244,823	1,374,510	561.43
Economic development	450,107	-	450,107	100.00
Capital outlay	2,262,919	-	2,262,919	100.00
Debt service	585,134	53,000	532,134	1,004.03
Total expenditures	9,951,520	1,617,112	8,334,408	515.39
Excess (deficiency) of revenues over expenditures	(560,355)	4,953,174	(5,513,529)	(111.31)
Issuance of bonds	5,225,000	-	5,225,000	100.00
Issuance of leases	719,079	148,724	570,355	383.50
	5,944,079	148,724	5,795,355	3,896.72
Net change in fund balance	5,383,724	5,101,898	281,826	5.52 %
Fund balance, beginning of year	5,101,898	-		
Fund balance, end of year	$ 10,485,622	$ 5,101,898		

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $10,485,622, an increase of $5,383,724. Of this balance, $5,353,468 is restricted by law or contractual agreement; $2,989,468 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2026; and $2,142,686 is considered unassigned and can be used to meet the near-term operating needs of the City.

Tax revenues include property taxes, franchise taxes, and business taxes and overall increased $2,096,946 or 32.00%. This is primarily made up of business tax increases of $1,259,939 as a result of the local retail economy continuing to grow. Revenues for licenses and permits have increased $299,016 as this new City begins collecting for the activity. Charges for services increased $281,081 and is a result of new sanitation waste charges being collected by the City. Interest income increased $103,539 or 607.20% as interest rates remain high and City investable funds have risen.

Total governmental expenditures have increased $8,334,408 or 515.39%. General government expenditures increased $3,498,483, or 265.18%, primarily related to hiring of new staff and increasing operational needs as the City grows. Public works expenses increased $122,804, or 100.00%, primarily related to beginning activity in this new department. Culture and recreation expenditures increased $93,451, or 100.00%, as well for the same reason.

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was $7,919,851, an increase of $3,074,437 or 63.45%. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2025, was $2,142,686 and represents 31.52% of total General Fund expenditures.

City of Mableton General Fund Revenues, Expenditures, and Changes in Fund Balance

	General Fund		Dollar Increase	
	2025	2024	Decrease	Percent
Revenues:				
Taxes	$ 8,083,837	$ 6,296,750	$ 1,787,087	28.38 %
Licenses and pernits	299,016	-	299,016	100.00
Charges for services	281,081	-	281,081	100.00
Interest	74,822	17,052	57,770	338.79
Other	40,297	-	40,297	100.00
Total revenues	8,779,053	6,313,802	2,465,251	39.05
Expenditures:				
Current:				
General government	4,817,772	1,319,289	3,498,483	265.18
Public works	122,804	-	122,804	100.00
Culture and recreation	93,451	-	93,451	100.00
Housing and development	1,619,333	244,823	1,374,510	561.43
Debt service	145,400	53,000	92,400	174.34
Total expenditures	6,798,760	1,617,112	5,181,648	320.43
Excess (deficiency) of revenues over expenditures	1,980,293	4,696,690	(2,716,397)	(57.84)
Transfers in from other funds	375,065	-	375,065	100.00
Issuance of leases	719,079	148,724	570,355	383.50
	1,094,144	148,724	945,420	635.69
Net change in fund balance	3,074,437	4,845,414	(1,770,977)	(36.55) %
Fund balance, beginning of year	4,845,414	-		
Fund balance, end of year	$ 7,919,851	$ 4,845,414		

Total General Fund revenues have increased $2,465,251 or 39.05%. Taxes increased $1,787,088 or 28.38% primarily due to business and franchise taxes. Business taxes increased as the local retail economy continues to grow and franchise tax increases can be attributed to favorable weather conditions and increased development in the City. Licenses and permits increased $299,016 and charges for services increased $281,081, both 100.00%, due to these revenues beginning activity in this fiscal year. Interest revenues have increased $57,770 or 338.77% as interest rates remain high and city investable funds have risen.

Total General Fund expenditures increased $5,181,648 or 320.43%. General government expenses increased $3,498,483 or 265.18% and is primarily due to increased costs related to addition of new staff and operational costs for the growing city. Public works expenses increased $122,804 or 100.00% as culture and recreation also increased $93,451 or 100.00% due to these newly activated departments. Housing and development costs increased $1,374,510 or 561.43% primarily from increased costs related to additional staffing and operational costs associated with a growing city. Debt service expense increased $92,400.

Hotel/Motel Fund

Tax revenues for the Hotel/Motel Fund for 2025 and 2024 were $566,343 and $256,484, respectively, an increase of $309,859 or 120.81%. These revenues come from the City's hotel/motel tax rate of 8%.

Urban Redevelopment Agency Fund

The Urban Redevelopment Agency Fund is used to serve as a financing and ownership partner for major City developments. Total expenditures for 2025 were $2,702,653 with no activity in 2024. This increase in activity is related to the issuance of the Series 2024 Revenue Bond.

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on page 17. For fiscal year 2025, the City had an overall favorable budget variance of $2,174,914.

Total revenues were $4,276,488 less than budgeted. Insurance Premium Tax is the key factor for this variance as the City's expectation of receiving this revenue did not occur until FY 2026. All other revenue categories reflect modest variances as the City continues to use very conservative revenue estimates.

Total expenditures were $5,599,840 better than budgeted. The City's Municipal Court did not begin until FY 2026 and the City was slow to add staff and operational costs in Recreation and Parks, Community Development, and Code Enforcement. All other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2025, amounts to $4,139,162 (net of accumulated depreciation). Capital assets include intangible right-to-use subscription assets. Additional information on the City of Mableton's capital assets can be found in the Note 5 on page 29 of this report.

Long-Term Debt At the end of fiscal year 2025 and 2024, the City had total debt outstanding of $5,794,709 and $95,884, respectively. The Series 2024 Revenue Bonds issuance was $5,225,000 with the remaining debt being comprised of leases and subscription-based information technology arrangements (SBITAs) related to equipment purchases. All debt is backed by the full faith and credit of the City.

Additional information on the City's long-term debt can be found in Note 6 on pages 30-32 of this report.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2026 fiscal year.

- Economic Development: Mableton looks to benefit from Georgia's robust economic development projects, as ongoing initiatives announced in recent years begin to take effect. With its proximity to Atlanta and strong transportation links, Mableton strives to attract businesses and residents looking for affordable housing and a strategic location.
- Population Growth: Georgia's population growth, expected to be double the national average, may drive demand for housing and services in Mableton. The City could see an influx of residents seeking opportunities tied to the state's strong economic performance.
- Sound Leadership: The Mableton City Council has been recognized as a city of civility and ethics by the Georgia Municipal Association. The mayor and the six district council members are engaged and committed to the success of the newly formed City of Mableton.
- Sustainability of Existing Services: The City has deployed a philosophy of budgetary evaluation, which reviews the needs of the City to the standard, which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Fiscally Sound: For the past three years, Mableton has operated with a millage rate of zero (0). The City's mayor recently reported that the Council's intention is to continue this trend into the City's fourth year of operation. This aligns with the council's intention to avoid unnecessarily burdening the citizens with property taxes. The council intends to maintain this trend for as long as financially feasible.
- Economy Impact: The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2026.
- The City restricts the use of one-time revenues to capital projects.

Requests for Information

This financial report is designed to provide a general overview of the City of Mableton'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 the Department of Finance, City of Mableton, 5656 Mableton Parkway, Mableton, Georgia, 30126, or by calling 404-490-1928.

CITY OF MABLETON, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 5,508,700
Accounts receivable, net of allowances	305,333
Taxes receivable, net of allowances	737,675
Restricted cash	5,256,679
Capital assets:	
Nondepreciable	2,262,869
Depreciable, net of accumulated depreciation	1,876,293
Total assets	15,947,549
LIABILITIES	
Accounts payable	931,688
Accrued payroll	391,077
Accrued interest	21,099
Compensated absences due within one year	71,626
Compensated absences due in more than one year	23,875
Subscriptions payable due within one year	70,804
Subscriptions payable due in more than one year	23,638
Lease liability due within one year	138,490
Lease liability due in more than one year	446,777
Bonds payable due within one year	260,000
Bonds payable due in more than one year	4,855,000
Total liabilities	7,234,074
NET POSITION	
Net investment in capital assets	813,435
Restricted for capital projects	2,565,771
Restricted for debt service	2,787,697
Unrestricted	2,546,572
Total net position	$ 8,713,475

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

CITY OF MABLETON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government:					
Governmental activities:					
General government	$ 3,819,974	$ 4,450	$ -	$ -	$ (3,815,524)
Public works	122,804	276,631	-	-	153,827
Culture and recreation	95,121	-	-	-	(95,121)
Housing and development	940,127	-	-	-	(940,127)
Economic development	450,107	299,016	-	-	(151,091)
Interest and fiscal charges	360,979	-	-	-	(360,979)
Total governmental activities	5,789,112	580,097	-	-	(5,209,015)
General revenues:					
Property taxes					2,897,760
Franchise taxes					2,561,409
Hotel/motel taxes					566,343
Business taxes					2,624,668
Miscellaneous revenues					40,297
Interest and investment earnings					120,591
Total general revenues					8,811,068
Change in net position					3,602,053
Net position, beginning of year					5,111,422
Net position, end of year					$ 8,713,475

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

CITY OF MABLETON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	Hotel/Motel Tax Fund	Mableton URA Fund	Total Governmental Funds
Cash and cash equivalents	$ 5,508,700	$ -	$ -	$ 5,508,700
Accounts receivable	305,333	-	-	305,333
Taxes receivable	664,726	72,949	-	737,675
Due from other funds	-	83,129	96,789	179,918
Restricted assets:				
Cash and cash equivalents	2,787,697	-	2,468,982	5,256,679
Total assets	$ 9,266,456	$ 156,078	$ 2,565,771	$ 11,988,305
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 775,610	$ 156,078	$ -	$ 931,688
Accrued payroll	391,077	-	-	391,077
Due to other funds	179,918	-	-	179,918
Total liabilities	1,346,605	156,078	-	1,502,683
FUND BALANCES				
Restricted:				
Capital projects	-	-	2,565,771	2,565,771
Debt service	2,787,697	-	-	2,787,697
Assigned for subsequent year's expenditures	2,989,468	-	-	2,989,468
Unassigned	2,142,686	-	-	2,142,686
Total fund balances	7,919,851	-	2,565,771	10,485,622
Total liabilities and fund balances	$ 9,266,456	$ 156,078	$ 2,565,771	

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.		4,139,162
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable	(5,115,000)	
Leases payable	(585,267)	
SBITAs	(94,442)	
Accrued interest	(21,099)	
Compensated absences	(95,501)	(5,911,309)
Net position of governmental activities		$ 8,713,475

The accompanying notes are an integral part of these statements.

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

	General Fund	Hotel/Motel Tax Fund	Mableton URA Fund	Total Governmental Funds
Revenues:				
Taxes	$ 8,083,837	$ 566,343	$ -	$ 8,650,180
Licenses and permits	299,016	-	-	299,016
Charges for services	281,081	-	-	281,081
Interest	74,822	2,345	43,424	120,591
Miscellaneous	40,297	-	-	40,297
Total revenues	8,779,053	568,688	43,424	9,391,165
Expenditures:				
Current:				
General government	4,817,772	-	-	4,817,772
Public works	122,804	-	-	122,804
Culture and recreation	93,451	-	-	93,451
Housing and development	1,619,333	-	-	1,619,333
Economic development	-	450,107	-	450,107
Capital outlay	-	-	2,262,919	2,262,919
Debt service:				
Principal	135,254	-	110,000	245,254
Interest	10,146	-	108,484	118,630
Issuance costs	-	-	221,250	221,250
Total expenditures	6,798,760	450,107	2,702,653	9,951,520
Excess (deficiency) of revenues over expenditures	1,980,293	118,581	(2,659,229)	(560,355)
Other financing sources (uses):				
Issuance of bonds	-	-	5,225,000	5,225,000
Issuance of capital leases	719,079	-	-	719,079
Transfers in	375,065	-	-	375,065
Transfers out	-	(375,065)	-	(375,065)
Total other financing sources (uses)	1,094,144	(375,065)	5,225,000	5,944,079
Net change in fund balances	3,074,437	(256,484)	2,565,771	5,383,724
Fund balances, beginning of year	4,845,414	256,484	-	5,101,898
Fund balances, end of year	$ 7,919,851	$ -	$ 2,565,771	$ 10,485,622

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

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 5,383,724
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 and amortization. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.		
Capital outlay	$ 4,340,100	
Depreciation and amortization expense	(320,743)	4,019,357
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.		
Lease liabilities	$ (638,851)	
Subscription liabilities	(80,228)	
Issuance of bonds payable	(5,225,000)	
Principal payments - lease	53,584	
Principal payments - bonds	110,000	
Principal payments - SBITAs	81,670	(5,698,825)
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.		
Compensated absences	$ (81,104)	
Accrued interest	(21,099)	(102,203)
Change in net position - governmental activities		$ 3,602,053

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

CITY OF MABLETON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 12,483,738	$ 12,397,738	$ 8,083,837	$ (4,313,901)
Licenses and permits	1,244,256	299,256	299,016	(240)
Charges for services	7,366	282,366	281,081	(1,285)
Interest	-	75,000	74,822	(178)
Miscellaneous	1,181	1,181	40,297	39,116
Total revenues	13,736,541	13,055,541	8,779,053	(4,276,488)
Expenditures:				
Current:				
General government:				
Mayor and council	614,833	614,833	516,355	98,478
Administration	1,425,726	1,442,726	1,259,803	182,923
Legal	600,000	600,000	573,770	26,230
Information technology	982,178	525,178	254,557	270,621
Human resources	579,472	579,472	350,338	229,134
Facilities	1,703,284	2,093,284	1,758,436	334,848
Communication and engagement	624,286	624,286	77,249	547,037
General assistance	-	30,000	27,264	2,736
Total general government	6,529,779	6,509,779	4,817,772	1,692,007
Public works:				
Sustainability waste and beautification	489,847	489,847	122,804	367,043
Total public works	489,847	489,847	122,804	367,043
Culture and recreation:				
Parks and recreation	1,866,855	1,185,855	93,451	1,092,404
Total culture and recreation	1,866,855	1,185,855	93,451	1,092,404
Housing and development				
Code enforcement	1,714,923	1,714,923	439,021	1,275,902
Community development	1,928,196	1,948,196	1,180,312	767,884
Total housing and development	3,643,119	3,663,119	1,619,333	2,043,786
Debt service:				
Principal retirements	530,000	530,000	135,254	394,746
Interest and fiscal charges	20,000	20,000	10,146	9,854
Total debt service	550,000	550,000	145,400	404,600
Total expenditures	13,079,600	12,398,600	6,798,760	5,599,840
Excess of revenues over expenditures	656,941	656,941	1,980,293	1,323,352
Other financing sources:				
Issuance of capital leases	-	-	719,079	719,079
Transfers in	242,582	242,582	375,065	132,483
Total other financing sources	242,582	242,582	1,094,144	851,562
Net change in fund balance	899,523	899,523	3,074,437	2,174,914
Fund balance, beginning of year	4,845,414	4,845,414	4,845,414	-
Fund balance, end of year	$ 5,744,937	$ 5,744,937	$ 7,919,851	$ 2,174,914

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

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 242,582	$ 242,582	$ 566,343	$ 323,761
Interest	-	-	2,345	2,345
Total revenues	242,582	242,582	568,688	326,106
Expenditures:				
Current:				
Economic development	142,582	142,582	450,107	(307,525)
Total expenditures	142,582	142,582	450,107	(307,525)
Excess of revenues over expenditures	100,000	100,000	118,581	18,581
Other financing sources:				
Transfers out	(100,000)	(100,000)	(375,065)	(275,065)
Total other financing sources	(100,000)	(100,000)	(375,065)	(275,065)
Net change in fund balance	-	-	(256,484)	(256,484)
Fund balance, beginning of year	256,484	256,484	256,484	-
Fund balance, end of year	$ 256,484	$ 256,484	$ -	$ (256,484)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Mableton, located in Cobb County, Georgia adopted its first City Charter in 2023. The City is governed by an elected mayor and six-member council and provides general government, public works, parks and recreation, economic development, and housing and development services to its citizens. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable.

Blended component unit. The Mableton Urban Redevelopment Agency (the "URA") serves to encourage and develop the industrial base in the City. The URA is legally separate from the City; however, the City appoints a voting majority of the URA's government board and is obligated to fund a significant portion of the debt of the URA through an intergovernmental agreement. The City reports the URA as a capital projects fund. Separate financial statements are not prepared for the Mableton Urban Redevelopment Agency.

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. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The City does not have any business-type activities to report.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those 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 properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are prepared for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. At June 30, 2025, the City has no proprietary funds or fiduciary funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and other long-term liabilities, are recorded only when payment is due.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **Hotel/Motel Tax Fund** is used to account for hotel/motel tax collections that are restricted for tourism in the City.

The **Mableton Urban Redevelopment Agency (URA)** is used to provide financing for the City related to the redevelopment of certain areas within the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Budgets

Annual budgets are prepared and approved by the Mayor and Council for the General Fund and special revenue funds. Prior to the budget being legally enacted through passage of an ordinance, a public hearing is held to obtain taxpayer comments. The budgets are prepared on a basis consistent with generally accepted accounting principles. The level of control (the level on which expenditures may not exceed appropriations) for each legally adopted annual operating budget is the department level. The City does not use the encumbrance system of accounting.

E. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Restricted Assets

Proceeds of the 2024 Series URA Bond Issue are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The Series 2024 Project Account is used to support those proceeds that are restricted for recreational and public park facilities. Additionally, the General Fund maintains money on deposit in a Sinking Fund to be used for the payment of principal and interest on the 2024 Series URA Bond Issue in accordance with the bond agreement.

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.”

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

J. Capital Assets

Capital assets which include intangible right-to-use assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of 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 is not capitalized.

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

Improvements	15-40 years
Machinery and equipment	3-10 years
Vehicles	5-10 years
Furniture and fixtures	5-10 years
Lease assets	3-5 years
SBITAs	3-5 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases

The City is a lessee for noncancellable leases of buildings. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Subscription-Based Information Technology Arrangements

The City has entered into a noncancelable long-term subscription-based information technology arrangement (SBITA) for various software programs. The City recognizes a right-to-use subscription asset and corresponding subscription liability in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of the subscription term, the City measures the subscription liability at the present value of minimum payments required to be paid during the subscription term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the vendor at or before commencement.

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilities are composed of fixed payments due to the vendor over the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities and will remeasure them if changes occur that are expected to significantly affect the reported amount of subscription assets and liabilities.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the City does not report any deferred outflows 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, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the current year, the City does not report any deferred inflows of resources.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation time benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation amounts are accrued when incurred by the City in the government wide financial statements. A liability is recorded only if the benefit has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

O. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the current period.

In the fund financial statements, governmental fund types, bond premiums, and discounts as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Fund Net Position

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources 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 action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, through resolution, has delegated to the Finance Director and City Manager the authority to assign funds for a particular purpose.
- **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)

P. Fund Balance and Fund Net Position (Continued)

Fund Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

Q. Use of Estimates

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

NOTE 2. BUDGET - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the current year, the City incurred expenditures in the Hotel Motel/Tax Special Revenue Fund in excess of the amounts appropriated by $307,525. These over expenditures were covered by available fund balance and actual revenues in excess of budgeted amounts.

NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The state requires that all deposits with financial institutions be fully insured or properly collateralized. The City's deposits are fully insured or collateralized by securities held in the government's name.

Deposits – External Investment Pool: A portion of the City's deposits at June 30, 2025 were invested in Georgia Fund 1. It was created by OCGA 36-83-8 and is a stable fair value investment pool that follows Standard & Poor's criteria for AAA-rated money market funds. However, the State of Georgia Office of Treasury operates Georgia Fund 1 in a manner consistent with rule 2a-7 of the Investment Company Act of 1940 and it is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1 per share value). Fair value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The City considered amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. The Georgia Fund 1 has an average maturity and rating as follows:

Investment	Rating	Maturity	Fair Value
Georgia Fund 1	AAAf	51 days	$ 2,026,968

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The City has no investment policy that would further limit its investment choices. Investments are reported at fair value.

NOTE 4. RECEIVABLES

Receivables at June 30, 2025 for the City are as follows:

	General Fund	Hotel/Motel Tax Fund
Receivables:		
Accounts	$ 305,333	$ -
Taxes	664,726	72,949
Total receivables	$ 970,059	$ 72,949

NOTE 5. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Nondepreciable capital assets:				
Land	$ -	$ 2,262,869	$ -	$ 2,262,869
Total	-	2,262,869	-	2,262,869
Depreciable capital assets:				
Improvements	-	802,959	-	802,959
Vehicles	-	175,544	-	175,544
Computers & equipment	-	170,379	-	170,379
Furniture & fixtures	-	209,270	-	209,270
Lease assets - buildings	-	638,851	-	638,851
Subscription assets	148,724	80,228	-	228,952
Total	148,724	2,077,231	-	2,225,955
Less accumulated depreciation and amortization for:				
Improvements	-	(133,826)	-	(133,826)
Vehicles	-	(17,554)	-	(17,554)
Computers & equipment	-	(28,397)	-	(28,397)
Furniture & fixtures	-	(6,976)	-	(6,976)
Lease assets - buildings	-	(77,677)	-	(77,677)
Subscription assets	(28,919)	(56,313)	-	(85,232)
Total	(28,919)	(320,743)	-	(349,662)
Depreciable capital assets, net	119,805	1,756,488	-	1,876,293
Governmental activities capital assets, net	$ 119,805	$ 4,019,357	$ -	$ 4,139,162

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 225,512
Housing and development	95,231
Total depreciation and amortization expense - governmental activities	$ 320,743

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue bonds	$ -	$ 5,225,000	$ (110,000)	$ 5,115,000	$ 260,000
Lease liabilities	-	638,851	(53,584)	585,267	138,490
Subscription liabilities	95,884	80,228	(81,670)	94,442	70,804
Compensated absences	14,397	81,104 *	-	95,501	71,626
Total governmental activities long-term liabilities	$ 110,281	$ 6,025,183	$ (245,254)	$ 5,890,210	$ 540,920

* The change in compensated absences is presented as a net change

Revenue Bonds – Direct Placement

In December 2024, the Mableton Urban Redevelopment Agency issued $5,225,000 Series 2024 Urban Redevelopment Agency (URA) Revenue Bonds (the “Series 2024 Bonds”) The proceeds from these bonds were used for the purpose of financing the costs of a park and recreational facilities project. The Series 2024 Bonds carry an interest rate of 4.95%. Beginning June 1, 2025, interest payments are due semiannually and principal payments are due annually. The bonds are scheduled to mature on June 1, 2039. As of June 30, 2025, the outstanding balance is $5,115,000.

The URA’s source of revenues to pay for the principal and interest of the 2024 Bonds is an intergovernmental agreement between the URA and the City, whereby the City will make installment payments in amounts sufficient to meet debt service requirements. As security for this agreement, the City has pledged to the URA its full faith and credit and unlimited taxing power to make such payments. The City has agreed that it will exercise its powers of taxation to the extent necessary to pay amounts required under this agreement and will make available and use all taxes levied and collected for this purpose, together with funds received from other sources, for these payments. The obligation of the City to make these payments under this agreement from its General Fund constitutes a general obligation of the City. At June 30, 2025, management believes the City is in compliance with all covenants provided in this issue.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Direct Placement (Continued)

The debt service requirements to maturity are as follows:

	Principal	Interest	Total
2026	$ 260,000	$ 253,193	$ 513,193
2027	275,000	240,322	515,322
2028	290,000	226,710	516,710
2029	305,000	212,355	517,355
2030	320,000	197,258	517,258
2031-2035	1,840,000	733,590	2,573,590
2036-2039	1,825,000	231,165	2,056,165
	$ 5,115,000	$ 2,094,593	$ 7,209,593

Lease Liabilities

In July 2024, the City entered into a five-year lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of $225,014. As of June 30, 2025, the value of the lease liability was $193,900. The City is required to make variable monthly principal and interest payments from $4,000 to $4,408. The lease has an interest rate of 2.49%. The right-to-use asset has a 5-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $225,014 and had accumulated amortization of $43,190.

In March 2025, the City entered into a five-year lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of $413,837. As of June 30, 2025, the value of the lease liability was $391,367. The City is required to make variable monthly principal and interest payments from $8,333 to $10,208. The lease has an interest rate of 2.49%. The right-to-use asset has a 5-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $413,837 and had accumulated amortization of $34,487.

The debt service requirements to maturity for lease liabilities are as follows:

	Principal	Interest	Total
2026	$ 138,490	$ 13,019	$ 151,509
2027	150,436	9,436	159,872
2028	163,239	5,546	168,785
2029	133,102	1,464	134,566
	$ 585,267	$ 29,465	$ 614,732

NOTE 6. LONG-TERM DEBT (CONTINUED)

Subscription Liabilities

In December 2023, the City entered into a noncancellable subscription-based information technology arrangement (SBITA) reported in governmental activities. This arrangement involves the City's right-to-use software related to general government functions. An initial SBITA liability was recorded in the amount of $148,724. As of June 30, 2025, the value of the lease liability was $48,614. The City is required to make annual payments ranging from $50,000 to $53,000 through December 2025. As the arrangements do not contain stated specified interest rates, the City has used its incremental borrowing rate for similar assets of 2.85% as the discount rate for the SBITA at June 30, 2025.The right-to-use asset has a 3-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $148,724 and had accumulated amortization of $78,546.

In March 2025, the City entered into a noncancellable subscription-based information technology arrangement (SBITA) reported in governmental activities. This arrangement involves the City's right-to-use software related to general government functions. An initial SBITA liability was recorded in the amount of $80,228. As of June 30, 2025, the value of the lease liability was $45,828. The city is required to make annual payments ranging from $23,500 to $34,500 through April 2027. As the arrangements do not contain stated specified interest rates, the City has used its incremental borrowing rate for similar assets of 2.85% as the discount rate for the SBITA at June 30, 2025.The right-to-use asset has a 3-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was $80,228 and had accumulated amortization of $6,686.

Future principal and interest payments on the City's SBITAs at June 30, 2025 are as follows:

	Principal	Interest	Total
2026	$ 70,804	$ 2,704	$ 73,508
2027	23,638	680	24,318
	$ 94,442	$ 3,384	$ 97,826

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of June 30, 2025 consisted of the following:

Receivable Fund	Payable Fund	Amount
Hotel/Motel Tax Fund	General Fund	$ 83,129
URA Fund	General Fund	96,789
		$ 179,918

The balances reported as Due to/Due from resulted from timing differences between the dates that transactions are recorded in the accounting system and payments between the funds are made.

Interfund transfers consisted of the following for the fiscal year ended June 30, 2025:

Transfers from	Transfers to	Amount
Hotel/Motel Tax Fund	General Fund	$ 375,065

Transfers are used to move taxes collected in the Hotel/Motel Tax Fund to the General Fund in accordance with budgetary authorizations.

NOTE 8. NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current year:

Cost of capital assets, net	$ 4,139,162
Revenue bonds payable	(5,115,000)
Subscriptions payable	(94,442)
Leases payable	(585,267)
Add back: Unspent bond proceeds	2,468,982
	$ 813,435

NOTE 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission (ARC), 229 Peachtree Street #100, Atlanta, GA 30303.

NOTE 10. RISK MANAGEMENT

The City's business activity is primarily with residents located within the City limits.

The City is exposed to various risks of loss related to: torts; injuries to employees; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City purchases commercial insurance to cover the risks of loss. Settled claims from these risks have not exceeded commercial coverage in each of the past three years.

NOTE 11. COMMITMENTS AND CONTINGENCIES

There are no pending claims or litigation against the City of Mableton of which City officials are aware. The City had no ongoing commitments or obligations as of June 30, 2025.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax in accordance with OCGA 48-13-51(b). A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	$	566,343	
Disbursements for tourism, conventions and trade shows	$	106,629	18.75% of tax receipts
Disbursements for tourism product development	$	248,801	43.75% of tax receipts

As a newly incorporated municipality, the City is subject to the provisions outlined in OCGA 48-13-51(b), which allow new cities formed after July 1, 2015, a deferral period before the restricted portion of hotel/motel tax revenues must be spent. Specifically, the statue permits the City to accumulate and carry forward restricted hotel/motel tax revenues for a period of up to 5 years following incorporation. During this period, the City is not required to expend the restricted funds immediately and may use the time to develop the necessary tourism infrastructure, such as establishing a Destination Marketing Organization (DMO) or tourism-related programming.

NOTE 13. CHANGE TO REPORTING ENTITY

During the year ended June 30, 2025, the Mableton Urban Redevelopment Agency (URA) was established and determined to be component unit of the City. The City's financial statements for fiscal year 2025 include the operations of the URA as the City has determined the URA to be a blended component unit.

COMPLIANCE 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Mableton, Georgia (the "City") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Items 2025-001 and 2025-002 that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as Item 2025-003.

City of Mableton, Georgia's Responses to Findings

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

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
December 31, 2025

CITY OF MABLETON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 weaknesses identified?	___ yes _X_ no
Significant deficiencies identified?	_X_ yes ___ none reported
Noncompliance material to financial statements noted?	_X_ yes ___ no

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended June 30, 2025 due to the total amount expended being less than $750,000.

CITY OF MABLETON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS

2025-001 Comprehensive Financial Policies and Procedures Manual

Criteria: Strong internal controls require a comprehensive financial policies and procedures manual to be in place to ensure the City's financial policies are documented, in place, and operating effectively.

Condition: The City does not currently have a formally adopted comprehensive financial policies and procedures manual.

Context/Cause: The City lacks written policies and procedures, including documentation of effective internal controls.

Effects: Failure to properly document financial policies and procedures exposes the City to a greater risk of loss due to errors or fraud.

Recommendation: In order to strengthen internal controls, we recommend the City adopt a formal comprehensive financial policies and procedures manual, clearly documenting processes for all transactions.

Management's Response: Management concurs with this finding. City staff will review its current processes and develop and implement strong documented internal controls and policies to ensure the City's financial transactions are appropriate, authorized, and in accordance with City policies.

2025-002 Segregation of Duties

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as cash receipting and cash disbursements) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets.

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the City. Specifically, we noted the following:

- During audit procedures on journal entries, we noted that journal entries did not have evidence of approval.
- While performing audit procedures on cash, we noted that there is currently no review performed of bank reconciliations by someone other than the preparer.

Context/Cause: Multiple departments at the City lack proper segregation of duties.

SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS (CONTINUED)

2025-002 Segregation of Duties (Continued)

Effects: Failure to properly document review of bank reconciliations and journal entries by someone other than the preparer exposes the City to a greater risk of errors going uncorrected or fraud occurring.

Recommendation: In recommend that each City office review its policies and procedures to determine where it can adequately segregate duties to alleviate the segregation of duties issues. The City Manager or someone in Finance other than the preparer should review bank reconciliations monthly. This review should include a review of and comparison to the bank statement and the cleared check images. In addition, this review should be documented by the initials of the reviewer. Finally, journal entries should be reviewed by someone other than the preparer prior to posting to the general ledger.

Management's Response: Management concurs with this finding. City staff will review its current processes and develop and implement strong documented internal controls and policies to ensure the City's financial transactions are appropriate, authorized, and in accordance with City policies.

2025-003 Budget to Actual Comparisons

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund and each special revenue fund. Actual expenditures should not exceed final amended budget balances.

Condition: The City experienced an excess of expenditures over appropriations in the Hotel Motel Special Revenue Tax Fund.

Context/Cause: The City incurred expenditures in excess of appropriations in the Hotel Motel Tax Special Revenue Fund.

Effects: Failure to amend annual budgets for expenditures over appropriations will place the City in violation of state law.

Recommendation: Management should ensure that annual operating budgets are adopted for each Special Revenue Fund, as required by state law. Budget to actual comparisons should be periodically reviewed by Management and budgets amended as needed to ensure that the City is in compliance with state law.

Management's Response: Management concurs with this finding. Management will review the budget to actual comparisons and recommend any necessary budget revisions to Mayor and City Council so that actual expenditures do not exceed final amended budget balances.