City of Mount Vernon, Georgia

Annual Financial Report

With Independent Auditors' Report

For the Year Ended December 31, 2023

City of Mount Vernon, Georgia
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Mount Vernon, Georgia

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Mount Vernon, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Mount Vernon as of December 31, 2023, the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, ARPA Fund and Hotel/Motel Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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; this includes 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 of Mount Vernon, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Mount Vernon, Georgia'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 of Mount Vernon, Georgia's ability to continue as a going concern for the 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 the pension schedules and notes 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The schedule of expenditures of Special Purpose Local Option Sales Tax proceeds is presented for purposes of additional analysis as required by Georgia code and is also not a required part of the basic financial statements.

The schedule of expenditures of Special Purpose Local Option Sales Tax is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of Special Purpose Local Option Sales Tax proceeds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2025 on our consideration of the City of Mount Vernon, 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 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 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.

The Belleme Firm, LLC

Dublin, GA
January 23, 2025

City of Mount Vernon, Georgia
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 71,692	$ 82,634	$ 154,325
Accounts receivable	137,460	67,058	204,518
Due from other governments	94,587	-	94,587
Capital assets, net of depreciation	1,179,769	1,756,502	2,936,271
Capital assets, nondepreciable	355,387	1,345,018	1,700,405
Total assets	1,838,895	3,251,212	5,090,107
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	98,699	-	98,699
Total deferred outflows of resources	98,699	-	98,699
LIABILITIES			
Accounts payable	47,840	295,875	343,715
Customer deposits	-	67,328	67,328
Notes payable, due within one year	60,466	212,065	272,531
Notes payable, due in more than one year	140,335	378,018	518,353
Net pension liability	241,577	-	241,577
Total liabilities	490,218	953,286	1,443,504
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	38,225	-	38,225
Total deferred inflows of resources	38,225	-	38,225
NET POSITION			
Net investment in capital assets	1,334,355	2,511,437	3,845,792
Restricted for:			
Capital projects	100,438	-	100,438
Tourism	1,277	-	1,277
Debt service	-	212,065	212,065
Unrestricted	(26,920)	(425,576)	(452,496)
Net position	$ 1,409,151	$ 2,297,926	$ 3,707,077

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

City of Mount Vernon, Georgia
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 633,393	$ 21,387	$ -	$ -
Public safety	452,956	44,592	-	-
Sanitation and environmental	98,785	254,006	-	269,323
Public works	560,452	-	-	232,194
Recreation	1,263	-	-	-
Interest on general purpose debt	7,018	-	-	-
Total governmental activities	1,753,866	319,985	-	501,517
Business-type activities:				
Water and sewer	695,632	737,471	-	585,523
Total business-type activities	695,632	737,471	-	585,523
Total	$ 2,449,497	$ 1,057,457	$ -	$ 1,087,040
General revenues:				
Insurance premium taxes				
Franchise taxes				
TAVT tax				
Sales taxes				
Other taxes				
Interest income				
Rents				
Gain on sale of assets				
Miscellaneous				
Total general revenues				
Transfers in				
Transfers out				
Total transfers in (out)				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
$ (612,006)	$ -	$ (612,006)
(408,364)	-	(408,364)
424,544	-	424,544
(328,258)	-	(328,258)
(1,263)	-	(1,263)
(7,018)	-	(7,018)
(932,365)	-	(932,365)
-	627,362	627,362
-	627,362	627,362
(932,365)	627,362	(305,002)
175,807	-	175,807
130,815	-	130,815
40,153	-	40,153
286,489	-	286,489
47,306	-	47,306
-	1,154	1,154
23,280	-	23,280
6,550	-	6,550
13,908	-	13,908
724,309	1,154	725,462
138,160	50,000	188,160
(55,000)	(133,160)	(188,160)
83,160	(83,160)	-
(124,896)	545,356	420,460
1,534,047	1,752,570	3,286,617
$ 1,409,151	$ 2,297,926	$ 3,707,077

City of Mount Vernon, Georgia
Balance Sheet
Governmental Funds
December 31, 2023

ASSETS

	General Fund	ARPA Fund	SPLOST Fund	T-SPLOST Fund	Hotel/ Motel Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 12,428	$ -	$ 13,231	$ 44,756	$ 1,277	$ 71,692
Accounts receivable	137,460	-	-	-	-	137,460
Due from other governments	35,282	-	51,571	7,734	-	94,587
Total assets	185,170	-	64,802	52,490	1,277	303,739
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	30,986	-	12,153	4,701	-	47,840
Total liabilities	30,986	-	12,153	4,701	-	47,840
FUND BALANCE						
Restricted for:						
Capital projects	-	-	52,649	-	-	52,649
Transportation projects	-	-	-	47,789	-	47,789
Tourism	-	-	-	-	1,277	1,277
Special expenses	-	-	-	-	-	-
Unassigned	154,184	-	-	-	-	154,184
Total fund balance	154,184	-	52,649	47,789	1,277	255,899
Total liabilities and fund balance	$ 185,170	$ -	$ 64,802	$ 52,490	$ 1,277	$ 303,739

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

City of Mount Vernon, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

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

Total funds balances for governmental funds		$ 255,899
Capital assets used for governmental activities are not financial resources, and therefore, are not reported in the governmental funds		1,535,156
Deferred outflows of resources are not due and payable in the current period and are not reported in the funds. These deferred outflows consist of pension related experience differences, assumption changes and contributions.		98,699
Deferred inflows of resources are not available to pay for current expenditures, and therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan benefits.		(38,225)
Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities:		
Net pension liability	(241,577)	
Notes payable	(200,801)	
		(442,378)
Total net position of governmental activities		$ 1,409,151

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

City of Mount Vernon, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	ARPA Fund	SPLOST Fund	T-SPLOST Fund	Hotel/Motel Fund	Total Governmental Funds
REVENUES						
Charges for services	$ 277,483	$ -	$ -	$ -	$ -	$ 277,483
Fines and fees	21,290	-	-	-	-	21,290
Sales taxes	286,489	-	-	-	-	286,489
Insurance premium taxes	175,807	-	-	-	-	175,807
Franchise taxes	130,815	-	-	-	-	130,815
Other taxes	83,360	-	-	-	4,099	87,459
Licenses and permits	21,212	-	-	-	-	21,212
Rent revenue	23,280	-	-	-	-	23,280
Donations	31,594	-	-	-	-	31,594
Miscellaneous	13,508	-	-	-	400	13,908
Intergovernmental	-	-	269,323	200,600	-	469,923
Total revenues	1,064,839	-	269,323	200,600	4,499	1,539,260
EXPENDITURES						
Current:						
General government	569,368	101	-	-	3,900	573,369
Public works	132,956	16,338	-	160,218	-	309,512
Public safety	380,740	62,950	-	-	-	443,690
Sanitation and environmental	98,785	-	-	-	-	98,785
Recreation	1,263	-	-	-	-	1,263
Debt Service:						
Principal	-	-	59,030	-	-	59,030
Interest	-	-	7,018		-	7,018
Capital outlays:						
General government	-	-	-	-	-	-
Public works	-	-	133,248	6,500	-	139,748
Sanitation and environmental	-	-	-	-	-	-
Public safety	-	-	24,621	-	-	24,621
Total expenditures	1,183,112	79,389	223,917	166,718	3,900	1,657,035
Excess (deficiency) of revenues over expenditures	(118,273)	(79,389)	45,406	33,882	599	(117,775)
OTHER FINANCING SOURCES (USES)						
Sale of assets	6,550	-	-	-	-	6,550
Transfers in	133,160	-	5,000	-	-	138,160
Transfers out	(5,000)	-	(50,000)	-	-	(55,000)
Total other financing sources (uses)	134,710	-	(45,000)	-	-	89,710
Net change in fund balance	16,437	(79,389)	406	33,882	599	(28,065)
Fund balance, January 1, 2023	137,747	79,389	52,243	13,907	678	283,964
Fund balance, December 31, 2023	$ 154,184	$ -	$ 52,649	$ 47,789	$ 1,277	$ 255,899

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

City of Mount Vernon, Georgia
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2023

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

Net change in fund balances - total government funds		$ (28,065)
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current year:		
Capital outlay - Depreciable capital assets	$ 89,100	
Depreciation	(252,030)	
		(162,930)
Some expenses reported in the statement of activities do not require the use of financial resources, and therefore, are not reported as expenditures in the government funds. These expenses are:		
Change in net pension liability		7,069
The repayment of long-term debt consumes the current financial resources of the government funds; debt repayment decreases long-term liabilities in the statement of net postion.		59,030
The issuance of long-term debt is reported as an other financing source at the fund level but is reported as a liability on the government wide statement of net position		-
Change in net position of governmental activities		$ (124,896)

City of Mount Vernon, Georgia
General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget and Actual
For the Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance with Final Budget
Current Operating Revenues:				
Taxes	$ 676,472	$ 608,000	$ 608,000	$ 68,472
Licenses and permits	21,212	20,000	20,000	1,212
Charges for services	277,483	245,000	245,000	32,483
Fines and forfeitures	21,290	25,000	25,000	(3,711)
Rent revenue	23,280	10,000	10,000	13,280
Donations	31,594	5,000	5,000	26,594
Other income	13,508	62,000	62,000	(48,492)
Total revenues	1,064,839	975,000	975,000	89,839
Expenditures:				
Current:				
General government	569,368	450,000	575,000	5,632
Public safety	380,740	320,000	350,000	(30,740)
Public works	132,956	130,000	135,000	2,044
Sanitation and environmental	98,785	73,500	73,500	(25,285)
Recreation	1,263	1,500	1,500	237
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlays:				
General government	-	-	-	-
Public safety	-	-	-	-
Total Expenses	1,183,112	975,000	1,135,000	(48,112)
Excess (deficiency) of revenues over expenditures	(118,273)	-	(160,000)	41,727
Other Financiang Sources (uses):				
Sale of assets	6,550	-	-	6,550
Transfers in	133,160	-	-	133,160
Transfers out	(5,000)	-	-	(5,000)
Total other financing sources (uses)	134,710	-	-	134,710
Net change in fund balance	16,437	-	(160,000)	176,437
Fund balance, beginning of year	137,747	137,747	137,747	-
Fund balance, end of year	$ 154,184	$ 137,747	$ (22,253)	$ 176,437

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

City of Mount Vernon, Georgia
ARPA Fund
Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget and Actual
For the Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance with Final Budget
Current Operating Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Total	-	-	-	-
Expenditures:				
Current:				
General government	101	-	101	-
Public safety	62,950	65,000	62,950	-
Public works	16,338	14,000	16,338	-
Capital outlays:				
General government	-	-	-	-
Public safety	-	-	-	-
Total Expenses	79,389	79,000	79,389	-
Excess (deficiency) of revenues over expenditures	(79,389)	(79,000)	(79,389)	-
Other Financiang Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(79,389)	(79,000)	(79,389)	-
Fund balance, beginning of year	79,389	79,389	79,389	-
Fund balance, end of year	$ -	$ 389	$ -	$ -

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

City of Mount Vernon, Georgia
Hotel/Motel Fund
Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget and Actual
For the Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance with Final Budget
Current Operating Revenues:				
Hotel/motel tax	$ 4,499	$ 5,000	$ 5,000	$ (501)
Total	4,499	5,000	5,000	(501)
Expenditures:				
Current:				
General government	3,900	5,000	5,000	1,100
Public safety	-	-	-	-
Street and sanitation	-	-	-	-
Capital outlays:				
General government	-	-	-	-
Public safety	-	-	-	-
Total Expenses	3,900	5,000	5,000	1,100
Excess (deficiency) of revenues over expenditures	599	-	-	599
Other Financiang Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	599	-	-	599
Fund balance, beginning of year	678	678	678	-
Fund balance, end of year	$ 1,277	$ 678	$ 678	$ 599

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

City of Mount Vernon, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water & Sewer Fund
ASSETS	
Current assets:	
Cash	$ 82,634
Accounts receivable	67,058
Total current assets	149,692
Noncurrent assets:	
Nondepreciable capital assets	1,345,018
Depreciable capital assets, net	1,756,502
Total non-current assets	3,101,520
Total assets	$ 3,251,212
LIABILITIES	
Current liabilities:	
Deposits payable	$ 67,328
Accounts payable	295,875
Revenue bonds	47,086
Notes payable	164,979
Total current liabilities	575,268
Noncurrent liabilities:	
Revenue bonds	2,853
GEFA notes payable	375,165
Total noncurrent liabilities	378,018
Total liabilities	953,286
NET POSITION	
Net investment in capital assets	2,511,437
Restricted for debt service	212,065
Unrestricted	(425,576)
Total net position	2,297,926
Total liabilities and net position	$ 3,251,212

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

City of Mount Vernon, Georgia
Statement of Revenues, Expenses and
Changes in Fund Net Position – Proprietary Funds
For the Year Ended December 31, 2023

	Water & Sewer
Operating Revenues:	
Water and sewer fees	$ 714,429
Late fees	12,936
Connection fees	7,875
Meter installation	1,250
Other	981
Total operating revenues	737,471
Operating Expenses:	
Salaries	120,381
Payroll taxes	9,493
Employee benefits	6,845
Utilities	90,229
Repairs and maintenance	60,252
Supplies	165,496
Dues and subscriptions	4,763
Postage and freight	5,122
Miscellaneous	9,173
Travel and meals	3,848
Engineering fees	4,555
Water testing	31,319
Uniforms	517
Office supplies	5,441
Telephone	8,083
Depreciation	152,199
Total operating expenses	677,714
Net operating income (loss)	59,758
Non-operating revenues (expenses):	
Intergovernmental	585,523
Interest income	1,154
Interest and fees on bonds and loans	(17,918)
Total non-operating revenue (expense)	568,759
Income before transfers	628,516
Capital contributions	-
Transfers in (out)	(83,160)
Change in Net Position	545,356
Net position - beginning of year	1,752,570
Net position - end of the year	$ 2,297,926

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

City of Mount Vernon, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Water & Sewer
Cash flows from operating activities:	
Receipts from customers	$ 738,075
Payments to suppliers for goods and services	(147,436)
Payments to employees	(129,874)
Net cash provided (used) by operating activities	460,765
Cash flows from capital and related financing activities:	
Interest paid on debt	(17,918)
Principal paid on GEFA loans	(158,644)
Revenue bonds retired	(47,696)
Loan proceeds	205,402
Repayment of other loans	(204,769)
Purchase of capital assets	(970,559)
Capital grant	585,523
Net cash provided (used) by capital and related financing activities	(608,661)
Cash flows from noncapital financing activities:	
Transfers in from other funds	50,000
Transfers out to other funds	(133,160)
Net cash provided (used) by noncapital financing activities	(83,160)
Cash flows from investing activities:	
Investment income	1,154
Net cash provided (used) by investing activities	1,154
Net increase (decrease) in cash	(229,902)
Cash, January 1, 2023	312,536
Cash, December 31, 2023	$ 82,634
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	$ 59,758
Depreciation	152,199
Change in accounts receivable	604
Change in accounts payable	248,206
Net cash provided (used) by operating activities	$ 460,765

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mount Vernon, Georgia (the "City") operates under a council/mayor form of government and provides the following services: general and administration, public safety, and highways. In addition, the City operates a water and sewer system for the incorporated areas.

For financial reporting purposes, in accordance with the criteria in GASB Standards, the City includes all funds, account groups, agencies, boards, commissions, and authorities that are within its primary government. A component unit is a legally separate organization for which elected officials of a primary government are financially accountable. There are three sets of criteria that the City evaluates to determine whether a potential component unit will be included in the reporting entity of the City of Mount Vernon. They are financial accountability, financial accountability as a result of fiscal dependency, and misleading to exclude the component unit.

The reporting entity of the City of Mount Vernon includes only the funds and account groups that comprise the primary government. There are no potential component units.

B. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities.

Direct expenses are those that are specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods, or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with the program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column.

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City has two categories of funds, governmental and proprietary, which are summarized below.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances, of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The following are the City's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

ARPA Fund- This fund accounts for monies received from the federal government as part of a COVID-19 relief fund. The funds are restricted for expenses responding to COVID-19, premium pay for essential workers, revenue loss, and investments in infrastructure and broadband.

SPLOST Fund – This is a capital projects fund, which accounts for monies from the special 1% sales tax. These funds are restricted for road and street repairs, retirement of debt, capital projects, and recreation.

T-SPLOST Fund- This fund accounts for monies from the 1% transportation special purpose sales tax. These funds are restricted for transportation projects.

Hotel / Motel Fund - This Hotel/Motel Fund account is from the 5% lodging tax levied by the city. The funds are restricted for tourism.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority by the City or ordinance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Proprietary Funds

The Proprietary Fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

The principal operating revenues of the City's proprietary fund are sales and services related to the water and sewer system. Operating expenses for the proprietary fund are cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. All assets and liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

The following is the City's major Proprietary Fund:

Water/Sewer Fund – This fund accounts for the operating activities of the City's water and sewer utilities services.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. All assets and all liabilities associated with the operation of the City are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are prepared using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

D. Budgetary Data

The City's annual budget is prepared based on anticipated revenues and appropriated expenditures. Revenue anticipations, generally conservative, are designed to insure fiscal responsibility and maintain a balanced budget. The responsibility of budgeting is with the Mayor.

Prior to December 1, the Mayor submits to the Council a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ. The budget is then revised and adopted by the Council at the first regular meeting in January of the year to which it applies.

The budget so adopted may be revised during the year only by formal action of the Council in a regular meeting, and no increase shall be made therein without provision also being made for financing. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the council, if such amendments are considered to the budget as a whole. All budgeted appropriations lapse at year end.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed. Accordingly, encumbrances outstanding at year-end are not reported as reservations of fund balances nor do they constitute expenditures or liabilities. Generally accepted accounting principles do not require encumbrance accounting. Likewise, City of Mount Vernon does not use encumbrance accounting.

F. Inventories

Inventory consists of expendable supplies held for consumption. The cost of these supplies on hand are considered immaterial to the balance sheets of the various funds and are not shown as assets of the funds nor is any portion of the fund balance reported as reserved for inventories. Inventory type items are recorded as an expense/expenditure when purchased.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Investments

For purposes of the statement of net position, cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with a maturity of three months or less at the time they are purchased by the City. Investments with maturity of more than three months are reported as investments.

H. Prepaid Items

Payments to vendors for services that will benefit periods beyond December 31, 2023, are reported as prepaid items by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain cash resources are set aside for various purposes in the special revenue funds. These restricted funds are classified as restricted assets on the balance sheet because their use is limited. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

J. Capital Assets

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using mainly the straight-line method over the following useful lives:

Description	Estimated Lives
Building and Building Improvements	15-40 years
Water and Sewer System	30-40 years
Machinery and Equipment	5-15 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred in all fund types. At December 31, 2023, no significant accruals existed.

L. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Due to other funds/Due from other funds". Interfund balances within governmental activities are eliminated on the government-wide statement of net position.

M. Estimates

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

N. Deferred Outflows/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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category; it is related to pensions.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises under the accrual basis of accounting, that qualifies for reporting in this category; it is related to pensions.

NOTE 2. DEPOSITS WITH FINANCIAL INSTITUTIONS

All deposits are in one financial institution and are carried at cost plus accrued interest. Below is a summary of deposits held by the City at December 31, 2023.

Carrying Amount	Bank Balance
$ 154,251	$ 231,153

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. State statutes and the government’s depository policy require all deposits to be collateralized by depository insurance or pledged collateral. As of December 31, 2023, the City’s bank balances were covered by FDIC insurance and pledged collateral.

NOTE 3. PROPERTY TAXES

The City of Mount Vernon, Georgia, did not levy any property taxes for the year ended December 31, 2023.

NOTE 4. PENSION PLAN

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple employer public retirement system that acts as an investment and administrative agent for cities and municipalities in Georgia. The City has the right to establish and amend the benefit provisions of the plan. These amendments become effective once approved by the Board of Trustees of GMEBS. The plan is a defined benefit plan.

Benefits Provided

The City's defined benefit plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by state statute and City ordinance. Benefits are paid in relation to the participants final average earnings for the five years of service preceding retirement. There is no waiting period for employees to become eligible to participate in the plan. Participants begin vesting after five years and are fully vested after ten years.

Funding Policy

The City's policy is to fund the accrued pension expense each year, which is the sum of the normal cost plus the amount required to amortize the unfunded frozen initial liability over thirty years plus interest thereon. Under Part I, Article VIII of the Master Retirement Plan for the City of Mount Vernon, Georgia adopted by ordinance of the City of Mount Vernon, the City has the sole obligation for making contributions to the Plan. The City's current year covered payroll and current year total payroll were $494,878 and $707,822, respectively. Total pension plan expense for the current plan year is $47,682. The interest rate used in making the projections was 7.375%. Projected salary increases included 2.25% for inflation.

At June 30, 2023, the following individuals were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	3
Vested terminated participants	2
Active participants	10
Total membership in the plan	15

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The City's net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

NOTE 4. PENSION PLAN (Continued)

At December 31, 2023, the City reported a net pension liability of $241,577.

The changes in the components of the net pension liability of the City for the year ended December 31, 2023, were as follows:

	Schedule of Changes in Net Pension Liability		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at March 31, 2022	$ 1,340,705	$ 1,288,742	$ 51,963
Changes for the year:			
Service cost	17,553	-	17,553
Interest	98,742	-	98,742
Differences between expected and actual experience	39,974	-	39,974
Contributions - employer	-	54,751	(54,751)
Contributions - employee	-	-	-
Net investment income	-	(84,331)	84,331
Benefit payments, including refunds of employee contributions	(38,769)	(38,769)	-
Administrative expense	-	(3,765)	3,765
Other	-	-	-
Net changes	117,500	(72,114)	189,614
Balance at March 31, 2023	$ 1,458,205	$ 1,216,628	$ 241,577

For the year ended December 31, 2023, the City recognized pension expense of $(7,069). At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 37,608	$ (38,225)
Changes of assumptions	3,762	-
Net difference between projected and actual earnings on pension plan investments	57,329	-
Total	$ 98,699	$ (38,225)

NOTE 4. PENSION PLAN (Continued)

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

Year	Amount
2024	$ 6,361
2025	(18,380)
2026	37,568
2027	34,925
2028	-

Actuarial Assumptions

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

Projected salary increases	2.25% plus service-based merit increases
Investment rate of return	7.375%
Cost of living adjustment	N/A

Morality rates for healthy retirees were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Mortality rates for disabled participants were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. The mortality rates for active participants were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

The methods and assumptions used in the July 1, 2023 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019. The mortality tables are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022, are summarized in the following table:

NOTE 4. PENSION PLAN (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	0%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net Pension Liability	$ 406,507	$ 241,577	$ 101,458

NOTE 5. PERMISSIVE SALES TAX

On March 24, 2020, a referendum was passed by the voters of Montgomery County to impose a 1% special purpose tax on all retail taxable sales within the County. The tax became effective January 1, 2021, with an expiration date of December 31, 2026, or the raising of not more than $5,500,000, whichever comes first.

The Transportation Investment Act passed and was implemented beginning January 1, 2013 by the Heart of Georgia region of which City of Mount Vernon is a member. This is a 1% regional sales tax that will fund transportation improvements.

NOTE 6. RECEIVABLES

Receivables at December 31, 2023, consist of the following:

Fund	Description	Amount
Proprietary Fund		
Water/Sewer	Charges for services	$ 67,058
Total proprietary funds		$ 67,058
Governmental Funds		
General Fund	Franchise tax	$ 116,326
General Fund	LOST	28,465
General Fund	TAVT	6,818
General Fund	Fire service	2,001
General Fund	Garbage fees	19,133
SPLOST Fund	Special sales tax	51,571
TSPLOST Fund	Special sales tax	7,734
Total governmental funds		$ 232,047

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023
Governmental Activities				
Nondepreciable capital assets:				
Construction in progress	$ 137,433	$ -	$ (137,433)	$ -
Land	355,387	-	-	355,387
Total nondepreciable capital assets	492,820	-	(137,433)	355,387
Depreciable capital assets:				
Buildings	767,373	137,433	-	904,806
Equipment	1,654,210	5,857	-	1,660,067
Improvements	1,140,234	83,242	-	1,223,476
Total depreciable capital assets	3,561,817	226,532	-	3,788,349
Less accumulated depreciation for:				
Buildings	(618,300)	(38,458)	-	(656,758)
Equipment	(1,177,736)	(134,496)	-	(1,312,232)
Improvements	(560,514)	(79,076)	-	(639,590)
Total accumulated depreciation	(2,356,550)	(252,030)	-	(2,608,580)
Total depreciable capital assets, net	1,205,267	(25,498)	-	1,179,769
Governmental activities capital assets, net	$ 1,698,087	$ (25,498)	$ (137,433)	$ 1,535,156

NOTE 7. CAPITAL ASSETS (Continued)

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023
Business-type Activities				
Nondepreciable capital assets:				
Construction in progress	$ 374,459	$ 970,559	$ -	$ 1,345,018
Total nondepreciable capital assets	374,459	970,559	-	1,345,018
Depreciable capital assets:				
Water & sewer system	$ 5,182,527	$ -	$ -	$ 5,182,527
Equipment	415,637	-	-	415,637
Improvements	33,764	-	-	33,764
Total depreciable capital assets	5,631,928	-	-	5,631,928
Less accumulated depreciation for:				
Water & sewer system	(3,339,739)	(131,595)	-	(3,471,334)
Equipment	(368,769)	(18,353)	-	(387,122)
Improvements	(14,719)	(2,251)	-	(16,970)
Total accumulated depreciation	(3,723,227)	(152,199)	-	(3,875,426)
Total depreciable capital assets, net	1,908,701	(152,199)	-	1,756,502
Busines-type activities capital assets, net	$ 2,283,160	$ 818,360	$ -	$ 3,101,519

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	$ 67,093
Public safety	9,266
Public works	175,671
Total depreciation expense - governmental activities	$ 252,030

NOTE 8. NOTES PAYABLE

A summary of activity in long-term liabilities for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Caterpillar note, interest rate of 3.85%, 7 annual payments and balloon, matures on 12/17/2026	$ 76,699	$ -	$ (11,574)	$ 65,125	$ 12,020
Note payable to Magnolia Bank, interest rate of 2.07%, monthly payments of principal & interest, matures in September 2026	183,131	-	(47,455)	135,676	48,446
Total governmental	$ 259,830	$ -	$ (59,029)	$ 200,801	$ 60,466

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds, interest rate of 3.00%, matures 4/1/2025	$ 97,635	$ -	$ (47,696)	$ 49,939	$ 47,086
GEFA note payable, interest rate of 3.00%, matures on 3/1/2025	109,868	-	(38,921)	70,947	40,104
GEFA note payable, interest rate of 3.89%, matures on 11/1/2025	378,537	-	(105,701)	272,836	109,881
GEFA note payable, interest rate of 2.40%, matures on 5/1/2035	209,750	-	(14,021)	195,729	14,361
Note payable to Mount Vernon Bank, interest rate of 8.00%, matured on 12/31/23	-	205,402	(204,769)	633	633
Total business-type	$ 795,790	$ 205,402	$ (411,108)	$ 590,084	$ 212,065

NOTE 8. NOTES PAYABLE (Continued)

The following is a schedule of future principal and interest payments for long-term debt of governmental activities:

Year	Principal	Interest	Total
2024	$ 60,466	$ 4,855	$ 65,321
2025	61,941	3,381	65,322
2026	78,394	1,889	80,283
2027	-	-	-
2028	-	-	-
Totals	$ 200,801	$ 10,125	$ 210,926

The following are schedules of future principal and interest payments for long-term debt for business-type activities:

Revenue bonds

Year	Principal	Interest	Total
2024	$ 47,086	$ 914	$ 48,000
2025	2,853	14	2,867
2026	-	-	-
2027	-	-	-
Totals	$ 49,939	$ 928	$ 50,867

GEFA notes

Year	Principal	Interest	Total
2024	$ 164,979	$ 16,512	$ 181,491
2025	159,793	8,890	168,683
2026	63,782	4,307	68,089
2027	15,432	3,469	18,901
2028	15,807	3,095	18,902
2029-2033	84,978	9,530	94,508
2034-2036	35,374	855	36,229
Totals	$ 540,145	$ 46,658	$ 586,803

NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Self-Insurance Workers Compensation Fund and the Association of City Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund (ACCG-IRMA), public entity risk pools currently operating as a common risk management and insurance program for member local governments.

NOTE 9. RISK MANAGEMENT (Continued)

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim or loss. The City is also to allow the pool's agents and attorneys to represent the City in an investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTE 10. JOINT VENTURE

Under Georgia law, the City of Mount Vernon, in conjunction with other municipalities in the seventeen-county central Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission 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:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

NOTE 11. CONTINGENCIES

There are no contingencies or threatened litigation that would have a material effect on the financial statements.

NOTE 12. RELATED ORGANIZATIONS

The Housing Authority of the City of Mount Vernon, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City of Mount Vernon, Georgia. The City of Mount Vernon, Georgia is not able to impose its will upon the Housing Authority, and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Mount Vernon, Georgia is a related organization.

NOTE 13. SUBSEQUENT EVENTS

The City assessed events that occurred subsequent to December 31, 2023, and through January 23, 2025, the date the financial statements were available to be issued. There were no events that would have a material effect on the financial statements and require adjustment or disclosure.

NOTE 14. INTERFUND TRANSFERS

The SPLOST Fund transferred $50,000 to the Water & Sewer Fund to help with debt payments. The Water & Sewer Fund transferred $133,160 to the General Fund to help cover the general government expenses, mainly salaries. The General Fund transferred $5,000 to the SPLOST Fund to reimburse general expenditures that were paid out of SPLOST in error.

NOTE 15. FISCAL RESPONSIBILITY AND COMPLIANCE

For the year ended December 31, 2023, expenditures exceeded appropriations as follows:

General Fund		
Public safety	$	30,740
Sanitation & environmental	$	25,285

Required Supplementary Information

City of Mount Vernon, Georgia
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability
For the Years Ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	$ 17,553	$ 19,855	$ 19,160	$ 18,623	$ 19,137	$ 19,892	$ 19,057	$ 26,992	$ 25,176
Interest	98,742	96,410	90,227	83,947	78,584	69,940	65,953	57,667	52,134
Differences between expected and actual experience	39,974	(54,212)	(4,171)	16,395	970	49,471	(6,904)	48,922	22,969
Changes of assumptions	-	-	-	11,287	-	13,563	-	-	(2,216)
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(38,769)	(17,483)	(26,667)	(26,667)	(26,668)	(26,667)	(26,667)	(26,667)	(26,667)
Net change in total pension liability	$ 117,500	$ 44,570	$ 78,549	$ 103,585	$ 72,023	$ 126,199	$ 51,439	$ 106,914	$ 71,396
Total pension liability - beginning	1,340,705	1,296,135	1,217,586	1,114,001	1,041,978	915,779	864,340	757,426	686,030
Total pension liability - ending (a)	$ 1,458,205	$ 1,340,705	$ 1,296,135	$ 1,217,586	$ 1,114,001	$ 1,041,978	$ 915,779	$ 864,340	$ 757,426
Plan fiduciary net position									
Contributions - employer	$ 54,751	$ 58,932	$ 54,266	$ 50,932	$ 47,366	$ 37,173	$ 55,818	$ 18,944	$ 34,080
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	(84,331)	71,672	362,178	(59,714)	28,396	85,667	75,492	1,599	53,107
Benefit payments, including refunds of employee contributions	(38,769)	(17,483)	(26,667)	(26,667)	(26,668)	(26,667)	(26,667)	(26,667)	(26,667)
Administrative expense	(3,765)	(3,610)	(3,454)	(3,790)	(3,690)	(3,640)	(3,750)	(2,340)	(2,103)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	$ (72,114)	$ 109,511	$ 386,323	$ (39,239)	$ 45,404	$ 92,533	$ 100,893	$ (8,464)	$ 58,417
Plan fiduciary net position - beginning	1,288,742	1,179,231	792,908	832,147	786,743	694,210	593,317	601,781	543,364
Plan fiduciary net position - ending (b)	$ 1,216,628	$ 1,288,742	$ 1,179,231	$ 792,908	$ 832,147	$ 786,743	$ 694,210	$ 593,317	$ 601,781
City's net pension liability (assets) - ending (a) - (b)	$ 241,577	$ 51,963	$ 116,904	$ 424,678	$ 281,854	$ 255,235	$ 221,569	$ 271,023	$ 155,645
Plan's fiduciary net position as a percentage of the total pension liability (asset)	83.43%	96.12%	90.98%	65.12%	74.70%	75.50%	75.81%	68.64%	79.45%
Covered-employee payroll	$ 494,878	$ 436,407	$ 511,178	$ 496,344	$ 423,122	$ 419,329	$ 402,570	$ 400,636	$ 404,572
Net pension liability as a percentage of covered-employee payroll	48.82%	11.91%	22.87%	85.56%	66.61%	60.87%	55.04%	67.65%	38.47%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Mount Vernon, Georgia
Required Supplementary Information
Schedule of City Contributions
For the Years Ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

		2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ -	$ 59,146	$ 58,861	$ 52,734	$ 50,331	$ 40,387	$ 40,289	$ 37,627	$ 32,475
Contributions in relation to the acturarially determined contribution	*	-	59,122	53,956	56,928	53,093	48,213	45,673	35,051	16,238
Contribution deficiency (excess)	*	$ -	$ 24	$ 4,905	$ (4,194)	$ (2,762)	$ (7,826)	$ (5,384)	$ 2,576	$ 16,237
Covered Employee Payroll		$ 494,878	$ 436,407	$ 511,178	$ 496,344	$ 423,122	$ 419,329	$ 402,570	$ 400,636	$ 404,572
Contributions as a percentage of covered-employee payroll	*	0%	13.55%	10.56%	11.47%	12.55%	11.50%	11.35%	8.75%	4.01%

* The 2023 information was not available at the the time of the actuarial report. These amounts will be determined after the fiscal year end and will be included in the 2024 valuation report.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in Assumptions

There were no changes in assumptions in the last two fiscal years.

Benefit Changes

There were no changes in benefit provisions in the last two fiscal years.

Other Supplementary Information

City of Mount Vernon, Georgia
SPLOST
Statement of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
For the Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance with Final Budget
Current Operating Revenues:				
Intergovernmental	$ 269,323	$ 250,000	$ 250,000	$ 19,323
Total	269,323	250,000	250,000	19,323
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation and environmental	-	-	-	-
Debt service:				
Principal	59,030	60,000	60,000	970
Interest	7,018	8,000	8,000	982
Capital outlays:				
General government	-	10,000	-	-
Public works	133,248	145,000	145,000	11,752
Public safety	24,621	15,000	25,000	379
Sanitation and environmental	-	12,000	12,000	12,000
Total Expenses	223,917	250,000	250,000	26,083
Excess (deficiency) of revenues over expenditures	45,406	-	-	45,406
Other Financiang Sources (uses):				
Transfers in	5,000	-	-	5,000
Transfers out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	(45,000)	-	-	(45,000)
Net change in fund balance	406	-	-	406
Fund balance, beginning of year	52,243	52,243	52,243	-
Fund balance, end of year	$ 52,649	$ 52,243	$ 52,243	$ 406

City of Mount Vernon, Georgia
T-SPLOST
Statement of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
For the Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance with Final Budget
Revenues:				
Intergovernmental	$ 200,600	$ 80,000	$ 200,000	$ 600
Total	200,600	80,000	200,000	600
Expenditures:				
Current:				
General government	-	-	-	-
Transportation	160,218	80,000	180,000	19,782
Public safety	-	-	-	-
Sanitation and environmental	-	-	-	-
Capital outlays:				
General government	-	-	-	-
Public works	6,500	-	20,000	13,500
Public safety	-	-	-	-
Sanitation and environmental	-	-	-	-
Total Expenses	166,718	80,000	200,000	33,282
Excess (deficiency) of revenues over expenditures	33,882	-	-	33,882
Other Financiang Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	33,882	-	-	33,882
Fund balance, beginning of year	13,907	13,907	13,907	-
Fund balance, end of year	$ 47,789	$ 13,907	$ 13,907	$ 33,882

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INDEPENDENT AUDITORS' 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*

Mayor and City Council
Mount Vernon, GA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Mount Vernon, Georgia as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Mount Vernon's basic financial statements, and have issued our report thereon dated January 23, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Mount Vernon, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 of Mount Vernon, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mount Vernon, Georgia'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 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 significant deficiencies or material weaknesses. During our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* that we consider significant deficiencies. Refer to Items 2023-1 and 2023-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Mount Vernon, Georgia'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Mount Vernon, Georgia's Responses to Findings

City of Mount Vernon, Georgia's responses to the findings identified in our audit are 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 them.

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 City'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.

The Belleme Firm, LLC

Dublin, GA
January 23, 2025

City of Mount Vernon, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal Control over financial reporting:

Material weaknesses identified?	[ ]	Yes	[X]	No
Control deficiency (s) identified not considered to be material weaknesses?	[X]	Yes	[ ]	None reported
Noncompliance material to financial statements notes?	[ ]	Yes	[X]	No

Section II – Financial Statement Findings and Responses

Item 2023-1

Segregation of Duties

Findings:

Due to the limited number of office personnel, overlapping of duties exist in the City's operations, primarily in the area of cash receipts and disbursement. This overlapping of duties presents a situation where unauthorized use of assets could occur and not be detected within a timely period.

Recommendation:

We recommend that management continue to exercise alert supervision of employees in order to protect the assets of the City.

Planned corrective action:

The City's management plans to exercise alert supervision of employees and continue good internal controls within the City's daily activities to prevent the lack of separation of duties from causing a fraudulent environment.

Item 2023-2

Expenditures Exceed Appropriations

Findings:

The City spent more during the year than was appropriated in the General Fund for public safety expenditures and sanitation & environmental expenditures by $30,740 and $25,285, respectively.

Recommendation:

We recommend the City monitor the budget more closely and adjust as needed to ensure expenditures do not exceed appropriations.

Planned corrective action:

The City's management will monitor the budget more closely in the future and adjust appropriately as needed.

City of Mount Vernon, Georgia
Status of Prior Year Audit Findings
For the Year Ended December 31, 2023

Item 2022-1:

Segregation of Duties

Finding:

Due to the limited number of office personnel, overlapping of duties exist in the City's operations, primarily in the area of cash receipts and disbursement. This overlapping of duties presents a situation where unauthorized use of assets could occur and not be detected within a timely period.

Auditee Response/Status:

Unresolved - see audit finding 2023-1

City of Mount Vernon, Georgia
Schedule of Special Purpose
Local Option Sales Tax
For the Year Ended December 31, 2023

The special 1 % sales and use tax referendum was renewed for five additional years beginning January 1, 2021 and ending December 31, 2026.

For special sales tax proceeds from January 1, 2023 to December 31, 2023:

Project	Original Estimated Costs	Revised Estimated Costs	Expenditures			Percentage Completed
			Prior Years	Current Year	Estimated Total	
Public buildings and facilities	$ 100,000	$ 200,000	$ 31,710	$ 72,032	$ 103,742	52%
Water and sewage improvements	500,000	600,000	302,729	116,164	418,893	70%
Road and street improvements	589,179	389,179	14,546	-	14,546	4%
Equipment	200,000	200,000	104,299	80,721	185,020	93%
	$ 1,389,179	$ 1,389,179	$ 453,284	$ 268,917	$ 722,201	

Note 1: This schedule is prepared on the modified accrual basis of accounting.