CITY OF PAVO, GEORGIA

FINANCIAL STATEMENTS

FOR YEAR ENDED

DECEMBER 31, 2021

CITY OF PAVO, GEORGIA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Pavo, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Pavo, Georgia'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 Pavo, Georgia as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Hotel/Motel Tax Fund and the TSPLOST 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 Pavo, 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, 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 of Pavo, 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 Pavo, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting polices 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 Pavo, Georgia'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

Management has omitted the 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pavo, Georgia's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal awards 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 December 28, 2022, on our consideration of the City of Pavo, 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 of Pavo, Georgia'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 City of Pavo, Georgia's internal control over financial reporting and compliance.

Simmons, Mills + Simmons P.C.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

December 28, 2022

BASIC FINANCIAL STATEMENTS

CITY OF PAVO, GEORGIA
Government-wide Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash investments	$ 1,024,635	$ 187,732	$ 1,212,367
Restricted cash and cash investments		10,476	10,476
Receivables (net of allowance for doubtful accounts):			
Taxes	26,780	-	26,780
Accounts	-	16,211	16,211
Intergovernmental receivable	56,835	147,790	204,625
Internal balances	-	-	-
Prepaid items	15,022	4,587	19,609
Capital assets:			
Land	24,854	-	24,854
Buildings	482,656	-	482,656
Equipment	182,245	16,435	198,680
Infrastructure	-	1,021,831	1,021,831
Construction in Progress	-	2,083,442	2,083,442
Accumulated depreciation	(348,110)	(483,685)	(831,795)
Total assets	1,464,917	3,004,819	4,469,736
Liabilities:			
Accounts payable	6,279	152,851	159,130
Accrued liabilities	2,424	570	2,994
Customer deposits	-	34,472	34,472
Interest payable	-		-
Unearned revenue	58,922	-	58,922
Noncurrent liabilities:			
Due within one year	-	12,950	12,950
Due in more than one year	-	682,285	682,285
Total liabilities	67,625	883,128	950,753
Net position:			
Net investment in capital assets	341,645	1,942,788	2,284,433
Restricted for:			
Capital projects	610,696	1,318	612,014
Debt service	-	9,158	9,158
Transportation projects	17,781	-	17,781
Housing and development	8,138	-	8,138
Unrestricted	419,032	168,427	587,459
Total net position	$ 1,397,292	$ 2,121,691	$ 3,518,983

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2021

Program Activities	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and changes in Net Position: Governmental Activities	Net (Expenses) Revenues and changes in Net Position: Business-type Activities	Net (Expenses) Revenues and changes in Net Position: Total
Governmental activities:							
General government	$ 105,165	$ 5,413	$ 18,101	$ 3,429	$ (78,222)	$ -	$ (78,222)
Judicial	140	-	-	-	(140)	-	(140)
Public safety	216,646	72,682	23,920	19,216	(100,828)	-	(100,828)
Public works	174,026	-	11,835	171,439	9,248	-	9,248
Cultural and recreational	56,405	21,480		29,681	(5,244)	-	(5,244)
Housing and development	3,315	-	3,111	-	(204)	-	(204)
Interest on long-term debt	-	-	-	-	-	-	-
Total governmental activities	555,697	99,575	56,967	223,765	(175,390)	-	(175,390)
Business-type activities:							
Water	183,286	131,430	-	1,407,315	-	1,355,459	1,355,459
Solid waste	49,682	64,767	-	-	-	15,085	15,085
Total business-type activities	232,968	196,197	-	1,407,315	-	1,370,544	1,370,544
Total government	$ 788,665	$ 295,772	$ 56,967	$ 1,631,080	$ (175,390)	$ 1,370,544	$ 1,195,154
General revenues:							
Taxes:							
Property taxes					$ 127,299	$ -	$ 127,299
Sales taxes					62,460	-	62,460
Alcohol beverage excise					10,448	-	10,448
Other taxes					52,987	-	52,987
Franchise fees					30,647	-	30,647
Investment earnings					267	135	402
Gain on sale/retirement of capital assets					-	-	-
Miscellaneous					1,701	5,496	7,197
Transfers					(37)	37	-
Total general revenues and transfers					285,772	5,668	291,440
Change in net position					110,382	1,376,212	1,486,594
Net position - beginning					1,286,910	745,479	2,032,389
Net position - ending					$ 1,397,292	$ 2,121,691	$ 3,518,983

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	American Rescue Plan Fund	SPLOST Fund	Hotel/Motel Tax Fund	TSPLOST Fund	Total Governmental Funds
Assets:						
Cash	$ 360,610	$ 58,922	$ 580,694	$ 7,246	$ 17,163	$ 1,024,635
Receivables (net of allowance for doubtful accounts):						
Taxes	26,780	-	-	-	-	26,780
Accounts	-	-	-	-	-	-
Interfund receivable	-	-	-	150	-	150
Intergovernmental receivables	25,473	-	30,002	742	618	56,835
Prepaid items	15,022	-	-	-	-	15,022
Total assets	$ 427,885	$ 58,922	$ 610,696	$ 8,138	$ 17,781	$ 1,123,422
Liabilities, deferred inflows and fund balances:						
Liabilities:						
Accounts payable	$ 6,279	$ -	$ -	$ -	$ -	$ 6,279
Interfund payable	150	-	-	-	-	150
Accrued liabilities	2,424	-	-	-	-	2,424
Deferred revenue	19,200	58,922	-	-	-	78,122
Total liabilities	28,053	58,922	-	-	-	86,975
Deferred inflows - property taxes	19,291	-	-	-	-	19,291
Total liabilities and deferred inflows	47,344	58,922	-	-	-	106,266
Fund balances:						
Nonspendable:						
Prepaid items	15,022	-	-	-	-	15,022
Restricted for:						
Promotion of tourism	-	-	-	8,138	-	8,138
Transportation projects	-	-	-	-	17,781	17,781
Capital projects	-	-	610,696	-	-	610,696
Unassigned	365,519	-	-	-	-	365,519
Total fund balances	380,541	-	610,696	8,138	17,781	1,017,156
Total liabilities, deferred inflows and fund balances	$ 427,885	$ 58,922	$ 610,696	$ 8,138	$ 17,781	$ 1,123,422

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet to the Government - Wide Statement of Net Position
Year Ended December 31, 2021

Total fund balances - total governmental funds		$ 1,017,156
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Cost	$ 689,755	
Less accumulated depreciation	(348,110)	341,645
Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the City's year end.		19,291
Some revenues are deferred on grants in the governmental funds because they will not be received within sixty days of the City's year end.		19,200
Net position of governmental activities		$ 1,397,292

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2021

	General Fund	American Rescue Plan Fund	SPLOST Fund	Hotel/Motel Tax Fund	TSPLOST Fund	Total Governmental Funds
Revenues:						
General property taxes	$ 152,562	$ -	$ -	$ -	$ -	$ 152,562
Sales and use taxes	62,460	-	-	-		62,460
Alcoholic beverage excise	10,448	-	-	-	-	10,448
Other taxes	52,987	-	-	-	-	52,987
Licenses and permits	5,413	-	-	-	-	5,413
Intergovernmental	41,861	53,856	156,292	3,111	6,017	261,137
Interest income	267	-	388	-	7	662
Fines and forfeitures	72,682	-	-	-	-	72,682
Rental income	21,480	-	-	-	-	21,480
Miscellaneous revenues	1,701	-	-	-	-	1,701
Total revenues	421,861	53,856	156,680	3,111	6,024	641,532
Expenditures:						
Current:						
General government	97,463	61	62	-	-	97,586
Judicial	140	-	-	-	-	140
Public safety	255,292	-	-	-	-	255,292
Public works	135,629	-	-	-	-	135,629
Culture and recreation	39,818	-	-	-	-	39,818
Housing and development	-		-	3,315	-	3,315
Debt service:						-
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	-	-	31,597	-	-	31,597
Total expenditures	528,342	61	31,659	3,315	-	563,377
Excess (deficiency) of revenues over expenditures	(106,481)	53,795	125,021	(204)	6,024	78,155
Other Financing Sources (Uses):						
Proceeds from capital asset dispositions	-	-	-	-	-	-
Transfers in (out)	53,758	(53,795)	-	-	-	(37)
Total other financing sources (uses)	53,758	(53,795)	-	-	-	(37)
Net change in fund balances	(52,723)	-	125,021	(204)	6,024	78,118
Fund balances - beginning	433,264	-	485,675	8,342	11,757	939,038
Fund balances - ending	$ 380,541	$ -	$ 610,696	$ 8,138	$ 17,781	$ 1,017,156

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position

Year Ended December 31, 2021

Net change in fund balances - total governmental funds		$ 78,118
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		47,678
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.		(39,998)
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues in the governmental funds.		
Deferred taxes 12/31/21	$ 19,291	
Deferred taxes 12/31/20	13,907	5,384
Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues in the governmental funds.		
Deferred revenue on grants 12/31/21		19,200
Change in net position of governmental activities		$ 110,382

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
GAAP Basis
Year Ended December 31, 2021

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
General property taxes	$ 199,500	$ 208,500	$ 152,562	$ (55,938)
Sales and use taxes	57,640	63,000	62,460	(540)
Alcoholic beverage excise	12,000	12,000	10,448	(1,552)
Other taxes	52,856	64,500	52,987	(11,513)
Licenses and permits	8,200	8,200	5,413	(2,787)
Intergovernmental	62,384	72,668	41,861	(30,807)
Interest income	2,700	2,700	267	(2,433)
Fines and forfeitures	68,000	84,500	72,682	(11,818)
Rental income	11,000	22,000	21,480	(520)
Miscellaneous revenues	5,900	8,800	1,701	(7,099)
Carryover of funds	-	-	-	-
Total revenues	480,180	546,868	421,861	(125,007)
Expenditures:				
Current:				
General government	91,700	104,860	97,463	(7,397)
Judicial	2,050	900	140	(760)
Public safety	218,232	246,550	255,292	8,742
Public works	147,648	168,208	135,629	(32,579)
Culture and recreation	24,800	30,600	39,818	9,218
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	484,430	551,118	528,342	(22,776)
Excess (deficiency) of revenues over expenditures	(4,250)	(4,250)	(106,481)	(102,231)
Other financing sources (uses):				
Proceeds from capital asset dispositions	4,250	4,250	-	(4,250)
Transfers in (out)	-	-	53,758	53,758
Total other financing sources (uses)	4,250	4,250	53,758	49,508
Excess (deficiency) of revenues and other financing and other uses	-	-	(52,723)	(52,723)
Fund balances - beginning	433,264	433,264	433,264	433,264
Fund balances - ending	$ 433,264	$ 433,264	$ 380,541	$ 380,541

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Hotel/Motel Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
GAAP Basis
Year Ended December 31, 2021

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
Intergovernmental	$ 9,500	$ 10,000	$ 3,111	$ (6,889)
Interest income	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	9,500	10,000	3,111	(6,889)
Expenditures:				
Current:				
Housing and development	9,500	10,000	3,315	(6,685)
Total expenditures	9,500	10,000	3,315	(6,685)
Excess (deficiency) of revenues over expenditures	-	-	(204)	(204)
Fund balances - beginning	8,342	8,342	8,342	8,342
Fund balances - ending	$ 8,342	$ 8,342	$ 8,138	$ 8,138

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
TSPLOST Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
GAAP Basis
Year Ended December 31, 2021

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
Intergovernmental	$ 12,000	$ 12,000	$ 6,017	$ (5,983)
Interest income	-	-	7	7
Miscellaneous revenues	-	-	-	-
Total revenues	12,000	12,000	6,024	(5,976)
Expenditures:				
Current:				
Public works	12,000	12,000	-	(12,000)
Total expenditures	12,000	12,000	-	(12,000)
Excess (deficiency) of revenues over expenditures	-	-	6,024	6,024
Fund balances - beginning	11,757	11,757	11,757	11,757
Fund balances - ending	$ 11,757	$ 11,757	$ 17,781	$ 17,781

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Statement of Net Position
Proprietary Funds
December 31, 2021

	Water & Sanitation	Totals
Assets:		
Current assets:		
Cash	$ 187,732	$ 187,732
Receivables (net where applicable of allowance for doubtful accounts):		
Accounts	16,211	16,211
Intergovernmental	147,790	147,790
Prepaid items	4,587	4,587
Total current assets	356,320	356,320
Noncurrent assets:		
Restricted cash	10,476	10,476
Capital assets:		
Equipment	16,435	16,435
Infrastructure	1,021,831	1,021,831
Construction in Progress	2,083,442	2,083,442
Accumulated depreciation	(483,685)	(483,685)
Total capital assets, net of accumulated depreciation	2,638,023	2,638,023
Total noncurrent assets	2,648,499	2,648,499
Total assets	$ 3,004,819	$ 3,004,819
Liabilities:		
Current liabilities:		
Accounts payable	$ 152,851	$ 152,851
Accrued liabilities	570	570
Customer deposits	34,472	34,472
Notes payable-current portion	12,950	12,950
Total current liabilities	200,843	200,843
Noncurrent liabilities:		
Notes payable (less current portion)	682,285	682,285
Total liabilities	883,128	883,128
Net Position:		
Net investment in capital assets	1,942,788	1,942,788
Restricted for:		
Capital projects	1,318	1,318
Debt service	9,158	9,158
Unrestricted	168,427	168,427
Total net position	$ 2,121,691	$ 2,121,691

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2021

	Water & Sanitation	Totals
Operating revenues:		
Charges for services - water	$ 131,430	$ 131,430
Charges for services - sanitation	64,767	64,767
Miscellaneous	5,496	5,496
Total operating revenues	201,693	201,693
Operating expenses:		
Personal services	49,453	49,453
Purchased/contracted services	81,799	81,799
Supplies	31,773	31,773
Depreciation	33,950	33,950
Total operating expenses	196,975	196,975
Income (loss) from operations	4,718	4,718
Non-operating revenues (expenses):		
Interest expense	(6,143)	(6,143)
Bond issue cost	(29,850)	(29,850)
Capital grants	1,407,315	1,407,315
Interest income	135	135
Total non-operating revenues (expenses)	1,371,457	1,371,457
Transfer in from other funds	37	37
Change in net positions	1,376,212	1,376,212
Net position - beginning	745,479	745,479
Net position - ending	$ 2,121,691	$ 2,121,691

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Water & Sanitation	Totals
Cash flows from operating activities:		
Cash received from customers	$ 203,014	$ 203,014
Cash payments to suppliers for goods and services	(120,283)	(120,283)
Cash payments to employees for services	(46,699)	-
Net cash provided (used) by operating activities	36,032	82,731
Cash flows from noncapital financing activities:		
Transfers from other funds	37	37
Increase(decrease) in interfund payable	-	-
Net cash provided (used) by noncapital financing activites	37	37
Cash flows from capital and related financing activities:		
Proceeds from debt	1,211,088	1,211,088
Repayment of debt	(677,444)	
Interest paid on notes	(6,143)	(6,143)
Bond issue cost	(29,850)	
Capital grants	1,407,315	
Acquisition and construction of capital assets	(1,918,471)	(1,918,471)
Net cash provided (used) by capital and related financing activities	(13,505)	(713,526)
Cash flow from investing activities:		
Interest on cash and investments	135	135
Net increase (decrease) in cash and cash investments	22,699	22,699
Cash and cash investments, January 1	175,509	175,509
Cash and cash investments, December 31	$ 198,208	$ 198,208

See accompanying notes to basic financial statements

CITY OF PAVO, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Water & Sanitation	Totals
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:		
Income (loss) from operations	$ 4,718	$ 4,718
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation and amortization	33,950	33,950
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(799)	(799)
(Increase) decrease in intergovmental receivable	(147,790)	(147,790)
(Increase) decrease in prepaid items	(3,077)	(3,077)
Increase (decrease) in accounts payable	146,576	146,576
Increase (decrease) in accrued liabilities	334	334
Increase (decrease) in customer deposits payable	2,120	2,120
Net cash provided (used) by operating activities	$ 36,032	$ 36,032
Reconciliation of total cash and cash investments:		
Cash	$ 187,732	$ 187,732
Restricted cash	10,476	10,476
Total cash and cash investments	$ 198,208	$ 198,208

See accompanying notes to basic financial statements

NOTES TO FINANCIAL STATEMENTS

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Pavo (the "City") was chartered in 1898. The City operates under a council/mayor form of government and provides the following services: public safety, highways and streets, recreation, public improvements and general and administrative services. In addition, the City operates public water and sanitation services for the incorporated and immediate surrounding areas.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City does not follow subsequent private-sector guidance for its enterprise funds.

The most significant of the City's accounting policies are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Pavo has no component units.

Related organizations

The following is a list of related organizations for which the City of Pavo appoints one or more of the Board of Directors:

- Southern Georgia Regional Commission

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

B. Financial Reporting Entity (CONT.)

Joint ventures and jointly governed organizations

The City of Pavo, in conjunction with thirty-three cities or counties in the South Georgia area is members of the Southern Georgia Regional Commission (SGRC). Membership in an SGRC is automatic of each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the SGRC. The SGRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member for a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines SGRCs as "public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an SGRC beyond its resources (O.C.G.A. 50-8-39.1).

Separately issued financial statements of the Southern Georgia Regional Commission are available at their administrative offices at 327 W. Savannah Ave., Valdosta, GA or by telephone at 229-333-5277.

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all of the activities of the City. The effect of Interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements: all non-major funds are aggregated and presented in a single column.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. Basis of Presentation

Fund Financial Statements:

Governmental funds are those funds through which most governmental funds typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund –

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

American Rescue Plan Fund –

This fund accounts for the American Rescue Plan Act grant activity of the City. The City intends to use these funds for compensation of personnel and capital purposes.

SPLOST Fund –

The SPLOST Fund is a capital projects fund used to account for Special Purpose Local Option Sales Tax collected for Brooks and Thomas Counties. This sales tax is to be used for capital outlay as allowed by the Official Code of Georgia Annotated Section 48-8-111.

Hotel/Motel Tax Fund –

The Hotel/Motel Tax Fund is a special revenue fund used to account for Hotel/Motel tax received from Thomas County. This tax is to be used for the promotion of tourism in the City.

TSPLOST Fund –

The TSPLOST Fund is a special revenue fund used to account for transportation special district local option sales and use tax, 25% discretionary fund, revenues collected in Brooks County. The tax is to be used for transportation projects to maintain roads and bridges.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. Basis of Presentation (CONT.)

Water and Sanitation Fund –

Water and Sanitation Fund is used to account for the provision of water and sanitation operation (garbage and trash collection), to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. Measurement Focus/Basis of Accounting (CONT.)

Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports 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.

In addition to liabilities, the statement of financial position reports 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 City has one item of unavailable revenue which is reported only in the governmental funds balance sheet. This is property taxes which are reported as deferred inflows since they are recognized as receivables before the period for which the taxes are levied.

F. Budgets

All budgets, except for the Enterprise Fund, are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund, Hotel/Motel Tax Fund, TSPLOST Fund and the Enterprise Fund. Amounts presented for these fund are as amended by the City Council. All annual appropriations lapse at year end. A project-length budget was adopted for the Capital Projects Fund.

G. Cash and Investments

Cash includes amounts in demand deposits, passbook savings as well as certificates of deposits with a maturity date of three months or less. Cash equivalents are short term, highly liquid investments that can be converted to known amounts of cash.

The City's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, then multiplied by 110 percent.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

G. Cash and Investments (CONT.)

The City's investing is limited to investments complying with state statues. These investments are limited to obligations of state, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States, obligations of any corporation of the U.S. government investment pool established by state law and obligations of other political subdivisions of the State of Georgia.

H. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

I. Inventories

Expendable supplies are recorded as expenditures at the time items are purchased. The City does not record inventories of supplies on the books. Any inventory of supplies at December 31, 2021 is considered immaterial.

J. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

K. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

L. Capital Assets

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003. Improvements to capital assets are capitalized. All capital assets are valued at historical cost or estimated historical cost if actual historical are not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Interest has not been capitalized during the construction period on property, plant and equipment. Depreciation has been calculated on each class of depreciable property using the straight-line method.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

L. Capital Assets (CONT.)

Assets are capitalized and the estimated useful lives are as follows:

	Life – Years	Threshold
Buildings	15-40	$ 15,000
Equipment	5-10	5,000
Vehicles	3-12	10,000
Improvements	7-15	5,000
System infrastructure	20-40	150,000

M. Compensated Absences

The City's policy does not allow employees to accumulate earned but unused vacation and sick pay benefits. At the end of the year, all earned but unused vacation and sick pay benefits are paid out to the employees at one fourth of their value. Therefore, the City will not have an accrual of compensated absences.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net positions.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

O. Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position is divided into three components:

Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consist of net positions that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – all other net positions are reported in this category.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

P. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by City Council. Formal action by the City Council is required to be taken to establish (and modify or rescind) a formal balance commitment.

Assigned – Amounts that are designated by the City Council for a particular purpose. By motion, only the City Council can authorize an assignment of fund balances. Also, any of the fund balance reported at year-end that is included in the subsequent years' budget is reported as assigned.

Unassigned – All amounts not included in other spendable classifications.

Q. Nature and Purpose of Reservations of Fund Equity

The fund equity reserves for prepaid items.

R. 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.

(2) – LEGAL COMPLIANCE

A. Budgets

The City normally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least four months prior to year-end, the City clerk and department heads start working on the proposed operating budget for the forthcoming fiscal year.

2. Sixty days prior to year-end, the City clerk submits to the City Council a proposed operating budget for the forthcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.

(2) – LEGAL COMPLIANCE (CONT.)

A. Budgets (CONT.)

3. Public hearings are conducted to obtain taxpayer comments.

4. As close to year end as possible, usually 30 days prior to year-end, the budget is legally adopted by the City Council and made part of the City's minutes.

5. Any changes to the City's budget must be approved by the City Council. The City Council approves all expenditures each month, regardless of amount.

6. Appropriations lapse at year end.

7. Budget amendments, as needed, are proposed by the City clerk and approved by the City Council.

Budget amounts are as originally adopted or as amended by the City Council.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level.

Excess of Expenditures over Appropriations

The City's expenditures exceeded appropriations, as amended, at the legal level of control in the following departments within the general fund:

Fund/Department	Budget	Actual	Excess
General Fund:			
Public Safety	$ 246,550	$ 255,292	$ 8,742
Culture and Recreation	30,600	39,818	9,218

The City's expenditures exceeded appropriations, as amended, at the legal level of control for two departments of the general fund. This may be a violation of the Official Code of Georgia (O.C.G.A.) Section 36-81-3 that requires each unit of local government to adopt and operate under an annual balanced budget for the general fund, each special revenue fund and each debt service fund in use by the local government.

The City did not adopt a budget for the American Rescue Plan Fund, a special revenue fund, and this may be a violation of the above state statute.

(3) – DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk (Note 1G). As of December 31, 2021, all of the City's deposits were covered by either the Federal Depository Insurance Corporation (FDIC) or collateral pledged by the financial institution or a combination of the two.

As of year-end, the carrying amount of the City's bank balances totaled $1,222,843 and the bank balance totaled $1,577,098.

Investments

As of December 31, 2021, the City had no investments.

(4) - RECEIVABLES

The receivables as of December 31, 2021 for the City's individual major funds are as follows:

	General Fund	SPLOST FUND	Hotel/Motel Fund	TSPLOST Fund	Water & Sanitation Fund	Total
Receivables						
Taxes	$ 31,180	$ -	$ -	$ -	$ -	$ 31,180
Accounts	-	-	-	-	19,211	19,211
Intergovernmental	25,473	30,002	742	618	147,790	204,625
Gross receivables	56,653	30,002	742	618	167,001	255,016
Less: Allowance for doubtful accounts	4,400	-	-	-	3,000	7,400
Net total receivables	$ 52,253	$ 30,002	$ 742	$ 618	$ 164,001	$ 247,616

Property taxes are levied as of September 21st on property values assessed as of January 1st. The bills were mailed by October 1st and are considered due upon receipt by the taxpayer; however, the actual due date is December 20th. After this date, the bill becomes delinquent and penalties and interest may be assessed.

(5) – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance Jan. 1	Additions	Deletions	Balance Dec. 31
Governmental activities:				
Capital assets not being depreciated				
Land	$ 24,854	$ -	$ -	$ 24,854
Total capital assets not being depreciated	24,854	-	-	24,854
Capital assets, being depreciated				
Buildings and improvements	482,656	-	-	482,656
Equipment	134,567	47,678	-	182,245
Total capital assets being depreciated	617,223	47,678	-	664,901
Less accumulated depreciation for:				
Buildings and improvements	229,660	25,708	-	255,368
Equipment	78,452	14,290	-	92,742
Total accumulated depreciation	308,112	39,998	-	348,110
Total capital assets, being depreciated, net	309,111	7,680	-	316,791
Governmental activities capital assets, net	$ 333,965	$ 7,680	$ -	$ 341,645
Business-type activities:				
Capital assets not being depreciated				
Construction-in-progress	$ 164,971	$ 1,918,471	$ -	$ 2,083,442
Total capital assets not being depreciated	164,971	1,918,471	-	2,083,442
Capital assets being depreciated				
Infrastructure	$ 1,021,831	$ -	$ -	$ 1,021,831
Equipment	16,435	-	-	16,435
Total capital assets, being depreciated	1,038,266	-	-	1,038,266
Less accumulated depreciation for:				
Infrastructure	431,426	30,951	-	462,377
Equipment	18,309	2,999	-	21,308
Total accumulated depreciation	449,735	33,950	-	483,685
Total capital assets, being depreciated, net	588,531	(33,950)	-	554,581
Business-type activities capital assets, net	$ 753,502	$ 1,884,521	$ -	$ 2,638,023

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

Governmental activities:	
General government	$ 7,579
Public safety	9,032
Public works	6,825
Culture and recreation	16,562
Total depreciation expense - Governmental activities	$ 39,998
Business-type activities:	
Water	$ 33,950
Sanitation	-
Total depreciation expense - Business-type activities	$ 33,950

(6) – LONG-TERM DEBT

Below is a list of the City's long-term debt 2021 activity and the December 31, 2021, loan balances:

	Business-Type
1. Note Payable – Drinking Water State Revolving Loan Fund – The City signed a note for $680,000 dated July 25, 2019. The purpose of this loan was to finance part of the cost of a new 125,000 gallon elevated water storage tank, new water lines, installing a 500 gpm water well with chemical feed building along with the demolition of the existing 40,000 gallon elevated water tank. The total project cost is anticipated to be $3,000,000. The loan was scheduled for repayment over a 40-year period at an interest rate of 2.375% with monthly installments of $2,179. This loan had a January 1, 2021 loan balance of $161,591. During 2021 the City had draw downs of additional principal totaling $508,408. The City issued water revenue bonds in 2021 to pay off this loan. These bonds are listed below as item #3.	$ -
2. Note Payable – Drinking Water State Revolving Loan Fund – The City signed a note for $450,000 dated November 24, 2021. The purpose of this loan is to finance part of the cost of the project described in #1 above. The remaining cost of this project will be paid by a grant from USDA. The loan is scheduled for repayment over a 30 year period at an interest rate of 1.86%. The monthly principal and interest payment will be determined when the loan is fully disbursed or May 1, 2023, whichever comes first.	22,680
3. Water System Revenue Bond Series 2021 - The City issued a water system revenue bond on May 21, 2021 totaling $680,000. The purpose of this bond was to payoff the Drinking Water State Revolving Loan Fund loan #1 above. This bond bears interest at 1.375% and is payable in 480 equal monthly principal and interest payments of $1,843 with a final maturity date of May 2061.	672,555
Total business-type long-term debt	$ 695,235

The City paid $6,143 in interest in 2021.

Annual debt service requirements for the Water System Revenue Bond Series 2021 as of December 31, 2021 are as follows:

Year	Principal	Interest	Total
2022	$ 12,950	$ 9,166	$ 22,116
2023	13,129	8,987	22,116
2024	13,286	8,830	22,116
2025	13,495	8,621	22,116
2026	13,681	8,435	22,116
2027 - 2031	71,276	39,304	110,580
2032 - 2036	76,330	34,250	110,580
2037 - 2041	81,783	28,797	110,580
2042 - 2046	87,602	22,978	110,580
2047 - 2051	93,835	16,745	110,580
2052 - 2056	100,508	10,072	110,580
2057 - 2061	94,680	2,657	97,337
Totals	$ 672,555	$ 198,842	$ 871,397

(6) – LONG-TERM DEBT(CONT.)

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

	Balance January 1	Issues or Additions	Payments or Expenditures	Balance December 31	Due in One Year
Business-Type Activities:					
Loan #1 - Drinking Water State Revolving Loan Fund	$ 161,591	$ 508,408	$ 669,999	-	-
Loan #2 - Drinking Water State Revolving Loan Fund	-	22,680	-	22,680	-
Loan #3 - Water System Revenue Bond Series 2021	-	680,000	7,445	672,555	12,950
Total business-type activities	161,591	1,211,088	677,444	695,235	12,950
Total for government	$ 161,591	$ 1,211,088	$ 677,444	$ 695,235	$ 12,950

(7) – INTERFUND BALANCES AND TRANSFERS

Interfund receivables, payables and transfers for the year ended December 31, 2021 were as follows:

Fund	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
General Fund	$ -	$ 150	$ 53,758	$ -
American Rescue Plan Fund	-	-	-	53,795
SPLOST Fund	-	-	-	-
Hotel/Motel Fund	150	-	-	-
TSPLOST Fund	-	-	-	-
Water & Sanitation Fund	-	-	37	-
Totals	$ 150	$ 150	$ 53,795	$ 53,795

Interfund payables and receivables are for expenses paid by the Hotel/Motel Fund that will be reimbursed by the General Fund. Transfers are used to move revenue collected in one fund to finance various programs accounted for in other funds.

(8) – FUND BALANCES

The following is a summary of the fund balances for the governmental funds at December 31, 2021:

Nonspendable:	
Prepaid items - This is prepaid insurance in the general fund	$ 15,022
Restricted for construction of capital assets - This is net assets restricted by state law as follows:	
SPLOST Fund - Restricted by state law and Brooks County	124,373
SPLOST Fund - Restricted by state law and Thomas County	470,593
SPLOST Fund - Restricted by state law and the City of Thomasville for Recreation	15,730
General Fund - Local Maintenance & Improvement Grant (LMIG)	-
Restricted for promotion of tourism:	
Hotel/Motel Tax Fund - Restricted by state law	8,138
Restricted for transportation projects:	
TSPLOST Fund - Restricted by state law	17,781
Unassigned:	
This is the amount unassigned in the general fund	365,519
Total fund balance	$ 1,017,156

(9) – RISK MANAGEMENT

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

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim or loss. The City is also to allow the pools' agents and attorneys to represent the City in 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 governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The City is not aware of any claims which the City is liable for (up to the applicable deductible) which were outstanding and unpaid at December 31, 2021. No provisions have been made in the financial statements for the year ended December 31, 2021 for any estimate of potential unpaid claims.

(9) – RISK MANAGEMENT (CONT.)

The City carries a combined property, casualty, and crime coverage with the Georgia Interlocal Risk Management Agency (GIRMA).

Coverage's are as follows:

Coverage description – property:	
Total insured values	$6,633,100
Automobile physical damage and mobile equipment	Per application on file with GIRMA
Coverage description – casualty:	
General liability	600,000
Personal and advertising liability	600,000
Law enforcement liability	600,000
Automobile liability	750,000
Errors and omissions (Public officials) liability	600,000
Employee benefits liability	600,000
Coverage description – crime:	
Blanket Bond/Employee dishonesty	500,000
Forgery or alteration	500,000
Computer crime	500,000
Money and securities	500,000
Social engineering fraud	25,000
Coverage description – cyber:	
Security & Privacy Liability	250,000
Regulatory Action Sublimit of Liability	250,000
Event Management	250,000
Cyber Extortion	250,000
Deductible:	
General liability	10,000
Law enforcement liability	10,000
Automobile liability	10,000
Errors and omissions (Public officials) liability	10,000
Employee benefits liability	10,000
Cyber liability	10,000
Property	2,500
Boiler & machinery	2,500
Automobile physical damage	2,500
Crime	2,500
Coverage's subject to a retroactive date:	
(Unless stated otherwise in the coverage exceptions)	
Public officials liability	4/15/1988
Employee benefits liability	4/15/1988

Coverage is subject to all terms, conditions and internal limits as specified in the GIRMA member coverage agreement.

(10) - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The City has stated that it is not involved in any lawsuit that will have a material effect on the financial condition of the City.

(11) – EMPLOYEE RETIREMENT SYSTEM

The City does not provide any retirement, pension, or profit sharing plan for its employees.

(12) – HOTEL/MOTEL LODGING TAX

Pursuant to an ordinance on June 27, 2005, January 1, 2006 Thomas County began levying a 5% lodging tax in accordance with O.C.G.A. 48-13-51 and expends 50% of the hotel/motel tax collections for the purpose of promoting tourism. This tax increased to 8% on July 1, 2016.

Thomas County paid the City of Pavo, Georgia $3,111 from their Hotel/Motel Tax Fund in 2021. The City spent $3,315 of this money towards promotion of tourism for the City of Pavo in 2021.

(13) – TSPLOST TAX

In May 2019, Brooks County adopted the Transportation Investment Act Local Government 25% Discretionary Distributions (TSPLOST). Proceeds shall be used by local governments only for transportation projects as defined in paragraph (10) of O.C.G.A. 48-8-242.

OTHER SUPPLEMENTARY INFORMATION

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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 Pavo, 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, the business-type activities and each major fund of the City of Pavo, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Pavo, Georgia's basic financial statements and have issued our report thereon dated December 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pavo, Georgia'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 of Pavo, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pavo, 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 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 have not been 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 a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2001-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Pavo, Georgia's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2021-001 and 2021-002.

The City of Pavo Georgia's Response to Findings

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

Purpose of this Report

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

Simmons, Mills & Simmons P.C.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

December 28, 2022

SIMMONS, MILLS & SIMMONS P.C.

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

To the Honorable Mayor and Members
Of the City Council
City of Pavo, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Pavo, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Pavo, Georgia's major federal programs for the year ended December 31, 2021. City of Pavo, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Pavo, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Pavo, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Pavo, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Pavo, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Simmons, Mills & Simmons, P.C.

Simmons, Mills, & Simmons, P.C.
Thomasville, Georgia
December 28, 2022

CITY OF PAVO, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
PRIMARY GOVERNMENT				
U.S. Environmental Protection Agency (EPA)				
Pass-through Georgia Environmental Finance Authority (GEFA):				
Drinking Water State Revolving Fund Cluster	66.468	DW 2018009	$ 508,408	$ -
Drinking Water State Revolving Fund Cluster	66.468	DW 2019020	22,680	-
Total for Drinking Water State Revolving Fund Cluster			531,088	-
U.S. Department of Agriculture				
Rural Utilities Service:				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	2,079,870	-
COVID-19 Community Faculities Loan and Grants Cluster	10.766	N/A	19,200	-
Total for U.S. Department of Agriculture			2,099,070	-
U.S. Department of The Treasury				
Pass-through State of Georgia Office of The Governor:				
COVID-19 Coronavirus Relief Fund	21.019	N/A	53,856	-
Total Expenditures of Federal Awards			$ 2,684,014	$ -

Notes to Schedule of Expenditures of Federal Awards
For the year ended December 31, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Pavo, Georgia under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Pavo, Georgia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Pavo, Georgia.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The City of Pavo, Georgia has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended December 31, 2021.

NOTE 5 - LOAN BALANCES

The following loan balances are included in the above schedule:

Drinking Water State Revolving Fund	$ 22,680
Water and Waste Disposal Systems for Rural Communities-City of Pavo, Georgia Water System Revenue Bond Series 2021	$ 672,555

CITY OF PAVO, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

I. SUMMARY OF AUDITOR'S RESULTS

A. Type of report issued on financial statements: Unmodified.

B. Internal control over financial reporting:
Material weaknesses identified? No
Significant deficiencies identified that are not considered to be material weaknesses? Yes (2001-002).

C. Noncompliance material to financial statements noted? Yes (2021-001 and 2021-002).

D. Internal control over major programs:
Material weaknesses identified? No.
Significant deficiencies identified that are not considered to be material weaknesses? No.

E. Type of auditor's report issued on compliance for major programs: Unmodified.

F. Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? No.

G. Major Programs:

CFDA No.	Program
10.760	Water and Waste Disposal Systems for Rural Communities

H. The threshold used for distinguishing between Type A and B programs was $750,000.

I. City of Pavo, Georgia did not qualify as a low-risk auditee.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

Prior Year Findings and Questioned Costs:

2001-002

Condition – The City has a deficiency in its control structure due to a lack of segregation of duties.

Effect – The City clerk performs many of the accounting functions which gives her the ability to control the financial records and reports.

Status – Our test determined that this condition still exists.

Recommendation – The Mayor and City Council should closely monitor and approve the monthly financial activity.

Views of Responsible Officials and Planned Corrective Actions – The City's management concurs with the finding. The Mayor and City Council will continue to closely monitor and approve the monthly financial activity.

CITY OF PAVO, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

2019-001

Condition – The City is located in Thomas County and partially located in Brooks County. The City used $7,802 in Brooks County SPLOST funds for improvements to a government building located in Thomas County. The City reimbursed the Brooks County SPLOST with the General Fund Account instead of Thomas County SPLOST account.

Effect – The City may be in violation of the Brooks County special purpose local option sales tax referendum by spending the funds on a City government building located in the Thomas County portion of the City.

Recommendation – The City should reimburse the General Fund $7,802 from the Thomas County SPLOST account for the government building improvements made in Thomas County.

Status – Our test determined that the General Fund has been reimbursed by the Thomas County SPLOST account. This finding has been resolved.

Current Year Findings and Questioned Costs:

2021-001

Condition – The City's expenditures exceeded appropriations, as amended, at the legal level of control in two departments of the General Fund.

Criteria – Official Code of Georgia Annotated (O.C.G.A.) Section 36-81-3: Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. Nothing contained in this code section shall preclude a local government from amending its budget so as to adapt to changing governmental needs during the budget period.

Effect – Possible noncompliance with above statute.

Recommendation – The City should monitor expenditures and appropriations and amend the budgets as needed.

Department	Budget	Actual	Excess
Public Safety	$246,550	$255,292	$8,742
Culture and Recreation	30,600	39,818	9,218

Views of Responsible Officials and Planned Corrective Actions – The City's management concurs with the finding. The City will monitor expenditures and appropriations and amend the budgets as needed.

CITY OF PAVO, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended December 31,2021

Current Year Findings and Questioned Costs (Continued):

2021-002

Condition – The City did not adopt an annual balanced budget for the American Rescue Plan Fund which is a special revenue fund.

Criteria – The Official Code of Georgia (O.C.G.A.) Section 36-81-3 requires each unit of local government to adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government.

Effect – Possible noncompliance with above statute.

Recommendation – The City should adopt an annual balanced budget for this fund.

Views of Responsible Official and Planned Corrective Actions – The City's management concurs with the finding. The City will adopt an annual balanced budget for this fund for 2022 and each year the fund is used by the City.

III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

	Questioned Costs
None Noted	-

City of Pavo

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December 28, 2022

Mr. Greg S. Griffin,
State Auditor
Department of Audits and Accounts
270 Washington Street, S.W., Room 1-156
Atlanta, Ga.30334-8400

Re: City of Pavo
Year Ending December 31, 2021
Corrective Action Plan

Dear Mr. Griffin:

Enclosed is the City of Pavo's corrective action plan as required by Section 36-81-7 of the Official Code of Georgia Annotated. After reviewing this plan, I trust that you will find that it is in compliance with the above code. Please notify us of your decision.

Sincerely,

Marvin Bryan,
Mayor

CITY OF PAVO, GEORGIA
CORRECTIVE ACTION PLAN
FOR YEAR ENDED DECEMBER 31, 2021

Finding/Recommendation:

The City does not have segregation of duties within its accounting system. The Mayor and the City Council should become more involved with the financial affairs and daily operations of the City.

Corrective Action Plan/Management Response:

We concur with this recommendation. The City cannot establish appropriate segregation of duties because it is not cost effective. The Mayor and City Council approves all invoices and reviews the monthly financial statements. We believe that a higher level of involvement with the financial affairs of the City by the Mayor and Council will help to overcome the weakness of no segregation of duties. We believe that this allows the City to comply with the audit recommendation.

Finding/Recommendation:

The City's expenditures exceeded appropriations, as amended, at the legal level of control in its Public Safety and its Culture and Recreation departments of the General Fund. This is a possible noncompliance with state statute Official Code of Georgia (O.C.G.A.) Section 36-81-3. The City should monitor expenditures and appropriations and amend the budgets as needed.

Corrective Action Plan/Management Response:

The City's management concurs with the finding. The City will monitor expenditures and appropriations and amend the budgets as needed.

Finding/Recommendation:

The City did not adopt an annual balanced budget for the American Rescue Plan Fund which is a special revenue fund. This is a possible noncompliance with state statute Official Code of Georgia (O.C.G.A.) Section 36-81-3. The City should adopt an annual balanced budget for this fund.

Corrective Action Plan/Management Response:

The City's management concurs with the finding. The City will adopt an annual balanced budget for this fund for 2022 and each year the fund is used by the City.

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and Members
of the City Council
City of Pavo, Georgia

We have audited the accompanying Schedules of Special Purpose Local Option Sales Tax for the City of Pavo, Georgia for the year ended December 31, 2021. These schedules are the responsibility of the City of Pavo, Georgia's management. Our responsibility is to express an opinion on the Schedules of Special Purpose Local Option Sales Tax based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules of Special Purpose Local Option Sales Tax are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedules of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedules of Special Purpose Local Option Sales Tax is prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of the City of Pavo's revenues and expenditures.

In our opinion, the Schedules of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project of the City of Pavo for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Simmons, Mills & Simmons P.C.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

December 28, 2022

CITY OF PAVO, GEORGIA
Schedule of Special Purpose Local Option Sales Tax - Brooks County #5
Year Ended December 31, 2021

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Government buildings capital outlay	$ 140,000	$ 86,309	$ -	$ 86,309
Totals	$ 140,000	$ 86,309	$ -	$ 86,309

Note: Beginning 2009, Brooks County began collecting for Special Purpose Local Option Sales Tax referendum number 5. Special Purpose Local Option Sales Tax revenue received from Brooks County, Georgia for the year ended December 31, 2021 was $0.

CITY OF PAVO, GEORGIA
Schedule of Special Purpose Local Option Sales Tax - Brooks County #6
Year Ended December 31, 2021

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Government buildings capital outlay	$ 85,673	$ 11,874	$ -	$ 11,874
Totals	$ 85,673	$ 11,874	$ -	$ 11,874

Note: Beginning 2015, Brooks County began collecting for Special Purpose Local Option Sales Tax referendum number 6. Special Purpose Local Option Sales Tax revenue received from Brooks County, Georgia for the year ended December 31, 2021 was $3,362.

CITY OF PAVO, GEORGIA
Schedule of Special Purpose Local Option Sales Tax - Brooks County #7
Year Ended December 31, 2021

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Roads, streets, other	$ 154,851	$ -	$ 62	$ 62
Totals	$ 154,851	$ -	$ 62	$ 62

Note: Beginning 2021, Brooks County began collecting for Special Purpose Local Option Sales Tax referendum number 7. Special Purpose Local Option Sales Tax revenue received from Brooks County, Georgia for the year ended December 31, 2021 was $19,326.

CITY OF PAVO, GEORGIA
Schedule of Special Purpose Local Option Sales Tax - Thomas County 2012
Year Ended December 31, 2021

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Capital Projects:					
Roads, streets, other	$ 200,000	$ 200,000	$ 161,988	$ 31,597	$ 193,585
Public safety	75,000	75,000	42,318	-	42,318
Government buildings	-	-	159,038	-	159,038
Water & Sewer	215,000	215,000	14,932	-	14,932
Totals	$ 490,000	$ 490,000	$ 378,276	$ 31,597	$ 409,873

Note: Beginning in 2013, Thomas County began collecting on the 2012 Thomas County Special Purpose Local Option Sales Tax referendum. Revenue received from this referendum for the year ended December 31, 2021 was $0.

CITY OF PAVO, GEORGIA
Schedule of Special Purpose Local Option Sales Tax - Thomas County 2017
Year Ended December 31, 2021

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Street repairs	$ 588,000	$ -	$ -	$ -
Totals	$ 588,000	$ -	$ -	$ -

Note: Beginning 2019, Thomas County began collecting for 2017 Special Purpose Local Option Sales Tax referendum Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for the year ended December 31, 2021 was $133,604.

CITY OF PAVO, GEORGIA
Schedule of Special Purpose Local Option Sales Tax - Thomasville
Year Ended December 31, 2021

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation project - 1	$ 64,900	$ 64,900	$ -	$ 64,900
Recreation project - 2	27,600	14,897	-	14,897
Totals	$ 92,500	$ 79,797	$ -	$ 79,797

Note: Special Purpose Local Option Sales Tax revenue received from Thomasville, Georgia for the year ended December 31, 2021 was $0.