TOWN OF PINE MOUNTAIN

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

TOWN OF PINE MOUNTAIN
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Town of Pine Mountain
Pine Mountain, Georgia

Opinions

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pine Mountain, Georgia, as of and for the year ended June 30, 2023, and the related notes to financial statements, which comprise the Town's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Pine Mountain, Georgia as of June 30, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility 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 entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Financial Statements

My 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 my 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

- Exercise professional judgement 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 controls 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 Town'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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. My opinion on the basic financial statements is not affected by this missing information.

The budgetary comparison information on pages 30-31 and the pension plan schedules on pages 32-33 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

I have applied certain limited procedures to the budgetary 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 30, 2023 on my consideration of the Town of Pine Mountain, Georgia's internal control over

financial reporting and my 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 my 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 *Governmental Auditing Standards* in considering the Town of Pine Mountain, Georgia's internal control over financial reporting and compliance.

Kim Kimmel CPA

Richland, Georgia
October 30, 2023

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 4,025,650	$ 514,886	$ 4,540,536
Receivables	419,967	46,765	466,732
Restricted cash	-	164,224	164,224
Nondepreciable Capital Assets	186,569	210,538	397,107
Depreciable Capital Assets, Net	3,941,484	3,196,162	7,137,646
Total Assets	8,573,670	4,132,575	12,706,245
DEFERRED OUTFLOW OF RESOURCES			
Deferred pension plan charges	279,573	58,076	337,649
Total deferred outflow of resources	279,573	58,076	337,649
LIABILITIES			
Accounts Payable	326,229	17,351	343,580
Deposits	-	36,780	36,780
Unearned revenue	529,186	-	529,186
Purchase obligations due within one year	12,591	-	12,591
Purchase obligations due in more than one year	19,947	-	19,947
Bonds payable due within one year	-	38,103	38,103
Bonds payable in more than one year	-	735,641	735,641
Net pension obligation due in more than one year	515,411	107,038	622,449
Total Liabilities	1,403,364	934,913	2,338,277
DEFERRED INFLOWS OF RESOURCES			
Pension plan deferrals	115,254	23,942	139,196
Total deferred inflow of resources	115,254	23,942	139,196
NET POSITION			
Net investment in capital assets	4,095,515	2,632,956	6,728,471
Restricted for:			
Transportation projects	388,005	-	388,005
Capital projects	498,417	-	498,417
Unrestricted	2,352,688	598,840	2,951,528
Total Net Position	$ 7,334,625	$ 3,231,796	$ 10,566,421

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Activities
For the Year Ended June 30, 2023

Program Activites	Expenses	Program Revenues: Fees, Fines, Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues
Governmental Activities:					
General Government	$ 327,917	$ 40,500	$ -	$ -	$ (287,417)
Public Safety	1,026,964	221,242	-	16,667	(789,055)
Public Works	557,639	-	-	266,298	(291,341)
Housing and development	519,327	-	-	-	(519,327)
Culture and recreation	11,173	-	-	-	(11,173)
Interest on long-term debt	1,829	-	-	-	(1,829)
Total Governmental Activities	2,444,849	261,742	-	282,965	(1,900,142)
Business-Type Activities:					
Water utilities	383,090	317,004	-	-	(66,086)
Sewerage treatment	142,207	214,340	-	-	72,133
Total Business-Type Activities:	525,297	531,344	-	-	6,047
Total Government	2,970,146	793,086	-	282,965	(1,894,095)

	Governmental Activities	Business-Type Activities	
General revenues:			
Taxes:			
Advalorem	875,561	-	875,561
Sales tax	370,757	-	370,757
Hotel/motel tax	504,795	-	504,795
Franchise tax	169,241	-	169,241
Insurance premium tax	102,756	-	102,756
Alcoholic beverage tax	73,550	-	73,550
Other taxes	69,782	-	69,782
Miscellaneous	130,163	-	130,163
Investment Revenue	2,830	337	3,167
	-	-	-
	2,299,435	337	2,299,772
Changes in net position	399,293	6,384	405,677
Net position beginning of year	6,935,332	3,225,412	10,160,744
Net position at end of year	$ 7,334,625	$ 3,231,796	$ 10,566,421

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2023

	General	ARPA	Hotel/Motel Tax	2019 SPLOST	Total Non Major	Total Govern-mental Funds
Assets						
Cash and Cash Equivalents	$ 2,603,058	$ 529,186	$ 6,984	$ 488,607	$ 397,815	4,025,650
Due from other funds	-	-	-	-	-	-
Receivables	98,387	-	321,580	-	-	419,967
Total Assets	2,701,445	529,186	328,564	488,607	397,815	4,445,617
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	36,807	-	289,422	-	-	326,229
Unearned revenue	30,685	529,186	-	-	-	559,871
Due to other funds	-	-	-	-	-	-
Total Liabilities	67,492	529,186	289,422	-	-	886,100
Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances						
Restricted for transportation projects	-	-	-	-	388,005	388,005
Restricted for capital projects	-	-	-	488,607	9,810	498,417
Assigned for tourism	-	-	39,142	-	-	39,142
Unassigned	2,633,953	-	-	-	-	2,633,953
Total Fund Balances	2,633,953	-	39,142	488,607	397,815	3,559,517
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,701,445	$ 529,186	$ 328,564	$ 488,607	$ 397,815	$ 4,445,617

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2023

Total Governmental Funds Balances	$	3,559,517
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets of $6,883,590 net of accumulated depreciation of $2,755,537 used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,128,053
Long-term liabilities are not due and payable in the current period and, therefor, are not reported in the governmental funds:		
Due in more than one year		(547,949)
Certain resources are recorded in the funds as current but are properly deferred in the statement of net assets		
Deferred outflows for pension plans		279,573
Deferred inflows for pension plans		(115,254)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property taxes		30,685
Net Position of Governmental Activities	$	7,334,625

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General	ARPA	Hotel/ Motel Tax	2019 SPLOST	Total Non Major	Total Govern-mental Funds
Revenues						
Property Taxes	$ 866,028	$ -	$ -	$ -	$ -	$ 866,028
Sales Taxes	370,757	-	-	-	-	370,757
Hotel Motel tax	-	-	504,795	-	-	504,795
Franchise tax	169,241	-	-	-	-	169,241
Insurance premium tax	102,756	-	-	-	-	102,756
Alcoholic beverage tax	73,550	-	-	-	-	73,550
Other Local Taxes	69,782	-	-	-	-	69,782
Charges for Services	-	-	-	-	-	-
Licenses and Permits	40,500	-	-	-	-	40,500
Fines and Forfeitures	221,242	-	-	-	-	221,242
Intergovernmental	2,833	-	-	176,119	104,013	282,965
Interest	2,000	-	830	-	-	2,830
Other	58,409	-	71,754	-	-	130,163
Total Revenues	1,977,098	-	577,379	176,119	104,013	2,834,609
Expenditures						
Current						
General government	324,261	-	-	-	-	324,261
Public safety	909,732	-	-	-	-	909,732
Public works	478,385	-	-	-	-	478,385
Housing and development	-	-	506,529	-	-	506,529
Culture and recreation	11,173	-	-	-	-	11,173
Capital outlay	-	-	-	13,176	-	13,176
Debt service:						
Principal	12,056	-	-	-	-	12,056
Interest	1,829	-	-	-	-	1,829
Total Expenditures	1,737,436	-	506,529	13,176	-	2,257,141
Excess (deficiency) of Revenues Over (Under) Expenditures	239,662	-	70,850	162,943	104,013	577,468
Other Financing Sources (Uses)						
Transfers—In	93,422	-	-	-	-	93,422
Transfers—Out	-	-	(81,000)	-	(12,422)	(93,422)
Total Other Financing Sources (Uses)	93,422	-	(81,000)	-	(12,422)	-
Net Change in Fund Balances	333,084	-	(10,150)	162,943	91,591	577,468
Fund Balances (Deficit) at Beginning	2,300,869	-	49,292	325,664	306,224	2,982,049
Fund Balances at End of Year	2,633,953	-	39,142	488,607	397,815	3,559,517

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, 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 June 30, 2023

Net Change in Fund Balances—Total Governmental Funds	$	577,468
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the stetement of activities, the cost of those assets is allocated over their estimated useful lives asdepreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay		-
Depreciation		(157,916)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.		12,056
Long term employee benefit obligations are recorded as an addition or reduction in net position, but do not require the use of current economic resources of governmental funds		(41,848)
Elimination of transfers between governmental funds		
Transfers in		(93,422)
Transfers out		93,422
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property Taxes deferred		9,533
Change in Net Position of Governmental Activities	$	399,293

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2023

	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 514,886	$ -	$ 514,886
Receivables net	26,066	20,699	46,765
Restricted cash	87,289	76,935	164,224
Total Current Assets	628,241	97,634	725,875
Noncurrent Assets:			
Nondepreciable assets	210,538	-	210,538
Depreciable assets, net	767,471	2,428,691	3,196,162
Total Non-current Assets	978,009	2,428,691	3,406,700
Total Assets	1,606,250	2,526,325	4,132,575
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on pension plan	58,076	-	58,076
LIABILITIES			
Current Liabilities:			
Accounts Payable	6,556	10,795	17,351
Payable from restricted assets:			
Revenue bonds	15,880	22,223	38,103
Deposits	36,780	-	36,780
Total Current Liabilities	59,216	33,018	92,234
Long-Term Liabilities			
Net pension liability	107,038	-	107,038
Revenue bonds payable	149,280	586,361	735,641
Total Long-term Liabilities	256,318	586,361	842,679
Total Liabilities	315,534	619,379	934,913
DEFERRED INFLOW OF RESOURCES			
Deferred amount on pension plan	23,942	-	23,942
NET POSITION			
Net investment in capital assets	812,849	1,820,107	2,632,956
Unrestricted	512,001	86,839	598,840
Total Net Position	$ 1,324,850	$ 1,906,946	$ 3,231,796

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2023

	Water Fund	Sewer Fund	Total
Operating revenues:			
Charges for services	$ 317,004	$ 214,340	$ 531,344
Total operating revenues	317,004	214,340	531,344
Operating expenses:			
Personal services	211,016	-	211,016
Materials and supplies	43,244	47,966	91,210
Contractual and other services	81,009	11,804	92,813
Depreciation	37,249	54,549	91,798
Total operating expenses	372,518	114,319	486,837
Income (loss) from operations	(55,514)	100,021	44,507
Nonoperating revenues (expenses):			
Investment income	299	38	337
Interest expense	(10,572)	(27,888)	(38,460)
Total nonoperating revenues (expenses)	(10,273)	(27,850)	(38,123)
Income before transfers	(65,787)	72,171	6,384
Capital contributed	-	-	-
Transfers in	105,079	-	105,079
Transfers out	-	(105,079)	(105,079)
Change in net position	39,292	(32,908)	6,384
Net position beginning	1,285,558	1,939,854	3,225,412
Net position, ending	$ 1,324,850	$ 1,906,946	$ 3,231,796

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Water Fund	Sewer Fund	Total
Cash flows from operating activities:			
Cash received from customers	$ 308,766	$ 211,091	$ 519,857
Cash payments to suppliers for goods and services	(125,567)	(56,761)	(182,328)
Cash payments to employees for services	(201,115)	-	(201,115)
Net cash provided (used) by operating activities	(17,916)	154,330	136,414
Cash flows from noncapital financing activities:			
Transfers	105,079	(105,079)	-
Net cash provided (used) by noncapital financing activities	105,079	(105,079)	-
Cash flows from capital and related financing activities:			
Principal paid on revenue bond maturities	(14,791)	(21,420)	(36,211)
Capital assets acquired	(71,122)	-	(71,122)
Interest paid	(10,573)	(27,888)	(38,461)
Net cash provided (used) by			
Net cash provided (used) by capital and related financing activities	(96,486)	(49,308)	(145,794)
Cash flows from investing activities:			
Interest on investments	299	38	337
Net cash provided (used) by investing activities	299	38	337
Net increase (decrease) in cash and cash investments	(9,024)	(19)	(9,043)
Cash and cash equivalents, beginning	611,198	76,954	688,152
Cash and cash equivalents, ending	$ 602,174	$ 76,935	$ 679,109
Unrestriced cash	$ 514,886	$ -	$ 514,886
Restricted cash	87,289	76,935	164,224
Total cash and cash equivalents	$ 602,175	$ 76,935	$ 679,110
Reconciliation of income (loss) from operations			
to net cash provided (used) by operating activities			
Operating income (loss)	$ (55,514)	$ 100,021	$ 44,507
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operations:			
Depreciation	37,249	54,549	91,798
(Increase) decrease in:			
Accounts receivable	(7,658)	(3,249)	(10,907)
Deferred outflows	(39,757)	-	(39,757)
Increase (decrease) in:			
Accounts payable	(1,314)	3,009	1,695
Accrued pension	56,891	-	56,891
Deferred inflows	(7,233)	-	(7,233)
Customer deposits	(580)	-	(580)
Net cash provided (used) by			
operating activities	$ (17,916)	$ 154,330	$ 136,414

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTIN, GEORGIA
Statement of Fiduciary Net Position
OPEB Trust Fund
June 30, 2023

ASSETS	
Cash	$ 40,441
Total Assets	40,441
Fiduciary Net Position-held for OPEB health plan	$ 40,441

See accompanying notes to the basic financial statements.

TOWN OF PINE MOUNTIN, GEORGIA
Statement of Changes in Fiduciary Net Position
OPEB Trust Fund
Year Ended June 30, 2023

ADDITIONS	
Contributions General Fund	$ 34,466
Total additions	34,466
DEDUCTIONS	
Benefits	30,000
Total deductions	30,000
Change in net position	4,466
Net position beginning of year	35,975
Net position end of year	$ 40,441

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Pine Mountain, Georgia (the Town) have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Town are described below.

Reporting Entity

The Town of Pine Mountain, Georgia operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, public works, development, culture, recreation, and public utilities. The Mayor and Town Council are elected by the citizens of Pine Mountain and as such have the decision-making authority over the Town.

The Town is not included in any other "reporting entity" as defined by the Governmental Accounting Standards Board. As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Based upon these criteria, the Town of Pine Mountain has no component units.

Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both the government-wide and fund financial statements categorizer activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

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

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured and 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 measurements made regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial

statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred without regard to receipt or disbursement of cash. Property taxes are recognized in the period for which levied, provided the Town has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resource measurement focus and 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 Town considers revenues as available if they are collected within 60 days after year end. Revenues susceptible to accrual are grant revenue, property taxes, and service contract revenue earned. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded when payment is due.

The Town reports the following major governmental funds:

General Fund

The General Fund is the principal fund of the Town and is used to account for all activities of the Town not otherwise accounted for by a specified fund. This fund is primarily used for the activities under direct control of the Mayor and Council. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

Hotel/Motel Tax Fund

This fund is used to account for all of the hotel/motel tax collected by the Town and the related expenditures.

ARPA Fund:

This fund accounts for the receipt and expenditure of a grant received under the American Recovery Plan Act.

SPLOST Fund:

This fund accounts for the receipt and expenditure of a SPLOST referendum.

The Town reports the following major proprietary fund:

Water Fund

This fund is used to account for all operations relating to activities conducted in the operation of municipal water treatment and supply.

Sewer Fund

This fund is used to account for all operations relating to activities conducted in the operation of a municipal wastewater treatment system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government.

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

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 fund's principal ongoing operations. The principal operating revenues of the Water & Sewer Fund are charges to customers for sales and services. Operating expenses for the Water & Sewer Fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The fiduciary fund financial statements are presented using the accrual basis of accounting.

When fund balances are available for a specific purpose in more than one classification, it is the Town's policy to use the most restricted funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Trust Fund- This fund accounts for the Town's payments into accounts for the benefit of participants in a post-employment benefit plan.

Budgets

The Town budgets its operations on an annual basis for the General Fund and the Special Revenue Funds. The proposed budget is prepared each May by a Budget Committee composed of the Mayor and Council. Budget requests from the various Town departments are presented to the Committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Pine Mountain. The final proposed budget is presented at a Town Council meeting for final passage prior to June 30. The final budget is adopted at public meeting. Grants and contracts received by the Town during the year are governed by stipulated budgets that are officially adopted at the time the grants are approved. Other than changes made by grantor contracts, there were no amendments to the officially adopted budget for the year.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General and Special Revenue Funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Revenues are budgeted by source and expenditures are budgeted by department and class as follows: General government, Public safety, Public works, Housing and Development, Cultural & Recreation, and Debt service. This constitutes the legal level of control. General Fund expenditures for capital outlay are budgeted with the respective departments rather than being separately reported. Expenditures may not exceed appropriations at this level except for matching funds required by grantors. All budget revisions at this level are subject to final review by the Council. Within these control levels, management may transfer appropriations without Council approval, with the exception of salary amounts.

Cash and Cash Equivalents

Cash and equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date of three months or less.

Prepaid Expenses

Payments to vendors for services that will benefit periods after June 30, 2023 are recorded as prepaid items under the consumption method. Because these items do not represent "available spendable resources" in governmental funds, they are equally offset by fund balance reserve accounts.

Vacation and Sick Leave

Employees earn vacation time as follows:

12 mo. of service	5 days
36 mo. of service	10 days
60 mo. of service	15 days

Sick Leave is earned at the rate of one day per month. Sick leave does not accumulate. Terminated employees may not receive unused sick pay.

Capital Assets

Capital assets, which include 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. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of $500 or more and over three years of useful life. Infrastructure assets acquired or constructed after July 1, 2003 will be capitalized. Prior infrastructure assets have not been capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	60 to 80	Years
Vehicles	7 to 10	Years
Equipment	7 to 10	Years
Water distribution system	50 to 75	Years
Sewerage treatment plant	50 to 75	Years
Sidewalks	30 to 50	Years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents consumption of net position which applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one type of item that qualifies for reporting in this category. It is a deferred charge for pension plan contributions which is reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This section represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The Town has only one type of item that qualifies for reporting in this category under modified accrual basis of accounting. That item is unavailable revenue for property taxes and is reported in the governmental funds balance sheet. The Town has one item in this category that is reported in the government-wide statement of net position, and that is unavailable revenue for the difference between anticipated pension plan asset yield and actual experience. This amount is amortized and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

At times the Town funds outlays for a particular purpose from both restricted and unrestricted resources. The Town assumes that restricted resources are applied first.

Fund Balance Policies

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Restricted fund balance- amounts constrained to specific purposes by their providers (such as grantors, through constitutional provisions or enabling legislation.

Committed fund balance- Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council through approval of a motion. Only the Town Council can modify or rescind a commitment.

Assigned fund balance- amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance- amounts that are available for any purpose; positive amounts are reported only in the general fund.

Fund Balance Flow Assumption

The Town's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Town considers committed funds to be expended first followed by assigned and then unassigned funds.

2. DEPOSITS

State statutes require that all non-insured public deposits in financial institutions be fully insured or collateralized by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by state statutes at June 30, 2023. At June 30, 2023, the carrying amount of the Town's deposits in financial institutions was $4,704,760 and the bank balance was $4,783,269. Included in these amounts are certificates of deposit with a carrying value of $1,181,070 and a bank balance of $1,181,070.

State statutes require that all public deposits in financial institutions be fully insured or collateralized by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. At June 30, 2023, the Town's deposits were fully insured and collateralized according to state law.

4. RECEIVABLES

The major receivables consist of utility bills and taxes.

	Governmental Funds	Business Type Activities	Total
Property taxes	$ 30,709	$ -	$ 30,709
Sales tax	67,678	-	67,678
Hotel/Motel tax	321,581	-	321,581
Accounts	-	55,043	55,043
	419,968	55,043	475,011
Allowance for uncollectible	-	(8,278)	(8,278)
	$ 419,968	$ 46,765	$ 466,733

Receivables and revenues from utility bills are recorded when the services are provided. Amounts shown as a receivable on the balance sheet represent amounts owed but not paid. An allowance for uncollectable accounts has been recorded. This represents the amount of utility bills receivable for which collection is doubtful.

Revenues from property taxes are recognized as follows:

An ad valorem tax is charged each year on each parcel of taxable property and on each taxable vehicle and mobile home located in the Town. The tax is assessed to support the Town government. It is based generally on a fixed percentage of the market value multiplied by a millage rate. The market value of the property is determined by the County Board of Assessors and the millage rate is set by the Town Council to produce the revenue required to finance the expected expenditures of the Town.

After the taxable value of the property has been established and the millage rate determined, the tax is computed on each property, and a tax bill is prepared for the property owner. The total of these computations, called the tax digest, is submitted to the State of Georgia for approval before the tax bills are mailed to the property owners. These tax bills then become the basis for tax collections. A list of uncollected taxes is prepared from the bills remaining unpaid at the end of the year.

The Town's ad valorem tax is normally levied each October on the assessed value as of the prior January 1 for all real and business personal property located within the Town limits. Taxes are due sixty days after the levy date. For 2022, ad valorem taxes were levied on November 6 and were due January 2.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Adjustments & Additions	Transfers & Disposals	Ending Balance
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 186,569	$ -	$ -	$ 186,569
Capital assets being depreciated				
Buildings	2,976,890	-	-	2,976,890
Equipment	606,525	-	(11,347)	595,178
Vehicles	1,179,178	-	-	1,179,178
Infrastructure	1,862,884	-	-	1,862,884
	6,625,477	-	(11,347)	6,614,130
Less accumulated depreciation for:				
Buildings	(819,975)	(54,553)	-	(874,528)
Equipment	(486,103)	(19,214)	11,347	(493,970)
Vehicles	(929,068)	(38,416)	-	(967,484)
Infrastructure	(332,870)	(45,733)	-	(378,603)
	(2,568,016)	(157,916)	11,347	(2,714,585)
Total capital assets being depreciated, net	4,057,461	(157,916)	-	3,899,545
Lease assets				
Equipment	82,891	-	-	82,891
Less Accumulated Amortization	(40,954)	(11,842)	-	(52,796)
Total lease assets being amortized	41,937	(11,842)	-	30,095
Governmental activities capital assets, net	$ 4,285,967	$ (169,758)	$ -	$ 4,116,209

Business-type Activities:	Beginning Balance	Adjustments & Additions	Transfers & Disposals	Ending Balance
Capital assets not being depreciated				
Land	$ 210,538	$ -	$ -	$ 210,538
Capital assets being depreciated				
Buildings	22,547	-	-	22,547
Vehicles	59,737	-	-	59,737
Equipment	106,201	57,618	-	163,819
Water distribution system	1,619,801	13,176	(11,347)	1,621,630
Sewerage treatment facilities	3,664,383	-	-	3,664,383
	5,472,669	70,794	(11,347)	5,532,116
Less accumulated depreciation for:				
Buildings	(16,309)	(890)	-	(17,199)
Vehicles	(40,596)	(4,785)	-	(45,381)
Equipment	(104,888)	(5,949)	11,347	(99,490)
Water distribution system	(909,804)	(25,788)	-	(935,592)
Sewerage treatment plant	(1,184,233)	(54,059)	-	(1,238,292)
	(2,255,830)	(91,471)	11,347	(2,335,954)
Total capital assets being depreciated, net	3,216,839	(20,677)	-	3,196,162
Business-type activities capital assets, net	$ 3,427,377	$ (20,677)	$ -	$ 3,406,700

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

Administration	$ 3,656
Public Safety	75,384
Public Works	66,078
Recreation	12,798
	$ 157,916

Lease amortization was charged as a direct expense to programs of the primary government as follows:

Public Safety	$ 11,842

6. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2023 is summarized as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due In One Year
Financed purchases					
Equipment leases	$ 44,594	$ -	$ 12,056	$ 32,538	$ 12,591
	44,594	-	12,056	32,538	12,591
Pension Liability	258,125	257,286	-	515,411	-
Total	$ 302,719	$ 257,286	$ 12,056	$ 547,949	$ 12,591

Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due In One Year
Revenue Bonds					
1990	$ 179,950	$ -	$ 14,790	$ 165,160	$ 15,880
2001A	572,706	-	19,434	553,272	20,327
2001B	57,298	-	1,986	55,312	1,896
	809,954	-	36,210	773,744	38,103
Pension Liability	50,147	56,891	-	107,038	-
Total	$ 860,101	$ 56,891	$ 36,210	$ 880,782	$ 38,103

For governmental activities, long-term debt is liquidated by the General Fund. For business-type activities, long term debt is liquidated by the Water Fund and Sewer Fund.

Leases

In 2023, the Town implemented the guidance in GASB No. 87, Leases. Under this standard, the Town has no long-term leases to be considered a right-to-use asset. The Town has one lease agreement considered to be a financed purchase. This lease is accounted for in governmental-type funds.

The original amount financed was $82,891 and is payable in semi-annual installments of $6,942, which includes interest at 4.395% per annum.

The Town's debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities Principal	Interest	Total
2024	$ 12,591	$ 1,293	$ 13,884
2025	13,151	734	13,885
2026	6,796	145	6,941
	$ 32,538	$ 2,172	$ 34,710

Revenue Bonds

The Town has issued three series of Revenue Bonds to finance capital improvements to water and sewer facilities.

In 1990, Water Revenue Bonds were issued in the amount of $335,000. These are payable in annual installments through 2031 with interest at 5.875%.

In 2001, the Town issued two series of Sewer Revenue Bonds in the amounts of $829,200 and $83,570. These are payable in annual installments through 2042 with interest at 4.5%.

The Town has pledged the revenues from water and sewer operations to repay the bonds. Certain sinking fund requirements to repay the debt are in place, and the Town is in compliance with those requirements.

Debt service requirements to maturity on the note is as follows:

Year Ending June 30,	Business Activities Principal	Interest	Total
2024	$ 38,284	$ 36,607	$ 74,891
2025	40,483	34,645	75,128
2026	42,818	32,569	75,387
2027	45,296	30,365	75,661
2028	47,923	28,033	75,956
2029-2033	226,864	101,626	328,490
2034-2038	192,419	54,121	246,540
2039-2042	139,657	9,944	149,601
	$ 773,744	$ 327,910	$ 1,101,654

7. RISK MANAGEMENT

The Governmental Accounting Standards Board (GASB) issued Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which establishes standard accounting and financial reporting practices for public entity risk pools and governmental entities. The following disclosures are offered in accordance with GASB 10.

The Town is exposed to various forms of risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town accounts for risk financing activities in the General fund. The Town purchases insurance from the

commercial insurance market for all risk categories except natural disasters, for which the Town is self-insured. Because of no recent history of loss from natural disasters, no estimated liability has been recorded.

There have been no decreases in insurance coverage from the prior year. Settled claims have not exceeded commercial excess coverage in any of the past three years.

The Town is also a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the Fund to the employees of the Town is specifically limited to such obligations as are imposed by applicable state laws against the Town for workers' compensation and/or liability.

As a part of these risk pools, the Town 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 and coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The Town is also to allow the pool's agents and attorneys to represent the Town in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Town within the scope of loss protection furnished by the funds.

The Fund is to defend, in the name of and on behalf of the members, any suit or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation or defense.

8. EMPLOYEE BENEFITS

Defined Benefit Pension Plan

The Town contributes to a defined benefit pension plan for all of its full-time employees through the Georgia Municipal Employees Benefit System, an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association (GMA). The Public Retirement Systems Standard Law (OCGA 47-20-10) assigns the authority to establish and amend the plan to the Town. GMA issues a publicly available financial report that includes the financial statements and required supplementary information for GMBEBS. That report may be obtained by writing to GMBEBS, 201 Pryor St., SW, Atlanta, Georgia 30303. The financial information contained here is as of the most recent valuation date of January 1, 2023.

Eligibility-To be eligible, employees must have completed on year of full-time employment. Vesting is scheduled over a ten-year period, with full vesting at the end of ten years.

Membership in the plan at June 30, 2023 is as follows:

Active participants	8
Vested terminated	4
Retired Participants	8
Total	20

Contributions: Required contributions are determined by the Town Council based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated

amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The plan Is noncontributory, meaning the employees may not make contributions to the Plan.

The Town's required contribution rate and required contributions for the year ended June 30, 2023 were 10.5% and $73,514 respectively. Actual contributions for the year equaled $64,917 or 88% of required contributions, and 9.3% of covered payroll $700,599.

Net Pension Liability: The Town's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living	0.000%
Salary increases	2.250%
Investment rate of return	7.375%

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study conducted November and December 2019. In addition, mortality rates were based on the RP-2000 Mortality Tables with sex-distinct rates, set forward two years for males and one year for females.

The long-term expected rate of return on Plan investments was determined using a building block method in which the 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term 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%	
	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 employee contributions will be made at the current contribution rate and that contributions from employer will be made at the current contractually required rates, actuarially determined.

Changes in Net Pension Liability: Changes in the Town's net pension liability for the year ended June 30, 2023 were as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances--Ending 9-30-21	$ 1,561,571	$ 1,253,299	$ 308,272

Changes for the Year:			
Service cost	34,073		34,073
Interest expense	114,646		114,646
Experience losses (gains)	24,092		24,092
Contributions--employer	-	64,917	(64,917)
Net investment income	-	(202,244)	202,244
Benefit payments	(82,254)	(82,254)	-
Plan administrative expenses	-	(4,040)	4,040
Other changes	-	-	-
Net Changes	90,557	(223,621)	314,178
Balances--Ending 9-30-22	$ 1,652,128	$ 1,029,678	$ 622,450

Sensitivity of the Net Pension Liability to Changes in the discount Rate: The following presents the net pension liability calculated using the discount rate of 7.375%, as well as what the net pension liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current rate.

	Discount Rate	Net Pension Liability
1% decrease	6.375%	$ 841,919
Current rate	7.375%	$ 622,450
1% increase	8.375%	$ 440,020

Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report.

Pension Expense, Deferred Outflows of Financial resources, and Deferred Inflows of Resources: For the year ended June 30, 2023, the Town recognized pension expense of $101,625.

At June 30, 2023, the Town 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
Changes in assumptions	$ 10,748	$ -
Differences expected and actual earnings	244,090	(112,661)
Experience differences	82,811	(26,535)
	$ 337,649	$ (139,196)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 100,652	$ (47,838)
2025	91,670	(47,838)
2026	81,732	(43,520)
2027	63,595	-
	$ 337,649	$ (139,196)

Postemployment Benefit Plan

The Town maintains the Town of Pine Mountain Retiree Health Plan for retirees through which the Town makes annual, elective contributions to the Plan to be used by retirees for supplementing health insurance costs. The plan qualifies as a defined contribution plan. The Town pays a maximum of $5,000 per retiree per year into the Plan. The Plan is administered by the Town.

The contribution rate is determined by the Council each year. The Town council adopted the Plan and may amend the Plan by resolution.

During the year ended June 30, 2023 the Town contributed $34,466 to the Plan for the benefit of the 5 former employees participating. The contributions were paid into a segregated account for the benefit of the participants. All Plan funds were disbursed at the direction of the respective retirees. Retirees do not make contributions to the plan. This activity is accounted for in a Trust Fund.

Other Pension Plans

The Town's police and firefighters are participants in retirement plans managed by Funds created by the Georgia Legislature. The Plans in which the Town's employees participate are the Peace Officers Annuity and Benefit Fund (POAB) and the GA Firefighters Pension Fund. The Town makes transfer payments to the plan Administrators, and the Administrators make contributions to the Plans for the participating employees. The amounts contributed to these plans were not material for the year ended June 30, 2023

9. COMMITMENTS AND CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 Town attorney advises that there are no legal actions that were in progress by or against the Town at June 30, 2023.

The Town does not contribute to State Unemployment funds. Instead, the Town directly reimburses the State for unemployment benefits actually paid during each year. At June 30, 2023 there were no unpaid claims that Town management believes to be material.

10. HOTEL/MOTEL TAX

The Town collects Hotel and Motel tax from local establishments. Under a 2007 agreement, these tax revenues are pledged against the Development Authority of Harris County Revenue Bonds which were issued to facilitate economic development in the Town. The tax revenue is paid to a Trustee on a periodic basis. The Town of Pine Mountain retains 6% of the total collected for direct use in administration of the tax and other economic development programs. During the year ended June 30, 2023, the Town collected tax revenues from this source of $506,531 and remitted $506,795 for tourism programs. The remaining net position in the fund of $39,142 is not restricted but has been assigned for tourism.

11. INTERFUND TRANSFERS

During the year the General Fund advanced cash to open a bank account for the use of the American Rescue Plan Fund. $26 of that advance was unspent and owed back to the General Fund as of June 30, 2023. This will be repaid once sufficient cash has been received in the Fund from other sources.

Other transfers not to be repaid were made during the year. The Sewer Fund depends on the Water Fund to account for its receipts and disbursements. The net results were recorded as transfers. The Hotel Motel Tax Fund transferred out to the General Fund, the residual balance for administrative costs.

Interfund transfers during the year ended June 30, 2023 were as follows:

Transfers In	Transfers Out	
General Fund	Hotel Motel Tax	$ 81,000
General Fund	Fire Grant Fund	12,422
Water Fund	Sewer Fund	105,079
		$ 198,501

13. JOINT VENTURE

Under Georgia law, the Town, in conjunction with the other municipalities and county governments in a twelve county area, was a member in the River Valley Regional Commission (RC) as of June 30, 2023. Under the law, the Town is required to pay dues thereto. During the year ended June 30, 2023, the Town paid $6,094 in such dues. Membership in the Commission is required under O.C.G.A. Section 50-8-34. The Commission governing Board includes the chief elected official of each county and one municipality included in the RC area. Member governments are liable for any debts or obligations incurred by the RC. Separate RC financial statements may be obtained from:

River Valley Regional Commission
PO Box 1908
Columbus, GA 31902

14. SECIAL PURPOSE LOCAL OPTION SALES TAX

The Town receives SPLOST from Harris County from time to time for various capital outlay projects as approved in voter referendums. Expenditures for these projects are as follows:

	Original Estimated	Current Estimated	Prior Expenditures	Current Expenditures	Total
Roads and streets	$ 154,000	$ 154,000	$ -	$ -	$ -
Water system imp.	385,000	385,000	21,256	13,176	34,432
Public safety equipment	86,000	86,000	81,596	-	81,596
	$ 625,000	$ 625,000	$ 102,852	$ 13,176	$ 116,028

The Town receives TSPLOST from a regional referendum for transportation projects as approved in voter referendums. Expenditures for these projects are as follows:

	Original Estimated	Current Estimated	Prior Expenditures	Current Expenditures	Total
Road improvements	$ 330,000	$ 330,577	$ 33,268	$ -	$ 33,268

TOWN OF PINE MOUNTAIN, GEORGIA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		
	Original	**Final**	**Actual**
Revenues			
Taxes	$ 1,415,500	$ 1,417,500	$ 1,652,114
Charges for Services	138,950	138,950	-
Licenses and Permits	-	-	40,500
Fines and Forfeitures	220,000	220,000	221,242
Intergovernmental	-	-	2,833
Interest	-	-	2,000
Other	-	-	58,409
Total Revenues	1,774,450	1,776,450	1,977,098
Expenditures			
Current			
General government	345,134	345,134	324,261
Public safety	1,010,506	1,010,506	909,732
Public works	531,583	531,583	478,385
Culture and recreation	11,000	13,000	11,173
Debt service	-	-	-
Total Expenditures	1,898,223	1,900,223	1,723,551
Excess (deficiency) of Revenues Over (Under) Expenditures	(123,773)	(123,773)	253,547
Other Financing Sources (Uses)			
Transfers—In	-	-	-
Transfers—Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(123,773)	(123,773)	253,547
Fund Balances (Deficit) at Beginning	-	-	-
Fund Balances at End of Year	(123,773)	(123,773)	253,547

TOWN OF PINE MOUNTAIN, GEORGIA
Budgetary Comparison Schedule
Hotel/Motel Tax Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		
	Original	**Final**	**Actual**
Revenues			
Taxes	$ 850,000	$ 850,000	$ 504,795
Interest	200	600	830
Total Revenues	850,200	850,600	505,625
Expenditures			
Current			
Housing and development	798,400	798,400	506,529
Total Expenditures	798,400	798,400	506,529
Excess (deficiency) of Revenues Over (Under) Expenditures	51,800	52,200	(904)
Other Financing Sources (Uses)			
Transfers—In	-	-	-
Transfers—Out	(51,800)	(51,800)	(81,000)
Total Other Financing Sources (Uses)	(51,800)	(51,800)	(81,000)
Net Change in Fund Balances	-	400	(81,904)
Fund Balances (Deficit) at Beginning	49,292	49,292	49,292
Fund Balances at End of Year	49,292	49,692	(32,612)

TOWN OF PINE MOUNTIN, GEORGIA
Pension Plan
Schedule of Changes in Net pension Liability and Related Ratios
Ten Fiscal Years Ended

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	$ 34,073	$ 25,150	$ 23,079	$ 22,669	$ 14,940	$ 17,694	$ 18,538	$ 16,040	$ 17,027
Interest	114,646	96,264	97,384	92,661	87,248	86,647	81,614	80,032	78,574
Diff. expected and actual	24,092	90,685	(53,068)	27,385	51,156	(7,284)	40,263	(10,863)	(1,956)
Changes in assumptions	-	-	-	32,246	-	15,989	-	-	(12,189)
Changes in benefit terms	-	110,475	-	-	-	-	-	-	-
Benefit payments	(82,254)	(82,253)	(87,046)	(93,755)	(84,028)	(81,397)	(69,542)	(60,058)	(65,207)
Net change	90,557	240,321	(19,651)	81,206	69,316	31,649	70,873	25,151	16,249
Total liability beginning	1,561,571	1,321,250	1,340,901	1,259,695	1,190,379	1,158,730	1,087,857	1,062,706	1,046,457
Total liability ending	$ 1,652,128	$ 1,561,571	$ 1,321,250	$ 1,340,901	$ 1,259,695	$ 1,190,379	$ 1,158,730	$ 1,087,857	$ 1,062,706
Plan Fiduciary Net Position									
Contributions-Employer	$ 64,917	$ 63,101	$ 57,616	$ 51,253	$ 47,724	$ 43,755	$ 41,859	$ 43,377	$ 47,244
Net investment income	(202,244)	248,389	91,959	27,585	91,750	125,670	87,911	9,809	84,264
Benefit payments	(82,254)	(82,253)	(87,046)	(93,755)	(84,028)	(81,397)	(69,542)	(60,058)	(65,207)
Administrative expense	(4,040)	(5,307)	(4,107)	(3,955)	(4,280)	(4,592)	(2,421)	(2,642)	(2,156)
Net change	(223,621)	223,930	58,422	(18,872)	51,166	83,436	57,807	(9,514)	64,145
Fiduciary net position beginning	1,253,299	1,029,369	970,947	989,819	938,653	855,217	797,410	806,924	742,779
Fiduciary net position ending	$ 1,029,678	$ 1,253,299	$ 1,029,369	$ 970,947	$ 989,819	$ 938,653	$ 855,217	$ 797,410	$ 806,924
Net pension liability ending	$ 622,450	$ 308,272	$ 291,881	$ 369,954	$ 269,876	$ 251,726	$ 303,513	$ 290,447	$ 255,782
Plan fiduciary net position as a percentage of total pension liability	62.32%	80.26%	77.91%	72.41%	78.58%	78.85%	73.81%	73.30%	75.93%
Covered employee payroll	$ 700,599	$ 722,975	$ 592,441	$ 592,441	$ 548,040	$ 436,541	$ 490,649	$ 554,812	$ 503,922
Net pension liability as a percentage of covered payroll	88.85%	42.64%	49.27%	62.45%	49.24%	57.66%	61.86%	52.35%	50.76%

(Historical information prior to implementation of GASB 67/68 is not required)

TOWN OF PINE MOUNTAIN, GEORGIA
Schedule of Contributions

	2023	2022	2021	2020	2019
Actuarially determined contribution	*	58,052	63,184	55,759	49,751
Contributions in relation to the actuarially determined contribution	*	58,052	64,384	55,759	49,751
Contribution deficiency (excess)	*	-	(1,200)		
Covered emplyee payroll	*	722,975	641,756	592,441	548,040
Contributions as a percentage of covered employee payroll	*	8.03%	10.03%	9.41%	9.08%

	2018	2017	2016	2015
Actuarially determined contribution	47,048	42,657	41,593	43,971
Contributions in relation to the actuarially determined contribution	47,048	42,657	41,593	43,971
Contribution deficiency (excess)	-	-	-	-
Covered emplyee payroll	436,541	490,649	554,812	503,922
Contributions as a percentage of covered employee payroll	10.78%	8.69%	7.50%	8.73%

(Historical information prior to implementation of GASB 67/68 is not required)

* 2022 information was not determined as of the report date and will be included in the 2022 valuation report.

TOWN OF PINE MOUNTAIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For Year Ended June 30, 2023

Budgetary Accounting

The Town budgets its operations on an annual basis for the General Fund. The proposed budget is prepared each year by a Budget Committee composed of the Mayor and Council. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Pine Mountain. The final proposed budget is presented at a Town Council meeting for final passage prior to June 30. The final budget is adopted at public meeting.

The Town prepares its budget on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – presents a comparison of budgetary data to actual results of operations for which annual operating budgets are legally adopted. Revenues are budgeted by source and expenditures are budgeted by department and class as follows: General government, Public Safety, Public works, and Culture and Recreation. This constitutes the legal level of control. General Fund expenditures for capital outlay are budgeted with the respective departments rather than being separately reported. Expenditures may not exceed appropriations at this level except for matching funds required by grantors. All budget revisions at this level are subject to final review by the Council. Within these control levels, management may transfer appropriations without Council approval, with the exception of salary amounts.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. There were no outstanding encumbrances at year-end.

Valuation Date

The valuation date used in the Schedule of Contributions is as of January 1, 2023 with an interest adjustment to the fiscal year. Contributions in relation to the actuarially determined contribution will be reported for the fiscal year ending June 30, 2023.

Methods and Assumptions to Determine Contribution Rates

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted for 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net investment rate of return	7.375%
Salary increases	2.25% plus service-based merit increases

Cost of living adjustments	0.00%
Retirement age	65
Mortality	In the 2019 actuarial valuation, assumed expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table with sex-distinct rates

Changes in Assumptions

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

Benefit Changes

There were no changes

TOWN OF PINE MOUNTAIN, GEORGIA
Combining Balance Sheet
Non Major Governmental Funds
June 30, 2023

	Capital Projects	Special Revenue		Total Non Major
	TSPLOST	County Grant	LMIG	
ASSETS				
Cash	$ 351,389	$ 9,810	$ 36,616	$ 397,815
Total Assets	351,389	9,810	36,616	397,815
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Restricted for transportation projects	351,389	-	36,616	388,005
Restricted for capital projects	-	9,810	-	9,810
Total fund balances	351,389	9,810	36,616	397,815
Total Liabilities and Fund Balances	$ 351,389	$ 9,810	$ 36,616	$ 397,815

TOWN OF PINE MOUNTAIN, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Non Major Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects	Special Revenue		Total Non Major
	TSPLOST	County Grant	LMIG	
Revenues				
Intergovernmental	$ 54,080	$ 16,667	$ 33,266	$ 104,013
Total Revenues	-	-	-	104,013
Expenditures				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of Revenues Over (Under) Expenditures	54,080	16,667	33,266	104,013
Other Financing Sources				
Transfers in	-	-	-	-
Transfers out	-	(12,422)	-	(12,422)
Total Other Financing Sources	-	(12,422)	-	(12,422)
Net Change in Fund Balances	54,080	4,245	33,266	91,591
Fund Balances (Deficit) at Beginning	297,309	5,565	3,350	306,224
Fund Balances at End of Year	$ 351,389	$ 9,810	$ 36,616	$ 397,815

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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*

Mayor and Council
Town of Pine Mountain
Pine Mountain, Georgia

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pine Mountain, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Pine Mountain's basic financial statements and have issued my report thereon dated October 30, 2023.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Pine Mountain, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing my opinions on the effectiveness of the Town of Pine Mountain, Georgia's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Pine Mountain, 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.

My consideration of the 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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that I consider to be a material weakness. 2023-1

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Pine Mountain, Georgia's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Town of Pine Mountain, Georgia's Response to Findings

The Town of Pine Mountain, Georgia's response to the findings identified in my audit is described in the accompanying schedule of Findings and Responses. I did not audit Town of Pine Mountain, Georgia's responses and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Kim Kimmel CPA

Richland, Georgia
October 30, 2023

TOWN OF PINE MOUNTAIN, GEORGIA
Schedule of Findings and Responses
June 30, 2023

Material Weaknesses

2023-1 Segregation of Duties

Condition: During my audit I noted that many transactions are processed from start to end by one individual. This condition existed in prior years as well.

Criteria: All transactions should require two or more individuals to initiate, summarize, post, and reconcile.

Effect: The potential exists for unauthorized transactions to be initiated and not discovered.

Response: The Town agrees with the finding and acknowledges the risk involved, but does not have the resources to provide for proper segregation of duties in all areas, and at all times. Where possible, all cash transactions require two or more employees to be involved in the transaction.