

Report to Council
For the fiscal year ended June 30, 2023



November 16, 2023

AUDIT OPINION – Pages 1-3

Unmodified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Georgia Mountains Regional Commission as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended.

Auditing Standards

We audited the Commission's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

Georgia Mountains Regional Commission's Responsibilities

The financial statements are the responsibility of Georgia Mountains Regional Commission's management.

Rushton's Responsibilities

As independent auditors for Georgia Mountains Regional Commission, our responsibility is to express opinions on the fair presentation of the financial statements.

Government-wide Statements – Pages 11-12

These statements provide the reader with information on the Commission as a whole, using the full accrual basis of accounting. Columns for the governmental activities and the business-type activities.

Two statements:

Statement of Net Position – Page 11

- Presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and residual net position of the Commission

Statement of Activities – Page 12

- Presents the results of operations of the Commission

Net Position – Last 5 Fiscal Years

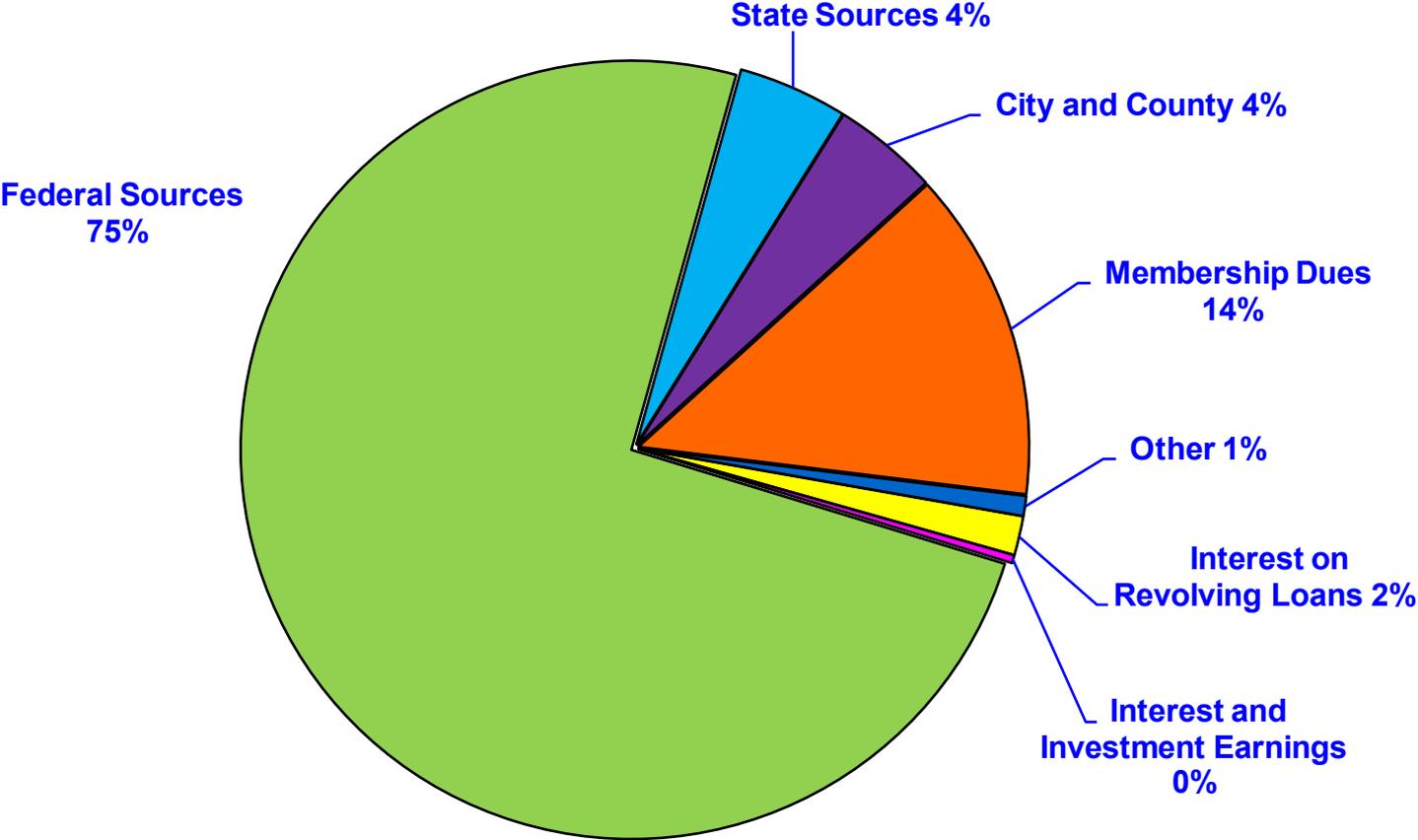
Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position	Total Net Position	Revenues Over (Under) Expenses
2019	\$ 105,924	\$ 1,696,739	\$ 1,878,964	\$ 3,681,627	\$ 431,890
2020	85,309	1,730,042	1,959,455	3,774,806	93,179
2021	57,555	1,864,176	2,333,533	4,255,264	480,458 ¹
2022	29,982	2,942,684	3,120,820	6,093,486	1,838,222 ²
2023	2,480	3,002,456	3,220,467	6,225,403	131,917 ³

¹ CARES Act supplemental award in the RLF. Decreased transfers out in the General Fund.

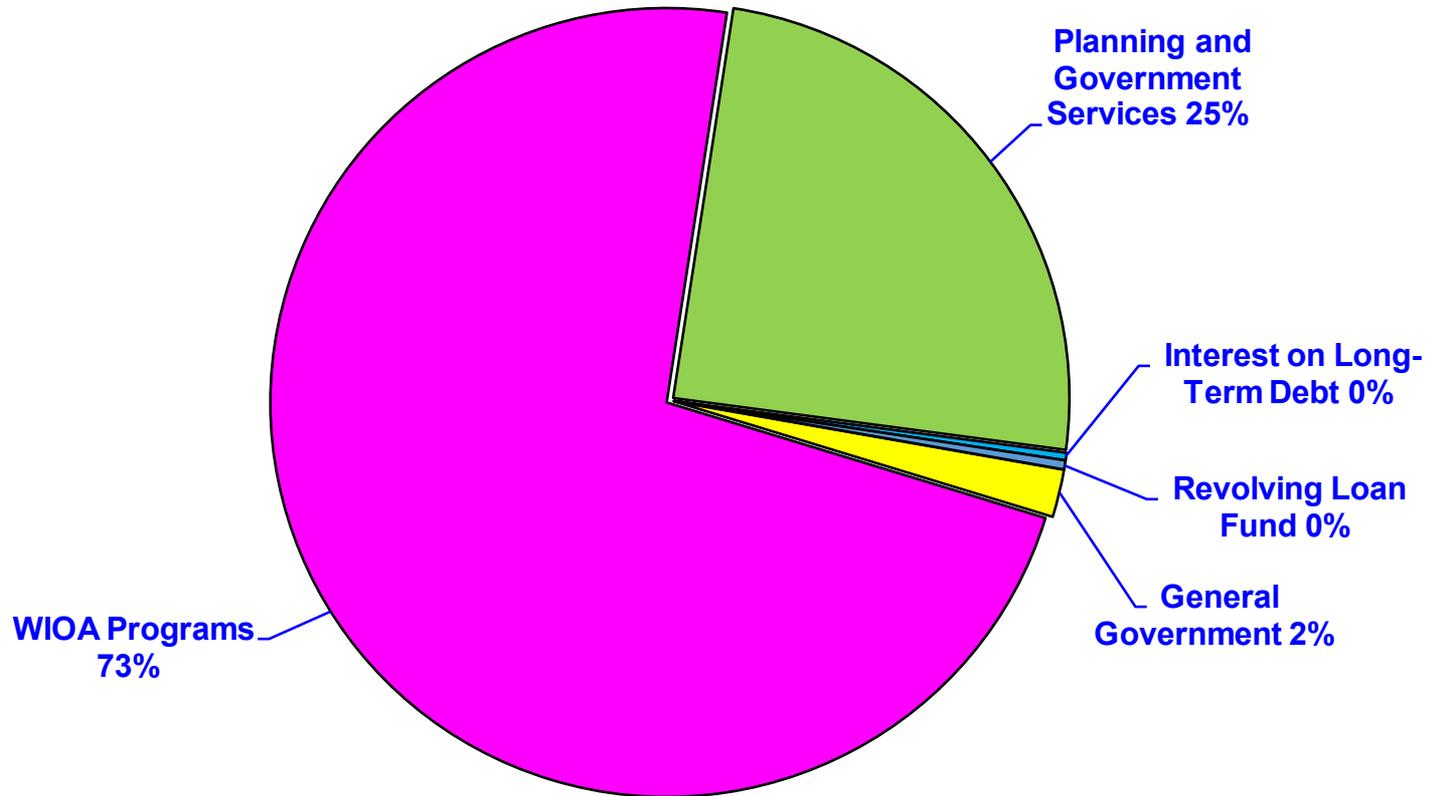
² CARES Act supplemental award in the RLF. Net pension liability decreased and is now a net pension asset.

³ Net pension liability increased.

Revenues by Source



Expenses by Function



Revolving Loan Fund – Pages 20 and 21

Loans Receivable

- June 30, 2023 = \$1,620,363 (no allowance)
- June 30, 2022 = \$1,603,210 (no allowance)

Loan Interest Revenue

- FY 2023 = \$73,266
- FY 2022 = \$47,576

Change in Net Position

- FY 2023 = \$59,772
- FY 2022 = \$1,078,508 (CARES Act Funding)

Report on Internal Control, Compliance, and Other Matters – Pages 57-58

In accordance with *Government Auditing Standards*, we have issued our report on our consideration of Georgia Mountains Regional Commission's internal controls and our tests of compliance.

This report describes the scope of our testing of internal control and compliance, and the results of that testing, but is not intended to provide an opinion on the internal control or compliance.

No material weaknesses or significant deficiencies were noted in the internal controls of Georgia Mountains Regional Commission. No instances of material noncompliance or other matters were noted.

Report on Compliance and Internal Controls over Major Programs – Pages 59-61

In accordance with the Uniform Guidance, we have issued our report on our consideration of Georgia Mountains Regional Commission's compliance with requirements applicable to each major program and on internal control over compliance.

This report describes the scope of our testing of compliance requirements and internal controls over major programs, and the results of that testing. We are required to express an opinion on the Commission's compliance with requirements; our opinion is unmodified. This report is not intended to provide an opinion on the internal control.

No material weaknesses or significant deficiencies were noted in the internal controls of Georgia Mountains Regional Commission over the compliance requirements applicable to the major programs.

Required Communications

Auditor's Responsibilities

- To plan and perform the audit to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatements
- To examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- To assess the accounting principals used and significant estimates made by management, as well as evaluate the overall financial statement presentation

We believe our audit accomplishes these objectives

Required Communications

Accounting Policies

- The significant accounting policies are described in Note 2 to the financial statements
- The Commission adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the current fiscal year.

Accounting Estimates

- Estimates are an integral part of financial statement preparation by management. Most sensitive estimates:
 - Allowance for uncollectible revolving loans
 - Life expectancy of capital assets for depreciation

Required Communications

Corrected Audit Adjustments

- Audit adjustments were discussed and approved by management
- Adjustments were provided to and recorded by management

Uncorrected Audit Adjustments

- Schedule of uncorrected adjustments were provided to and approved by management
- The adjustments were evaluated and determined to be quantitatively and qualitatively immaterial, both individually and in the aggregate, to the financial statements

Required Communications

Disagreements with Management

- We are pleased to report no disagreements with management arose during the course of our audit

Difficulties Encountered in Performing the Audit

- We encountered no difficulties in dealing with management in performing and completing our audit

Management Representations

- We have requested and received written representations from management relating to the completeness and accuracy of the information included in the financial statements and other information requested by us during the audit

Management Consultations with Other Independent Accountants

- We are not aware of any consultations management had with other accountants about accounting or auditing matters

Required Communications

Other Audit Findings or Issues

- We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Current Reporting Changes

GASB 96

The Governmental Accounting Standards Board (GASB) has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement was effective for the Commission for the fiscal year ending June 30, 2023.

The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for end-users (governments). The statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*.

Future Reporting Changes

GASB 101

The Governmental Accounting Standards Board (GASB) has issued Statement No. 101, *Compensated Absences*. Statement is effective for the Commission for the fiscal year ending June 30, 2025.

The statement replaces GASB Statement No. 16, *Accounting for Compensated Absences*. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements. The new standard also removes the current requirement to disclose both the gross additions and deductions to the liability.

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