PEACHTREE CITY CONVENTION & VISITORS BUREAU

(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

PEACHTREE CITY CONVENTION & VISITORS BUREAU
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

FINANCIAL REPORT
SEPTEMBER 30, 2022

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Peachtree City Convention
& Visitors Bureau
Peachtree City, Georgia

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities and the major fund of the **Peachtree City Convention & Visitors Bureau** (the "CVB"), a component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CVB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CVB as of September 30, 2022, and the respective changes in financial position 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 CVB 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 CVB'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 CVB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CVB'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 requires 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2023, on our consideration of the CVB'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 CVB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CVB's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
February 16, 2023

PEACHTREE CITY CONVENTION & VISITORS BUREAU
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2022

	Governmental Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Current assets			
Cash	$ 437,087	$ -	$ 437,087
Due from Peachtree City, Georgia	34,075	-	34,075
Inventory	22,508	-	22,508
Prepaid items	14,109	-	14,109
Total current assets	507,779	-	507,779
Capital assets			
Depreciable, net of accumulated depreciation	-	33,541	33,541
Total capital assets	-	33,541	33,541
Total assets	$ 507,779	$ 33,541	$ 541,320
LIABILITIES			
Current liabilities			
Accounts payable	$ 19,344	$ -	$ 19,344
Accrued liabilities	186	-	186
Total current liabilities	$ 19,530	$ -	$ 19,530
FUND BALANCES/NET POSITION			
Nonspendable:			
Inventory	$ 22,508	$ (22,508)	$ -
Prepaid items	14,109	(14,109)	-
Restricted for:			
Tourism related activities	451,632	(451,632)	-
Total fund balance	488,249	(488,249)	-
Total liabilities and fund balance	$ 507,779		
Net position:			
Investment in capital assets			33,541
Restricted for tourism related activities			488,249
Total net position			$ 521,790

See Notes to Financial Statements.

PEACHTREE CITY CONVENTION & VISITORS BUREAU
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Governmental Fund	Adjustments (Note 2)	Statement of Activities
Expenditures/expenses			
CVB operations:			
Marketing	$ 113,949	$ -	$ 113,949
Utilities	4,573	-	4,573
Contract labor - City services	271,179	-	271,179
Professional services	67,280	-	67,280
Tourism events	80	-	80
Supplies	12,991	-	12,991
Other	100,021	-	100,021
Repairs and maintenance	1,932	-	1,932
Depreciation	-	6,098	6,098
Total expenditures/expenses	572,005	6,098	578,103
Program revenues			
Charges for services	18,217	-	18,217
Operating grants/contributions	817,614	-	817,614
Total program revenues	835,831	-	835,831
Excess of revenues over expenditures/expenses	263,826	(263,826)	-
Change in net position	-	257,728	257,728
Total current liabilities			
Fund balance/net position:			
Beginning of year	224,423	39,639	264,062
End of year	$ 488,249	$ 33,541	$ 521,790

See Notes to Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Peachtree City Tourism Association, Inc., currently known as the Peachtree City Convention & Visitors Bureau (the "CVB"), was established by authorization of the City Council of Peachtree City, Georgia on November 6, 2003, pursuant to the State of Georgia Hotel/Motel Tax Laws, Official Code of Georgia Annotated §48-13-51. On November 10, 2003, the Peachtree City Tourism Association was incorporated as a State of Georgia non-profit organization and was subsequently authorized to operate as a 501(c)(6) organization by the Internal Revenue Service, retroactive to the date of incorporation. On July 23, 2010, the Articles of Incorporation were amended for the Peachtree City Tourism Association, Inc., changing the corporate name to the Peachtree City Convention & Visitors Bureau. The CVB operates under an eight-person Board of Directors appointed by the City Council of Peachtree City.

The CVB is a component unit of Peachtree City, Georgia as defined by Governmental Accounting Standards Board (“GASB”) Statement No. 14, as amended by GASB Statements No. 39 and 61.

The accounting policies of the CVB conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies.

A. Government-wide and Fund Financial Statements

The CVB’s basic financial statements include government-wide financial statements prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements (i.e., the statement of net position and the statement of activities) do not provide information by fund or account group, but report the CVB’s governmental activities. The statement of net position includes non-current assets and liabilities.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers who purchase, use, or benefit from the services provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, and 3) interest income that is restricted for use on a particular function or segment. Unrestricted interest income and other items not properly included among program revenues are reported as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Government-wide and Fund Financial Statements (Continued)

In addition to the government-wide financial statements, the CVB has prepared separate financial statements for its governmental fund. Governmental fund financial statements use the *modified accrual basis of accounting* and the current *financial resources measurement focus*. Major individual governmental funds are reported as separate columns in the fund financial statements. The CVB reports the following major governmental fund:

> <u>General Fund</u> – The general fund is the general operating fund of the CVB. It is used to account for all financial resources except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the CVB's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar intergovernmental items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are considered measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CVB considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant certifications and requirements have been met and the amounts are considered available.

C. Budget

The CVB's budget is a complete financial plan for the CVB's fiscal year and is based upon estimates of expenditures together with probable funding sources. There is no statutory prohibition regarding over expenditure of the budget at any level. The responsibility of budgeting is with the Executive Director and the Board of Directors of the CVB. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

E. Cash

State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The collateral pledged by the banks' trust departments in the CVB's name is composed of various obligations of the U.S. Government.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2022, are recorded as prepaid items.

G. Capital Assets

Capital assets are defined by the CVB as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are carried at cost. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets of the CVB are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5 years
Land improvements	10 years
Buildings	10 years

The CVB utilizes a facility owned by Peachtree City for which no historical costs are recorded or recognized by the CVB due to the fact that the CVB has made no investment in the original facilities; consequently, no depreciation expense is recorded by the CVB for this facility. Additionally, no rents are charged by Peachtree City for the use of the respective facilities. Therefore, no occupancy expenditure associated with the CVB's use of the facilities is reflected in the statement of revenues, expenditures and changes in fund balance for the period ended September 30, 2022.

Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and a gain or loss is recognized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CVB had no items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CVB had no items that qualified for reporting in this category.

I. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balances – Generally, fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CVB is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Non-spendable*** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash) or b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the CVB or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors through the adoption of a resolution. Only the Board of Directors may modify or rescind the commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Equity (Continued)

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the CVB's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Directors has authorized the Executive Director to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

Flow Assumptions **–** When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the CVB's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balances, it is the CVB's policy to use fund balances in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position **–** Net position represents the difference between assets and liabilities in reporting which utilizes the *economic resources measurement focus*. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the CVB has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

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

Total fund balance for governmental funds	$ 488,249
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,541
Net position of governmental activities	$ 521,790

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities

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

Net change in fund balance - governmental funds	$ 263,826
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities.	(6,098)
Change in net position of governmental activities	$ 257,728

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2022, the CVB's bank balance was fully collateralized as defined by GASB pronouncements.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the CVB for the year ended September 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 101,477	$ -	$ -	$ 101,477
Total	101,477	-	-	101,477
Less accumulated depreciation for:				
Machinery and equipment	(61,838)	(6,098)	-	(67,936)
Total	(61,838)	(6,098)	-	(67,936)
Total capital assets, net	$ 39,639	$ (6,098)	$ -	$ 33,541

Depreciation expense for the year ended September 30, 2022, was $6,098

NOTE 5. CONTINGENT LIABILITIES

The CVB is subject to legal actions in the ordinary course of business. In the opinion of management and legal counsel, the CVB has adequate legal defenses and insurance coverage with respect to such actions and the liability, if any, which might result from these proceedings, would not have a material adverse effect on the financial position of the CVB.

NOTE 6. RISK MANAGEMENT

The CVB is exposed to various risks of loss related to torts, theft of assets, damage to and destruction of assets, errors and omissions, and natural disasters. The CVB carries commercial insurance to cover these risks of loss.

There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three fiscal years.

COMPLIANCE SECTION

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

To the Board of Directors
Peachtree City Convention & Visitors Bureau
(A Component Unit of Peachtree City, Georgia)
Peachtree City, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the **Peachtree City Convention & Visitors Bureau** (the "CVB"), a component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CVB's basic financial statements, and have issued our report thereon dated February 16, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CVB'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CVB's internal control. Accordingly, we do not express an opinion on the effectiveness of the CVB'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CVB's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 CVB'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 Peachtree City Convention & Visitors Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
February 16, 2023

PEACHTREE CITY CONVENTION & VISITORS BUREAU
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ No
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2022 due to the CVB having no federal expenditures during the year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS

No prior year audit findings.