

**TOWN OF MCINTYRE, GEORGIA**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Council  
Town of McIntyre, Georgia

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of McIntyre, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of McIntyre, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of McIntyre, Georgia, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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. 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 Town of McIntyre, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Town of McIntyre, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 Town of McIntyre, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of McIntyre, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

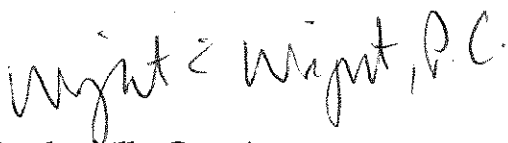
Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25 through 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the

basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that governmental 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 financials 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 opinions on the basic financial statements are not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of McIntyre, Georgia's basic financial statements. The schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Sandersville, Georgia

June 13, 2022

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**TOWN OF MCINTYRE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 228,335	\$ 45,112	\$ 273,447
Investments	572,002	-	572,002
Accounts receivable, net	289,796	9,663	299,459
Inventory	-	7,600	7,600
Receivable from other governments	33,909	-	33,909
Internal balances	-	-	-
Total current assets	1,124,042	62,375	1,186,417
Noncurrent assets:			
Nondepreciable	61,577	1,437,006	1,498,583
Depreciable capital assets, net of accumulated depreciation	497,038	241,966	739,004
Total assets	1,682,657	1,741,347	3,424,004
<b>LIABILITIES:</b>			
Current liabilities:			
Current portion of long-term debt	-	-	-
Accounts payable	7,979	6,941	14,920
Other accrued liabilities	98,443	11,235	109,678
Total current liabilities	106,422	18,176	124,598
Noncurrent liabilities			
Notes payable, less current portion	-	-	-
Total liabilities	106,422	18,176	124,598
<b>NET POSITION:</b>			
Net investment in capital assets	558,615	1,678,972	2,237,587
Restricted for:			
Capital projects	119,862	-	119,862
Public safety	4,854	-	4,854
Unrestricted	892,904	44,199	937,103
	<u>\$ 1,576,235</u>	<u>\$ 1,723,171</u>	<u>\$ 3,299,406</u>

See accompanying notes to the basic financial statements

**TOWN OF MCINTYRE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Capital Grants and Contributions	Primary Government		Total
		Charges for Services	Grants and Contributions		Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 257,375	\$ 5,588	\$ 21,000	\$ -	\$ (230,787)	\$ -	\$ (230,787)
Street department	161,556	25,844	15,222	60,884	(59,606)	-	(59,606)
Public safety	344,460	31,087	-	-	(313,373)	-	(313,373)
Recreation	31,765	-	-	-	(31,765)	-	(31,765)
Housing and development	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-
Total governmental activities	<u>795,156</u>	<u>62,519</u>	<u>36,222</u>	<u>60,884</u>	<u>(635,531)</u>	<u>-</u>	<u>(635,531)</u>
Business-type activities:							
Water fees	165,773	107,580	-	-	-	(58,193)	(58,193)
Total business-type activities	<u>165,773</u>	<u>107,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,193)</u>	<u>(58,193)</u>
Total primary government	<u>\$ 960,929</u>	<u>\$ 170,099</u>	<u>\$ 36,222</u>	<u>\$ 60,884</u>	<u>(635,531)</u>	<u>(58,193)</u>	<u>(693,724)</u>
General revenues:							
Taxes:							
Property taxes					227,407	-	227,407
General sales and use tax					45,262	-	45,262
Franchise tax					346,472	-	346,472
Beer and wine tax					14,294	-	14,294
Insurance company premium tax					53,912	-	53,912
Other taxes					57,598	-	57,598
Grants and contributions					-	-	-
Interest earnings					297	-	297
Miscellaneous					7,489	25	7,514
Transfers					(29,566)	29,566	-
Total general revenues and transfers					<u>723,165</u>	<u>29,591</u>	<u>752,756</u>
Change in net position					87,634	(28,602)	59,032
Net position, beginning					1,488,601	1,751,773	3,240,374
Net position, ending					<u>\$ 1,576,235</u>	<u>\$ 1,723,171</u>	<u>\$ 3,299,406</u>

See accompanying notes to the basic financial statements



**TOWN OF MCINTYRE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	General Fund	Capital Projects Fund (2013)	Capital Projects Fund (2019)	ARPA Fund	Police Narcotics Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 25,919	\$ 24,140	\$ 78,228	\$ 95,194	\$ 4,854	\$ 228,335
Savings	572,002	-	-	-	-	572,002
Accounts receivable, net	289,796	-	-	-	-	289,796
Receivables from other governments	16,415	-	17,494	-	-	33,909
Receivables from other funds	-	-	-	-	-	-
Total assets	<u>\$ 904,132</u>	<u>\$ 24,140</u>	<u>\$ 95,722</u>	<u>\$ 95,194</u>	<u>\$ 4,854</u>	<u>\$ 1,124,042</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 7,979	\$ -	\$ -	\$ -	\$ -	\$ 7,979
Payroll taxes payable	3,249	-	-	-	-	3,249
Unearned revenues	-	-	-	95,194	-	95,194
Total liabilities	<u>11,228</u>	<u>-</u>	<u>-</u>	<u>95,194</u>	<u>-</u>	<u>106,422</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenues	<u>83,954</u>					<u>83,954</u>
<b>FUND BALANCES:</b>						
Nonspendable fund balance	-	-	-	-	-	-
Restricted fund balance:						
Capital projects	-	24,140	95,722	-	-	119,862
Public safety	-	-	-	-	4,854	4,854
Committed fund balance	-	-	-	-	-	-
Assigned fund balance	-	-	-	-	-	-
Unassigned fund balance	<u>808,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>808,950</u>
Total fund balances	<u>808,950</u>	<u>24,140</u>	<u>95,722</u>	<u>-</u>	<u>4,854</u>	<u>933,666</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 904,132</u>	<u>\$ 24,140</u>	<u>\$ 95,722</u>	<u>\$ 95,194</u>	<u>\$ 4,854</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$1,989,998						558,615
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred inflows in the funds:						
Accounts receivable, net of allowance for doubtful accounts of \$0						83,954
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Long-term debt						-
Net position of governmental activities						<u>\$ 1,576,235</u>

See accompanying notes to the basic financial statements

**TOWN OF MCINTYRE, GEORGIA**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	General Fund	Capital Projects Fund (2013)	Capital Projects Fund (2019)	ARPA Fund	Police Narcotics Fund	Total Governmental Funds
<b>REVENUES:</b>						
Taxes	\$ 746,506	\$ -	\$ -	\$ -	\$ -	\$ 746,506
Licenses and permits	5,588	-	-	-	-	5,588
Intergovernmental	15,222	-	60,856	21,000	-	97,078
Charges for services	56,820	-	-	-	111	56,931
Other	7,786	28	-	-	-	7,814
Total revenues	831,922	28	60,856	21,000	111	913,917
<b>EXPENDITURES:</b>						
Current operating:						
General government	244,607	-	-	-	-	244,607
Street department	148,303	-	-	-	-	148,303
Public safety	315,885	-	-	-	-	315,885
Recreation	18,904	-	-	-	-	18,904
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlays	-	8,868	-	-	-	8,868
Total expenditures	727,699	8,868	-	-	-	736,567
Excess (deficiency) of revenues over expenditures	104,223	(8,840)	60,856	21,000	111	177,350
<b>OTHER FINANCING SOURCES (USES):</b>						
Loan proceeds	-	-	-	-	-	-
Transfers in (out)	(8,566)	-	-	(21,000)	-	(29,566)
Total other financing sources and uses	(8,566)	-	-	(21,000)	-	(29,566)
Net change in fund balance	95,657	(8,840)	60,856	-	111	147,784
<b>FUND BALANCE, beginning of year</b>	713,293	32,980	34,866	-	4,743	785,882
<b>FUND BALANCE, end of year</b>	\$ 808,950	\$ 24,140	\$ 95,722	\$ -	\$ 4,854	\$ 933,666

(Continued)

See accompanying notes to the basic financial statements

(Continued)

TOWN OF MCINTYRE, GEORGIA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds	<u>\$ 147,784</u>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital outlays	8,868
Depreciation	<u>(67,457)</u>
	<u>(58,589)</u>

The effect of various capital asset disposals and sales, net of accumulated depreciation	<u>-</u>
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Issuance of long-term debt	-
Repayment of long-term debt	<u>-</u>
	<u>-</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Receivables, net of deferred revenue	<u>(1,561)</u>
	<u>\$ 87,634</u>

See accompanying notes to the basic financial statements

**TOWN OF MCINTYRE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

	<u>Water Fund</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash in bank	\$ 45,112
Accounts receivable, net of allowance of \$0	9,663
Inventory	7,600
Total current assets	<u>62,375</u>
<b>NONCURRENT ASSETS:</b>	
Capital Assets:	
Land	589,952
Construction in progress	847,054
Distribution system	951,947
	<u>2,388,953</u>
Less accumulated depreciation	(709,981)
Total capital assets	<u>1,678,972</u>
Total assets	<u>1,741,347</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	6,941
Other liabilities	532
Meter deposits held	10,703
Total current liabilities	<u>18,176</u>
<b>NONCURRENT LIABILITIES</b>	<u>-</u>
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>18,176</u>
<b>NET POSITION</b>	
<b>INVESTMENT IN CAPITAL ASSETS</b>	1,678,972
<b>RESTRICTED</b>	-
<b>UNRESTRICTED</b>	44,199
Total net position	<u><u>\$ 1,723,171</u></u>

See accompanying notes to the basic financial statements

**TOWN OF MCINTYRE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PRORIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Water Fund</u>
<b>OPERATING REVENUES:</b>	
Water sales	\$ 107,580
Miscellaneous income	-
Total operating revenue	<u>107,580</u>
<b>OPERATING EXPENSES:</b>	
Personal services and employee benefits:	
Salaries	75,360
Payroll taxes	5,775
Health insurance	11,166
Purchased/contracted services:	
Repairs and replacement	10,593
Testing	2,352
Training	4,489
Supplies:	
Chemicals and supplies	23,527
Office supplies	4,062
Utilities and communication	13,407
Depreciation	14,108
Miscellaneous	934
Total operating expenses	<u>165,773</u>
<b>OPERATING LOSS</b>	<u>(58,193)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Other revenue	25
Total non-operating revenues (expenses)	<u>25</u>
<b>NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(58,168)
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	(58,168)
<b>TRANSFERS FROM (TO) GENERAL FUND</b>	<u>29,566</u>
<b>NET INCOME</b>	(28,602)
<b>NET POSITION, beginning of year</b>	<u>1,751,773</u>
<b>NET POSITION, end of year</b>	<u><u>\$ 1,723,171</u></u>

See accompanying notes to the basic financial statements

**TOWN OF MCINTYRE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Water Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 105,803
Cash paid to suppliers for goods and services	(56,243)
Cash paid to employees	(92,235)
Other receipts (payments)	-
Net cash provided by (used for) operating activities	<u>(42,675)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer from (to) other funds	29,566
Net cash provided by (used for) noncapital financing activities	<u>29,566</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from the sale of capital assets	-
Purchase of capital assets	(3,995)
Net cash provided by (used for) capital and related financing activities	<u>(3,995)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	25
Net cash provided by (used for) investing activities	<u>25</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(17,079)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	62,191
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 45,112</u></u>
 <b>RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Net operating income (loss)	\$ (58,193)
Adjustments to reconcile net operating income (loss to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	14,108
Changes in assets and liabilities:	
Accounts receivable	(1,777)
Accounts payable	3,301
Meter deposits held	(180)
Payroll taxes payable	66
Net cash provided by (used for) operating activities	<u><u>\$ (42,675)</u></u>

See accompanying notes to the basic financial statements

**TOWN OF MCINTYRE, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of Town of McIntyre (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Town's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the Town.

Currently, the Town has no blended component units or discretely presented component units.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Town (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. 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 as general revenues.

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

### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

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 recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider 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 both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Police Narcotics Fund accounts for expenditures of funds received from drug related court cases.

The Capital Projects Fund (2013) accounts for the revenues and expenditures relating to the Town's 2013 Special Purpose Local Option Sales tax referendum.

The Capital Projects Fund (2019) accounts for the revenues and expenditures relating to the Town's 2019 Special Purpose Local Option Sales tax referendum.

The American Rescue Plan Act (ARPA) Grant Fund accounts for the receipt of funds to assist with recovery efforts as a result of the COVID-19 pandemic. The Town received \$116,194 in Coronavirus State and Local Fiscal Recovery Funds during the year ended December 31, 2021 with \$95,194 of the funds being reported as unearned revenues.



The Town reports the following major proprietary fund:

The Water Fund is used to account for the provision of water services to businesses and residents of the Town. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

The Town complies with Governmental Accounting Standards Board ("GASB") Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. This Statement requires the Town to apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's). As permitted by GASB No. 20, the Town has elected not to comply with the FASB Statements and Interpretations issued after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. Cash and Investments**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

Investments, if any, are stated at fair market value with unrealized holding gains and losses reported as the "Change in fair market value of investments" in the Statement of Revenues, Expenses and Changes in Fund Balances.

## **E. Inventory**

Inventory is valued at cost, which approximates market, using the first-in/first-out ("FIFO") method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

## **F. Prepaid Items**

Prepaid balances, if any, are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

## **G. Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, distribution systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of two years, and an original cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. At December 31, 2021, there was no construction-in-progress related to infrastructure assets.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	30-40 years
Depreciable land improvements	8 - 20 years
Machinery and equipment	5 - 25 years
Infrastructure	40 - 50 years

## **H. Compensated Absences**

Accumulated leave of governmental funds that is expected to be liquidated with expendable available financial resources is reported as an expenditure in the fund financial statements. All accumulated leave, including that which is not expected to be liquidated with expendable available financial resources, is reported in the government-wide financial statements. Accumulated leave of Enterprise Funds is recorded as an expense and liability of the respective fund as the benefits accrue to employees. Liabilities for compensated absences are recorded as other liabilities and accrued expenses in the Enterprise Funds. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The Town does not allow accumulated vacation pay beyond one year; therefore there is no significant unrecorded balances at December 31, 2021.

## **I. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charged and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **J. Equity Classifications**

The Town has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances.

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 Balance**

Generally, fund balance represents 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 Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

**Nonspendable** – Fund balances are reported as nonspendable 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 Town 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 Town Council through the adoption of a resolution. Only the Town Council may modify or rescind the commitment.

**Assigned** – Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The Town reports positive unassigned fund balance only in the General Fund. Negative unassigned balances may be reported in all funds.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the Town would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The Town does not have a formal minimum fund balance policy; however, the Town Council address various target reserve positions which are reviewed periodically.

### **Net Position**

**Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Unrestricted net position** – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

### **K. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Basis**

GAAP is the budgetary basis used in the preparation of these statements.

### **Budget Requirements, Accounting and Reporting**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to year end the Town Clerk submits to the Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Town of McIntyre.
3. The budget is then revised and adopted or amended by the Council at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether achieved by an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Mayor and Council.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Council. Individual amendments were not material in relation to the original appropriations which were amended.

### **Excesses of Expenditures over Appropriations in Individual Funds**

The following general fund departments had excesses of actual expenditures over appropriations in the amount shown for the year ended December 31, 2021:

Public safety	\$ 11,196
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These overexpenditures were funded by greater than anticipated revenues and by available fund balance. The Mayor and Council plan in the future to more closely monitor expenditures to determine if budget amendments need to be made or if cost cutting measures need to be formulated.

### 3. DEPOSITS AND INVESTMENTS

#### Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2021, none of the Town's \$273,447 was exposed to custodial credit risk.

#### Investments

Investing is performed in accordance with investment policies complying with State Statutes. According to State Statutes, funds may be invested in (1) obligations of this state or of other states, (2) obligations issued by the United States Government, (3) obligations fully insured or guaranteed by the United States Government or by a government agency of the United States, (4) obligations of any corporation of the United States Government, (5) prime bankers acceptances, (6) the Local government investment pool established by the Georgia Code, (7) repurchase agreements, and (8) obligations of other political subdivisions of this state.

The Town's investments are categorized as either (1) insured or registered or for which securities are held by the Town or its agent in the Town's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the Town's name, or (3) uninsured and unregistered for which the Securities are held by the counterparty, or by its trust department or agent but not in the Town's name.

At December 31, 2021, the Town's investments included \$572,002 held in the Georgia Fund 1, which is a combination local and state government investment pool. Georgia Fund 1 is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. The pool is not registered with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a Rule 2a-7 like pool. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and values participant's shares sold and redeemed based on \$1.00 per share. Pooled cash and cash equivalents and investments are reported at cost which approximates fair value. The pool does not issue any legally binding guarantees to support the value of the shares. Participation in the pool is voluntary and deposits consist of funds from local governments; operating and trust funds of Georgia's state agencies, colleges and universities; and current operating funds of the State of Georgia's General Fund.

Investments in Georgia Fund 1 are directed toward short-term instruments such as U.S. treasury obligations, securities issued or guaranteed as to principal and interest by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances and repurchase agreements. The Georgia Office of State Treasurer is the oversight agency for the Georgia Fund 1 account. Interest rate risk is addressed by not allowing the weighted average maturity of Georgia Fund 1 to exceed 60 days. Regulatory oversight for the pool is provided by the Office of State Treasurer.

#### 4. PROPERTY TAXES

The value of all real and business personal property located in the Town is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the Town Council. Appraised values are established by the Wilkinson County Tax Assessors at 40% of estimated fair market value. Taxes were levied when the millage rate was set on or about September 28. Taxes are billed and collected by the Wilkinson County Tax Commissioner. Taxes are billed shortly after October 20 and are due December 20, after which date penalties and interest may be assessed. Property on which taxes are not paid within 60 days of mailing may then be levied on by the Town. Current tax collections for the years ended December 31, 2021, were 6.3% of the tax levy.

Property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year, and therefore susceptible to accrual in accordance with GAAP, have been recognized as revenue.

#### 5. ACCOUNTS RECEIVABLE

At December 31, 2021, accounts receivable consisted of the following:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
General Fund:			
Property tax	\$ 287,724	\$ -	\$ 287,724
Local option sales tax	4,135	-	4,135
Garbage fees receivable	2,072	-	2,072
Energy excise tax	10,940	-	10,940
Vehicle tax	1,340		1,340
Capital Projects Fund (2019):			
Due from Wilkinson County Board of Commissioners	17,494	-	17,494
Water Fund:			
Water fees	-	9,663	9,663
	323,705	9,663	333,368
Allowance for doubtful accounts	-	-	-
	<u>\$ 323,705</u>	<u>\$ 9,663</u>	<u>\$ 333,368</u>

## 6. CAPITAL ASSETS AND DEPRECIATION

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Not being depreciated:				
Land	\$ 61,577	\$ -	\$ -	\$ 61,577
Other capital assets:				
Land improvements	107,816	-	-	107,816
Buildings	821,399	-	-	821,399
Equipment	1,479,103	8,868	-	1,487,971
Infrastructure	69,850	-	-	69,850
Subtotal	2,539,745	8,868	-	2,548,613
Accumulated depreciation:				
Land improvements	94,511	3,387	-	97,898
Buildings	537,182	20,310	-	557,492
Equipment	1,272,009	42,014	-	1,314,023
Infrastructure	18,839	1,746	-	20,585
Subtotal	1,922,541	67,457	-	1,989,998
Net capital assets	\$ 617,204	\$ (58,589)	\$ -	\$ 558,615
<b>Governmental activities depreciation expense:</b>				
General government				\$ 12,768
Street department				13,253
Public safety				28,575
Recreation				12,861
Housing and development				-
				\$ 67,457
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Not being depreciated:				
Land	\$ 589,952	\$ -	\$ -	\$ 589,952
Construction-in-progress	843,059	3,995	-	847,054
Subtotal	1,433,011	3,995	-	1,437,006
Other capital assets:				
Equipment	288,720	-	-	288,720
Infrastructure	663,227	-	-	663,227
Subtotal	2,384,958	3,995	-	2,388,953
Accumulated depreciation:				
Equipment	227,880	3,749	-	231,629
Infrastructure	467,993	10,359	-	478,352
Subtotal	695,873	14,108	-	709,981
Net capital assets	\$ 1,689,085	\$ (10,113)	\$ -	\$ 1,678,972



## **7. DEFICIT FUND EQUITY**

No fund had a deficit fund balance at December 31, 2021.

## **8. INTERFUND TRANSACTIONS AND BALANCES**

During the year ended December 31, 2021 the General Fund transferred \$29,566 to the Water Fund and the ARPA Fund transferred \$21,000 to the General Fund.

Transfers are used to utilize unrestricted revenues collected in the General Fund to help finance water operations accounted for in the Water Fund in accordance with budgetary authorizations.

## **9. LONG-TERM DEBT**

The Town had no long-term debt during the year ended December 31, 2021.

## **10. COMMITMENTS AND CONTINGENCIES**

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

### **Litigation**

According to Town's attorneys, there are no contingent liabilities or other litigation in progress for which the Town may be liable as of December 31, 2021.

## **11. RETIREMENT BENEFITS**

The policemen of the Town are covered under a separate pension plan which requires that certain sums from fines or bond forfeitures be remitted to the Peace Officers Annuity and Benefit Fund.

## **12. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors of omissions, job related illnesses or injuries to employees; natural disaster; and unemployment compensation.

There were no significant reductions of insurance coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the Town. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

### **Risk Pool**

The Town has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF) and Georgia Interlocal Risk Management Agency (GIRMA), risk management agencies created under Georgia law. As a participant in the GMAWCSIF and GIRMA, the Town has no legal obligation to pay its own workers' compensation claims or general liability claims. The Town is required to make an annual contribution to the funds in an amount that is determined on the basis of actuarial projections of losses. With payment of the Town's annual contribution, the Town has effectively transferred the risk and responsibility for payment of its workers' compensation claims and general liability claims. However, the enabling statute creating the GMAWCSIF and GIRMA permits the funds to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. Since excess insurance is purchased by the GMAWCSIF and GIRMA to protect the funds from catastrophic losses, no amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

### **Self Insurance**

The Town is self-insured with regard to unemployment compensation claims. The Town accounts for claims with expenditures and liabilities being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The Town has not experienced any claims related to unemployment compensation in the past three years.

### **13. JOINT VENTURE**

Under Georgia law, the Town in conjunction with other cities and counties in the fourteen County east central Georgia area, is a member of the Middle Georgia Regional Commission and is required to pay annual dues thereto. During its year ended December 31, 2021, the Town paid \$425 in such dues. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each Town and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Middle Georgia Regional Commission  
175-C Emory Highway  
Macon, Georgia 31201

### **14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 13, 2022, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules – General Fund, ARPA Fund and Police Narcotics Fund

**TOWN OF MCINTYRE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Taxes:				
Ad valorem	\$ 165,000	\$ 165,000	\$ 228,968	\$ 63,968
Vehicle	21,000	21,000	22,373	1,373
Franchise tax	350,000	350,000	346,472	(3,528)
Alcoholic beverage	14,700	14,700	14,294	(406)
Energy excise tax	40,000	40,000	32,127	(7,873)
Local option sales tax	48,000	48,000	45,262	(2,738)
Insurance company premium	54,000	54,000	53,912	(88)
Other	3,845	3,845	3,098	(747)
	<u>696,545</u>	<u>696,545</u>	<u>746,506</u>	<u>49,961</u>
Licenses and Permits:				
Business licenses and permits	5,700	5,700	5,588	(112)
	<u>5,700</u>	<u>5,700</u>	<u>5,588</u>	<u>(112)</u>
Intergovernmental:				
LMIG grant	-	-	15,222	15,222
	<u>-</u>	<u>-</u>	<u>15,222</u>	<u>15,222</u>
Charges for services:				
Garbage fees	22,524	22,524	25,844	3,320
Court fines	45,000	45,000	30,976	(14,024)
	<u>67,524</u>	<u>67,524</u>	<u>56,820</u>	<u>(10,704)</u>
Miscellaneous:				
Interest income	1,000	1,000	297	(703)
Other	6,500	6,500	7,489	989
	<u>7,500</u>	<u>7,500</u>	<u>7,786</u>	<u>286</u>
Total revenues	<u>777,269</u>	<u>777,269</u>	<u>831,922</u>	<u>54,653</u>

**TOWN OF MCINTYRE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES:</b>				
<b>Current Operating:</b>				
General government	\$ 282,480	\$ 282,480	\$ 244,607	\$ 37,873
Street department	173,050	173,050	148,303	24,747
Public safety	304,689	304,689	315,885	(11,196)
Parks and recreation	19,450	19,450	18,904	546
Total operating expenditures	<u>779,669</u>	<u>779,669</u>	<u>727,699</u>	<u>51,970</u>
<b>Capital Outlays:</b>				
General government	-	-	-	-
Street department	-	-	-	-
Public safety	1,000	1,000	-	1,000
Parks and recreation	-	-	-	-
Total capital expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Debt Service:</b>				
Principal	15,400	15,400	-	15,400
Interest	700	700	-	700
Total debt service	<u>16,100</u>	<u>16,100</u>	<u>-</u>	<u>16,100</u>
Total expenditures	<u>796,769</u>	<u>796,769</u>	<u>727,699</u>	<u>69,070</u>
Excess (deficiency) of revenues over expenditures	<u>(19,500)</u>	<u>(19,500)</u>	<u>104,223</u>	<u>123,723</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	-	-
Transfers in (out)	<u>19,500</u>	<u>19,500</u>	<u>(8,566)</u>	<u>(28,066)</u>
	<u>19,500</u>	<u>19,500</u>	<u>(8,566)</u>	<u>(28,066)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	-	-	95,657	95,657
<b>FUND BALANCE, beginning of year</b>	<u>713,293</u>	<u>713,293</u>	<u>713,293</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 713,293</u>	<u>\$ 713,293</u>	<u>\$ 808,950</u>	<u>\$ 95,657</u>

**TOWN OF MCINTYRE, GEORGIA**  
**ARPA SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 21,000	\$ 21,000	\$ 21,000	\$ -
Other	-	-	-	-
	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current Operating:				
Public safety	-	-	-	-
Capital outlays	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in (out)	<u>(21,000)</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources	-	-	-	-
<b>FUND BALANCE, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF MCINTYRE, GEORGIA**  
**POLICE NARCOTIC DIVISION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Fines and forfeits	\$ 1,000	\$ 1,000	\$ 111	\$ (889)
Other	-	-	-	-
	<u>1,000</u>	<u>1,000</u>	<u>111</u>	<u>(889)</u>
<b>EXPENDITURES:</b>				
Current Operating:				
Public safety	500	500	-	500
Capital outlays	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>111</u>	<u>111</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>-</u>	<u>-</u>	<u>111</u>	<u>111</u>
<b>FUND BALANCE, beginning of year</b>	<u>4,743</u>	<u>4,743</u>	<u>4,743</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 4,743</u>	<u>\$ 4,743</u>	<u>\$ 4,854</u>	<u>\$ 111</u>



## OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor are a part of the basic financial statements, but are presented for purposes of additional analysis. Such information includes:

- Schedule of Projects Constructed with Special Sales Tax Proceeds
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**SCHEDULE OF PROJECTS CONSTRUCTED WITH  
SPECIAL SALES TAX PROCEEDS  
For the Year Ended December 31, 2021**

Project	Expenditures			Estimated Percentage of Completion		
	Original Estimated Cost	Revised Estimated Cost	Prior Years		Current Year	Total
2013 Referendum:						
Street paving	\$59,446	\$430,000	\$ 411,239	\$ -	\$ 411,239	95.6%
Fire department addition	14,625	14,625	14,625	-	14,625	100.0%
Fire department equipment	3,400	20,000	4,430	-	4,430	22.2%
Street department equipment	-	175,000	163,246	2,418	165,664	94.7%
Police department equipment	-	200,000	158,581	6,450	165,031	82.5%
Water Fund equipment	-	250,000	155,527	-	155,527	62.2%
General government equipment	-	40,000	30,379	-	30,379	75.9%
Recreation department equipment	-	125,000	26,923	-	26,923	21.5%
2019 Referendum:						
Street paving	100,000	100,000	-	-	-	-
Fire department equipment	20,000	20,000	-	-	-	-
Street department equipment	20,000	20,000	-	-	-	-
Police department equipment	100,000	100,000	-	-	-	-
Water Fund equipment	20,000	20,000	-	-	-	-
General government equipment	30,000	30,000	-	-	-	-
Recreation department equipment	30,000	30,000	-	-	-	-

**WRIGHT & WRIGHT, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**130 NORTH HARRIS STREET • POST OFFICE BOX 1014**  
**SANDERSVILLE, GEORGIA 31082**

**CLYDE K. WRIGHT, CPA**  
**BRIAN K. WRIGHT, CPA**

**Telephone (478) 552-6146**  
**Facsimile (478) 552-6158**

**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 Mayor and Council  
Town of McIntyre, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of McIntyre, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of McIntyre, Georgia's basic financial statements and have issued our report thereon dated June 13, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of McIntyre, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of McIntyre, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of McIntyre, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 21- through 21-2 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

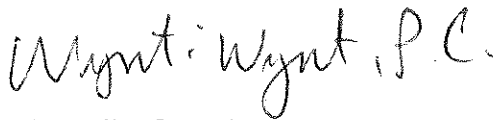
As part of obtaining reasonable assurance about whether the Town of McIntyre, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* described in the accompanying schedule of findings and questioned costs as items 21-3.

## **Town of McIntyre, Georgia's Response to Findings**

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

## **Purpose of This Report**

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



Sandersville, Georgia  
June 13, 2022

**TOWN OF MCINTYRE, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended December 31, 2021**

**SIGNIFICANT DEFICIENCIES**

**21-1 Segregation of Duties**

**Condition**

Due to the small size of the Town's staff, controls are not practical to provide adequate segregation of duties in the cash receipts and disbursements functions.

**Effect**

Because of the failure to separate control over cash, errors or fraud that might avoid detection are possible.

**Recommendation**

The Town Council should implement other internal controls in areas where segregation of duties is not practical.

**Views of Responsible Officials**

We concur and will continue to require dual signatures on checks and council approval for non recurring expenditures.

**21-2 Controls Over Financial Statement Presentation**

**Condition**

Town personnel do not currently possess the professional skills necessary to prepare the year end financial statements in sufficient detail to detect material misstatements in the financial statements and related footnotes.

**Effect**

The deficiency identified above could result in a material misstatement to the Town's financial statements that would not be prevented or detected on a timely basis.

**Recommendation**

The Town should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

### **Views of Responsible Officials**

We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

## **COMPLIANCE AND OTHER MATTERS**

### **21-3 Budgetary**

#### **Condition**

In the Town's General Fund, actual expenditures exceeded budget appropriations in one department. This is a violation of state law.

#### **Effect**

Fiscal control and accountability over departmental expenditures may be jeopardized.

#### **Recommendation**

The Town should monitor the budget and amend it when appropriate.

### **Views of Responsible Officials**

Our Town Council will analyze budgetary financial data periodically and amend the budget when appropriate.

# CITY OF MCINTYRE

P.O. Box 38  
MCINTYRE, GEORGIA 31054

Georgia Department of Audits & Accounts  
270 Washington Street, S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

Gentlemen:

The following constitutes our corrective action plan regarding the findings and recommendations in our audit report for the year ended December 31, 2021.

1. With respect to the finding regarding segregation of duties in the "Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards," we submit the following comments:
  1. We annually review our system of internal control after our audited financial statements are received, along with any suggestions from the accounting firm as to improvements that can be made to strengthen controls.
  2. We have one full-time clerk and a part-time clerk who performs all of our bookkeeping functions. Checks are signed by the clerk and at least one council member after invoices are approved by Council.
  3. Our budget will not permit us to hire additional personnel to further separate accounting duties.
  4. The following general fund departments had excesses of actual expenditures over appropriations in the amount shown for the year ended December 31, 2021:

Public safety

\$ 11,196

These overexpenditures were funded by greater than anticipated revenues and by available fund balance. The Mayor and Council plan in the future to more closely monitor expenditures to determine if budget amendments need to be made or if cost cutting measures need to be formulated.

5. City personnel do not currently possess the professional skills necessary to prepare the year end financial statements and related footnotes. The City will consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Should you need any further explanation of these matters please contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Vicki Horne".

Vicki Horne

Mayor, Town of McIntyre