

**City of Concord, Georgia  
Audited Financial Statements  
July 31, 2021**

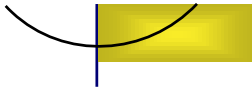
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City of Concord, Georgia  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
City of Concord  
Concord, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of City of Concord ("the City"), as of and for the year ended July 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City as of July 31, 2021 and the respective changes in financial position, and, where

applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management’s discussion and analysis, the schedules of proportionate share of net pension liability and schedules of contributions to retirement systems, and budgetary comparison information be presented to supplement the basic financial statements. Such 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. 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2021 on our consideration of the City’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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City’s internal control over financial reporting and compliance.

*Bambo Sonaike CPA, LLC*

October 14, 2021

# City of Concord, Georgia

## Management Discussion and Analysis

### As of As of July 31, 2021

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#### **Introduction**

As management of City of Concord (the “City”), we offer readers of the City’s financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended July 31, 2021 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the City’s financial activities, (c) identify changes in the City’s financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management’s Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the Basic Financial Statements.

#### **Overview of the financial statements**

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the City’s asset and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by City, state, and federal funding (governmental activities). Public service and City administration are examples of the City’s governmental activities. The government-wide financial statements include only the City itself.

Comparison of the condensed statement of net position and the statement of activities are provided below.

City of Concord, Georgia  
Management Discussion and Analysis  
As of July 31, 2021

	<b>Governmental and Business Type Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>Variance</b>
<b>ASSETS</b>			
Current and other assets	\$ 512,168	\$ 531,039	\$ (18,871)
Capital assets <sup>(net)</sup>	2,220,351	1,833,840	386,511
Total assets	2,732,519	2,364,879	367,640
<b>LIABILITIES</b>			
Current and other liabilities	52,481	57,340	(4,859)
Long term liability	408,768	12,100	396,668
Total liabilities	461,248	69,440	391,809
<b>NET POSITION</b>			
Net investments in capital assets	1,811,583	1,833,840	(22,256)
Restricted	85,444	88,419	(2,975)
Unrestricted (deficit)	374,243	373,180	1,063
Total net position (deficit)	\$ 2,271,271	\$ 2,295,439	\$ (24,168)

	<b>Governmental and Business Type Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>Variance</b>
<b>REVENUES</b>			
Charges for services	\$ 284,961	\$ 261,611	\$ 23,350
Intergovernmental revenues	23,751	20,287	3,464
General purpose sales and use taxes	127,482	102,166	25,316
Property taxes	54,663	51,682	2,981
Other revenues	246,285	112,756	133,529
Total revenues	737,142	548,503	188,640
<b>EXPENSES</b>			
General government	166,944	127,801	39,143
Public services	155,828	87,163	68,665
Water and sewer utilities	378,428	371,523	6,905
Concord Jubilee	2,481	14,801	(12,320)
Wireless	57,629	-	57,629
Total expenses	761,310	601,288	160,022
<b>Change in net position</b>	<b>\$ (24,168)</b>	<b>\$ (52,785)</b>	<b>\$ 28,618</b>

# City of Concord, Georgia

## Management Discussion and Analysis

### As of July 31, 2021

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#### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the City are presented in governmental funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both of the governmental fund financial statements provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. The city maintains three individual governmental funds. All three funds are accounted for as major funds.

The City's Enterprise funds are considered proprietary funds and are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities fund and the Concord Jubilee fund.

The City maintains individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be the City's only major fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

#### **Inter-fund Activity**

Inter-fund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. All other inter-fund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

# City of Concord, Georgia

## Management Discussion and Analysis

### As of July 31, 2021

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#### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Financial analysis of the City's Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The city has three major governmental funds, which are the general fund, the S.P.L.O.S.T. fund and the capital projects fund. The general fund is the primary operating fund of the City of Concord's government. It accounts for many of the City's core services such as protection, roads and streets, and administration. The capital projects fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds). In 2016 the citizens of Pike County approved a 1% Special Purpose Local Option Sales Tax (S.P.L.O.S.T.) to be used to improve streets and roads in the County. The City receives 3.55% of the S.P.L.O.S.T. revenue to repair its streets and roads. Street projects are ongoing. The funds are restricted and can only be used for S.P.L.O.S.T. projects.

#### **Financial analysis of the City's Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

#### **General Fund Budgetary Highlights**

Annually, the Mayor submits to the Council a proposed operating budget for the coming fiscal year which is required to be approved prior to July 31st. Public hearings are held prior to adoption to allow citizens the opportunity to comment on the proposed budget.

Budgets are adopted for the general fund and the Water & Sewer Utility Fund. Budgets for the Proprietary Funds are prepared for planning and control purposes only. The legal level of budgetary control is the department level, with the Commissioners being the only body authorized to make amendments to the budget.

#### **Future Economic Highlights**

The City will continue its improvement of the downtown area. The City continues to make improvements to the historic Strickland Building, which now serves as a community center. Several old land and building parcels that the City has purchased in the past few years will continue to be evaluated to determine if they need to be torn down for the betterment of the City or remodeled for a new purpose. Through the Nelson Memorial Beautification Fund, the City will continue landscaping projects throughout the City.

#### **Capital Asset**

The City's investment in capital assets for its governmental type and business type activities as of July 31, 2021, amounts to \$900,778 and \$910,805 respectively. This investment in capital assets



# City of Concord, Georgia

## Management Discussion and Analysis

### As of July 31, 2021

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includes buildings and improvements, water delivery system, furniture, fixtures and equipment. Additional information on the City's capital assets can be found in note below.

#### **Long term debt**

The City's long term debt as of July 31, 2021 amounts to \$408,768. The purpose of the loan is to upgrade the City's water delivery system. Additional information on the City's long term debt can be found in note below.

#### **Contacting the City's financial management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City.

City of Concord, Georgia  
Statement of Net Position  
As of July 31, 2021

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 418,549	\$ 72,215	\$ 490,764
Accounts receivable	16	21,388	21,404
Internal fund balance	(201,200)	201,200	-
Capital assets: <sup>(note 3)</sup>			
Land	430,609	10,020	440,629
Building	592,973	-	592,973
Improvements	205,868	26,489	232,357
Furniture, fixtures and equipments	185,824	2,209,114	2,394,938
Less accumulated depreciation	(514,496)	(926,050)	(1,440,546)
Total assets	1,118,143	1,614,376	2,732,519
<b>LIABILITIES</b>			
Accounts payable & accrued expenses	1,122	4,793	5,915
Customer deposits	-	46,566	46,566
Notes payable <sup>(note 5)</sup>	-	408,768	408,768
Total liabilities	1,122	460,126	461,248
<b>NET POSITION</b>			
Net investments in capital assets	900,778	910,805	1,811,583
Restricted for:			
General improvements	64,810	-	64,810
SPLOST projects	18,623	-	18,623
Strickland community center	2,011	-	2,011
Unrestricted (deficit)	130,799	243,445	374,243
Total net position (deficit)	\$ 1,117,021	\$ 1,154,250	\$ 2,271,271

The accompanying notes are an integral part to these financial statements.

City of Concord, Georgia  
Statement of Activities  
For the period ended July 31, 2021

Governmental Activities	Expenses	Program revenues			Governmental	Business - Type	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	Net (Expenses) Revenues and Changes in Net Position	Net (Expenses) Revenues and Changes in Net Position
Primary Government Governmental Activities							
General government	\$ 166,944	\$ -	\$ -	\$ -	\$ (166,944)	\$ -	\$ (166,944)
Public services	155,828	-	-	23,751	(132,077)	-	(132,077)
Total Governmental Activities	322,772	-	-	23,751	(299,021)	-	(299,021)
Business - Type Activities							
Water and sewer utilities	378,428	284,961	-	-	-	(93,467)	(93,467)
Concord Jubilee	2,481	-	-	-	-	(2,481)	(2,481)
Wireless	57,629	-	-	-	-	(57,629)	(57,629)
Total Business - Type Activities	438,538	284,961	-	-	-	(153,577)	(153,577)
Total Primary Government	\$ 761,310	\$ 284,961	\$ -	\$ 23,751	\$ (299,021)	\$ (153,577)	\$ (452,599)

General revenues:

General purpose sales and use taxes	127,482	-	127,482
Property taxes	54,663	-	54,663
Other revenues	159,043	87,242	246,285
Total general revenues	341,189	87,242	428,431
Transfers	(89,428)	89,428	-
Total general revenues and transfers	251,761	176,670	428,431
Change in net position	(47,261)	23,093	(24,168)
Net position (deficit) - beginning of year	1,164,282	1,131,157	2,295,439
Net position (deficit) - end of the year	\$ 1,117,021	\$ 1,154,250	\$ 2,271,271

The accompanying notes are an integral part to these financial statements.

City of Concord, Georgia  
 Balance Sheet - Governmental Funds  
 As of July 31, 2021

	General Fund	Capital Projects Fund	2016 S.P.L.O.S.T	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 328,369	\$ 71,557	\$ 18,623	\$ 418,549
Accounts receivable	16	-	-	16
Total assets	<u>328,385</u>	<u>71,557</u>	<u>18,623</u>	<u>418,565</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable & accrued expenses	1,122	-	-	1,122
Due to other funds	-	201,200	-	201,200
Total liabilities	<u>1,122</u>	<u>201,200</u>	<u>-</u>	<u>202,322</u>
<b>FUND BALANCES</b>				
Non-spendable	-	-	-	-
Restricted	2,011	64,810	18,623	85,444
Committed	-	-	-	-
Unassigned	325,252	(194,453)	-	130,799
Total fund balances	<u>327,263</u>	<u>(129,643)</u>	<u>18,623</u>	<u>216,243</u>
Total liabilities and fund balances	<u>\$ 328,385</u>	<u>\$ 71,557</u>	<u>\$ 18,623</u>	<u>\$ 418,565</u>

The accompanying notes are an integral part to these financial statements.

# City of Concord, Georgia

## Reconciliation of Balance Sheet – Governmental Funds with the Statement of Net Position

As of July 31, 2021

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Total Fund balances - Governmental funds \$ 216,243

The 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 governmental funds. Those assets consist of:

Land	430,608
Building and improvements	798,841
Furniture, fixtures and equipment	107,786
Vehicles	78,038
Accumulated depreciation	<u>(514,495)</u>
Total capital assets - Governmental Activities	900,778

Total Net position (deficit) - Governmental activities	<u><u>\$ 1,117,021</u></u>
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The accompanying notes are an integral part to these financial statements.

City of Concord, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds  
For the period ended July 31, 2021

REVENUES	General Fund	Capital	2016	Total
		Projects Fund	S.P.L.O.S.T	
General purpose sales and use taxes	\$ 127,482	\$ -	\$ -	\$ 127,482
Property taxes	54,663	-	-	54,663
Other revenues	158,988	56	-	159,043
Intergovernmental revenues	-	-	23,751	23,751
Total revenues	341,133	56	23,751	364,939
<b>EXPENDITURES</b>				
Current:				
General government	134,523	-	-	134,523
Public services	108,684	-	47,144	155,828
Capital outlay:				
Capital outlay	49,066	-	-	49,066
Total expenditures	292,273	-	47,144	339,417
Excess of revenue over expenditures and uses	48,860	56	(23,393)	25,522
<b>OTHER FINANCING SOURCES</b>				
Transfers	(22,623)	(66,805)	-	(89,428)
Total transfers	(22,623)	(66,805)	-	(89,428)
Net change in fund balances	26,237	(66,750)	(23,393)	(63,906)
Fund balances at beginning of the year	301,026	(62,894)	42,016	280,148
Fund balances at end of the year	\$ 327,263	\$ (129,644)	\$ 18,623	\$ 216,242

The accompanying notes are an integral part to these financial statements.

# City of Concord, Georgia

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances with the Statement of Activities For the period ended July 31, 2021

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Total net change in fund balances- Government funds \$ (63,906)

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

Capital assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	49,066
Depreciation expense	(32,421)
Total	<u>16,645</u>

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in pension related accounts

Total change in net position- Governmental activities	<u>\$ (47,261)</u>
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The accompanying notes are an integral part to these financial statements.

City of Concord, Georgia  
 Balance Sheet – Proprietary Funds  
 For the period ended July 31, 2021

	Water and Sewer Utility	Concord Jubilee	Wireless	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,954	\$ 215	\$ 6,046	\$ 72,215
Accounts receivable	21,388	-	-	21,388
Intergovernmental fund	201,200	-	-	201,200
Capital assets: <sup>(note 3)</sup>				
Land	10,020	-	-	10,020
Building	-	-	-	-
Improvements	26,489	-	-	26,489
Furniture, fixtures and equipments	2,193,637	15,476	-	2,209,114
Less accumulated depreciation	(914,503)	(11,547)	-	(926,050)
Total assets	<u>1,604,185</u>	<u>4,145</u>	<u>6,046</u>	<u>1,614,376</u>
<b>LIABILITIES</b>				
Accounts payable & accrued expenses	4,525	-	268	4,793
Customer deposit	46,566	-	-	46,566
Notes payable <sup>(note 5)</sup>	408,768	-	-	408,768
Total liabilities	<u>459,858</u>	<u>-</u>	<u>268</u>	<u>460,126</u>
<b>NET POSITION</b>				
Net investments in capital assets	906,875	3,930	-	910,805
Unrestricted (deficit)	237,451	215	5,778	243,445
Total net position (deficit)	<u>1,144,327</u>	<u>4,145</u>	<u>5,778</u>	<u>1,154,250</u>

The accompanying notes are an integral part to these financial statements.



City of Concord, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Position –  
Proprietary Funds  
For the period ended July 31, 2021

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	Water and Sewer Utility	Concord Jubilee	Wireless	Total
<b>REVENUES</b>				
Charges for services	\$ 284,961	\$ -	\$ -	\$ 284,961
Other revenues	82,556	-	4,686	87,242
Total revenues	<u>367,517</u>	<u>-</u>	<u>4,686</u>	<u>372,203</u>
<b>EXPENDITURES</b>				
Personell services	61,694	-	-	61,694
Operating expenses	316,735	2,481	57,631	376,847
Total expenditures	<u>378,428</u>	<u>2,481</u>	<u>57,631</u>	<u>438,540</u>
Net income (loss)	(10,911)	(2,481)	(52,945)	(66,337)
Transfers	30,705	-	58,723	89,428
Total transfers	<u>30,705</u>	<u>-</u>	<u>58,723</u>	<u>89,428</u>
Change in net position	19,794	(2,481)	5,778	23,091
<b>Net position at beginning of the year</b>	<u>1,124,533</u>	<u>6,626</u>	<u>-</u>	<u>1,131,159</u>
<b>Net position at end of the year</b>	<u><u>\$ 1,144,327</u></u>	<u><u>\$ 4,145</u></u>	<u><u>\$ 5,778</u></u>	<u><u>\$ 1,154,250</u></u>

The accompanying notes are an integral part to these financial statements.

City of Concord, Georgia  
Statement of Cash Flows – Proprietary Funds  
For the period ended July 31, 2021

	<u>Water and Sewer Utility</u>	<u>Concord Jubilee</u>	<u>Wireless</u>	<u>Total</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 368,890	\$ -	\$ 4,686	\$ 373,576
Cash paid to employees	(68,247)	-	-	(68,247)
Cash paid to suppliers	(237,300)	(2,481)	(57,362)	(297,143)
Net cash provided (required) by operating activities	63,343	(2,481)	(52,677)	8,186
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	41	-	-	41
Additions to equipment	(445,211)	-	-	(445,211)
Net cash provided (required) by investing activities	(445,170)	-	-	(445,170)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Transfers in (out)	30,705	-	58,723	89,428
Drawdown of notes payable	401,382	-	-	401,382
Paydown of notes payable	(4,715)	-	-	(4,715)
Net cash provided (required) by financing activities	427,372	-	58,723	486,095
Net increase (decrease) in cash	45,546	(2,481)	6,046	49,111
Beginning balance of cash	20,408	2,696	-	23,104
<b>ENDING BALANCE OF CASH</b>	<b>\$ 65,954</b>	<b>\$ 215</b>	<b>\$ 6,046</b>	<b>\$ 72,215</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>				
Net income (loss)	\$ (10,911)	\$ (2,481)	\$ (52,945)	(66,337)
Depreciation	75,345	-	-	75,345
(Increase) Decrease in assets				
Accounts receivable	1,414	-	-	1,414
Prepays	-	-	-	-
Interest received	(41)	-	-	(41)
Increase (Decrease) in liabilities				
Accounts payable	(2,031)	-	268	(1,763)
Customer deposit	(432)	-	-	(432)
Net cash provided (required) by operating activities	\$ 63,343	\$ (2,481)	\$ (52,677)	\$ 8,185
<b>Supplemental Disclosure of Cash Flow Information:</b>				
Cash paid during the year for interest	\$ 2,931	\$ -	\$ -	2,931

The accompanying notes are an integral part to these financial statements.

# City of Concord, Georgia

## Notes to the Financial Statements

### July 31, 2021

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#### 1. **Organization**

City of Concord (the City) was incorporated July 29, 1914 under provisions of the laws of the State of Georgia. The city operates under a mayor-council form of government. The City provides streets, sanitation, water and sewerage services in addition to general administrative of the City.

#### 2. **Significant accounting policies**

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

##### **Basis of presentation**

The City's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements of the City of Concord

##### Financial Reporting Entity – Basis of Presentation

The city has implemented Governmental Accounting Standards board Statement No. 14 "The Financial Reporting Entity". Statement 14 applies levels to all state and local governments. The Statement applies to financial reporting by primary governments, governmental joint ventures. Jointly governed organizations, and other stand-alone governments; and it applies to the separately issued financial statements of governmental component units. The financial reporting entity consists of (a) primary governments, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government. However, a governmental organization other than a primary government (such as a component unit, joint venture, jointly governed organization or another stand-alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements

In conformity with GASB Statement 14, the City of Concord, has no component units that meet the criteria for component units requiring discrete presentation in the primary governmental financial reporting entity.

##### Government-wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business type. The City's streets and sanitation, and general administration services are classified as governmental activities. The city's water and sewage and Jubilee services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column (b) are reported on a full accrual basis, and (c) use an economic resources measurement focus, which recognizes all

# City of Concord, Georgia

## Notes to the Financial Statements

### July 31, 2021

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long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted for capital projects; and (3) unrestricted. The City first utilizes restricted resources to finance qualifying activities

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public works, etc.) The functions are also supported by the general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related revenues, operating and capital grants. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Program revenues must be directly associated with the function (public works, etc.) or a business-type activity.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting these criteria are reported as non-operating revenues and expenses.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

In the event that an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the policy of the City to first expend restricted resources.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, etc.).

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall City, except for fiduciary activities. As part of the consolidation process, all interfold activities are eliminated from these statements.

The Statement of Net Position presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

- Net investment in capital assets consists of the City's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

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- Restricted net position consists of resources for which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the City's governmental activities.

- Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the City related to the administration and support of the City's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

#### Fund Financial Statements

The fund financial statements provide information about the City's funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The City reports the following major funds:

#### **General Funds:**

- The **General Fund** is the City's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition and construction of major capital facilities.
- The **2016 SPLOST Fund** is used to account for the proceeds of a 1 percent local option sales tax for improving streets and roads in the City.

#### **Measurement focus, basis of accounting, and financial statement presentation**

The measurement focus describes the type of transactions and events that are reported in a fund's operating statement. The basis of accounting determines when transactions are reported on the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

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segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The City funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the City's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

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.

**Net position**

The City's net position in the Government-wide Financial Statements is classified as follows:

Net investment in capital assets

This represents the City's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position

This represents resources for which the City is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position

Unrestricted net position represents resources derived from grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the City, and may be used at the discretion of the Board to meet current expenses for those purposes.

**Fund balances classification**

The City's fund balances are classified as follows:

Non-spendable

These are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

# City of Concord, Georgia

## Notes to the Financial Statements

### July 31, 2021

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#### Restricted

These are amounts with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

#### Committed

These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority.

#### Assigned

These are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

#### Unassigned

These are amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This is the residual classification for the general fund.

#### Spending Prioritization Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, restricted amounts shall be considered to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

#### **Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the City to deposit its funds in one or more solvent banks, insured federal savings and loan associations or insured chartered building and loan associations.

#### **Concentrations of credit risks**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City 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.

#### **Collateralization of Deposits**

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be a deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall



# City of Concord, Georgia

## Notes to the Financial Statements

### July 31, 2021

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be not less than 110 percent of the daily pool balance. Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

#### **Stewardship, Compliance, and Accountability**

An annual budget is required by Section 36-81-3 of the Official Code of Georgia Annotated, to be prepared based on anticipated revenues and expenditures using a consolidated economic entity approach rather than a separate legal entity (fund accounting) approach. Council discusses annually the preparation of the budget prior to the expiration of the previous fiscal year. Once the budget is prepared, citizens have opportunities to observe the proposed budget or make comments. Upon approval of the budget, Council recognizes it may become necessary to amend the budget and does so on occasion. Any changes to the budget other than transfers between line items must be approved by Council. Revenue anticipations are designed to help insure fiscal responsibility and maintain a balanced budget. Expenditure anticipations may not exceed anticipated revenues on a consolidated basis; however in any one fund, such anticipated expenditures may exceed anticipated revenues. Budgets have been adopted for the General Fund and the Water and Sewerage Utility Fund. Capital projects, when applicable, have a project-long budget adopted at the commencement of the project.

#### **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, deferred outflow of resources, liabilities, deferred inflows of resources, and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Restricted Assets**

The assets in the County's SPLOST funds include cash restricted for construction. See Note below for additional information regarding restricted assets.



City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

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**Capital assets**

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. Capital assets are defined by the City as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets are not capitalized. Depreciation is computed using the straight-line method. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the City.

The estimated useful lives of capital assets reported in the government-wide statements are as follows:

<u>Asset Class</u>	<u>Estimated Useful Life (years)</u>
Buildings	15-50
Water Distribution Systems	10-50
Machinery and equipment	5-10
Autos and Trucks	5-7
Furniture and Fixtures	5-7

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

**3. Capital assets**

Capital assets activity for the year ended July 31, 2021 was as follows:

	Balance at July 31, 2020	Additions	Dispositions	Balance at July 31, 2021
<b>Governmental Activities</b>				
Non-depreciable assets:				
Land	\$ 430,609	\$ -	\$ -	\$ 430,609
Total non-depreciable assets	430,609	-	-	430,609
Capital assets depreciated:				
Building and improvements	798,841	-	-	798,841
Furniture, fixtures and equipment	107,786	-	-	107,786
Vehicles	28,972	49,066	-	78,038
Total assets depreciated	935,599	49,066	-	984,665
Less accumulated depreciation:				
Building and improvements	(374,709)	(15,976)	-	(390,685)
Furniture, fixtures and equipment	(78,393)	(9,434)	-	(87,827)
Vehicles	(28,972)	(7,011)	-	(35,983)
Total accumulated depreciation	(482,074)	(32,421)	-	(514,495)
Total governmental activities Capital assets, net	\$ 884,134	\$ 16,645	\$ -	\$ 900,780
<b>Business - Type Activities</b>				
Non-depreciable assets:				
Land	\$ 10,020	\$ -	\$ -	\$ 10,020
Total non-depreciable assets	10,020	-	-	10,020
Capital assets depreciated:				
Water delivery system	1,505,501	-	-	1,505,501
Improvements	35,687	-	-	35,687
Equipment	224,494	445,211	-	669,705
Vehicles	24,710	-	-	24,710
Total assets depreciated	1,790,392	445,211	-	2,235,603
Less accumulated depreciation:				
Water delivery system	(659,096)	(30,110)	-	(689,206)
Improvements	(11,523)	(714)	-	(12,237)
Equipment	(155,377)	(44,521)	-	(199,898)
Vehicles	(24,710)	-	-	(24,710)
Total accumulated depreciation	(850,706)	(75,345)	-	(926,051)
Total Business - Type activities Capital assets, net	\$ 949,706	\$ 369,866	\$ -	\$ 1,319,572
<b>Total Capital assets</b>	<b>\$ 1,833,840</b>	<b>\$ 386,511</b>	<b>\$ -</b>	<b>\$ 2,220,351</b>

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

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Depreciation expense was recorded in the statements of activities as follows:

<u>Governmental Activities:</u>		
General government	\$	32,421
Total Depreciation - Government Activities		<u>32,421</u>
 <u>Business - Type Activities:</u>		
Water and sewer utilities	\$	74,817
Concord Jubilee		528
Total Depreciation - Business Type Activities	\$	<u>75,345</u>

**4. Inter-fund Receivables, Payables, and Transfers**

Outstanding balances between funds reported as “due to/from other funds” include outstanding charges by one fund to another for services, goods, short term non-operating subsidies and other miscellaneous transactions between funds. This activity is similar to lending/borrowing arrangements and outstanding balances at year-end are presented as “due to/from other funds”. Balances between governmental or proprietary funds are netted when presented in the government-wide statements and reported as “internal balances”. Inter-fund receivables and payables are not expected to be paid back within one year. As of July 31, 2021 inter-fund receivables and payables that resulted from various Inter-fund transactions were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
Water & Sewer Utility Fund	Capital Projects Fund	\$ 201,200

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

**Transfers and Payments:** Routine transfers and payments between funds are to subsidize operations, fund capital projects, pay for capital asset acquisition and to re-allocate special revenues. As of July 31, 2021 inter-fund transfers were as follows:

Source Fund	Transfer Fund	Amount
General Fund	General Improvement	\$ 24,000
Wireless	General Fund	\$ (1,377)
General Improvements	Utilites	\$ 16,800
Water Improvement	Utilites	\$ 13,905
Utilities	Water Improvement	\$ (24,000)
General Improvements	Wireless	\$ 60,100

**5. Notes payable**

Notes payable activity for the year ended July 31, 2021 was as follows:

Lender / Collateral	Interest Rate	Maximum loan amount	Maturity Date	Payment Frequency	Principal Amortization	Beginning Balance at 8/1/20	Current Year Principal Drawdown	Current Year Principal Paydown	Outstanding Balance at 7/31/21	Interest paid for the period ended 7/31/21
Georgia Environment Finance Authority	0.57%	\$ 270,000	6/1/2035	Monthly	Yes	\$ 12,100	\$ 150,900	\$ -	\$ 163,000	\$ 320
Georgia Environment Finance Authority	2.44%	\$ 285,000	3/1/2041	Monthly	Yes	-	250,482	(4,715)	245,768	2,611
Total						\$ 12,100	\$ 401,382	\$ (4,715)	\$ 408,767	\$ 2,931

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

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Minimum amounts due under the notes payable are as follows:

<u>Year End</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2022	\$ 6,789	\$ 20,391	\$ 27,180
2023	6,484	20,696	27,180
2024	6,174	21,007	27,180
2025	5,856	21,324	27,180
2026	5,532	21,649	27,180
2027 - 2031	22,551	113,351	135,902
2032 - 2036	13,348	122,011	135,360
2037 - 2041	4,120	68,338	72,458
Total	<u>\$ 70,855</u>	<u>\$ 408,767</u>	<u>\$ 479,622</u>

**6. Property Taxes**

The City recognizes all billed but uncollected property taxes as taxes receivable. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund	6.018	7.497	7.500	8.000	8.045	8.045	8.000
Total	<u>6.018</u>	<u>7.497</u>	<u>7.500</u>	<u>8.000</u>	<u>8.045</u>	<u>8.045</u>	<u>8.000</u>

The levy was made on assessed valuations as of January 1. The property tax levy was established by the City Council on October 9, 2020. Tax payers were billed by November 1, 2020 with tax payments due on or before December 31, 2020. A 1% penalty is assessed for the first three months. On the third month an additional 10% penalty is charged. Thereafter the penalty is 1% per month. Property liens may be executed when taxes become delinquent.

**7. Restricted Assets**

Restricted assets at July 31, 2021 are as follows:

Governmental Activities	
SPLOST Fund:	
Restricted for construction	\$ 18,623
Capital Project Funds:	
Restricted for improvements	64,810
General Fund:	
Restricted for scholarship for local high school graduating seniors	2,011
Total governmental activities	<u>\$ 85,444</u>

City of Concord, Georgia  
Notes to the Financial Statements  
July 31, 2021

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**8. Tax Abatements**

The County has adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. The following information should be disclosed; (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. As of July 31, 2021, the City does not have any tax abatement agreements.

**9. Retirement and pension plan**

The City offers its' employees the opportunity to participate in a 457(b) deferred compensation plan. This plan was established in accordance with section 457(b) of the Internal Revenue Code. This plan is a defined contribution plan which was adopted by the City Council and effective in November 2013. The City does not provide matching contributions however; employees can make monthly contributions into the plan. The City also offers a 401(a) defined contribution plan. This plan was established in accordance with Section 401(a) of the Internal Revenue Code and adopted by the City Council effective in November 2013. The City contributes \$50 per month per employee to this plan as long as the employee is contributing to the 457(b) plan and is employed by the City. During the year ended July 31, 2021 the City contributed \$950 to this plan. Both plans are administered by The Newport Group.

**10. Risk management and uncertainty**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The City has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God.

The City elects to pay unemployment insurance taxes using the contributory method. Taxes are paid quarterly to the Georgia Department of Labor using a set rate based on historical experience.

On April 3, 2020 the Governor of Georgia issued a statewide stay home order to all residents of Georgia due to a strain of the Covid-19 virus that began to spread worldwide resulting in a severe impact to the city's operations. The city's operation has been affected since the date of the order. The extent of this impact is uncertain and there can be no assurances that a significant impact on the city's finances will not take place.

**11. Subsequent events**

The City evaluated subsequent events through the date the financial statements were available to be issued. The City is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

City of Concord, Georgia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
 Budget and Actual – General Fund  
 For the period ended July 31, 2021

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
General purpose sales and use taxes	\$ 108,248	\$ 127,482	\$ (19,234)
Property taxes	52,000	54,663	(2,663)
Other revenues	69,017	158,988	(89,971)
Total revenue	<u>229,265</u>	<u>341,133</u>	<u>(111,868)</u>
<b>EXPENDITURES</b>			
General government	139,085	134,523	4,562
Public services	110,680	108,684	1,996
Capital outlay	50,000	49,066	934
Total expenditures	<u>299,765</u>	<u>292,273</u>	<u>7,492</u>
Excess of revenue over expenditures and uses	<u>(70,500)</u>	<u>48,860</u>	<u>(119,360)</u>
Transfers	70,500	(22,623)	(93,123)
Net change in fund balances	<u>-</u>	<u>26,237</u>	<u>26,237</u>
<b>Fund balances at beginning of the year</b>	301,026	301,026	-
<b>Fund balances at end of the year</b>	<u>\$ 301,026</u>	<u>\$ 327,263</u>	<u>\$ 26,237</u>

City of Concord, Georgia  
Note to the Schedule of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual – General Funds  
For the period ended July 31, 2021

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**1. Budgetary Information**

**Budgetary basis of accounting**

Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the board of directors (the “Board”). The budgets presented for the fiscal year ended July 31, 2021 have been amended according to Board procedures. Budgets are adopted in full accrual basis accounting. The legal level of budgetary control is the fund level.





**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 THE GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
City of Concord  
Concord, 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, business type activities, and each major fund of the City of Concord ("the City"), as of and for the year ended July 31, 2021, and related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 14, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 statement. 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 entity's internal controls 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.

*Bambo Sonaike CPA, LLC*

October 14, 2021



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

To the Board of Directors  
City of Concord  
Concord, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Concord, Georgia for the year end July 31, 2021. This schedule is the responsibility of the City's management. Our responsibility is to express and opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the accrual basis and is not intended to be complete presentation of City of Concord, Georgia's revenues and expenditures.

In our Opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Concord, Georgia's resolution or ordinance calling for the tax for the year ended July 31, 2021 in conformity with accounting principles generally accepted in the united States of America.

*Bambo Sonaike CPA, LLC*

October 14, 2021

City of Concord, Georgia  
 Schedule of Projects Constructed With 2016 Special Sales Tax Proceeds  
 For the period ended July 31, 2021

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Project	Original Estimated Cost	Current Estimated Cost	Amount Expended in Prior Years	Amount Expended in Current Year	Total Amount Expended	Estimated Percentage of completion
Street and Roads Repair and Maintenance	\$ 205,900	\$ 216,008	\$ 168,864	\$ 47,144	\$ 216,008	100.0%

City of Concord, Georgia  
Schedule of Findings and Responses  
For the period ended July 31, 2021

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Un-modified opinion
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Internal control over financial reporting:

Material weaknesses identified?	No
Significant deficiencies identified?	None reported

Compliance and other matters:

Non-compliance material to financial statements noted?	No
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**Section II - Financial Statements Findings**

No matters were reported.

**Section III - Federal Awards Findings and Questioned Costs**

Audit of major federal awards programs was not performed because the total amount of federal awards expended for the reporting period was less than \$750,000.

–End of Report–