CITY OF CADWELL, GEORGIA

AGREED UPON PROCEDURES

December 31, 2021

REPORT ON APPLYING AGREED UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT

To Honorable Mayor Smith and Council Members
Town of Cadwell, Georgia and
Georgia Department of Audits and Accounts

We have performed the procedures included in the Georgia Department of Audits and Accounts' Work Program for Agreed-Upon Procedures as enumerated below, which were agreed to by the Mayor and Members of Council of the Town of Cadwell (Town), Georgia and the Georgia Department of Audits and Accounts, solely to assist you with respect to evaluating the information presented in the *Report of Local Government Finances* for the Town of Cadwell, Georgia as of and for the year ended December 31, 2021. The Town's management is responsible for the financial information presented in the *Report of Local Government Finances*. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Listed below are the procedures and findings for the period of January 1, 2021 through December 31, 2021:

1. We performed a proof and reconciliation of cash on deposit with the following banks to the balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks.

	Balance Per	
Four County Bank:	Bank	General Ledger
General Account and Water and Sewer Fund	$ 323,256	$ 314,980
SPLOST Fund	25,024	25,024
CDBG Fund	325	325
SLSRF Fund	100,669	100,669
Totals	$ 449,274	$ 440,998

No exceptions were found as a result of applying this procedure.

2. We ensured that the accompanying *Report of Local Government Finances* was prepared in accordance with the format and instructions promulgated by the Georgia Department of Community Affairs and that the amounts reported on each schedule are supported by, and reconciled to, the accounting records of Town of Cadwell, Georgia for the year ended December 31, 2021.

   No exceptions were found as a result of applying this procedure.

3. We reconciled cash per general ledger at December 31, 2020 to cash per general ledger at December 31, 2021 as follows:

Cash and investments held at December 31, 2020	$	281,300
Total cash receipts per *Report of Local Government Finances*		342,010
Total cash disbursements per *Report of Local Government Finances*		(238,635)
Change in accruals		56,323
Cash and investments held at December 31, 2021	$	440,998

No exceptions were found as a result of applying this procedure.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the *Report of Local Government Finances*. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Cadwell and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Mayor and Members of Council of the Town of Cadwell, Georgia and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

TJS Deemer Dana LLP

June 30, 2022

TJS Deemer Dana LLP

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INDEPENDENT ACCOUNTANT'S REPORT

To Honorable Mayor Smith and Council Members
Town of Cadwell, Georgia and
Georgia Department of Audits and Accounts

We have performed the procedures included in the Georgia Department of Audits and Accounts' Work Program for Agreed-Upon Procedures as enumerated below, which were agreed to by the Mayor and Members of Council of the Town of Cadwell, Georgia (Town of Cadwell) and the Georgia Department of Audits and Accounts, solely to assist the specified parties in evaluating Town of Cadwell's compliance with state laws and regulations for the year ended December 31, 2021. Management is responsible for Town of Cadwell's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

> We identified laws and regulations of the State of Georgia with which Town of Cadwell must comply, including, but not limited to, those identified in *Compliance Auditing in Georgia Counties and Municipalities: A Practical Guide to State Laws for Auditors and Local Government Officials*. We evaluated the extent to which Town of Cadwell complied with these laws and regulations.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Cadwell and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Mayor and Members of Council of the Town of Cadwell and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

TJS Deemer Dana LLP

June 30, 2022

TJS Deemer Dana LLP

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INDEPENDENT AUDITOR'S REPORT

To Honorable Mayor Smith and Council Members
Town of Cadwell, Georgia and
Georgia Department of Audits and Accounts

We have audited the accompanying Schedule of Expenditures of Special Purpose Local Option Sales Taxes for the Town of Cadwell, Georgia for the year ended December 31, 2021. This schedule is the responsibility of the Town of Cadwell, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Taxes 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 Expenditures of Special Purpose Local Option Taxes are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Expenditures of Special Purpose Local Option Sales Taxes. 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 Local Option Sales Taxes. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Expenditures of Special Purpose Local Option Sales Taxes was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121, on the cash basis as described in Note 1 to the schedule, and is not intended to be a complete presentation of the Town of Cadwell, Georgia's revenues and expenditures.

In our opinion, the Schedule of Expenditures of Special Purpose Local Option Sales Taxes referred to above present 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 Town of Cadwell, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

TJS Deemer Dana LLP

June 30, 2022

TOWN OF CADWELL, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
Collection Period – January 1, 2018 through June 30, 2024
Year Ended December 31, 2021

Project Description	Original Estimated Costs	Current Estimated Costs	Prior Years	Expenditures Current Year	Total
City Hall and associated building improvements	$ 45,000.00	$ 45,000.00	$ -	$ -	$ -
Public works equipment and facilities	25,000.00	25,000.00	18,603.00	-	18,603.00
Water and sewer system	28,000.00	28,000.00	7,343.00	-	7,343.00
Recreation improvements	2,000.00	2,000.00	-	-	-
	$ 100,000.00	$ 100,000.00	$ 25,946.00	$ -	$ 25,946.00

In 2017, the taxpayers and residents of Laurens County, Georgia passed a special purpose sales tax which went into effect on July 1, 2018 for a six year period. The purpose of this tax is to fund approved capital projects. The approved projects for the Town of Cadwell were city hall and associated building and facility improvements, public works equipment and facilities, recreation improvements, and water and sewer system improvements. Laurens County remits the current collections of the SPLOST to the Town of Cadwell on an annual basis, and the Town of Cadwell administers the expenditure of the funds.

Note 1. BASIS OF PRESENTATION

This schedule has been prepared on the cash basis of accounting.

CITY OF CADWELL, GEORGIA

CORRECTIVE ACTION PLAN
Year Ended December 31, 2021

Finding:
2021-1
SEGREGATION OF DUTIES
Material Weakness

Condition: There are limited segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

Criteria: Internal controls should be in place that provides reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

Effect: Failure to properly segregate duties between recording, processing and reconciliation of accounts can lead to misappropriation of funds that are not detected during the normal course of business.

Recommendation: The duties of recording, processing and reconciliation of accounts should be segregated between employees.

Response/Corrective Action Plan: We concur with this recommendation. We will work on this area to evaluate and determine the most efficient and effective solution to properly segregate duties between recording, processing and reconciling cash accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

Finding:
2021-2
ACCOUNT AND TRANSACTION REPORTING
Material Weakness

Condition: Certain adjustments were required to fairly state the balances on general ledger accounts at the end of the accounting period.

Criteria: Accounts should be properly adjusted and reconciled to ensure that the financial statements are presented fairly at the end of the accounting period.

Effect: Failure to properly record transactions and reconcile accounts could cause the financial reports to not be fairly stated at the end of the accounting period.

Recommendation: Management should establish policies and procedures to assist the Town in fairly stating the balances of accounts at the end of the accounting period. All of the Town's activity should be recorded in the Town's accounting system.

Response/Corrective Action Plan: We concur with the recommendation. We will review procedures in place to ensure that account balances are fairly stated at the end of the accounting period.