



117 Putnam Drive ♦ Eatonton, GA 31024 ♦ Tel: 706-485-1884
www.putnamdevelopmentauthority.com

Agenda

Thursday, February 17, 2022 ♦ 3:30 PM
Putnam County Administration Building – Room 204

Opening

1. Call to Order

Minutes

2. Approval of Minutes
 - a. January 25, 2022 Regular Meeting
 - b. January 25, 2022 Executive Session

Financials

3. Presentation of Audits
4. Approval of Financials - January 2022

Reports

5. Executive Director Report

Regular Business

None

Other Business

6. Other Business

Next Meeting Items

7. Next Meeting Items

Executive Session

8. Enter Executive Session as allowed by O.C.G.A. 50-14-4, if necessary, for Personnel, Litigation, or Real Estate
9. Reopen meeting and execute Affidavit concerning the subject matter of the closed portion of the meeting
10. Action, if any, resulting from the Executive Session

Closing

11. Adjournment

The Putnam Development Authority reserves the right to continue the meeting to another time and place in the event the number of people in attendance at the meeting, including the PDA members, staff, and members of the public exceeds the legal limits. The meeting cannot be closed to the public except by a majority vote of a quorum present for the meeting. The authority can vote to go into an executive session on a legally exempt matter during a public meeting even if not advertised or listed on the agenda. Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities are required to contact the ADA Compliance Officer, at least three business days in advance of the meeting at 706-485-2776 to allow the County to make reasonable accommodations for those persons.

File Attachments for Item:

- 2. Approval of Minutes
 - a. January 25, 2022 Regular Meeting
 - b. January 25, 2022 Executive Session



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Minutes

Tuesday, January 25, 2022 ♦ 3:30 PM

Putnam County Administration Building – Room 204

The Putnam Development Authority met on Tuesday, January 25, 2022 at approximately 3:30 PM in the Putnam County Administration Building, 117 Putnam Drive, Room 204, Eatonton, Georgia.

PRESENT

Chairman Walt Rocker III
 Member Patty Burns (via telephone)
 Member Brice Doolittle
 Member Mylle Mangum
 Member John Wojtas

STAFF PRESENT

Attorney Kevin Brown (via telephone)
 Executive Director Matt Poyner
 County Clerk Lynn Butterworth

Opening

1. Call to Order

Chairman Rocker called the meeting to order at approximately 3:43 p.m.
 (Copy of agenda made a part of the minutes.)

Minutes

2. Approval of Minutes

- a. December 14, 2021 Regular Meeting
- b. December 14, 2021 Executive Session

**Motion to approve the December 14, 2021 Regular Meeting and Executive Session Minutes.
 Motion made by Member Mangum, Seconded by Member Doolittle.**

**Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum,
 Member Wojtas**

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Financials

3. Approval of Financials - December 2021

Executive Director Poyner advised that OneGeorgia needs the 2019 audit which needs the Chairman's signature. Chairman Rocker questioned his ability to sign it since he was not on the board for the entire time period covered in the audit. Attorney Brown advised that it was okay for him to sign in his capacity as Chairman. He further advised that the law requires a new audit every two years, so the board needs one for 2021.

Chairman Rocker requested that the budget be included in future financial reports.

Motion to authorize Chairman Rocker to sign the 2019 audit.

Motion made by Member Wojtas, Seconded by Member Mangum.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Motion to engage McNair, McLemore, Middlebrooks and Company for the 2021 audit.

Motion made by Member Doolittle, Seconded by Member Wojtas.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Executive Director Poyner advised that a new account was opened at Peoples Bank and currently has around \$82,000 in account. The funds came from GDOT for Highway 441 widening at Rock Eagle Tech Park and bond fees for Interfor.

Motion to approve the December 2021 financials.

Motion made by Member Mangum, Seconded by Member Doolittle.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

(Copy of financials made a part of the minutes.)

Reports

4. Executive Director Report

Executive Director Poyner advised that he will email his report to save time during the meeting. He also advised that the Chamber of Commerce has requested \$1500 for an upcoming job fair and \$1500 for their annual Sweet Tee Golf Tournament.

Motion to approve \$1500 to the Chamber of Commerce for their job fair.

Motion made by Member Mangum, Seconded by Member Doolittle.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Motion to approve \$1500 for the Chamber of Commerce golf tournament.

Motion made by Member Mangum, Seconded by Member Doolittle.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

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Regular Business

5. Selection of Officers

- a. Chairman
- b. Vice-Chairman
- c. Secretary/Treasurer
- d. Assistant Secretary/Treasurer

Attorney Brown took over for the selection of Chairman.

Member Wojtas nominated Walt Rucker for Chairman, Seconded by Member Burns
Voting Yea: Member Burns, Member Doolittle, Member Mangum, Member Wojtas
Voting Abstain: Chairman Rucker

The meeting was turned over to Chairman Rucker.

Member Mangum nominated John Wojtas for Vice Chairman, Seconded by Member Doolittle
Voting Yea: Chairman Rucker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Member Doolittle nominated Patty Burns for Secretary/Treasurer, Seconded by Member Wojtas
Voting Yea: Chairman Rucker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Member Doolittle nominated Lynn Butterworth for Assistant Secretary/Treasurer, Seconded by Member Mangum
Voting Yea: Chairman Rucker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

6. Rebranding Session

Mr. Jim Stone provided an update on the rebranding campaign. He advised that he has received back questionnaires from three of the board members. The others advised they will send it back in the morning. He also sent out a similar questionnaire to around 40 random Putnam County citizens and received back 15 responses. He plans to send it out again to around 100 people and will sit down and do one on one interviews with a dozen people. The questions included:

- How many years have you lived in Putnam County?
- What is your favorite thing to do in Putnam County?
- What does Putnam County provide better than other areas?
- What is Putnam County's distinct competitive advantage?
- Are there any local amenities in Putnam County for healthy lifestyles?
- What is the most exciting thing that has happened to or for Putnam County in the past 5 years?
- What is unique, unusual, or interesting about Putnam County?
- What is one amazing fact or characteristic about Putnam County?
- What businesses or people have impacted Putnam County?

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- How interested do you believe most residents and tourists are in historic aspects of Putnam County?
- As a resident, did history draw you to Putnam County?
- If you had to live and/or work in another area - where would it be? and why?
- Is there another city and/or county that has gotten your attention in a positive way?
- Are there any game changing technologies or events that affect your decision about where to live and work?
- What one word or phrase would you pick for Putnam County?
- If Putnam County were a car, what would it be?
- If Putnam County were a song, what would it be?
- Is there anything we need to know?

Mr. Stone will continue working on the brand direction and assigned a new homework to the board to send him one to three favorite existing brands that are well executed, can be big or small (who does a good job of representing their brand.)

No action was taken.

Other Business

7. Other Business

Chairman Rocker congratulated Member Mangum on her recent election to the Eatonton City Council.

Next Meeting Items

8. Next Meeting Items

None

Executive Session

9. Enter Executive Session as allowed by O.C.G.A. 50-14-4, if necessary, for Personnel, Litigation, or Real Estate

Motion to enter Executive Session as allowed by O.C.G.A. 50-14-4 for Real Estate and Litigation.

Motion made by Member Mangum, Seconded by Member Doolittle.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Meeting closed at approximately 4:34 p.m.

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10. Reopen meeting and execute Affidavit concerning the subject matter of the closed portion of the meeting

Motion to reopen the meeting and execute the Affidavit concerning the subject matter of the closed portion of the meeting.

Motion made by Member Mangum, Seconded by Member Doolittle.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

(Copy of Affidavit made a part of the minutes.)

Meeting reopened at approximately 5:46 p.m.

11. Action, if any, resulting from the Executive Session

No action was taken.

Closing

12. Adjournment

Motion to adjourn the meeting.

Motion made by Member Burns, Seconded by Member Doolittle.

Voting Yea: Chairman Rocker, Member Burns, Member Doolittle, Member Mangum, Member Wojtas

Meeting adjourned at approximately 5:46 p.m.

ATTEST:

Lynn Butterworth
County Clerk

Walt Rocker III
Chairman

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The draft minutes of the January 25, 2022 Executive Sessions are available for Board Member review in the Clerk's office.

File Attachments for Item:

3. Presentation of Audits

February 17, 2022

The Board of Directors
Putnam Development Authority
Eatonton, Georgia

We have audited the financial statements of Putnam Development Authority for the fiscal year ended September 30, 2021 and have issued our report thereon dated February 8, 2022. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement audit

As communicated in our engagement letter dated February 3, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

The engagement team prepared the Authority's financial statements and related notes. The performance of this nonattest service is considered a threat to our independence. As a safeguard to eliminate this threat, the Authority's financial statements and related notes have been reviewed by another firm employee not affiliated with the engagement team.

Significant Risks Identified

We have identified the following as a significant risk:

Improper Revenue Recognition is a risk that may result in material misstatement of the financial statements due to fraud or error. Account balances or classes of transactions that particularly susceptible to manipulation, such as those involving significant estimates or the application of complex accounting principles, may present risks of material misstatement. Our audit procedures to address the risk of management override of controls included examining journal entries and other adjustments, reviewing accounting estimates for bias, and evaluating the business rationale for significant unusual transactions.

Qualitative Aspects of the Authority's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is as follows:

Useful Lives of Capital Assets

Management's estimate of the useful lives of property and equipment is based on generally accepted accounting principles, industry standards and management's best estimate of the lives.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements, included in the attached schedule, that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 8, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Authority's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of Board of Directors of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

Client: **825876 - Putnam County, Georgia**
 Engagement: **Putnam County, Georgia**
 Period Ending: **9/30/2021**
 Trial Balance: **TB**
 Workpaper: **3700.20 - Combined Journal Entries Report**
 Fund Level: **Fund**
 Index: **110**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 15				
To remove Eatonton Hotel building from PDA books since it was added last year.				
110-32000	Unrestricted Net Assets		142,642.00	
110-11225	Land			19,106.00
110-11751	building-Old Hotel			123,536.00
Total			142,642.00	142,642.00
Adjusting Journal Entries JE # 17				
To remove PDA capital assets and place in government-wide presentation.				
110-11355	Rock Eagle Rech. Accum Deprecia		62,386.40	
110-11360	Accum Depr-Building		352,083.00	
110-32000	Unrestricted Net Assets		3,357,011.70	
110-11100	10 ac. N. Park			200,000.00
110-11200	5 ac. N. Park			100,000.00
110-11250	Building-Tech College			1,000,000.00
110-11300	Tech. College Property			455,962.60
110-11350	Rock Eagle Land Improvements			660,561.00
110-11500	142 Ac. Indust Blvd			300,000.00
110-11600	130 Ac. RE Tech. Park			1,029,600.00
110-11700	CIP			25,357.50
110-11900	Eatonton Hotel - Building			
Total			3,771,481.10	3,771,481.10
Adjusting Journal Entries JE # 19				
To record prior year PDA JEs not recorded by client.				
110-18050	Accrued Payroll		667.00	
110-32000	Unrestricted Net Assets			667.00
Total			667.00	667.00
Adjusting Journal Entries JE # 30				
		4602.14		
To accrue amount due from OneGeorgia grant.				
110-11000	Due from OneGeorgia Grant		103,834.32	

110-44546	-+ Community Affairs		103,834.32
Total		<u>103,834.32</u>	<u>103,834.32</u>
	Total Adjusting Journal Entries	<u>4,018,624.42</u>	<u>4,018,624.42</u>

GASB Entries

GASB Entries JE # 18

To record capital assets of PDA.

110-11100	10 ac. N. Park	100,000.00	
110-11200	5 ac. N. Park	200,000.00	
110-11250	Building-Tech College	1,000,000.00	
110-11300	Tech. College Property	500,000.00	
110-11350	Rock Eagle Land Improvements	660,561.05	
110-11350	Rock Eagle Land Improvements	848,216.00	
110-11500	142 Ac. Indust Blvd	265,980.00	
110-11600	130 Ac. RE Tech. Park	1,029,600.00	
110-11700	CIP	848,216.80	
110-11800	Eatonton Hotel - Land	80,500.00	
110-11900	Eatonton Hotel - Building	333,500.00	
110-32000	Unrestricted Net Assets	845,096.00	
110-65143	Depreciation Expense	77,374.90	
110-11355	Rock Eagle Rech. Accum Deprecia		821,063.83
110-11700	CIP		848,216.00
110-30000	Opening Balance Equity		829,370.00
110-32000	Unrestricted Net Assets		4,097,591.12
110-64001	SIP Project		192,803.80
110-30000	Opening Balance Equity		
110-32000	Unrestricted Net Assets		
Total		<u>6,789,044.75</u>	<u>6,789,044.75</u>
	Total GASB Entries	<u>6,789,044.75</u>	<u>6,789,044.75</u>
	Total All Journal Entries	<u>10,807,669.17</u>	<u>10,807,669.17</u>



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February 8, 2022

McNair, McLemore, Middlebrooks & Co., LLC
 389 Mulberry Street
 Macon, Georgia 31201

This representation letter is provided in connection with your audit of the governmental activities and each major fund of Putnam Development Authority as of September 30, 2021, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of Putnam Development Authority in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 8, 2022.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 3, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We have review and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in*

Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.

- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With respect to nonattest services provided (financial statement preparation and depreciation schedule maintenance, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.

- We have disclosed to you the identity of the entity’s related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
- With respect to the source and application of funds schedule and the project cost schedule accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the source and application of funds schedule and the project cost schedule in accordance with applicable grant requirements.
 - We believe the source and application of funds schedule and the project cost schedule, including its form and content, is fairly presented in accordance with applicable grant requirements.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - When the source and application of funds schedule and the project cost schedule are not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the source and application of funds schedule and the project cost schedule no later than the date of issuance by the entity of the supplementary information and the auditor’s report thereon.
 - We acknowledge our responsibility to include the auditor’s report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
 - We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor’s report thereon.



Walt Rocker, Chairman

**PUTNAM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF PUTNAM COUNTY, GEORGIA)
EATONTON, GEORGIA**

**FINANCIAL STATEMENTS AS OF
SEPTEMBER 30, 2019 AND
INDEPENDENT AUDITOR'S REPORT**

PUTNAM DEVELOPMENT AUTHORITY

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February 18, 2020

INDEPENDENT AUDITOR'S REPORT

The Members of the Board
Putnam Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities and the major fund of **Putnam Development Authority** (the Authority), a component unit of Putnam County, Georgia, as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures 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 Authority'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 Authority'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Putnam Development Authority as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Putnam Development Authority has elected to change its reporting from an enterprise fund to a governmental fund. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis that 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 part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The source and application of funds schedule and project cost schedule have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2020, on our consideration of the Putnam Development Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Putnam Development Authority’s internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**PUTNAM DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

ASSETS

Assets

Cash	\$ 514,048
Investments - Certificates of Deposit	192,630
Prepaid Items	3,896
Capital Assets	
Nondepreciable	2,588,400
Depreciable, Net	<u>1,327,747</u>
Total Assets	<u><u>\$ 4,626,721</u></u>

LIABILITIES AND NET POSITION

Liabilities

Accrued Salaries	\$ 1,601
Construction Contracts and Retainable Payable	<u>41,610</u>
	<u>43,211</u>

Net Position

Net Investment in Capital Assets	3,816,282
Unrestricted	<u>767,228</u>
	<u>4,583,510</u>
Total Liabilities and Net Position	<u><u>\$ 4,626,721</u></u>

See accompanying notes which are an integral part of these financial statements.

**PUTNAM DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Economic Development	\$ 453,107	\$ -	\$ 284,618	\$ 669,401	\$ 500,912
		General Revenues			
					11,825
					51,190
					63,015
					563,927
					4,019,583
					Net Position at End of Year
					\$ 4,583,510

See accompanying notes which are an integral part of these financial statements.

**PUTNAM DEVELOPMENT AUTHORITY
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Assets	
Cash	\$ 514,048
Investments - Certificates of Deposit	192,630
Prepaid Items	<u>3,896</u>
Total Assets	<u><u>\$ 710,574</u></u>

LIABILITIES AND NET POSITION

Liabilities	
Accrued Salaries	\$ 1,601
Construction Contracts and Retainable Payable	<u>41,610</u>
	<u>43,211</u>
Fund Balance	
Nonspendable	3,896
Unrestricted	<u>663,467</u>
	<u>667,363</u>
Total Liabilities and Net Position	<u><u>\$ 710,574</u></u>

See accompanying notes which are an integral part of these financial statements.

**PUTNAM DEVELOPMENT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF THE
GENERAL FUND TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total Fund Balance - General Fund \$ 667,363

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, is not reported in the General Fund. 3,916,147

\$ 4,583,510

See accompanying notes which are an integral part of these financial statements.

PUTNAM DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Revenues	
Intergovernmental	\$ 417,239
Grants	24,200
Interest Income	11,826
	453,265
 Expenditures	
Current	
Economic Development	383,375
Capital Outlay	198,431
	581,806
Deficiency of Revenues over Expenditures	(128,541)
 Other Financing Sources	
Sale of Capital Assets	64,900
Change in Fund Balance	(63,641)
Total Net Position, Beginning	731,004
Total Net Position, Ending	\$ 667,363

See accompanying notes which are an integral part of these financial statements.

PUTNAM DEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE OF THE GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Net Change in Fund Balance - General Fund	\$ (63,641)
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	 128,699
 The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position.	 <u>498,869</u>
 Change in Net Position of Governmental Activities	 <u><u>\$ 563,927</u></u>

See accompanying notes which are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies**Reporting Entity**

The Putnam Development Authority (the Authority) was created in April 1968 by an act of resolution by the State of Georgia. The board shall consist of five directors to be appointed by the governing authority of Putnam County. The Authority was formed to develop, promote, and expand for the public good and general welfare, industry and trade within Putnam County.

The Authority is a component unit of Putnam County, Georgia. Certain information from the Authority is included in the financial statements of Putnam County, Georgia reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the nonfiduciary activities of the government. Governmental activities, which normally are supported by 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. 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. Other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

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

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.

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

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental Fund Reporting Change

Beginning October 1, 2019, the Authority is reporting its activities using a governmental fund format. Previously, the Authority received rents and interest from notes receivable and, therefore, used an enterprise fund for its reporting. The Authority no longer receives such income. The governmental fund reporting more accurately reports the nature of the Authority’s present activities.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under 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 Authority 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Intergovernmental grant revenues and interest revenue are considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government’s most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental fund:

The General Fund is the government’s primary operating fund. It accounts for all financial resources of the Authority.

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and highly liquid investments with an original maturity of three months or less.

Investments - Certificates of Deposit

Investments in certificates of deposit are stated at cost, which approximates fair value.

(1) Summary of Significant Accounting Policies (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption method is used by recording an asset for the prepaid amount and by recording the expense in the period in which services are consumed.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of over one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land Improvements	15
Machinery and Equipment	10

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - amounts are restricted when constraints have been placed on the use of resources (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of directors through adoption of a resolution. The board of directors also may modify or rescind the commitment.
- Assigned - amounts that are constrained by the Authority’s intent to be used for specific purposes but are neither restricted nor committed. By resolution, the board of directors has authorized the Executive Director or designee to assign fund balances.
- Unassigned - amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

Flow Assumptions - when both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Authority’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Authority’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The Authority does not have a formal minimum fund balance policy.

Estimates

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

(2) Deposit and Investment Risk

At September 30, 2019, the carrying amounts and bank balances of the Authority’s deposits were \$706,678. As of September 30, 2019, the Authority’s investments consisted of certificates of deposit in the amount of \$192,630.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Authority’s deposits and investments may not be returned. Statutes require collateral pledged in the amount of 110 percent of deposits exceeding the FDIC-insured limit. As of September 30, 2019, all of the Authority’s deposits and investments were insured by FDIC insurance coverage or secured by pledged collateral.

Concentration of Credit Risk

The Authority has no formal policy on the amount the Authority may invest in any one issuer.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(3) Note Receivable

On January 1, 2014, the Authority renewed a note receivable with a principal amount of \$363,450. The note receivable requires a monthly payment of principal and interest of \$2,699 and earns interest at a rate of 4 percent per annum. The note matured on January 1, 2019 and is secured by real estate. During fiscal year 2019, the outstanding principal balance was forgiven upon sale of the real estate securing the note. As a result, the Authority recognized a loss on the forgiveness of the note in the amount of \$117,023. The principal balance outstanding as of September 30, 2019 was \$0.

(4) Capital Assets

Capital asset activity for the Authority for the fiscal year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Assets				
Land	\$ 500,000	\$ 80,500	\$ (13,710)	\$ 566,790
Land Held for Sale	1,629,600	-	(20,310)	1,609,290
Construction in Progress	115,310	297,010	-	412,320
	<u>2,244,910</u>	<u>377,510</u>	<u>(34,020)</u>	<u>2,588,400</u>
Depreciable Assets				
Land Improvements	660,561	-	-	660,561
Building	1,000,000	333,500	-	1,333,500
Machinery and Equipment	350,000	-	(350,000)	-
	<u>2,010,561</u>	<u>333,500</u>	<u>(350,000)</u>	<u>1,994,061</u>
Less Accumulated Depreciation				
Land Improvements	(194,498)	(44,038)	-	(238,536)
Building	(402,083)	(25,695)	-	(427,778)
Machinery and Equipment	(350,000)	-	350,000	-
	<u>(946,581)</u>	<u>(69,733)</u>	<u>350,000</u>	<u>(666,314)</u>
Total Depreciable Assets, Net	<u>1,063,980</u>	<u>263,767</u>	<u>-</u>	<u>1,327,747</u>
Total Capital Assets, Net	<u>\$3,308,890</u>	<u>\$ 641,277</u>	<u>\$ (34,020)</u>	<u>\$ 3,916,147</u>

(5) Conduit Debt

The Authority has issued revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans or leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Authority nor the State of Georgia or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

(6) Risk Financing Activities

The Authority is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to and destruction of assets; injuries to employees; error and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**PUTNAM DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT GROWTH AND EXPANSION FUND GRANT
SOURCE AND APPLICATION OF FUNDS SCHEDULE
EDGE GRANT AWARD #18GP-117-3-4903
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Total Funds Allocated to Recipient on June 20, 2018	<u>\$ 500,000</u>
Funds Drawn by Recipient	
Fiscal Year Ended September 30, 2018	-
Fiscal Year Ended September 30, 2019	<u>156,821</u>
	<u>156,821</u>
Funds Available to be Drawn, September 30, 2019	<u><u>\$ 343,179</u></u>

**PUTNAM DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT GROWTH AND EXPANSION FUND GRANT
PROJECT COST SCHEDULE
EDGE GRANT AWARD #18GP-117-3-4903
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

<u>Program Activity</u>	<u>Approved Budget</u>	<u>Accumulated Expenditures to Date</u>
G70-1101-I Site Preparation	\$ 148,081	\$ 148,081
G70-1401-I Water	35,350	-
G70-1402-I Sewer	34,600	-
G70-1405-I Streets	161,450	8,740
G70-1414-I Public Infrastructure (Other)	2,400	-
G70-2101-I General (Other)	64,661	-
	<u>\$ 446,542</u>	<u>\$ 156,821</u>

February 18, 2020

**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***

The Members of the Board
Putnam Development Authority

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 business-type activities of the **Putnam Development Authority** (the Authority) as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 preceding paragraph 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2019-01 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’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 determination of financial statement amounts. 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*.

Putnam Development Authority’s Response to Findings

The Authority’s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Authority’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Authority’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 Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**PUTNAM DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified? X Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2019. Federal funds expended were less than \$750,000.

**PUTNAM DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

Material Weakness

Finding 2019-01 - Accrual Basis of Accounting

Condition/Context:

The Authority should record expenditure transactions in the period the liability was incurred (accrual basis) rather than when the expenditure is paid (cash basis).

Criteria:

Accounting standards require that transactions of an entity be recorded within the period the liability was incurred.

Cause:

The Authority maintains its books and records on the cash basis of accounting.

Effect:

Failure to record costs in the proper period may result in the misstatement of liability and expenditures. Further, the financial information provided to those charged with governance may not be accurate or relevant.

Recommendation:

We recommend the Authority establish procedures to ensure that expenditures are recorded in the proper period.

Response:

Management concurs with the recommendation.

**PUTNAM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF PUTNAM COUNTY, GEORGIA)
EATONTON, GEORGIA**

**FINANCIAL STATEMENTS AS OF
SEPTEMBER 30, 2021 AND
INDEPENDENT AUDITOR'S REPORT**

PUTNAM DEVELOPMENT AUTHORITY

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February 8, 2022

INDEPENDENT AUDITOR'S REPORT

The Members of the Board
Putnam Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Putnam Development Authority** (the Authority), a component unit of Putnam County, Georgia, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as of September 30, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAS, 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 Authority's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 GAAS 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 GAAS, 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management discussion and analysis that GAAP require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming and opinion on the financial statements that collectively comprise the Authority's basic financial statements. The source and application of funds schedule and project cost schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The source and application of funds schedule and project cost schedule 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. Such 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 source and application of funds schedule and project cost schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

PUTNAM DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Assets	
Cash	\$ 286,433
Investments - Certificates of Deposit	192,907
Due from Other Governments	103,834
Prepaid Items	3,897
Capital Assets	
Nondepreciable	2,176,080
Depreciable, Net	<u>2,021,214</u>
Total Assets	<u><u>\$4,784,365</u></u>
Liabilities	<u>\$ -</u>
Net Position	
Net Investment in Capital Assets	4,197,294
Unrestricted	<u>587,071</u>
Total Net Position	<u><u>\$4,784,365</u></u>

See accompanying notes which are an integral part of these financial statements.

**PUTNAM DEVELOPMENT AUTHORITY
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021**

Assets	
Cash	\$ 286,433
Investments - Certificates of Deposit	192,907
Due from Other Governments	103,834
Prepaid Items	<u>3,897</u>
Total Assets	<u><u>\$ 587,071</u></u>
 Liabilities and Fund Balances	
Liabilities	\$ -
 Fund Balance	
Nonspendable	3,897
Unrestricted	<u>583,174</u>
Total Liabilities and Fund Balance	<u><u>\$ 587,071</u></u>

See accompanying notes which are an integral part of these financial statements.

**PUTNAM DEVELOPMENT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF THE
GENERAL FUND TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Fund Balance - General Fund \$ 587,071

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, is not reported in the General Fund.

4,197,294

\$ 4,784,365

See accompanying notes which are an integral part of these financial statements.

PUTNAM DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Revenues	
Intergovernmental	\$ 183,834
Interest Income	<u>278</u>
	184,112
Expenditures	
Current	
Economic Development	<u>293,886</u>
Change in Fund Balance	(109,774)
Fund Balance, Beginning	<u>696,845</u>
Fund Balance, Ending	<u><u>\$ 587,071</u></u>

See accompanying notes which are an integral part of these financial statements.

**PUTNAM DEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE OF THE GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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

Net Change in Fund Balance - General Fund \$ (109,774)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

115,429

Change in Net Position of Governmental Activities \$ 5,655

See accompanying notes which are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies**Reporting Entity**

The Putnam Development Authority (the Authority) was created in April 1968 by an act of resolution by the State of Georgia. The board shall consist of five directors to be appointed by the governing authority of Putnam County. The Authority was formed to develop, promote, and expand for the public good and general welfare, industry and trade within Putnam County.

The Authority is a component unit of Putnam County, Georgia. Certain information from the Authority is included in the financial statements of Putnam County, Georgia reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the nonfiduciary activities of the government. Governmental activities, which normally are supported by 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. 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. Other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

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

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.

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

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under 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 Authority 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Intergovernmental grant revenues and interest revenues are considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government’s most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental fund:

The General Fund is the government’s primary operating fund. It accounts for all financial resources of the Authority.

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and highly liquid investments with an original maturity of three months or less.

Investments - Certificates of Deposit

Investments in certificates of deposit are stated at cost, which approximates fair value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption method is used by recording an asset for the prepaid amount and by recording the expense in the period in which services are consumed.

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of over one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land Improvements	15
Machinery and Equipment	10

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - amounts are restricted when constraints have been placed on the use of resources (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of directors through adoption of a resolution. The board of directors also may modify or rescind the commitment.
- Assigned - amounts that are constrained by the Authority’s intent to be used for specific purposes but are neither restricted nor committed. By resolution, the board of directors has authorized the Executive Director or designee to assign fund balances.
- Unassigned - amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

Flow Assumptions - when both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Authority's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Authority's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The Authority does not have a formal minimum fund balance policy.

Estimates

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

(2) Deposit and Investment Risk

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits and investments may not be returned. Statutes require collateral pledged in the amount of 110 percent of deposits exceeding the FDIC-insured limit. As of September 30, 2021, all of the Authority's deposits and investments were insured by FDIC insurance coverage or secured by pledged collateral.

Concentration of Credit Risk

The Authority has no formal policy on the amount the Authority may invest in any one issuer.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(3) Capital Assets

Capital asset activity for the Authority for the fiscal year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Assets				
Land	\$2,176,080	\$ -	\$ -	\$ 2,176,080
Construction in Progress	655,413	192,804	(848,217)	-
	<u>2,831,493</u>	<u>192,804</u>	<u>(848,217)</u>	<u>2,176,080</u>
Depreciable Assets				
Land Improvements	660,561	848,217	-	1,508,778
Building	1,333,500	-	-	1,333,500
	<u>1,994,061</u>	<u>848,217</u>	<u>-</u>	<u>2,842,278</u>
Less Accumulated Depreciation				
Land Improvements	(263,536)	(25,000)	-	(288,536)
Building	(480,153)	(52,375)	-	(532,528)
	<u>(743,689)</u>	<u>(77,375)</u>	<u>-</u>	<u>(821,064)</u>
Total Depreciable Assets, Net	<u>1,250,372</u>	<u>770,842</u>	<u>-</u>	<u>2,021,214</u>
Total Capital Assets, Net	<u>\$4,081,865</u>	<u>\$ 963,646</u>	<u>\$ (848,217)</u>	<u>\$ 4,197,294</u>

(4) Conduit Debt

The Authority has issued revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans or leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Authority nor the State of Georgia or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

(5) Risk Financing Activities

The Authority is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to and destruction of assets; injuries to employees; error and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**PUTNAM DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT GROWTH AND EXPANSION FUND GRANT
SOURCE AND APPLICATION OF FUNDS SCHEDULE
EDGE GRANT AWARD #18GP-117-3-4903
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Total Funds Allocated to Recipient on June 20, 2018	<u>\$ 500,000</u>
Funds Drawn by Recipient	
Fiscal Year Ended September 30, 2018	-
Fiscal Year Ended September 30, 2019	156,821
Fiscal Year Ended September 30, 2020	141,013
Fiscal Year Ended September 30, 2021	<u>-</u>
	<u>297,834</u>
Funds Available to be Drawn, September 30, 2021	<u><u>\$ 202,166</u></u>

**PUTNAM DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT GROWTH AND EXPANSION FUND GRANT
PROJECT COST SCHEDULE
EDGE GRANT AWARD #18GP-117-3-4903
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

<u>Program Activity</u>	<u>Approved Budget</u>	<u>Accumulated Expenditures to Date</u>
G70-1101-I Site Preparation	\$ 148,081	\$ 148,081
G70-1401-I Water	35,350	35,360
G70-1402-I Sewer	34,600	34,600
G70-1405-I Streets	161,450	128,996
G70-1414-I Public Infrastructure (Other)	2,400	-
G70-2101-I General (Other)	64,661	54,631
	<u>\$ 446,542</u>	<u>\$ 401,668</u>

February 8, 2022

**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***

The Members of the Board
Putnam Development Authority

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 business-type activities of the **Putnam Development Authority** (the Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated February 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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 Authority’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 preceding paragraph 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2021-01 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’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 determination of financial statement amounts. 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*.

Putnam Development Authority’s Response to Findings

The Authority’s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Authority’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Authority’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 Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, Mc Lemoire, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**PUTNAM DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified? X Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2021. Federal funds expended were less than \$750,000.

**PUTNAM DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

Material Weakness

Finding 2021-01 - Accrual Basis of Accounting

Condition/Context:

The Authority should record expenditure transactions in the period the liability was incurred (accrual basis) rather than when the expenditure is paid (cash basis).

Criteria:

Accounting standards require that transactions of an entity be recorded within the period the liability was incurred.

Cause:

The Authority maintains its books and records on the cash basis of accounting.

Effect:

Failure to record costs in the proper period may result in the misstatement of liability and expenditures. Further, the financial information provided to those charged with governance may not be accurate or relevant.

Recommendation:

We recommend the Authority establish procedures to ensure that expenditures are recorded in the proper period.

Response:

Management concurs with the recommendation.

File Attachments for Item:

4. Approval of Financials - January 2022

**Putnam Development Authority
Profit & Loss Budget vs. Actual
October 2021 through January 2022**

	Oct '21 - Jan 22	Budget	\$ Over Budget	% of Budget
Income				
46400 · Other Types of Income				
46410 · County Funding	49,288.00	48,621.28	666.72	101.4%
46430 · Miscellaneous Revenue	82,555.31			
Total 46400 · Other Types of Income	131,843.31	48,621.28	83,222.03	271.2%
Total Income	131,843.31	48,621.28	83,222.03	271.2%
Expense				
62800 · Facilities and Equipment				
62820 · Electricity	147.94	233.36	-85.42	63.4%
62840 · Insurance				
62841 · Auto Owners Insurance	0.00	133.36	-133.36	0.0%
62842 · General Insurance	9,282.84	2,000.00	7,282.84	464.1%
Total 62840 · Insurance	9,282.84	2,133.36	7,149.48	435.1%
Total 62800 · Facilities and Equipment	9,430.78	2,366.72	7,064.06	398.5%
63000 · Professional Fees				
63001 · Pat-Professional Services	0.00	0.00	0.00	0.0%
63002 · Audrey-Professional Services	0.00	0.00	0.00	0.0%
63003 · Accounting/Audit	0.00	400.00	-400.00	0.0%
63004 · Executive Director	0.00	31,000.00	-31,000.00	0.0%
63005 · County Clerk	0.00	1,280.00	-1,280.00	0.0%
63006 · Legal Fees	3,750.00	5,833.36	-2,083.36	64.3%
Total 63000 · Professional Fees	3,750.00	38,513.36	-34,763.36	9.7%
64000 · Projects				
64001 · SIP Project	19,000.00			
Total 64000 · Projects	19,000.00			
65100 · Other Types of Expenses				
65101 · Computer Services	0.00	0.00	0.00	0.0%
65102 · Building & Grounds	0.00	0.00	0.00	0.0%
65103 · Equipment Services	0.00	0.00	0.00	0.0%
65104 · Rental Expense	0.00	0.00	0.00	0.0%
65105 · General Insurance	0.00	0.00	0.00	0.0%
65106 · Telecommunications	0.00	0.00	0.00	0.0%
65107 · Postage	0.00	33.36	-33.36	0.0%
65110 · Advertising Expenses	8,375.00	6,041.36	2,333.64	138.6%
65117 · Small Equipment	0.00	0.00	0.00	0.0%
65120 · Dues & Subscriptions	500.00	0.00	500.00	100.0%
65125 · Marketing	0.00	0.00	0.00	0.0%
65130 · Conferences	0.00	0.00	0.00	0.0%
65135 · Travel	699.84	166.64	533.20	420.0%
65137 · Education	350.00	666.64	-316.64	52.5%
65140 · Printing & Binding	0.00	0.00	0.00	0.0%
65141 · Books & Periodicals	0.00	0.00	0.00	0.0%
65142 · Office and General Supplies	44.25	833.36	-789.11	5.3%
Total 65100 · Other Types of Expenses	9,969.09	7,741.36	2,227.73	128.8%
65144 · Employee Expenses				
65145 · Full Time Staff Salaries	0.00	0.00	0.00	0.0%
65146 · Part Time Salaries	0.00	0.00	0.00	0.0%
65147 · Insurance	0.00	0.00	0.00	0.0%
65148 · SS	0.00	0.00	0.00	0.0%
65149 · Retirement Contributions	0.00	0.00	0.00	0.0%
65151 · Workers Comp	0.00	0.00	0.00	0.0%
Total 65144 · Employee Expenses	0.00	0.00	0.00	0.0%
66000 · Miscellaneous	90.00			
Total Expense	42,239.87	48,621.44	-6,381.57	86.9%
Net Income	89,603.44	-0.16	89,603.60	-56,002,150.0%

Balance Sheet

As of January 31, 2022

	<u>Jan 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
10001 · Checking-FMB	285,300.84
10050 · One Georgia Funds	50.00
10055 · The Peoples Bank	82,555.31
10300 · Certificate of Deposit 42072	110,240.31
10600 · Certificate of Deposit-24251	82,667.01
Total Checking/Savings	<u>560,813.47</u>
Other Current Assets	
11700 · CIP	25,357.50
12007 · Prepaid Insurance	3,896.00
Total Other Current Assets	<u>29,253.50</u>
Total Current Assets	<u>590,066.97</u>
Fixed Assets	
11100 · 10 ac. N. Park	200,000.00
11200 · 5 ac. N. Park	100,000.00
11225 · Land	19,106.00
11250 · Building-Tech College	1,000,000.00
11300 · Tech. College Property	455,962.60
11350 · Rock Eagle Land Improvements	660,561.00
11355 · Rock Eagle Rech. Accum Deprecia	-62,386.40
11500 · 142 Ac. Indust Blvd	300,000.00
11600 · 130 Ac. RE Tech. Park	1,029,600.00
11751 · building-Old Hotel	123,536.00
Total Fixed Assets	<u>3,826,379.20</u>
TOTAL ASSETS	<u><u>4,416,446.17</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
11360 · Accum Depr-Building	352,083.00
18050 · Accrued Payroll	667.00
Total Other Current Liabilities	<u>352,750.00</u>
Total Current Liabilities	<u>352,750.00</u>
Total Liabilities	352,750.00
Equity	
30000 · Opening Balance Equity	3,367,924.20
32000 · Unrestricted Net Assets	606,168.53
Net Income	89,603.44
Total Equity	<u>4,063,696.17</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,416,446.17</u></u>

Putnam Development Authority
Profit & Loss YTD Comparison
January 2022

	Jan 22	Oct '21 - Jan 22
Income		
46400 · Other Types of Income		
46410 · County Funding	12,322.00	49,288.00
46430 · Miscellaneous Revenue	82,555.31	82,555.31
Total 46400 · Other Types of Income	94,877.31	131,843.31
Total Income	94,877.31	131,843.31
Expense		
62800 · Facilities and Equipment		
62820 · Electricity	0.00	147.94
62840 · Insurance		
62842 · General Insurance	0.00	9,282.84
Total 62840 · Insurance	0.00	9,282.84
Total 62800 · Facilities and Equipment	0.00	9,430.78
63000 · Professional Fees		
63006 · Legal Fees	0.00	3,750.00
Total 63000 · Professional Fees	0.00	3,750.00
64000 · Projects		
64001 · SIP Project	0.00	19,000.00
Total 64000 · Projects	0.00	19,000.00
65100 · Other Types of Expenses		
65110 · Advertising Expenses	0.00	8,375.00
65120 · Dues & Subscriptions	0.00	500.00
65135 · Travel	0.00	699.84
65137 · Education	0.00	350.00
65142 · Office and General Supplies	0.00	44.25
Total 65100 · Other Types of Expenses	0.00	9,969.09
66000 · Miscellaneous	0.00	90.00
Total Expense	0.00	42,239.87
Net Income	94,877.31	89,603.44

File Attachments for Item:

5. Executive Director Report

Putnam Development Authority



ideas. development.. growth...

FEBRUARY 8, 2022

Business & Industry Company Contacts

❖ No Report

Workforce Development

❖ **Region 6 Workforce Pipeline:**

- Served as a panelist for a discussion about best practices for workforce development in Middle Georgia. Other members included members of the business community, Dr. Ivan Allen who is the President of Central Georgia Technical College and Superintendent's from Macon-Bibb County and Houston County. Conversation centered around connecting the school systems to the industries through the following:
 - Industry Tours
 - Externships for teachers and counselors
 - Work-Based Learning Opportunities for students
- Putnam County is ahead of the game. The CTAE program at Putnam County High School has a very strong program and the PDA is working to connect businesses with them for assistance.

Project Status

No update on
project activity

❖ Project Tank

- Active status: Monthly contact with company principles.

❖ Project Activity

- Working two projects looking at building sites that could potentially turn into new construction due to lack of building inventory.
- Green chemical company looking to locate Headquarters in Putnam County. Not a large job creator or CAPX, but a solid company. Owners live in Atlanta and have a house on Lake Oconee; would prefer to live here. Looking for existing build or a possible build to suit.
- Interest being shown in Industrial Park for a parcel of property that is cleared along the existing road.

Industrial Park

❖ Georgia EMC

- Met with Shaun Dodson and Tim Bono on February 3rd. Drove the Industrial Park several times to discuss options to dress this area up. Additionally went to visit the Rock Eagle Technology Park where we discussed using some elements from that Park in the Park on US 441. They will begin to create some conceptual plans for us to discuss for future planning.

Strategic Planning Retreat – 2022 GOALS

❖ **Website/Marketing:**

- Engage Tytan Studios for Social Media campaign / rebranding of PDA
- Update and enhance PDA website to create valuable content
- Visits to Atlanta once per month to meet with GDEcD Project Managers
- Leverage retirees at Lake

❖ **Industrial Park:**

- Remove existing signage / Landscape enhancements
- New entrance to Park from US 441 / Landscape enhancements

❖ **Workforce Engagement:**

- Foster & grow relationship with Putnam High School

❖ **Existing Industry:**

- Quarterly Industrial Park meetings over pertinent content

❖ **Property Acquisition:**

- Research rail siding potential for Industrial Park growth

Questions?

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