MITCHELL COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

MITCHELL COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Mitchell County, Georgia
Camilla, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Mitchell County, Georgia (the "County")**, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Mitchell County, Georgia's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mitchell County Board of Health, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mitchell County Board of Health, is based solely on the report of the other auditors. 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 of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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 opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Mitchell County, Georgia as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (pages 4 through 11), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 50) and the Schedule of County Contributions (page 51) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB") who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121 are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The schedule of expenditures of federal awards, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate 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 schedule of expenditures of federal awards, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are 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 May 19, 2020, on our consideration of Mitchell County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mitchell County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
May 19, 2020

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MITCHELL COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

As Chief Financial Officer of Mitchell County, Georgia (the "County"), I, along with the Board of Commissioners, offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2019. This discussion is intended to help provide a comprehensive understanding of the financial performance and condition of the County taken as a whole. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the financial statements and the notes to the financial statements.

Fiscal Year 2019 is the fifteenth year the County has prepared its annual report in compliance with the financial reporting model, GASB 34. This reporting model is a combination of both government-wide financial statements and fund financial statements. As such, our basic financial statements contain three components:

1) Government-wide financial statements including the statement of net position and the statement of activities. These statements provide a broad, long-term overview of the County's finances based upon the driving factors of economic resources available.

2) Fund financial statements including balance sheet and statement of revenues, expenditures, and changes in fund balance. These statements focus more on the short-term performance of the County's finances based upon the current financial resources available.

3) Notes to financial statements.

The discussion and analysis will assist the reader by highlighting and summarizing in general terms the basic financial information contained within the annual report.

Financial Highlights

Key financial highlights for fiscal year 2019, are as follows:

Government-wide financial statements:

- At December 31, 2019, Mitchell County's assets exceeded its liabilities by $30,221,487 (net position).

- The County's $18,498,005 net investment in capital assets and $6,496,242 in unrestricted, leaves the County with $5,227,240 in net position restricted for governmental activities.

- Mitchell County, Georgia's total net position increased from $28,653,430 in the prior year to $30,221,487 in the current year, for a total increase of $1,568,057, or 5.47%.

- Mitchell County, Georgia's revenues for fiscal year 2019, totaled $21,764,896. Of this amount, 53% are property tax revenues, 12% are sales tax revenues, 1% are other tax revenues, 20% are charges for services and the remaining 14% are other revenues. This is a 5.93% increase over fiscal year 2018 revenues.

- Mitchell County, Georgia's total program expenses for fiscal year 2019 totaled $20,196,839. Of this amount, 38% are public safety expenses, 22% are general governmental expenses, 27% are public works expenses and the remaining 13% are other expenses. This is an 0.177% decrease over fiscal year 2018 expenses.

- Mitchell County, Georgia's governmental funds recorded total assets of $18,896,387 for the year ended December 31, 2019. This amount is over the total governmental funds liabilities and deferred inflows of resources by $16,997,905 (fund balance).

- Total governmental fund's fund balances for the year ended December 31, 2019, increased by $740,534 from the previous year. This increase was a result of a $909,698 increase in the General Fund, a $1,134,805 decrease in the 2012 – 2017 Sales Tax Fund, a $928,090 increase in the 2018 – 2023 Sales Tax Fund and a $37,551 increase in Non-major Governmental Funds.

- Total governmental fund balance is $16,997,905, with $10,691,342 classified as unassigned.

- Total revenues for the General Fund were over budgeted amounts by $41,408, or less than 1%, and total expenditures for the General Fund were over budget by $60,853, also less than 1%.

Overview of the Financial Statements

The reporting model for the Government-wide Financial Statements is designed to provide readers with a broad overview of the County's financial performance over the past year and the resulting condition thereof. The statements resemble those of private sector business by taking on an "economic resource" approach as opposed to a "current resource" approach traditionally found in Fund Financial Statements. Additionally, this MD&A helps highlight and emphasize in plain language the events that have occurred over the past year to bring about the current financial condition of the County. I encourage readers to review all of the basic financial statements, along with the MD&A and supplementary information in order to fully understand the overall financial position of Mitchell County, Georgia.

Reporting on the County as a Whole

The model of financial reporting, which includes the Statement of Net Position and the Statement of Activities beginning on page 12, helps readers identify whether or not the County as a whole is in better condition as a result of the events that have taken place over the past year. These statements capture *all* assets and liabilities using the *accrual basis of accounting.* This format of accounting resembles that used by most private-sector companies by recording all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the County is presented in two distinct activities:

- Governmental Activities – This section reports most of the familiar governmental services: general government, judicial, public safety, public works, health and welfare, recreation, and housing and development. The majority of funding for these programs comes from property taxes, sales tax, charges for services, and fines and forfeitures.

- Business-type Activities – This section reports activities that are financed and operated in a manner similar to private business enterprises where the intent of the governing authority is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing authority has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. For purposes of this paragraph, the term "costs" means expenses, including depreciation.

- Component units – There is one component unit report, the Mitchell County Board of Health. Although this unit is a legally separate entity, it is important because the County has a significant financial interest in this unit.

Reporting on the County's Most Significant Funds

The Fund Financial Statements beginning on page 15 provides a more detailed look at the County's most significant funds – not the County as a whole. While some funds are required by State law, others are established by the Board of Commissioners to help control budgets and financing for specific purposes. The County maintains three categories of funds: Governmental, Proprietary and Fiduciary.

- Governmental Funds – As you might expect, most of the familiar governmental services (general government, judiciary, public safety, public works, health and welfare, recreation, housing and development) are captured and reported in Governmental Funds. These funds use a method of accounting called the modified accrual approach. This method of accounting measures cash and other financial assets that can be readily converted into cash. The Governmental Funds provide a short-term view of the County's general government operations and services, and help determine the amount of financial resources that are available in the near future to fund County programs. On page 17 is the reconciliation between the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

- Proprietary Funds – The County maintains two type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water and Sewer System Fund and on internal service fund to account for its Self-Insurance Health Benefit Fund. The accounting method used for these funds is much like that used for a business, the *full accrual* method.

- Fiduciary Funds – These funds are established to report on assets being held by the County for the benefit of parties outside the County. Although these funds are presented in the Fund Financial statements, they do not appear in the Government-wide statements because the resources of these funds are not available to support the programs of Mitchell County Local Government. The accounting method used for these funds is much like that used for proprietary funds, the *full accrual* method.

Mitchell County Government-Wide Financial Analysis

The following table presents a summary of the Statement of Net Position for the County as of December 31, 2019 and 2018.

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	**2019**	2018	**2019**	2018
Current and Other Assets	**$ 18,998,937**	$ 18,151,001	**$ 153,461**	$ 742,996	**$ 19,152,398**	$ 18,893,997
Capital Assets	**18,604,049**	18,472,055	**1,705,483**	956,030	**20,309,532**	19,428,085
Total Assets	**37,602,986**	36,623,056	**1,858,944**	1,699,026	**39,461,930**	38,322,082
Deferred outflows of resources	**1,722,944**	782,717	-	-	**1,722,944**	782,717
Long-term Liabilities	**4,645,800**	5,692,695	**775,759**	362,505	**5,421,559**	6,055,200
Other Liabilities	**5,146,664**	3,892,177	**87,063**	293,542	**5,233,727**	4,185,719
Total Liabilities	**9,792,464**	9,584,872	**862,822**	656,047	**10,655,286**	10,240,919
Deferred inflows of resources	**308,101**	210,450	-	-	**308,101**	210,450
Net Position:						
Net Investment in Capital Assets	**17,655,344**	17,688,935	**842,661**	540,383	**18,498,005**	18,229,318
Restricted	**5,227,240**	4,996,794	**-**	-	**5,227,240**	4,996,794
Unrestricted	**6,342,781**	4,924,722	**153,461**	502,596	**6,496,242**	5,427,318
Total Net Position	**$ 29,225,365**	$ 27,610,451	**$ 996,122**	$ 1,042,979	**$ 30,221,487**	$ 28,653,430

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $30,221,487 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (61%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is $6,496,242.

The following table summarizes the changes in net position for the primary government for the fiscal years ended December 31, 2019 and 2018.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	**2019**	2018	**2019**	2018
Revenues						
Program revenues:						
Charges for services	**$ 3,434,810**	$ 3,129,979	**$ 862,731**	$ 783,838	**$ 4,297,541**	$ 3,913,817
Operating grants	**1,623,197**	997,389	**-**	-	**1,623,197**	997,389
Capital grants	**49,460**	81,737	**426,547**	90,626	**476,007**	172,363
General revenue:						
Property taxes	**11,641,559**	11,958,107	**-**	-	**11,641,559**	11,958,107
Sales taxes	**2,547,906**	2,260,341	**-**	-	**2,547,906**	2,260,341
Insurance premium taxes	**907,431**	846,253	**-**	-	**907,431**	846,253
Other taxes	**164,330**	167,110	**-**	-	**164,330**	167,110
Unrestricted investment earnings	**106,925**	54,944	**-**	-	**106,925**	54,944
Gain on sale of assets	**-**	176,057	**-**	-	**-**	176,057
Total revenues	**20,475,618**	19,671,917	**1,289,278**	874,464	**21,764,896**	20,546,381
Program expenses:						
General government	**4,351,772**	4,305,996	**-**	-	**4,351,772**	4,305,996
Judicial	**1,142,191**	1,079,835	**-**	-	**1,142,191**	1,079,835
Public safety	**7,655,437**	7,231,315	**-**	-	**7,655,437**	7,231,315
Public works	**5,414,679**	5,616,792	**-**	-	**5,414,679**	5,616,792
Health and welfare	**425,118**	425,924	**-**	-	**425,118**	425,924
Culture and recreation	**325,161**	379,668	**-**	-	**325,161**	379,668
Conservation and development	**463,356**	647,642	**-**	-	**463,356**	647,642
Economic development	**-**	-	**-**	-	**-**	-
Interest on long-term debt	**102,422**	135,322	**-**	-	**102,422**	135,322
Water	**-**	-	**316,703**	410,122	**316,703**	410,122
Total expenses	**19,880,136**	19,822,494	**316,703**	410,122	**20,196,839**	20,232,616
Excess revenues over expenses	**595,482**	(150,577)	**972,575**	464,342	**1,568,057**	313,765
Transfers	**1,019,432**	200,000	**(1,019,432)**	(200,000)	**-**	-
Change in net position	**1,614,914**	49,423	**(46,857)**	264,342	**1,568,057**	313,765
Net position - beg of year	**27,610,451**	27,561,028	**1,042,979**	778,637	**28,653,430**	28,339,665
Net position - end of year	**$ 29,225,365**	$ 27,610,451	**$ 996,122**	$ 1,042,979	**$ 30,221,487**	$ 28,653,430

Total revenues for governmental activities exceed total expenses by $595,482. By review of Table 2, it is apparent that the bulk of revenues supporting governmental activities are attributable to property taxes, $11,641,559, or 57%, and charges for services $3,434,810, or 17%.

Additionally, Table 2 illustrates the bulk of governmental activities expense being reported within the program of public safety, reporting expenses of $7,655,437, or 39%, with the second largest expense attributable to public works with expenses of $5,414,679, or 27%.

Governmental Activities

The current reporting model provides users with an understanding of how governmental activities are fully supported. Table 3 will help illustrate how these programs fall short of supporting themselves and must, therefore, rely on general revenues such as property tax, sales tax, fines and grants. The table lists the total cost of each program, and the final net cost (total cost less revenues generated by the program).

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	**2019**	2018
General government	**$ 4,351,772**	$ 4,305,996	**$ 4,112,270**	$ 4,087,092
Judicial	**1,142,191**	1,079,835	**976,473**	920,517
Public safety	**7,655,437**	7,231,315	**4,609,777**	4,348,136
Public works	**5,414,679**	5,616,792	**3,950,414**	4,772,554
Health and welfare	**425,118**	425,924	**425,118**	425,924
Culture and recreation	**325,161**	379,668	**277,689**	339,434
Conservation and development	**463,356**	647,642	**318,506**	584,410
Interest on long-term debt	**102,422**	135,322	**102,422**	135,322
Totals	**$ 19,880,136**	$ 19,822,494	**$ 14,772,669**	$ 15,613,389

As noted in the above table, governmental programs fell $14,772,669 short of supporting themselves through direct revenues attributable to those programs. As a result, citizens support these programs through payment of property taxes, sales taxes, and other taxes.

The County's Major Governmental Funds

At the end of fiscal year 2019, the County reported its governmental funds (as presented in the balance sheet on page 15) having a combined fund balance of $16,997,905. This balance increased by $740,534 from the prior year's balance. The statement of revenues, expenditures and changes in fund balances presented on page 16 reports fund balance of $11,431,408 in the General Fund, $2,042,673 was reported for 2012 – 2017 Sales Tax Fund, $1,901,519 was reported for 2018 – 2023 Sales Tax Fund and $1,622,305 for Non-major Governmental Funds.

Revenues for the General Fund totaled $15,974,408, or approximately 80% of total governmental revenues, reported in the statement of revenues, expenditures and changes in fund balance presented on page 16. Of this amount, $10,637,175 (67%) was collected through property taxes, with the second largest source of revenues reported in the line item of charges for services, $1,645,425 (10%).

Expenditures for the General Fund totaled $16,217,005 (not including other financing uses). Expenditures exceeded revenues by $242,597.

General Fund Budgetary Highlights

Total revenues in the General Fund were over final budgeted amounts by $41,408, or less than 1%. This final result is a combination of both positive and negative variances as reported on the General Fund Budgetary Comparison Statement presented on pages 18 and 19.

General Fund expenditures (not including other financing uses) for the year ended December 31, 2019, were over budget by $60,853, also less than 1%.

Capital Asset and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to $20,309,532 (net of accumulated depreciation). This is an increase of $1,384,927 from last year. The increase is the result of capital outlay exceeding depreciation in the current year. Table 4 is summary data of capital assets.

Table 4
Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 3,461,069	$ 81,920	$ 3,542,989
Construction in progress	-	1,292,933	1,292,933
Buildings	3,439,477	201,617	3,641,094
Infrastructure	8,512,171	129,013	8,641,184
Vehicles and equipment	3,191,332	-	3,191,332
Totals	$ 18,604,049	$ 1,705,483	$ 20,309,532

It should be noted that the majority of the capital assets in the County have been obtained through the use of Special Purpose Local Option Sales Tax ("SPLOST"). More detail on the County's capital assets can be found in Note 6, pages 37 and 38 of the Notes to the Financial Statements.

At year-end, the County had a total of $9,908,366 in outstanding long-term liabilities which includes $3,110,921 in closure and post-closure care costs for the Mitchell County Landfill and the balance being notes payable, bonds payable, capital leases, compensated absences, and the net pension liability. More information regarding the County's long-term debt can be found in Note 8, pages 39 – 41 in the Notes to Financial Statements.

Other Economic Factors

At the direction of the Board of Commissioners, the County has positioned itself to build sufficient reserves for short-term operating costs, thereby reducing the need for an operating line of credit. This saves the County interest expense. The County has also taken advantage of governmental lease-purchase agreements for its large equipment needs. These agreements allow for the guaranteed repurchase of the equipment by the vendor and provides the County with newer equipment that reduces overall repairs, maintenance and operating costs.

To help improve the community, provide job opportunities and expand the tax base, the Board of Commissioners funds the Mitchell County Development Authority.

Contacting the County's Financial Management

This Annual Financial Report is designed to help citizens, taxpayers, customers, investors, and creditors evaluate the overall condition of Mitchell County, Georgia and the operations thereof. Additional details can be requested by mail at the following address: Mitchell County Board of Commissioners, 26 N. Court Avenue, Camilla, Georgia 31730.

MITCHELL COUNTY, GEORGIA

STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Mitchell County Board of Health
ASSETS				
Cash and cash equivalents	$ 15,551,103	$ -	$ 15,551,103	$ 350,352
Investments	510,683	-	510,683	-
Taxes receivable	2,615,344	-	2,615,344	-
Accounts receivable, net of allowances	58,458	66,398	124,856	-
Due from other governments	215,443	87,063	302,506	
Interest receivable	3,561	-	3,561	-
Notes receivable	44,345	-	44,345	-
Due from other governments	-	-	-	153,085
Capital assets:				
Nondepreciable	3,461,069	1,374,853	4,835,922	-
Depreciable, net of accumulated depreciation	15,142,980	330,630	15,473,610	47,674
Total assets	37,602,986	1,858,944	39,461,930	551,111
DEFERRED OUTFLOWS OF RESOURCES				
Pension differences	1,722,944	-	1,722,944	109,847
OPEB differences	-	-	-	119,899
Total deferred outflows of resources	1,722,944	-	1,722,944	229,746
LIABILITIES				
Accounts payable	321,987	-	321,987	20,316
Retainage payable	-	87,063	87,063	-
Accrued liabilities	180,302	-	180,302	-
Claims payable	142,334	-	142,334	-
Due to other governments	15,234	-	15,234	30,885
Financed purchases due within one year	447,968	-	447,968	-
Financed purchases due in more than one year	500,737	-	500,737	-
Notes payable due in more than one year	-	775,759	775,759	-
Bonds payable due within one year	970,000	-	970,000	-
Bonds payable due in more than one year	995,000	-	995,000	-
Compensated absences due within one year	156,568	-	156,568	1,890
Compensated absences due in more than one year	39,142	-	39,142	17,009
Closure and post-closure care costs	3,110,921	-	3,110,921	-
Net pension liability	2,912,271	-	2,912,271	482,676
Net OPEB liability	-	-	-	243,510
Total liabilities	9,792,464	862,822	10,655,286	796,286
DEFERRED INFLOWS OF RESOURCES				
Pension differences	308,101	-	308,101	47,839
OPEB differences	-	-	-	171,310
Total deferred inflows of resources	308,101	-	308,101	219,149
NET POSITION				
Net investment in capital assets	17,655,344	842,661	18,498,005	47,674
Restricted for:				
Judicial	20,317	-	20,317	-
Victims witness program	2,815	-	2,815	-
Public safety	507,709	-	507,709	-
Economic development	14,956	-	14,956	-
Capital outlay	4,681,443	-	4,681,443	-
Special use	-	-	-	295,169
Unrestricted (deficit)	6,342,781	153,461	6,496,242	(577,421)
Total net position	$ 29,225,365	$ 996,122	$ 30,221,487	$ (234,578)

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 4,351,772	$ 239,502	$ -	$ -
Judicial	1,142,191	-	165,718	-
Public safety	7,655,437	2,990,307	54,716	637
Public works	5,414,679	52,260	1,386,763	25,242
Health and welfare	425,118	-	-	-
Recreation	325,161	47,472	-	-
Conservation and development	463,356	105,269	16,000	23,581
Interest on long-term debt	102,422	-	-	-
Total governmental activities	19,880,136	3,434,810	1,623,197	49,460
Business-type activities:				
Water and sewer system	316,703	862,731	-	426,547
Total business-type activities	316,703	862,731	-	426,547
Total primary government	$ 20,196,839	$ 4,297,541	$ 1,623,197	$ 476,007
Component unit				
Mitchell County Board of Health	$ 591,251	$ 282,388	$ 472,413	$ -
Total component unit	$ 591,251	$ 282,388	$ 472,413	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Mitchell County Board of Health
$ (4,112,270)	$ -	$ (4,112,270)	$ -
(976,473)	-	(976,473)	-
(4,609,777)	-	(4,609,777)	-
(3,950,414)	-	(3,950,414)	-
(425,118)	-	(425,118)	-
(277,689)	-	(277,689)	-
(318,506)	-	(318,506)	-
(102,422)	-	(102,422)	-
(14,772,669)	-	(14,772,669)	-
-	972,575	972,575	-
-	972,575	972,575	-
$ (14,772,669)	$ 972,575	$ (13,800,094)	$ -
$ -	$ -	$ -	$ 163,550
-	-	-	163,550
11,641,559	-	11,641,559	-
2,547,906	-	2,547,906	-
907,431	-	907,431	-
164,330	-	164,330	-
106,925	-	106,925	-
1,019,432	(1,019,432)	-	-
16,387,583	(1,019,432)	15,368,151	-
1,614,914	(46,857)	1,568,057	163,550
27,610,451	1,042,979	28,653,430	(398,128)
$ 29,225,365	$ 996,122	$ 30,221,487	$ (234,578)

MITCHELL COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	2018-2023 Sales Tax Fund	2012-2017 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 10,398,738	$ 1,760,854	$ 2,057,907	$ 1,221,521	$ 15,439,020
Investments	245,458	-	-	265,225	510,683
Taxes receivables	2,493,963	-	-	121,381	2,615,344
Accounts receivables, net of allowances	58,458	-	-	-	58,458
Due from other governments	-	215,443	-	-	215,443
Notes receivable	20,634	-	-	23,711	44,345
Interest receivable	3,561	-	-	-	3,561
Due from other funds	9,533	-	-	-	9,533
Total assets	$ 13,230,345	$ 1,976,297	$ 2,057,907	$ 1,631,838	$ 18,896,387
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 247,209	$ 74,778	$ -	$ -	$ 321,987
Accrued liabilities	180,302	-	-	-	180,302
Due to other funds	-	-	-	9,533	9,533
Due to other governments	-	-	15,234	-	15,234
Total liabilities	427,511	74,778	15,234	9,533	527,056
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,371,426	-	-	-	1,371,426
Total deferred inflow of resources	1,371,426	-	-	-	1,371,426
FUND BALANCES					
Nonspendable - Long-term receivable	-	-	-	23,711	23,711
Restricted for:					
Judicial	-	-	-	20,317	20,317
Victims witness program	2,815	-	-	-	2,815
Public safety	-	-	-	507,709	507,709
Economic development	-	-	-	14,956	14,956
Capital outlay	737,251	1,901,519	2,042,673	-	4,681,443
Committed for:					
Public safety	-	-	-	497,432	497,432
Public assistance	-	-	-	47,423	47,423
Housing and development	-	-	-	510,757	510,757
Unassigned	10,691,342	-	-	-	10,691,342
Total fund balances	11,431,408	1,901,519	2,042,673	1,622,305	16,997,905
Total liabilities, deferred inflows of resources, and fund balances	$ 13,230,345	$ 1,976,297	$ 2,057,907	$ 1,631,838	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,604,049
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,371,426
Deferred outflows of resources and deferred inflows of resources related to the County's pension plan are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	1,414,843
Internal service funds are used by management to charge the costs of risk management to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities.	(30,251)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,220,336)
The net pension liability is not due and payable in the current period and, therefore, is not reported in governmental funds.	(2,912,271)
Net position of governmental activities	$ 29,225,365

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	2018-2023 Sales Tax Fund	2012-2017 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 10,637,175	$ -	$ -	$ 400,727	$ 11,037,902
Sales taxes	145,500	2,402,406	-	-	2,547,906
Insurance premium taxes	907,431	-	-	-	907,431
Other taxes	164,330	-	-	-	164,330
Licenses and permits	77,887	-	-	-	77,887
Intergovernmental	1,623,197	-	-	23,581	1,646,778
Charges for services	1,645,425	-	-	829,914	2,475,339
Fines and forfeitures	413,500	-	-	99,146	512,646
Interest income	96,294	2,522	25,879	8,109	132,804
Other revenues	263,669	-	-	105,269	368,938
Total revenues	15,974,408	2,404,928	25,879	1,466,746	19,871,961
Expenditures					
Current:					
General government	3,714,784	-	-	-	3,714,784
Judicial	1,120,312	-	-	7,632	1,127,944
Public safety	5,303,397	-	-	1,728,626	7,032,023
Public works	3,932,192	-	-	31,000	3,963,192
Health and welfare	425,118	-	-	-	425,118
Culture and recreation	330,269	-	-	-	330,269
Conservation and development	275,190	-	-	156,084	431,274
Economic development	15,101	-	-	-	15,101
Intergovernmental	-	1,020,472	200	-	1,020,672
Capital outlay	-	456,366	752,279	-	1,208,645
Debt service:					
Principal	1,011,973	-	-	113,774	1,125,747
Interest	88,669	-	-	13,753	102,422
Total expenditures	16,217,005	1,476,838	752,479	2,050,869	20,497,191
Excess (deficiency) of revenues over (under) expenditures	(242,597)	928,090	(726,600)	(584,123)	(625,230)
Other financing sources (uses)					
Issuance of capital leases	346,332	-	-	-	346,332
Transfers in	1,482,947	-	-	671,674	2,154,621
Transfers out	(676,984)	-	(408,205)	(50,000)	(1,135,189)
Total other financing sources (uses)	1,152,295	-	(408,205)	621,674	1,365,764
Net change in fund balances	909,698	928,090	(1,134,805)	37,551	740,534
Fund balances, beginning of year	10,521,710	973,429	3,177,478	1,584,754	16,257,371
Fund balances, end of year	$ 11,431,408	$ 1,901,519	$ 2,042,673	$ 1,622,305	$ 16,997,905

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

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MITCHELL COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	740,534
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 outlay exceeds depreciation in the current period.		131,994
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		603,657
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		712,448
The internal service fund is used by management to charge the cost of employee health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.		25,600
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(599,319)
Change in net position - governmental activities	$	1,614,914

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 11,740,000	$ 10,600,000	$ 10,637,175	$ 37,175
Sales taxes	115,000	145,000	145,500	500
Insurance premium taxes	845,000	907,000	907,431	431
Other taxes	140,000	164,000	164,330	330
Licenses and permits	47,200	77,000	77,887	887
Intergovernmental	1,626,600	1,623,000	1,623,197	197
Charges for services	1,526,300	1,645,000	1,645,425	425
Fines and forfeitures	404,000	413,000	413,500	500
Interest revenue	35,000	96,000	96,294	294
Other revenues	78,200	263,000	263,669	669
Total revenues	16,557,300	15,933,000	15,974,408	41,408
Expenditures				
Current				
General government:				
Board of commissioners	81,575	55,000	54,984	16
Board of registrars	182,075	104,000	103,977	23
Commissioners office	455,500	470,000	469,735	265
General government	2,258,725	2,270,000	2,269,173	827
Tax commissioner	282,125	253,500	253,275	225
Tax assessor	384,855	364,500	364,068	432
Courthouse/public buildings	82,575	120,000	119,007	993
Other services	51,175	81,000	80,565	435
Total general government	3,778,605	3,718,000	3,714,784	3,216
Judicial:				
Superior court	225,875	105,500	105,078	422
Clerk of Superior court	284,225	279,000	278,355	645
Board of equalization	4,500	2,500	2,508	(8)
District attorney	47,900	47,900	47,892	8
State court	216,200	160,000	158,311	1,689
Magistrate court	205,275	201,000	200,731	269
Probate court	144,125	141,500	141,085	415
Juvenile court	213,050	186,000	185,100	900
Victims assistance	-	-	1,252	(1,252)
Total judicial	1,341,150	1,123,400	1,120,312	3,088
Public safety:				
Sheriff	3,121,875	2,870,000	2,863,195	6,805
Corrections	1,991,325	1,795,000	1,794,175	825
Probation/community service	148,775	134,000	133,702	298
Emergency medical services	418,200	408,000	407,266	734
Coroner	37,100	37,000	36,821	179
Animal control	52,000	53,500	53,229	271
Emergency management agency	42,975	15,100	15,009	91
Total public safety	5,812,250	5,312,600	5,303,397	9,203

(Continued)

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued)				
Current (Continued)				
Public works:				
Public works	$ 2,884,700	$ 3,306,000	$ 3,305,857	$ 143
Landfill	644,300	627,000	626,335	665
Total public works	3,529,000	3,933,000	3,932,192	808
Health and welfare:				
Health centers	166,250	165,200	165,118	82
Hospital	250,000	250,000	250,000	-
Public welfare	10,000	10,000	10,000	-
Total health and welfare	426,250	425,200	425,118	82
Culture and Recreation				
Library	43,200	42,250	42,212	38
Recreation	394,125	289,000	288,057	943
Total culture and recreation	437,325	331,250	330,269	981
Conservation and development:				
NRCS - conservation office	35,475	35,000	34,826	174
Extension service	116,275	123,000	122,928	72
Planning and zoning	147,125	118,000	117,436	564
Total conservation and development	298,875	276,000	275,190	810
Economic development:				
Southwest Georgia Regional Commission	16,000	16,000	15,101	899
Total economic development	16,000	16,000	15,101	899
Debt service:				
Principal	945,000	1,012,000	1,011,973	27
Interest	81,775	89,000	88,669	331
Total debt service	1,026,775	1,101,000	1,100,642	358
Total expenditures	16,666,230	16,236,450	16,217,005	19,445
(Deficiency) of revenues over expenditures	(108,930)	(303,450)	(242,597)	60,853
Other financing sources (uses)				
Issuance of capital leases	-	346,000	346,332	332
Transfers in	154,000	1,482,500	1,482,947	447
Transfers out	(413,575)	(677,000)	(676,984)	16
Total other financing sources (uses)	(259,575)	1,151,500	1,152,295	795
Net change in fund balances	(368,505)	848,050	909,698	61,648
Fund balances, beginning of year	10,521,710	10,521,710	10,521,710	-
Fund balances, end of year	$ 10,153,205	$ 11,369,760	$ 11,431,408	$ 61,648

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Water and Sewer System	Governmental Activities - Internal Service Fund	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ -	$ 112,083	$ 112,083
Accounts receivable	66,398	-	66,398
Due from other governments	87,063	-	87,063
Total current assets	153,461	112,083	265,544
NON-CURRENT ASSETS			
Capital assets:			
Nondepreciable	1,374,853	-	1,374,853
Depreciable, net of accumulated depreciation	330,630	-	330,630
Total non-current assets	1,705,483	-	1,705,483
Total assets	1,858,944	112,083	1,971,027
LIABILITIES			
CURRENT LIABILITIES			
Retainage payable	87,063	-	87,063
Claims payable	-	142,334	142,334
Total current liabilities	87,063	142,334	229,397
NON-CURRENT LIABILITIES			
Notes payable, net of current portion	775,759	-	775,759
Total non-current liabilities	775,759	-	775,759
Total liabilities	862,822	142,334	1,005,156
NET POSITION (DEFICIT)			
Net investment in capital assets	842,661	-	842,661
Unrestricted (deficit)	153,461	(30,251)	123,210
Total net position (deficit)	$ 996,122	$ (30,251)	$ 965,871

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water and Sewer System	Governmental Activities - Internal Service Fund	Totals
OPERATING REVENUES			
Charges for services	$ 862,731	$ 1,360,246	$ 2,222,977
Total operating revenues	862,731	1,360,246	2,222,977
OPERATING EXPENSES			
Cost of sales and services	121,477	-	121,477
Supplies	136,921	-	136,921
Claims	-	1,334,646	1,334,646
Depreciation	40,000	-	40,000
Total operating expenses	298,398	1,334,646	1,633,044
Operating income	564,333	25,600	589,933
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	426,547	-	426,547
Interest expense	(18,305)	-	(18,305)
Total non-operating revenues, net	408,242	-	408,242
Income before transfers	972,575	25,600	998,175
TRANSFERS			
Transfers in	5,310	-	5,310
Transfers out	(1,024,742)	-	(1,024,742)
Total transfers	(1,019,432)	-	(1,019,432)
Change in net position	(46,857)	25,600	(21,257)
NET POSITION (DEFICIT), beginning of year	1,042,979	(55,851)	987,128
NET POSITION (DEFICIT), end of year	$ 996,122	$ (30,251)	$ 965,871

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water and Sewer System	Governmental Activities - Internal Service Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,531,264	$ 1,360,246	$ 2,891,510
Payments to suppliers	(462,083)	(1,292,287)	(1,754,370)
Net cash provided by operating activities	1,069,181	67,959	1,137,140
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	5,310	-	5,310
Transfers out	(1,024,742)	-	(1,024,742)
Net cash (used in) non-capital financing activities	(1,019,432)	-	(1,019,432)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(789,453)	-	(789,453)
Federal grant subsidy	426,547	-	426,547
Proceeds from notes payable	326,191	-	326,191
Principal paid on notes payable	(2,794)	-	(2,794)
Interest paid	(18,305)	-	(18,305)
Net cash used in capital and related financing activities	(57,814)	-	(57,814)
Increase (decrease) in cash and cash equivalents	(8,065)	67,959	59,894
Cash and cash equivalents:			
Beginning of year	8,065	44,124	52,189
End of year	$ -	$ 112,083	$ 112,083
Classified as:			
Cash and cash equivalents	$ -	$ 112,083	$ 112,083
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 564,333	$ 25,600	$ 589,933
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	40,000	-	40,000
Changes in assets and liabilities:			
Decrease in accounts receivable	233,624	-	233,624
Decrease in due from other funds	434,909	-	434,909
Decrease in accounts payable	(240,400)	-	(240,400)
Increase in retainage payable	36,715	-	36,715
Increase in claims payable	-	42,359	42,359
Net cash provided by operating activities	$ 1,069,181	$ 67,959	$ 1,137,140

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 344,677
Taxes receivable	2,334,830
Total assets	$ 2,679,507
LIABILITIES	
Due to others	$ 344,677
Uncollected taxes	2,334,830
Total liabilities	$ 2,679,507

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Mitchell County, Georgia, (the "County") operates under a County Commissioner-Administrator form of government and provides the following services to the citizens of Mitchell County: public safety (police and fire), public works, recreation, judicial services, health and welfare services, housing and development, and general administrative services.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Mitchell County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Unit

The **Mitchell County Board of Health** (the "Health Department") provides health services to the citizens of the County. The Health Department is a legally separate entity. The County Commissioners appoint a voting majority of the Health Department. The County has the ability to impose its will on the Health Department in accordance with the Official Code of Georgia Annotated ("O.C.G.A.") § 31-3-14. The fiscal year-end of the component unit is June 30. Complete financial statements of the Mitchell County Health Department may be obtained from its administrative office at 88 W. Oakland Ave., Camilla, Georgia 31730.

Blended Component Unit

The **Mitchell County Development Authority** (the "Development Authority") is responsible for promoting industrial and commercial development within Mitchell County. The Development Authority is responsible for adopting its own annual budget and making its own operating decisions. A majority of the members of the governing board of the Development Authority are appointed by the County Commission. Additionally, the debt of the Development Authority is being repaid by the County. Separate financial statements for the Development Authority were not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of* accounting, as are the proprietary fund and the fiduciary fund financial statements. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial* resources measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County 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 payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Property taxes, sales taxes, franchise taxes, licenses, investment income, Federal and State grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The ***2012-2017 Sales Tax Fund*** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax ("SPLOST"). Funds are used for: road and drainage projects; public safety projects; economic development projects; and various City projects within Mitchell County.

The ***2018-2023 Sales Tax Fund*** accounts for the proceeds of a 1% SPLOST. Funds are used for: the retirement of general obligation debt; construction on roads, streets and bridges; public safety projects; and various City projects within Mitchell County.

The County reports the following major business-type fund:

The ***Water and Sewer System*** is an enterprise fund used to account for the provision of water services to the citizens of Mitchell County. Activities of the fund include water administration, operations, billing and collections.

The County reports the following internal service fund:

The ***Self-Insurance Health Benefit Fund*** is used to account for the self-insured health benefit plan provided for the employees of the County.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted or committed to expenditures for specific purposes.

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Short-Term Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects constructed. Interest incurred during the construction period of capital assets is included as part of the capitalized value of the assets constructed. No interest expense was capitalized during the year ended December 31, 2019.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Primary Government	
Buildings and improvements	20 years
Infrastructure	50 years
Vehicles and equipment	5 - 10 years
Mitchell County Health Department	
Machinery and equipment	5 - 7 years

G. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation as follows: 240 hours for all departments except, 252 hours for Sheriff's department, and 300 hours for the Correctional Institute employees. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of fund balance/net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category, other than the items related to the changes in the net pension liability which are discussed below.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items related to the changes in the net pension liability as discussed below, the County has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and other receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Mitchell County, Georgia Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Fund Equity and Net Position

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

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

- ***Nonspendable*** - Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- ***Restricted*** - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- ***Committed*** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal voting action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment by passage of a subsequent ordinance.
- ***Assigned*** - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances for particular purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity and Net Position (Continued)

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances (or deficits in fund balances) may be reported in all funds when there are fund deficits after all other spendable forms of fund balance have been exhausted.

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

- Committed
- Assigned
- Unassigned

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

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Restrictions on the government-wide statement of net position represents amount segregated to meet debt covenants and capital projects as restricted by Federal and State laws.

L. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred inflows of resources, deferred outflow of resources, and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $6,220,336 difference are as follows:

Capital lease payable	$	(948,705)
Bonds payable		(1,965,000)
Compensated absences		(195,710)
Post-closure care costs		(3,110,921)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(6,220,336)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $131,994 difference are as follows:

Capital outlay	$	1,367,464
Depreciation expense		(1,235,470)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	131,994

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

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

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $712,448 difference are as follows:

Principal payments - financed borrowings	$	180,747
Principal payments - bonds payable		945,000
Issuance of financed borrowing		(346,332)
Change in post-closure care liability		(66,967)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	712,448

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $599,319 difference are as follows:

Compensated absences	$	(7,381)
Change in net pension and related deferred outflows of resources		(591,938)
Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	(599,319)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to year-end, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.

3. Prior to January 1, the budget is legally enacted through approval by the Board of Commissioners.

4. The Board of Commissioners have the authority to amend the budget. An increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

5. Formal budgetary integration is employed as a measurement control device during the year for the General Fund and all Special Revenue Funds. Project-length budgets are adopted for capital projects funds.

6. The budget for the General Fund and the Special Revenue Funds are adopted on a basis consistent with GAAP and are presented in accordance with finance-related legal and contractual provisions.

Budgeted amounts are as originally adopted on December 21, 2018, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to assign or commit that portion of the applicable appropriation, is not utilized by the County.

NOTE 4. CASH AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At December 31, 2019, the County had the following investments:

Fund	Investments	Maturities	Fair Value
Nonmajor governmental fund	Certificate of deposit	363 days	$ 265,225
General Fund	Certificate of deposit	363 days	245,458
Total Investments			$ 510,683

Interest rate risk. The County 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.

Custodial credit risk – deposits. The County does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. At December 31, 2019, the deposits maintained by the County at one financial institution were undercollateralized by $3,004,065 as defined by GASB pronouncements and the State of Georgia. However, State law allows for a ten day grace period during which additional collateral can be pledged by the financial institutions. The financial institution pledged the additional required collateral during this time period.

NOTE 5. RECEIVABLES

Receivables consisted of the following at December 31, 2019:

	General	2018-2023 Sales Tax Fund	Nonmajor Governmental Funds	Water and Sewer System	Total
Receivables:					
Taxes	$ 2,524,975	$ -	$ 121,381	$ -	$ 2,646,356
Accounts	58,458	-	-	66,398	124,856
Notes	20,634	-	23,711	-	44,345
Interest	3,561	-	-	-	3,561
Due from other governments	-	215,443	-	87,063	302,506
Gross receivables	2,607,628	215,443	145,092	153,461	3,121,624
Less allowance for uncollectibles	(31,012)	-	-	-	(31,012)
Net total receivable	$ 2,576,616	$ 215,443	$ 145,092	$ 153,461	$ 3,090,612

Property taxes attached as an enforceable lien on property as of May 15, 2020. Property taxes were levied on September 26, 2019, and payable on or before December 20, 2019. The County bills and collects its own property taxes. Property taxes levied for 2019 are recorded as receivables, net of estimated uncollectible accounts. The net receivables collected during the year ended December 31, 2019, and collected by February 29, 2020, are recognized as revenues in the year ended December 31, 2019. Net receivables estimated to be collected subsequent to February 29, 2020, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Notes receivable in the General Fund consists of a loan to the City of Baconton for an advance of SPLOST funds to enable the City to start on a SPLOST project. The City is making monthly payments of $2,962 to the County for a 24-month period, beginning April 2018 and ending March 2020. As of December 31, 2019, the City owes the County a remaining balance of $20,634.

Notes receivable in the Revolving Loan Fund consist of loans to other entities for community development funded by the Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

NOTE 6. CAPITAL ASSETS

The County's capital asset activity for the year ended December 31, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvements	$ 3,461,069	$ -	$ -	$ -	$ 3,461,069
Total capital assets, not being depreciated	3,461,069	-	-	-	3,461,069
Capital assets, being depreciated:					
Buildings	10,769,356	-	-	-	10,769,356
Infrastructure	18,175,455	95,660	-	-	18,271,115
Vehicles and equipment	12,531,823	1,271,804	(85,186)	-	13,718,441
Total capital assets, being depreciated	41,476,634	1,367,464	(85,186)	-	42,758,912
Less accumulated depreciation for:					
Buildings	(7,064,101)	(265,778)	-	-	(7,329,879)
Infrastructure	(9,420,569)	(338,375)	-	-	(9,758,944)
Vehicles and equipment	(9,980,978)	(631,317)	85,186	-	(10,527,109)
Total accumulated depreciation	(26,465,648)	(1,235,470)	85,186	-	(27,615,932)
Total capital assets, being depreciated, net	15,010,986	131,994	-	-	15,142,980
Governmental activities capital assets, net	$ 18,472,055	$ 131,994	$ -	$ -	$ 18,604,049

NOTE 6. CAPITAL ASSETS (CONTINUED)

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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 81,920	$ -	$ -	$ -	$ 81,920
Construction in progress	503,480	789,453	-	-	1,292,933
Total capital assets, not being depreciated	585,400	789,453	-	-	1,374,853
Capital assets, being depreciated:					
Building and improvements	1,522,823	-	-	-	1,522,823
Infrastructure	721,301	-	-	-	721,301
Vehicles and equipment	29,983	-	-	-	29,983
Total	2,274,107	-	-	-	2,274,107
Less accumulated depreciation for:					
Building and improvements	(1,292,934)	(28,272)	-	-	(1,321,206)
Infrastructure	(580,560)	(11,728)	-	-	(592,288)
Vehicles and equipment	(29,983)	-	-	-	(29,983)
Total	(1,903,477)	(40,000)	-	-	(1,943,477)
Total capital assets, being depreciated, net	370,630	(40,000)	-	-	330,630
Business-type activities capital assets, net	$ 956,030	$ 749,453	$ -	$ -	$ 1,705,483

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 72,246
Judicial	10,737
Public safety	524,573
Public works	599,639
Recreation	11,777
Housing and development	16,498
Total depreciation expense - governmental activities	$ 1,235,470
Business-type activities:	
Water and Sewer System Fund	$ 40,000
Total depreciation expense - business-type activities	$ 40,000

NOTE 7. SHORT-TERM DEBT – REVOLVING LINE OF CREDIT

The County has a revolving line of credit to use for financing a variety of public projects, including financing general operations during periods of uneven property and sales tax collections. The County did not use the line of credit during the year ended December 31, 2019.

NOTE 8. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases from direct borrowings	$ 783,120	$ 346,332	$ (180,747)	$ 948,705	$ 447,968
Bonds payable	2,910,000	-	(945,000)	1,965,000	970,000
Compensated absences	188,329	146,356	(138,975)	195,710	156,568
Landfill post-closure care costs	3,043,954	114,281	(47,314)	3,110,921	-
Net pension liability	1,477,757	1,770,220	(335,706)	2,912,271	-
Governmental activities long-term liabilities	$ 8,403,160	$ 2,377,189	$ (1,647,742)	$ 9,132,607	$ 1,574,536
Business-type activities:					
Notes payable from direct borrowings	$ 365,299	$ 413,254	$ (2,794)	$ 775,759	$ -
Business-type activities long-term liabilities	$ 365,299	$ 413,254	$ (2,794)	$ 775,759	$ -

For governmental activities, compensated absences are liquidated by the General Fund and E911 Fund.

Notes Payable From Direct Borrowings. On June 12, 2018, the County entered into a contract with the Georgia Environmental Finance Authority for a Clean Water State Revolving Loan to provide financing to rehabilitate components of the wastewater treatment plant and the land application system, and related appurtenances. The unpaid principal amount of the note will bear interest at 2.25%, which includes principal forgiveness of up to 40% of the amount of the loan if all funds are drawn, and will be payable monthly until the project is completed. At that time, the note will be finalized and will enter into its repayment phase. As of December 31, 2019, the County had made draws totaling $1,292,933 on this note payable to GEFA.

NOTE 8. LONG-TERM DEBT (CONTINUED)

The total proceeds for this loan were $413,254 during the year ended December 31, 2019. The loan balance as of December 31, 2019 is $775,759. The loan is to be repaid over a 20-year period on a monthly basis starting on the earlier of: 1) the completion date, 2) September 1, 2020, or 3) the date the loan evidenced by this note is fully disbursed. Interest is at 2.25%. As the project is still in the construction phase, an amortization schedule has not been determined for this note and thus the entire payable is reported as due in more than one year.

Financed Purchases From Direct Borrowings. The County has entered into purchase agreements for financing the acquisition of equipment at various interest rates and maturity dates. Annual principal and interest payments are required until maturity.

The original cost of the County's assets acquired under purchase agreements at December 31, 2019 is $1,386,652 and there has been $405,549 of accumulated depreciation as of year-end. Current year depreciation expense on these assets for the year ended December 31, 2019 was $149,244.

The following is a schedule of future minimum payments as of December 31, 2019:

Year ending December 31,	Principal	Interest	Total
2020	$ 447,968	$ 14,004	$ 461,972
2021	162,198	7,162	169,360
2022	338,539	3,587	342,126
	$ 948,705	$ 24,753	$ 973,458

Revenue Bonds. During the year ended December 31, 2006, the County entered into an agreement with the Development Authority, a component unit, for the issuance of bonds in the amount of $10,000,000 to First United Ethanol, LLC ("FUEL"). Under the agreement, the Development Authority was authorized to issue revenue bonds bearing rates of interest and maturities determined by the Development Authority to finance projects consistent with the powers and purposes of the agreement. Such bonds thus issued, were to be paid first from the income of the Development Authority. In the event such income was not sufficient to pay the principal and interest of such bonds, as they mature, then the Commissioners of the County were authorized and required to provide the additional funds necessary to make such payment, and for this purpose the Commissioners were authorized to levy an annual tax on all taxable property within the County, provided such tax shall not exceed five mills. During the year ended December 31, 2010, FUEL, the original borrower of the bonds, entered into bankruptcy proceedings and the bonds became the responsibility of the County pursuant to the contract between the County and the County Development Authority. During the year ended December 31, 2015, the County refinanced the bonds to accrue interest at 2.810% with payments beginning June 1, 2015. The County will experience a decrease in interest expense of $1,444,039 as a result of the refinancing.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue bonds debt service requirements to maturity are as follows as of December 31, 2019:

Year ending December 31,	Principal	Interest	Total
2020	$ 970,000	$ 55,217	$ 1,025,217
2021	995,000	27,960	1,022,960
	$ 1,965,000	$ 83,177	$ 2,048,177

Landfill Post-closure Care Cost. Mitchell County, Georgia has closed its landfill and placed a final cover on the landfill in accordance with State and Federal laws and regulations. In addition, State and Federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although the post-closure care costs will be paid when the services are performed, the County reports a liability of $3,110,921 at December 31, 2019. This amount represents the cumulative amount of landfill post-closure cost based on 100% of the capacity of the landfill. The County has no assets restricted for payment of post-closure care cost. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 9. CONDUIT DEBT

On December 1, 2018, the Development Authority issued Series 2018 taxable revenue bonds to provide proceeds of which will be used to finance the acquisition, equipping and installation of a solar energy facility to be located in Camilla, Georgia. The bonds are secured by an Indenture of Trust between the Issuer and the Trustee, under the terms of which the Issuers interest in the lease and the rents, revenues and receipts to be derived by the Issuer under the lease will be assigned and pledged to the Trustee as security for the payment of the bonds. The Development Authority is not obligated in any manner for repayment of the bonds. The bonds bear an interest rate of 4.0% with interest payments due on December 1 of each year, and final payment of principal and interest due on December 31, 2035. The outstanding balance as of December 31, 2019 is $8,211,358.

On March 1, 2019, the Development Authority issued Series 2019 taxable revenue bonds to finance the acquisition, equipping and installation of a solar energy facility to be located in Camilla, Georgia. The bonds are secured by an Indenture of Trust between the Issuer and the Trustee, under the terms of which the Issuer's interest in the lease and the rents, revenues and receipts to be derived by the Issuer under the lease will be assigned and pledged to the Trustee as security for the payment of the bonds. The Development Authority is not obligated in any manner for repayment of the bonds. The bonds bear an interest rate of 4.0% with interest payments due on March 1 of each year, and final payment of principal and interest due on December 31, 2036. The outstanding balance as of December 31, 2019 is $46,104,000.

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 9,533

The purpose of interfund receivables and payables is to meet temporary cash flow requirements which result in timing differences between receiving and recognizing certain revenues.

Interfund transfers for the year ended December 31, 2019, consisted of the following amounts:

	Transfer From				
Transfer To	General Fund	Water and Sewer System Fund	2012-2017 SPLOST Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 1,024,742	$ 408,205	$ 50,000	$ 1,482,947
Nonmajor Governmental Funds	671,674	-	-	-	671,674
Water and Sewer System Fund	5,310	-	-	-	5,310
Total	$ 676,984	$ 1,024,742	$ 408,205	$ 50,000	$ 2,159,931

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11. RETIREMENT PLANS

A. Deferred Compensation Plan

The County maintains a deferred compensation plan, the Mitchell County Retirement Savings Plan (the “Savings Plan"), which was established by the County on January 1, 1998 to provide reasonable retirement security for its employees. The Savings Plan is administered by Nationwide Retirement Solutions. At December 31, 2019, there were seven active participants. The County does not make any contributions to the Savings Plan. Savings Plan participants can contribute up to 25% of their compensation. Savings Plan provisions and contribution requirements are established by and may be amended by the Mitchell County Board of Commissioners. For the year ended December 31, 2019, County employees contributed $2,700.

NOTE 11. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Mitchell County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia ("ACCG"). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for plan participants who were participants in the Plan before January 1, 2004, whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for plan participants who were participants in the Plan on or after January 1, 2004, whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2019, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	72
Inactive plan members entitled to but not receiving benefits	106
Active plan members	103
	281

NOTE 11. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended December 31, 2019, the County's contribution rate was 11.1% of annual payroll. County contributions to the Plan were $335,706 for the year ended December 31, 2019.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2018.

Actuarial Assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Salary increases	4.00% per year with an aged base scale, including inflation

Mortality rates were based on the RP-2000 Mortality Table projected with Scale AA to 2018.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of a February 2019 experience study.

NOTE 11. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability of the County (Continued)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed income	30 %	6.10 %
Large Cap equity	30	9.07
International equity	15	5.01
Other equity	20	8.62
Real estate	5	10.62
	100 %	

* Rates shown are net of the 2.00% assumed rate of inflation

Discount Rate. The discount rate used to measure the total pension liability has changed from 7.25% to 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability. As of December 31, 2018, the expected long-term rate of return was revised to 7.00%.

NOTE 11. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2019, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	$ 8,632,597	$ 7,154,840	$ 1,477,757
Changes for the year:			
Service cost	131,421	-	131,421
Interest	610,284	-	610,284
Liability experience (gain)/loss	199,373	-	199,373
Assumption change	438,117	-	438,117
Contributions - employer	-	335,706	(335,706)
Net investment income	-	(319,721)	319,721
Benefit payments, including refunds of employee contributions	(429,755)	(429,755)	-
Administrative expense	-	(19,907)	19,907
Other charges	-	(51,397)	51,397
Net changes	949,440	(485,074)	1,434,514
Balances at December 31, 2019	$ 9,582,037	$ 6,669,766	$ 2,912,271

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
County's net pension liability	$ 4,121,855	$ 2,912,271	$ 1,898,648

NOTE 11. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability of the County (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2018, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2019, the County recognized pension expense of $912,354. At December 31, 2019, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 781,668	$ 308,101
Changes in assumptions	362,131	-
Differences between expected and actual experience of economic/demographic (gains)/losses	243,439	-
Contributions subsequent to the measurement date	335,706	-
	$ 1,722,944	$ 308,101

County contributions subsequent to the measurement date of $335,706 will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2020	$ 501,857
2021	270,497
2022	136,221
Total	$ 1,079,137

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the "ACCG" Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation Law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

The County maintains a self-insured medical benefit plan for their employees. The Plan is accounted for as an internal service fund of the County, is funded according to Plan experience, and serves to reduce overall healthcare costs of the County employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at December 31, 2019, were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

Changes in medical claims payable for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Unpaid claims, beginning of fiscal year	**$ 99,975**	$ 85,344
Incurred claims and changes in estimates	**1,334,646**	1,128,165
Claim payments	**(1,292,287)**	(1,113,534)
Unpaid claims, end of fiscal year	**$ 142,334**	$ 99,975

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in a number of legal matters, which either have or could result in litigation. The nature of the lawsuits vary considerably. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

The County has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen-county Georgia region, is a member of the Southwest Georgia Regional Commission ("SGRC") and is required to pay annual dues thereto. During the year ended December 31, 2019, the County paid $15,101 in such dues. Membership in a Regional Commission is required by the O.C.G.A. § 50-8-34 which provides for the organizational structure of the RC's in Georgia. The SGRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. § 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Southwest Georgia Regional Commission, 30 West Broad Street, Camilla, Georgia 31730.

NOTE 15. DEFICIT NET POSITION

The Self-Insurance Health Benefit Fund reported deficit net position of $30,251 at December 31, 2019. The Self-Insurance Health Benefit Fund deficit is intended to be eliminated through increased user charges and transfers from the General Fund.

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MITCHELL COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016
Total pension liability				
Service cost	**$ 131,421**	$ 113,194	$ 102,448	$ 87,534
Interest on total pension liability	**625,863**	577,441	543,144	501,347
Differences between expected and actual experience	**199,373**	160,269	229,437	82,994
Changes of assumptions	**438,117**	17,559	238,652	257,519
Benefit payments, including refunds of employee contributions	**(445,334)**	(401,153)	(380,638)	(363,530)
Net change in total pension liability	**949,440**	467,310	733,043	565,864
Total pension liability - beginning	**8,632,597**	8,165,287	7,432,244	6,866,380
Total pension liability - ending (a)	**9,582,037**	8,632,597	8,165,287	7,432,244
Plan fiduciary net position				
Contributions - employer	**335,706**	350,996	319,771	257,605
Net investment income	**(319,721)**	985,580	432,042	49,265
Benefit payments, including refunds of employee contributions	**(399,700)**	(401,153)	(380,638)	(363,530)
Administrative expenses	**(19,907)**	(16,588)	(19,494)	(15,969)
Other	**(81,452)**	(74,912)	(42,376)	(53,580)
Net change in plan fiduciary net position	**(485,074)**	843,923	309,305	(126,209)
Plan fiduciary net position - beginning	**7,154,840**	6,310,917	6,001,612	6,127,821
Plan fiduciary net position - ending (b)	**6,669,766**	7,154,840	6,310,917	6,001,612
County's net pension liability - ending (a) - (b)	**$ 2,912,271**	$ 1,477,757	$ 1,854,370	$ 1,430,632
Plan fiduciary net position as a percentage of the total pension liability	**69.6%**	82.9%	77.3%	80.8%
Covered payroll	**$ 3,017,441**	$ 2,722,310	$ 2,573,180	$ 2,468,845
County's net pension liability as a percentage of covered payroll	**96.5%**	54.3%	72.1%	57.9%

Notes to the Schedule
The schedule will present 10 years of information once it is accumulated.

MITCHELL COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016
Actuarially determined contribution	**$ 335,706**	$ 350,996	$ 350,996	$ 319,771
Contributions in relation to the actuarially determined contribution	**335,706**	350,996	319,771	257,605
Contribution deficiency (excess)	**$ -**	$ -	$ 31,225	$ 62,166
Covered payroll	**$ 3,102,299**	$ 3,017,441	$ 2,722,310	$ 2,573,180
Contributions as a percentage of covered payroll	**10.8%**	11.6%	11.7%	10.0%

Notes to the Schedule:

Valuation date	January 1, 2018
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value - 5-year smoothing period
Assumed Rate of Return on Investments	7.25%
Projected Salary Increases	4% - 5% (including 3% for inflation)
Amortization Period	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

Drug Abuse Education and Treatment Fund is used to account for the collection of additional penalties for certain drug related crimes, donations related to drug education, and for expenditure of those funds solely and exclusively restricted for drug abuse treatment and education programs relating to controlled substances and marijuana. (O.C.G.A. §15-21-100).

Jail Fund is used to account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Law Library Fund is used to account for the resources received from the various courts of Mitchell County and disbursements for the support of a centralized law library.

CDBG Fund is used to account for the activities related to the Community Development Block Grant.

Jail Commissary Fund is used to account for the proceeds from jail inmate commissary sales.

E-911 Fund is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

Confiscated Assets Fund is used to account for activities related to drug raids.

Tornado Relief Fund is used to account for the County's activities related to grants received and relief provided for the 2009 tornado.

Mitchell County Development Authority is used to account for the County's activities related to economic and development projects.

Fire District Fund is used to account for funds received from property taxes restricted for expenditures for fire districts.

Revolving Loan Fund is a special revenue fund used to account for the operations of the County's revolving loans. Original funding was provided by the Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

MITCHELL COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds				
ASSETS	**Drug Abuse Education and Treatment Fund**	**Jail Fund**	**Law Library Fund**	**CDBG Fund**	**Jail Commissary Fund**
Cash and cash equivalents	$ 26,045	$ 36,286	$ 20,317	$ -	$ 497,432
Investments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total assets	$ 26,045	$ 36,286	$ 20,317	$ -	$ 497,432
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Long-term receivable	-	-	-	-	-
Restricted for:					
Judicial	-	-	20,317	-	-
Public safety	26,045	36,286	-	-	-
Economic development	-	-	-	-	-
Committed for:					
Public safety	-	-	-	-	497,432
Public assistance	-	-	-	-	-
Housing and development	-	-	-	-	-
Total fund balances	26,045	36,286	20,317	-	497,432
Total liabilities and fund balances	$ 26,045	$ 36,286	$ 20,317	$ -	$ 497,432

Special Revenue Funds							
E-911 Fund	Confiscated Assets Fund	Tornado Relief Fund	Mitchell County Development Authority	Fire District Fund	Revolving Loan Fund	Totals
$ -	$ 16,175	$ 47,423	$ 245,532	$ 317,355	$ 14,956	$ 1,221,521
-	-	-	265,225	-	-	265,225
-	-	-	-	121,381	-	121,381
-	-	-	-	-	23,711	23,711
$ -	$ 16,175	$ 47,423	$ 510,757	$ 438,736	$ 38,667	$ 1,631,838
$ -	$ -	$ -	$ -	$ 9,533	$ -	$ 9,533
-	-	-	-	9,533	-	9,533
-	-	-	-	-	23,711	23,711
-	-	-	-	-	-	20,317
-	16,175	-	-	429,203	-	507,709
-	-	-	-	-	14,956	14,956
-	-	-	-	-	-	497,432
-	-	47,423	-	-	-	47,423
-	-	-	510,757	-	-	510,757
-	16,175	47,423	510,757	429,203	38,667	1,622,305
$ -	$ 16,175	$ 47,423	$ 510,757	$ 438,736	$ 38,667	$ 1,631,838

MITCHELL COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2019

	Special Revenue Funds				
	Drug Abuse Education and Treatment Fund	Jail Fund	Law Library Fund	CDBG Fund	Jail Commissary Fund
Revenues					
Property taxes	$ -	$ -	-	$ -	$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	474,306
Fines and forfeitures	16,058	67,831	13,048	-	-
Interest revenue	-	64	32	-	-
Other revenues	-	-	-	-	-
Total revenues	16,058	67,895	13,080	-	474,306
Expenditures					
Current:					
Judicial	-	-	7,632	-	-
Public safety	34,609	-	-	-	377,595
Public works	-	-	-	-	-
Housing and development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	34,609	-	7,632	-	377,595
Excess (deficiency) of revenues over (under) expenditures	(18,551)	67,895	5,448	-	96,711
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(50,000)	-	-	-
Total other financing sources (uses)	-	(50,000)	-	-	-
Net change in fund balances	(18,551)	17,895	5,448	-	96,711
Fund balances, beginning of year	44,596	18,391	14,869	-	400,721
Fund balances, end of year	$ 26,045	$ 36,286	$ 20,317	$ -	$ 497,432

Special Revenue Funds						
E-911 Fund	Confiscated Assets Fund	Tornado Relief Fund	Mitchell County Development Authority	Fire District Fund	Revolving Loan Fund	Totals
$ -	$ -	$ -	$ -	$ 400,727	$ -	$ 400,727
-	-	-	23,581	-	-	23,581
355,608	-	-	-	-	-	829,914
-	2,209	-	-	-	-	99,146
-	56	99	6,267	517	1,074	8,109
-	-	46,000	35,500	23,769	-	105,269
355,608	2,265	46,099	65,348	425,013	1,074	1,466,746
-	-	-	-	-	-	7,632
916,665	-	-	-	399,757	-	1,728,626
-	-	31,000	-	-	-	31,000
-	-	-	137,084	-	19,000	156,084
-	-	-	-	113,774	-	113,774
-	-	-	-	13,753	-	13,753
916,665	-	31,000	137,084	527,284	19,000	2,050,869
(561,057)	2,265	15,099	(71,736)	(102,271)	(17,926)	(584,123)
561,057	-	-	110,617	-	-	671,674
-	-	-	-	-	-	(50,000)
561,057	-	-	110,617	-	-	621,674
-	2,265	15,099	38,881	(102,271)	(17,926)	37,551
-	13,910	32,324	471,876	531,474	56,593	1,584,754
$ -	$ 16,175	$ 47,423	$ 510,757	$ 429,203	$ 38,667	$ 1,622,305

MITCHELL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2019

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2012 REFERENDUM				
Road, Street and Bridge Construction or Improvement	$ 7,187,766	$ 4,210,647	$ 752,279	$ 4,962,926
Ambulance Purchase	900,000	-	-	-
Narrow-Banding Projects	245,000	208,900	-	208,900
Desota Trail Library Project	47,222	47,222	-	47,222
Hand Trading Company Project	105,000	94,500	-	94,500
City of Pelham Projects	2,406,357	2,149,461	-	2,149,461
City of Sale City Projects	185,642	138,619	-	138,619
City of Camilla Projects	3,300,000	2,935,466	-	2,935,466
City of Baconton Projects	467,592	415,739	200	415,939
City of Meigs Projects	13,413	-	-	-
Totals	$ 14,857,992	$ 10,200,554	$ 752,479	$ 10,953,033

MITCHELL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2019

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2018 REFERENDUM				
Road, Street and Bridge Construction or Improvement	$ 5,729,392	$ -	$ -	$ -
Courthouse Annex - Tier 1	800,000	85,190	6,450	91,640
Hand Trading Co. Debt	660,000	208,200	208,200	416,400
Correctional Institute	100,000	-		-
Sheriff's Vehicles and Equipment	480,000	56,798	98,235	155,033
E-911 Equipment	750,000	-	351,681	351,681
City of Pelham Projects	2,332,031	356,223	449,976	806,199
City of Sale City Projects	227,340	29,197	33,537	62,734
City of Camilla Projects	3,206,692	411,820	519,213	931,033
City of Baconton Projects	547,411	13,567	13,702	27,269
City of Meigs Projects	25,127	3,226	4,044	7,270
Totals	$ 14,857,993	$ 1,164,221	$ 1,685,038	$ 2,849,259

AGENCY FUNDS

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Jail Inmate Fund – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the correctional institution.

The following agency funds are used to account for fines, fees and other monies collected by the courts and Sheriff's Office and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
Probate Court
Sheriff's Office
Probation Office
Magistrate Court
Tax Assessor

MITCHELL COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITES
AGENCY FUNDS
DECEMBER 31, 2019

	Clerk of Superior Court	Probate Court	Sheriff's Office	Probation Office
ASSETS				
Cash and cash equivalents	$ 169,784	$ 2,056	$ 4,296	$ 25,178
Taxes receivable	-	-	-	-
Total assets	$ 169,784	$ 2,056	$ 4,296	$ 25,178
LIABILITIES				
Due to others	$ 169,784	$ 2,056	$ 4,296	$ 25,178
Uncollected taxes	-	-	-	-
Total liabilities	$ 169,784	$ 2,056	$ 4,296	$ 25,178

Jail Inmate	Tax Commissioner	Magistrate Court	Tax Assessor	Total
$ 654	$ 126,184	$ 16,525	$ -	$ 344,677
-	2,334,830	-	-	2,334,830
$ 654	$ 2,461,014	$ 16,525	$ -	$ 2,679,507
$ 654	$ 126,184	$ 16,525	$ -	$ 344,677
-	2,334,830	-	-	2,334,830
$ 654	$ 2,461,014	$ 16,525	$ -	$ 2,679,507

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COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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*

Board of Commissioners
of Mitchell County, Georgia
Camilla, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Mitchell County, Georgia (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 19, 2020. Our report includes a reference to other auditors who audited the financial statements of the Mitchell County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the 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 were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

Mitchell County, Georgia's Response to Finding

Mitchell County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County'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 result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
May 19, 2020

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
of Mitchell County, Georgia
Camilla, Georgia

Report on Compliance for Each Major Federal Program

We have audited Mitchell County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2* U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal* Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the the County's internal control over compliance.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
May 19, 2020

MITCHELL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Award ID Number	Total Expenditures
ENVIRONMENTAL PROTECTION AGENCY			
Passed through Georgia Environmental Finance Authority			
Clean Water State Revolving Loan	66.458	CW2017021	$ 825,288
Total Environmental Protection Agency			825,288
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management and Homeland Security Agency			
Disaster Grants - Public Assistance	97.036	FEMA-4400-DR-GA	652,895
Total U.S. Department of Homeland Security			652,895
Total Expenditures of Federal Awards			$ 1,478,183

MITCHELL COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Mitchell County, Georgia (the "County") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of *Title 2* U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal* Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2. DE MINIMIS COST RATE

The County elected not to use the 10% de minimis cost rate for the year ended December 31, 2019.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash awards for the year ended December 31, 2019.

NOTE 4. SUBRECIPIENTS

The County did not pass through any funds to subrecipients for the year ended December 31, 2019.

MITCHELL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weakness identified? ___ Yes __X__ No

Significant deficiencies identified? __X__ Yes ____ None Reported

Noncompliance material to financial statements noted? ___ Yes __X__ No

Federal Awards

Internal Control over major programs:
Material weaknesses identified? ___ Yes __X__ No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes __X__ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Loan Funds

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ___ Yes __X__ No

MITCHELL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2019 – 001. Segregation of Duties

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

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the County Administration, Clerk of Court, Probate Court, Magistrate Court, Law Library, Sheriff's Department, and Probation Department.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

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

Cause: The lack of segregation of duties is due to the limited number of individuals in each office available to perform all of the required duties.

Recommendation: The County should consider having checks and balances in place, so that if overlapping duties exist, an appropriate level of review is performed.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. Such segregation of duties will be implemented as soon as economically possible.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

MITCHELL COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

2018 – 001. Segregation of Duties

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

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the County Administration, Clerk of Court, Probate Court, Magistrate Court, Law Library, Sheriff's Department, and Probation Department.

Auditee Response/Status: Unresolved – See current year finding 2019 **–** 001.

MITCHELL COUNTY BOARD OF COMMISSIONERS

26 North Court Avenue
Camilla, Georgia 31730
Phone: 229-336-2000

Commissioners:
Reggie C. Bostick
Julius Hatcher
Benjamin Hayward
B. Keith Jones
David Sullivan

Rebecca Reese, Clerk

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

2019-001. Segregation of Duties

Name of the Contact Person Responsible for Corrective Action Plan: Jerry Permenter, Asst. County Administrator/CFO

Corrective Action Plan: We concur with the recommendation. Such segregation of duties will be implemented as soon as economically possible.

Anticipated Completion Date: Fiscal year 2020