CANDLER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Candler County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Candler County, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Candler County Board of Health, a discretely presented component, which represents 2.9% and 0.7% respectively, of the assets and net position of Candler County, Georgia. We did not audit the financial statements of the Candler County Hospital Authority, a discretely presented component, which represents 26.2% and 32.1% respectively, of the assets and net position of Candler County, Georgia.

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 Candler County Board of Health, a discretely presented component, which represents 2.9% and 0.7% respectively, of the assets and net position of Candler County, Georgia. We did not audit the financial statements of the Candler County Hospital Authority, a discretely presented component, which represents 26.2% and 32.1% respectively, of the assets and net position of Candler County, Georgia. Those financial 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 Candler County Board of Health and the Candler County Hospital Authority, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Candler County, Georgia, as of June 30, 2019, and the respective changes in financial position, and the respective 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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Candler County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with special 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 combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with special 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 December 31, 2019, on our consideration of Candler 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 Candler County, Georgia's internal control over financial reporting and compliance.

Lanier, Oad & Proctor

Statesboro, Georgia
December 31, 2019

CANDLER COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government	Component Units	
	Governmental Activities	Candler County Board of Health	Candler County Hospital Authority
ASSETS			
Current Assets:			
Cash	$ 5,230,947	$ 562,609	$ 558,300
Certificates of deposit	1,943,623	-	-
Receivables:			
Accounts	70,268	-	1,255,376
Taxes	652,777	-	-
Intergovernmental	195,980	26,000	-
Interest	1,297		
Prepaid items	80,674	-	-
Supplies inventory	-	-	176,472
Other current assets	-	-	609,955
Noncurrent Assets:			
Externally restricted cash for debt service	-	-	2,376
Capital Assets:			
Nondepreciable capital assets	443,354	-	168,940
Depreciable capital assets, net	11,634,288	-	2,538,815
Total Assets	20,253,208	588,609	5,310,234
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of collective deferred outflows of resources	-	200,071	-
LIABILITIES			
Current Liabilities:			
Accounts payable	355,505	-	4,779,289
Accrued payroll	77,389	-	-
Other accrued expenses	-	-	494,951
Unearned revenue	950	-	-
Compensated absences payable	28,776	12,539	-
Notes payable	25,000	-	574,276
Capital leases payable	241,500	-	-
Estimated third-party payor settlements	-	-	783,109
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	115,104	12,538	-
Notes payable (net of current portion)	118,750	-	3,811,072
Capital leases payable (net of current portion)	550,243	-	-
Net pension obligation	-	349,068	-
Net OPEB liability	-	179,235	-
Landfill closure and postclosure care costs	2,736,911	-	-
Total Liabilities	4,250,128	553,380	10,442,697
DEFERRED INFLOWS OF RESOURCES			
Proportionate share of collective deferred inflows of resources	-	128,109	-
NET POSITION			
Net investment in capital assets	11,142,149	-	1,984,313
Restricted for:			
Capital projects	1,515,405	-	-
Debt service	127,626	-	2,376
Other purposes	1,310,541	121,483	-
Unrestricted	1,907,358	(14,292)	(7,119,152)
Total Net Position	$ 16,003,080	$ 107,191	$ (5,132,463)

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Component Unit: Candler County Board of Health	Component Unit: Candler County Hospital Authority
Primary Government							
General government	$ 1,568,874	$ 95,533	$ 52,939	-	$ (1,420,402)		
Judicial	706,094	122,193	-	-	(583,901)		
Public safety	3,683,495	1,544,724	116,650	-	(2,022,121)		
Public works	2,906,415	927,867	59,464	$ 572,087	(1,346,997)		
Health and welfare	1,898,140	7,339	49,395	-	(1,841,406)		
Culture and recreation	406,960	56,665	-	-	(350,295)		
Housing and development	249,112	-	-	-	(249,112)		
Interest	6,990	-	-	-	(6,990)		
Total Governmental Activities - Primary Government	$ 11,426,080	$ 2,754,321	$ 278,448	$ 572,087	(7,821,224)		
Component Units:							
Candler County Board of Health	$ 412,720	$ 121,720	$ 341,968	$ -		$ 50,968	-
Candler County Hospital Authority	14,768,550	12,357,904	1,815,945	-		-	$ (594,701)
Total Component Units	$ 15,181,270	$ 12,479,624	$ 2,157,913	$ -		50,968	(594,701)
		General Revenues					
		Property taxes levied for general purposes			4,174,608	-	-
		Sales taxes			2,235,947	-	-
		Insurance premium tax			426,255	-	-
		Other taxes			238,820	-	-
		Interest earned			66,276	-	22,318
		Miscellaneous			52,908	-	305,288
		Total General Revenues			7,194,814	-	327,606
		Special item - Forgiveness of debt			-	-	1,217,596
		Total General Revenues and Special Items			7,194,814	-	1,545,202
		Change in Net Position			(626,410)	50,968	950,501
		Net Position, July 1, 2018, As Restated			16,629,490	56,223	(6,082,964)
		Net Position, June 30, 2019			$ 16,003,080	$ 107,191	$ (5,132,463)

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Special Sales Tax Fund	2018 SPLOST Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 2,471,924	$ 366,966	$ 492,266	$ 766,466	$ 1,133,325	$ 5,230,947
Certificates of deposit	1,790,252	-	-	-	153,371	1,943,623
Receivables:						
Accounts	49,980	-	-	-	20,288	70,268
Taxes	571,340	-	-	-	81,437	652,777
Intergovernmental	60,095	-	114,653	21,232	-	195,980
Interest	-	-	-	-	1,297	1,297
Prepaid items	80,674	-	-	-	-	80,674
TOTAL ASSETS	$ 5,024,265	$ 366,966	$ 606,919	$ 787,698	$ 1,389,718	$ 8,175,566
LIABILITIES						
Accounts payable	80,008	9,825	153,468	82,885	29,319	355,505
Accrued payroll liabilities	77,389	-	-	-	-	77,389
Unearned revenue	950	-	-	-	-	950
TOTAL LIABILITIES	158,347	9,825	153,468	82,885	29,319	433,844
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	427,478	-	-	-	49,858	477,336
FUND BALANCES						
Nonspendable	80,674	-	-	-	-	80,674
Restricted	127,626	357,141	453,451	704,813	1,310,541	2,953,572
Assigned	1,799,535	-	-	-	-	1,799,535
Unassigned	2,430,605	-	-	-	-	2,430,605
TOTAL FUND BALANCES	4,438,440	357,141	453,451	704,813	1,310,541	7,264,386
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 5,024,265	$ 366,966	$ 606,919	$ 787,698	$ 1,389,718	$ 8,175,566

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 7,264,386
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost	$ 22,051,938	
Less accumulated depreciation	(9,974,296)	12,077,642
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes		477,336
Liabilities, including capital leases, notes payable, compensated absences and accrued landfill closure and postclosure care costs are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position		
Capital leases payable	$ (791,743)	
Notes payable	(143,750)	
Landfill closure and postclosure care costs	(2,736,911)	
Compensated absences	(143,880)	(3,816,284)
Net Position Of Governmental Activities		$ 16,003,080

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	Special Sales Tax Fund	2018 SPLOST Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 4,946,226	-	$ 1,329,286	$ 254,973	$ 578,934	$ 7,109,419
Licenses and permits	28,513	-	-	-	22,200	50,713
Charges for services	1,840,341	-	-	-	541,326	2,381,667
Fees, fines and forfeitures	334,290	-	-	-	10,155	344,445
Intergovernmental	278,447	-	-	-	561,379	839,826
Interest	45,250	$ 6,983	3,725	8,482	12,544	76,984
Other	52,891	-	-	-	17	52,908
Total revenues	7,525,958	6,983	1,333,011	263,455	1,726,555	10,855,962
EXPENDITURES						
Current:						
General government	1,366,081	-	-	-	-	1,366,081
Judicial	694,384	-	-	-	2,787	697,171
Public safety	2,871,252	-	-	-	480,962	3,352,214
Public works	1,287,700	-	-	-	316,435	1,604,135
Health and welfare	1,632,282	-	-	-	-	1,632,282
Culture and recreation	302,650	-	-	-	51,072	353,722
Housing and development	115,812	-	-	-	125,300	241,112
Capital outlay	-	387,706	868,015	248,855	447,030	1,951,606
Debt service:						
Principal	25,000	101,637	158,700	-	-	285,337
Interest	-	6,990	-	-	-	6,990
Intergovernmental	-	-	733,766	-	-	733,766
Total expenditures	8,295,161	496,333	1,760,481	248,855	1,423,586	12,224,415
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(769,203)	(489,350)	(427,470)	14,600	302,969	(1,368,453)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	400	-	-	-	-	400
Proceeds from capital leases	-	-	740,100	-	-	740,100
Transfers in	-	-	140,821	-	172,389	313,210
Transfers out	(172,389)	(140,821)	-	-	-	(313,210)
Total other financing sources (uses)	(171,989)	(140,821)	880,921	-	172,389	740,500
NET CHANGE IN FUND BALANCES	(941,192)	(630,171)	453,451	14,600	475,358	(627,954)
FUND BALANCES, JULY 1, 2018	5,379,632	987,312	-	690,213	835,183	7,892,340
FUND BALANCES, JUNE 30, 2019	$ 4,438,440	$ 357,141	$ 453,451	$ 704,813	$ 1,310,541	$ 7,264,386

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net Change In Fund Balances - Total Governmental Funds		$ (627,954)
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 as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (1,163,873)	
Capital outlay	1,783,140	619,267
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes:		
Unavailable revenue at 6/30/19	477,336	
Unavailable revenue at 6/30/18	(533,631)	(56,295)
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		(1,000)
The inception of capital leases and the issuance of notes payable is reported as an other financing source on the fund level financial statement and as a liability on the statement of net position.		(740,100)
Repayment of capital lease and notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		285,337
Some expenses reported in the statement of activities, such as compensated absences and landfill closure and postclosure care costs, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	(12,508)	
Change in landfill closure and postclosure care costs	(93,157)	(105,665)
Change In Net Position of Governmental Activities		$ (626,410)

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 3,868,000	$ 3,868,000	$ 4,208,396	$ 340,396
Local option sales tax	615,000	615,000	651,688	36,688
Alcoholic beverage	110,000	-	-	-
Insurance premium	400,000	-	-	-
Other	140,000	85,000	86,142	1,142
Licenses and permits	54,300	36,800	28,513	(8,287)
Charges for services	1,918,200	1,618,200	1,840,341	222,141
Fees, fines and forfeitures	297,500	297,500	334,290	36,790
Intergovernmental	205,328	205,328	278,447	73,119
Interest	1,000	1,000	45,250	44,250
Other	8,950	8,950	52,891	43,941
Total revenues	7,618,278	6,735,778	7,525,958	790,181
EXPENDITURES				
Current:				
General government:				
Legislative	51,958	51,958	53,056	(1,098)
Executive	169,127	215,486	216,861	(1,375)
Elections	82,712	82,712	89,425	(6,713)
Financial administration	530,762	484,403	420,944	63,459
Tax commissioner	247,839	247,839	248,025	(186)
Tax assessor	249,663	249,663	242,467	7,197
Equalization	5,369	5,369	6,726	(1,356)
Public buildings	75,978	75,978	88,577	(12,599)
Total general government	1,413,408	1,413,408	1,366,081	47,326
Judicial:				
Superior Court	199,721	199,721	194,309	5,412
Clerk of Court	170,359	170,359	173,065	(2,705)
State Court	113,327	113,327	114,368	(1,042)
Magistrate Court	90,444	90,444	90,511	(67)
Probate Court	124,855	124,855	122,131	2,724
Total judicial	698,706	698,706	694,384	4,322
Public safety:				
Sheriff	1,149,120	1,149,120	1,129,085	20,035
Detention center	723,311	723,311	661,683	61,628
Fire protection	175,000	-	-	-
Emergency medical service	1,085,151	1,085,151	1,045,093	40,057
Coroner	18,634	18,634	17,472	1,163
Animal control	25,000	25,000	-	25,000
Emergency management	9,822	9,822	17,919	(8,097)
Total public safety	3,186,038	3,011,038	2,871,252	139,786

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads and bridges	$ 911,065	$ 911,065	$ 886,803	$ 24,262
Solid waste	666,291	391,291	400,897	(9,606)
Total public works	1,577,356	1,302,356	1,287,700	14,656
Health and welfare:				
Health department	40,000	40,000	40,034	(34)
Hospital	188,002	188,002	1,536,897	(1,348,895)
Community services	-	-	113	(113)
Family connections	48,500	48,500	49,238	(738)
Family and children services	6,000	6,000	6,000	-
Total health and welfare	282,502	282,502	1,632,282	(1,349,780)
Culture and recreation:				
Recreation department	322,572	322,572	301,258	21,314
Library	44,410	-	1,392	(1,392)
Total culture and recreation	366,982	322,572	302,650	19,922
Housing and development:				
Conservation	8,836	8,836	9,232	(396)
Agricultural resources	89,926	89,926	94,886	(4,960)
Economic development	75,000	-	689	(689)
Airport	17,000	-	-	-
Code enforcement	11,059	11,059	11,005	54
Total housing and development	201,821	109,821	115,812	(5,991)
Debt service:				
Principal	25,000	25,000	25,000	-
Total debt service	25,000	25,000	25,000	-
Total expenditures	7,751,813	7,165,403	8,295,161	(1,129,759)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(133,535)	(429,625)	(769,203)	(339,578)
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	400	400
Transfers in	-	11,085	-	(11,085)
Transfers out	-	-	(172,389)	(172,389)
Total other financing sources (uses)	-	11,085	(171,989)	(183,074)
NET CHANGE IN FUND BALANCE	$ (133,535)	$ (418,540)	(941,192)	$ (522,652)
FUND BALANCE, BEGINNING OF YEAR			5,379,632	
FUND BALANCE, END OF YEAR			$ 4,438,440	

See accompanying notes to the basic financial statements.

CANDLER COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

ASSETS	
Cash	$ 395,704
LIABILITIES	
Due to other entities and individuals	$ 395,704

See accompanying notes to the basic financial statements.

Candler County, Georgia (the "County") operates under a Commissioner – County Administrator form of Government. The County is governed by a board of five commissioners elected by the voters of the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes, or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the County's discretely presented component units follows:

Candler County Board of Health – The Candler County Board of Health provides health care services and health education to residents of Candler County. The Health Department receives financial support from Candler County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. Complete financial statements for the Candler County Board of Health can be obtained from their administrative office at:

Candler County Board of Health
428 North Rountree Street
Metter, Georgia 30439

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Candler County Hospital Authority (The Hospital Authority) - The Candler County Hospital Authority was created in November, 1958 by the Board of Commissioners of Candler County to operate, control, and manage all matters concerning the County's health care functions. The Hospital Authority operates Candler County Hospital, a critical access hospital. The County nominates the Board of Trustee members of the Hospital Authority and the County has guaranteed some debt of the Hospital Authority. The Hospital Authority issued audited financial statements with a fiscal year ended December 31, 2018. Copies of these financial statements may be obtained from their administrative office at:

Candler County Hospital Authority
400 Cedar Street
Metter, Georgia 30439

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes, grants and the County's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers. The County had no business-type activities at June 30, 2019.

The statement of net position presents the financial position of the governmental and business-type activities of the County and its discretely presented component units.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

Major individual governmental funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

Fund Accounting – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses governmental and fiduciary funds.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

Special Sales Tax Fund and 2018 SPLOST Fund – These capital projects funds account for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the County.

T-SPLOST Fund – This capital projects fund accounts for the regional transportation special purpose local option sales tax proceeds received for transportation purposes within the County.

Fiduciary Funds –The County's fiduciary funds are agency funds. These agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Constitutional officers use these funds to temporarily hold assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue – Non-exchange Transactions – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Net Position

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. At June 30, 2019, the General Fund reported an allowance for uncollectibles of $56,864 and $192,176 for the property taxes receivable and EMS accounts receivable, respectively. The Shared Service District Fund reported an allowance of $6,449 for property taxes receivable at June 30, 2019.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The balance of the intergovernmental receivable from the Candler County Hospital Authority, a component unit, was $1,324,793 at June 30, 2019. However, an allowance for uncollectibles equal to the full amount of the intergovernmental receivable was reported by the General Fund at June 30, 2019. As a result, no intergovernmental receivable is being reported at June 30, 2019 from the Candler County Hospital Authority, a component unit.

Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/to other funds." These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

Capital Assets

The County reports general capital assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the County fund financial statements.

All capital assets with an estimated useful life in excess of two years are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. For roads and bridges, the County has capitalized only infrastructure constructed after June 30, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	15-50 years
Improvements other than buildings	10-40 years
Machinery and equipment	4-15 years
Infrastructure	15 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absences liability is reported on the government-wide financial statements. Governmental funds report the compensated absences liability at the fund reporting level only "*when due.*"

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Notes payable and capital leases are recognized as a liability in the governmental fund financial statements when due.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of 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 deferred outflows of resources as of June 30, 2019. It does have a component unit that has deferred outflows of resources related to pensions and other post-employment benefits on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has a component unit that has deferred inflows of resources related to pensions and other post-employment benefits on the statement of net position.

Fund Equity

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 current assets and current liabilities. In the fund financial statements, governmental funds report fund 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 or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution or ordinance. Only the Board of Commissioners may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the Board of Commissioners' intent to be used for specific purposes, but are neither restricted nor committed. Only the Board of Commissioners can assign fund balances.

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 may be reported in all funds.

The County's policy is to maintain an adequate general fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. 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 is available.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental funds on the government-wide statement of activities are eliminated.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County adopts an annual operating budget for the general fund, special revenue funds, and capital projects funds. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

During the year, the Board of Commissioners had three budget revisions.

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended June 30, 2019 in the following departments for the general fund:

	General Fund
Legislative	$ 1,098
Executive	1,375
Elections	6,713
Tax commissioner	186
Equalization	1,357
Public buildings	12,599
Clerk of court	2,706
State court	1,041
Magistrate court	67
Emergency management	8,097
Solid waste	9,606
Health department	34
Hospital	1,348,895
Community services	113
Family connections	738
Library	1,392
Conservation	396
Agricultural resources	4,960
Economic development	689

The overexpenditures in these areas were funded by excess revenues over amounts budgeted and by available fund balance.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues and transfers in over amounts budgeted and/or by available fund balance.

	Overexpenditures
Drug Abuse Treatment and Education Fund	$ 2,239
E-911 Fund	49,005
Jail Store Fund	35,295
Shared Service District Fund	44,735

NOTE 3 – DEPOSITS

Custodial credit risk is risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law.

At June 30, 2019, the carrying amount of the County's deposits (checking and certificates of deposit) was $7,570,274 and the bank balance was $7,651,634. Of the bank balance, $800,611 was covered by federal depository insurance and $6,851,023 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Discretely Presented Component Units

The carrying amount of deposits for the Candler County Hospital Authority was $560,676. As of December 31, 2018, the Authority's deposits were entirely insured, collateralized with securities held by a trustee in the Authority's name, or held by financial institutions that participate in the Georgia Secure Deposit Program.

The carrying amount of deposits for the Candler County Board of Health was $562,609 as of June 30, 2019. The bank balance was $227,273 which was covered by FDIC insurance and pledged securities.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20th of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects taxes for the Candler County Board of Education, State of Georgia and cities within the County. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency Fund.

County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2019, property taxes were levied on October 5, 2018, and were due December 20, 2018.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended June 30, 2019 consisted of $140,821 in transfers to the 2018 SPLOST fund from the special sales tax fund to separate 2018 SPLOST referendum activity from previous SPLOST

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

referendum activity and $172,389 in transfers to the shared service district special revenue fund from the general fund to establish a new fund per an intergovernmental agreement.

No interfund balances existed as of June 30, 2019.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 204,591	-	-	$ 204,591
Construction in progress	110,414	$ 164,979	$ 36,630	238,763
Total capital assets not being depreciated	315,005	164,979	36,630	443,354
Capital assets being depreciated:				
Buildings and improvements	7,950,097	20,323	-	7,970,420
Machinery and equipment	5,863,351	1,107,178	41,471	6,929,058
Infrastructure	3,165,017	528,290	-	3,693,307
Land improvements	3,015,799	-	-	3,015,799
Total capital assets being depreciated	19,994,264	1,655,791	41,471	21,608,584
Total capital assets	20,309,269	1,820,770	78,101	22,051,938
Accumulated depreciation:				
Buildings and improvements	2,636,953	193,199	-	2,830,152
Machinery and equipment	3,454,736	638,195	39,471	4,053,460
Infrastructure	417,503	219,806	-	637,309
Land improvements	2,340,702	112,673	-	2,453,375
Total accumulated depreciation	8,849,894	1,163,873	39,471	9,974,296
Governmental activities capital assets, net	$ 11,459,375	$ 656,897	$ 38,630	$ 12,077,642

Governmental activities depreciation expense:

General government	$ 116,276
Judicial	626
Public safety	300,347
Public works	710,595
Culture and recreation	36,029
Total governmental activities depreciation expense	$ 1,163,873

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the County's component units was as follows:

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Component unit - Candler County Board of Health:				
Capital assets being depreciated:				
Equipment	$ 7,625	-	-	$ 7,625
Accumulated depreciation:				
Equipment	7,625	-	-	7,625
Component unit capital assets, net	$ -	-	-	$ -

	Balance 1/1/2018	Additions	Deductions	Balance 12/31/2018
Component unit - Candler County Hospital Authority:				
Capital assets not being depreciated:				
Land	$ 168,940	-	-	$ 168,940
Total capital assets not being depreciated	168,940	-	-	168,940
Capital assets being depreciated:				
Land improvements	148,884	-	-	148,884
Buildings	6,985,111	-	-	6,985,111
Equipment	9,862,369	-	-	9,862,369
Total capital assets being depreciated	16,996,364	-	-	16,996,364
Total capital assets	17,165,304	-	-	17,165,304
Less accumulated depreciation	13,730,653	$ 726,896	-	14,457,549
Component unit capital assets, net	$ 3,434,651	$ (726,896)	$ -	$ 2,707,755

NOTE 7 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition of equipment costing $1,695,683. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Amortization of the cost of the equipment is included in depreciation expense in the government-wide financial statements. Depreciation expense and accumulated depreciation on the leased equipment was $161,182 and $522,045, respectively, for the year ended June 30, 2019.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2019:

Year ending June 30	
2020	$ 267,327
2021	267,702
2022	158,700
2023	158,700
Total minimum lease payments	852,429
Less amount representing interest	60,686
Present value of future minimum lease payments	$ 791,743

NOTE 8 – NOTES PAYABLE

Notes payable at June 30, 2019 consisted of the following:

Note payable to OneGeorgia Authority for the construction of the Agricultural Regional Resources Construction Building, payable in quarterly installments of $6,250 with 0% interest through July 1, 2025	$ 143,750

As of June 30, 2019, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities		
	Principal	Interest	Total
2020	$ 25,000	$ -	$ 25,000
2021	25,000	-	25,000
2022	25,000	-	25,000
2023	25,000	-	25,000
2024	25,000		25,000
2025	18,750	-	18,750
Total	$ 143,750	$ -	$ 143,750

NOTE 8 – NOTES PAYABLE (Continued)

Component Unit - Candler County Hospital Authority

Notes payable at December 31, 2018 consisted of the following:

Note payable to Candler County, Georgia, incurring interest at the imputed rate of 4.00%, unsecured.	$1,324,751
Taxable Note, Series 2014 with Queensborough National Bank dated December 17, 2014. Payable in 120 monthly payments of approximately $35,000 including interest at the fixed rate of 4.15% through January 2017. Beginning with the February 2017 payment, interest will be accrued at the *Wall Street Journal* prime rate, plus 0.50%, adjusted daily. Secured by property of the Authority.	2,297,154
Note Payable to Partnersfirst Management, LLC dated December 31, 2013. As of December 31, 2016, the Authority was in default under the note agreement due to not making the scheduled payments and held the position that the Authority should not pay the balance due to alleged mismanagement by Partnersfirst. Partnersfirst filed suit against the Authority in an attempt to collect the outstanding balance on the note. In July 2017, the suit was settled for $180,000, payable by a lump sum of $50,000 at the time of settlement, and 26 monthly payments of $5,000 at 0% interest.	40,000
Promissory Note to United States Department of Agriculture (USDA) dated March 17, 2014. Payable in 120 monthly payments of approximately $10,000 including interest at the fixed rate of 3.50%, secured by a pledge of various medical equipment.	489,277
Capital lease obligations, at varying rates of imputed interest from 5.70% to 8.86%, collateralized by leased equipment with an unamortized cost of approximately $375,000.	234,166
	$4,385,348

NOTE 8 – NOTES PAYABLE (Continued)

Annual debt service requirements to maturity are as follows:

Year ending December 31	Component Unit - Hospital Authority		
	Principal	Interest	Total
2019	$ 574,276	$ 157,813	$ 732,089
2020	1,798,362	127,776	1,926,138
2021	485,452	101,597	587,049
2022	466,587	76,245	542,832
2023	409,430	51,454	460,884
2024-2026	651,241	29,691	680,932
Total	$ 4,385,348	$ 544,576	$ 4,929,924

NOTE 9 – LANDFILL CLOSURE AND POST CLOSURE CARE COST

State and federal laws and regulations require that the County place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. Although most closure and post closure care costs will be paid near or after the date the landfill stops accepting waste, the County reports a portion of the closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. As of June 30, 2019, the estimated liability for landfill closure and post closure care costs is $2,736,911 and consists of the closure cost for Phase One of the landfill, closure cost for the C&D landfill, and closure and post closure costs for Phase Two of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of approximately $876,428 for the operating landfill as the remaining estimated capacity is filled. Used capacity for the operating Phase Two landfill is estimated to be 73.34% with an estimated remaining useful life of 12 years. All estimates are subject to change due to inflation or deflation, technology or changes in laws or regulations. The County has invested funds in a Certificate of Deposit and separate bank account for the landfill closure and post closure care costs with a standard amount being contributed quarterly to the bank account.

NOTE 10 – CHANGES IN LONG-TERM DEBT

Governmental Activities:	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due In One Year
Compensated absences payable	$ 131,372	$ 12,508	-	$ 143,880	$ 28,776
Landfill closure & post closure care costs	2,643,754	93,157	-	2,736,911	-
Capital leases payable	311,980	740,100	$ 260,337	791,743	241,500
Notes payable	168,750	-	25,000	143,750	25,000
Total Governmental Activities	$ 3,255,856	$ 845,765	$ 285,337	$ 3,816,284	$ 295,276

The compensated absences liability will be paid from the General Fund, the fund from which the employees' salaries are paid. The capital lease obligations will be paid from the Special Sales Tax and 2018 SPLOST capital projects funds, and the notes payable will be paid from the General Fund. The landfill closure and post closure care costs will be paid from the General Fund.

NOTE 10 – CHANGES IN LONG-TERM DEBT (Continued)

Component Unit – Candler County Board of Health

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due In One Year
Compensated absences	$ 19,338	$ 15,408	$ 9,669	$ 25,077	$ 12,539

Component Unit - Candler County Hospital Authority

	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Amounts Due In One Year
Notes payable	$ 5,006,296	$ -	$ 620,948	$ 4,385,348	$ 574,276

NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2019, governmental fund balances are composed of the following:

	General Fund	Special Sales Tax Fund	2018 SPLOST Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	$ 80,674	-	-	-	-	$ 80,674
Restricted:						
E-911	-	-	-	-	$ 269,907	269,907
Roads	-	-	-	$ 704,813	566,464	1,271,277
Jail store	-	-	-	-	97,365	97,365
Law library	-	-	-	-	22,256	22,256
Drug education	-	-	-	-	42,632	42,632
Shared service district	-	-	-	-	311,917	311,917
Hospital debt service	127,626	-	-	-	-	127,626
Capital projects	-	$ 357,141	$ 453,451	-	-	810,592
Total restricted	127,626	357,141	453,451	704,813	1,310,541	2,953,572
Assigned:						
Landfill closure and post closure care costs	1,570,766	-	-	-	-	1,570,766
Subsequent year's budget	228,769	-	-	-	-	228,769
Total assigned	1,799,535	-	-	-	-	1,799,535
Unassigned	2,430,605	-	-	-	-	2,430,605
Total fund balances	$ 4,438,440	$ 357,141	$ 453,451	$ 704,813	$ 1,310,541	$ 7,264,386

NOTE 12 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

The County has adopted a prototype 401(a) Defined Contribution Plan for employees of Candler County (the 401(a) Plan) and a prototype 457 Deferred Compensation Plan for Candler County (the 457 Plan) administered by the Board of Commissioners through GEBCORP. The County has the authority to establish the Plans or amend the adoption agreement which defines the specific provisions of the plan as provided in the prototype document. The Plan covers substantially all employees who meet the minimum years of service requirement. The County matches up to 3% of employee's compensation. The total cost of the 401(a) Plan and the 457 Plan for the year ended June 30, 2019 was $14,125. Total employee contributions to the plans for the year ended June 30, 2019 totaled $68,316.

Probate Judges' Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses be remitted to the state sponsored pension plan.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Magistrate Court and Clerk of Superior Court to the state sponsored pension plans.

Georgia Judicial Retirement System

This system provides retirement benefits for Superior Court Judges, District Attorneys, State Court Judges, Solicitors-General of the State Courts, and Juvenile Court Judges.

Employee's Retirement System of Georgia

Candler County tax officials are covered under this retirement plan.

Candler County Board of Health (component unit)

The employees of the Candler County Board of Health participate in the Georgia State Employees Retirement System (ERS). The plan is administered by the State of Georgia. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov. The retirement contributions for the year ended June 30, 2019 were $42,379. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2019, the Board of Health reported $349,068 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2019, the Board of Health recognized pension expense of $51,646.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Candler County Hospital Authority (component unit)

The Candler County Hospital Authority maintains a defined contribution retirement plan covering substantially all employees. Employees are immediately vested 100% in all funds under the plan. Matching contributions have been suspended by the Authority. The contributions made by the Authority for the year ended December 31, 2018 were $0. The Authority had no outstanding liability related to the plan at December 31, 2018.

The Authority has also established a deferred compensation plan that is offered to limited employees. The Authority makes no matching contributions and employees are immediately 100% vested in all funds under the plan. As of December 31, 2018, the Authority had no outstanding liability related to the plan.

NOTE 13 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management insurance program 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 pool's 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 pool's 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 worker's compensation law of Georgia. The funds are to pay all cost 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.

NOTE 14 – CONTINGENCIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney, the resolution of these matters probably will not have a material adverse effect on the financial condition of the County.

NOTE 14 – CONTINGENCIES (Continued)

On December 17, 2014, the Candler County Hospital Authority issued a Series 2014 Taxable Note to repay other notes and obligations as well as cover issuance costs. It has an interest rate of 4.15% and will be paid with the Candler County Hospital Authority's general revenues over 120 months. The Series 2014 Taxable Note is secured by an intergovernmental agreement between the Candler County Hospital Authority and the County. As part of the intergovernmental agreement, the County guarantees to pay to the Authority an amount equal to the deficit of the Candler County Hospital Authority's net revenues or general funds compared to the payments due on the certificate and/or note. Further, the County has agreed to levy taxes on taxable property within the County up to six mills should it be required to do so.

Candler County Hospital Authority (component unit) – Going Concern

The Authority reported operating losses the last five years including losses of $1,896,298 and $1,417,318 in 2018 and 2017, respectively. The Authority has a net position deficiency (liabilities exceed assets) of $5,132,463 at December 31, 2018. The Authority's current liabilities exceed its current assets by $4,031,522 at December 31, 2018. These issues raise substantial doubt about the Authority's ability to continue as a going concern. The Authority's plans to improve its financial position are as follows:

Financial Support from Candler County
Beginning with the 2017 property tax collections, Candler County is subsidizing the Authority's long-term debt obligations to Queensborough National Bank with a one mil property tax. Also, with the 2018 SPLOST collections that began effective April, 2018, the County is allocating 20% of the monthly collections to retire the Authority's long-term debt. Candler County and the Authority are continuing negotiations for other support opportunities for the Hospital.

Physician Group
Effective May 1, 2019, the Authority engaged a physician's group, Doctor's To Go, to cover the Emergency Room and Hospitalist program. The Authority anticipates this change to stabilize these areas with consistent quality care which will increase patient satisfaction and quality of care for its patients.

Business Office Operations and Collections
Effective July 1, 2019, the Authority engaged Healthcare Resource Group (HRG) to act as the Authority's business office and early out self-pay provider. HRG will help improve efficiency, maximize collections and consult on a variety of improvement processes, procedures and regulation changes that may affect reimbursement.

Management Personnel
Effective September 1, 2018, the Authority and ERHospital, LLC (ERH) agreed to end the management agreement. As a result, the Authority hired a full-time CEO to manage the day-to-day operations of the hospital, and in June 2019, the Authority hired a full-time CFO to assist in managing the day-to-day operations. The Authority anticipates this will provide management stability and consistency in the operations of the Authority going forward.

NOTE 15 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the seventeen county East Middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2019, the County paid $6,868 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

NOTE 16 – PRIOR PERIOD ADJUSTMENT

Component Unit – Candler County Board of Health

In conformity with GAAP, as set forth in the Statement of Governmental Standards No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the beginning Government-wide net position was restated in the amount of $252,621 to record the effects of recognizing OPEB liabilities not previously recorded.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 31, 2019, which is the date the financial statements were available to be issued.

CANDLER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Drug Abuse Treatment and Education Fund	E-911 Fund	Jail Store Fund	Law Library	Local Maintenance and Improvement Grant Fund	Shared Service District Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash	$ 42,532	$ 128,342	$ 92,965	$ 22,684	$ 566,464	$ 280,338	$1,133,325
Certificate of deposit	-	153,371	-	-	-		153,371
Receivables:							
Accounts	100	15,788	4,400	-	-	-	20,288
Taxes	-	-	-	-	-	81,437	81,437
Interest	-	1,297	-	-	-	-	1,297
TOTAL ASSETS	$ 42,632	$ 298,798	$ 97,365	$ 22,684	$ 566,464	$ 361,775	$1,389,718
LIABILITIES							
Accounts Payable	-	$ 28,891	-	$ 428	-	-	$ 29,319
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	$ 49,858	49,858
FUND BALANCE							
Restricted	$ 42,632	269,907	$ 97,365	22,256	$ 566,464	311,917	1,310,541
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 42,632	$ 298,798	$ 97,365	$ 22,684	$ 566,464	$ 361,775	$1,389,718

CANDLER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Drug Abuse Treatment and Education Fund	E-911 Fund	Jail Store Fund	Law Library	Local Maintenance and Improvement Grant Fund	Shared Service District Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Taxes	-	-	-	-	-	$ 578,934	$ 578,934
Licenses and permits	-	-	-	-	-	22,200	22,200
Charges for services	-	185,370	29,928	-	-	326,028	541,326
Fees, fines and forfeitures	$ 2,534	-	-	$ 7,621	-	-	10,155
Intergovernmental	-	-	-	-	$ 561,379	-	561,379
Interest	420	3,133	26	-	4,878	4,087	12,544
Other	-	-	-	-	-	17	17
Total revenues	2,954	188,503	29,954	7,621	566,257	931,266	1,726,555
EXPENDITURES							
Current:							
Judicial	-	-	-	2,787	-	-	2,787
Public safety	551	178,505	2,975	-	-	298,931	480,962
Public works	-	-	-	-	-	316,435	316,435
Culture and recreation	-	-	-	-	-	51,072	51,072
Housing and development	-	-	-	-	-	125,300	125,300
Capital outlay	6,688	500	32,320	1,775	405,747	-	447,030
Total expenditures	7,239	179,005	35,295	4,562	405,747	791,738	1,423,586
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,285)	9,498	(5,341)	3,059	160,510	139,528	302,969
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	172,389	172,389
NET CHANGE IN FUND BALANCE	(4,285)	9,498	(5,341)	3,059	160,510	311,917	475,358
FUND BALANCE, JULY 1, 2018	46,917	260,409	102,706	19,197	405,954	-	835,183
FUND BALANCE, JUNE 30, 2019	$ 42,632	$ 269,907	$ 97,365	$ 22,256	$ 566,464	$ 311,917	$ 1,310,541

CANDLER COUNTY, GEORGIA
DRUG ABUSE TREATMENT AND EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 5,000	$ 2,534	$ (2,466)
Interest	-	420	420
Total revenues	5,000	2,954	(2,046)
EXPENDITURES			
Current:			
Public safety	5,000	551	4,449
Capital Outlay	-	6,688	(6,688)
	5,000	7,239	(2,239)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	(4,285)	$ (4,286)
FUND BALANCE, BEGINNING OF YEAR		46,917	
FUND BALANCE, END OF YEAR		$ 42,632	

CANDLER COUNTY, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 170,000	$ 185,370	$ 15,370
Interest	-	3,133	3,133
Total revenues	170,000	188,503	18,503
EXPENDITURES			
Current:			
Public safety	130,000	178,505	(48,505)
Capital Outlay	-	500	(500)
	130,000	179,005	(49,005)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 40,000	9,498	$ (30,002)
FUND BALANCE, BEGINNING OF YEAR		260,409	
FUND BALANCE, END OF YEAR		$ 269,907	

CANDLER COUNTY, GEORGIA
JAIL STORE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ -	$ 29,928	$ 29,928
Interest	-	26	26
Total revenues	-	29,954	29,954
EXPENDITURES			
Current:			
Public safety	-	2,975	(2,975)
Capital Outlay	-	32,320	(32,320)
	-	35,295	(35,295)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	(5,341)	$ (5,341)
FUND BALANCE, BEGINNING OF YEAR		102,706	
FUND BALANCE, END OF YEAR		$ 97,365	

CANDLER COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	$ 2,500	$ 7,621	$ 5,121
EXPENDITURES			
Current:			
Judicial	7,000	2,787	4,213
Capital Outlay	-	1,775	(1,775)
	7,000	4,562	2,438
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (4,500)	3,059	$ 7,559
FUND BALANCE, BEGINNING OF YEAR		19,197	
FUND BALANCE, END OF YEAR		$ 22,256	

CANDLER COUNTY, GEORGIA
LOCAL MAINTENANCE AND IMPROVEMENT GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 415,200	$ 561,379	$ 146,179
Interest	-	4,878	4,878
Total revenues	415,200	566,257	151,057
EXPENDITURES			
Capital Outlay	820,000	405,747	414,253
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (404,800)	160,510	$ 565,310
FUND BALANCE, BEGINNING OF YEAR		405,954	
FUND BALANCE, END OF YEAR		$ 566,464	

CANDLER COUNTY, GEORGIA
SHARED SERVICE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ -	$ 570,000	$ 578,934	$ 8,934
Licenses and permits	-	17,500	22,200	4,700
Charges for services	-	300,000	326,028	26,028
Interest	-	-	4,087	4,087
Other	-	-	17	17
Total revenues	-	887,500	931,266	43,766
EXPENDITURES				
Current:				
Public safety	-	298,931	298,931	-
Public works	-	275,000	316,435	(41,435)
Culture and recreation	-	51,072	51,072	-
Housing and development	-	122,000	125,300	(3,300)
	-	747,003	791,738	(44,735)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	140,497	139,528	(969)
OTHER FINANCING SOURCES				
Transfers in	-	-	172,389	172,389
Transfers out	-	(11,085)	-	11,085
Total other financing sources (uses)	-	(11,085)	172,389	183,474
NET CHANGE IN FUND BALANCE	$ -	$ 129,412	311,917	$ 182,505
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			$ 311,917	

CANDLER COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Totals
ASSETS						
Cash	$ 317,273	$ 2,281	$ 31,811	$ 12,670	$ 31,669	$ 395,704
LIABILITIES						
Due to other entities and individuals	$ 317,273	$ 2,281	$ 31,811	$ 12,670	$ 31,669	$ 395,704

CANDLER COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Tax Commissioner				
Assets				
Cash	$ 300,639	$ 12,112,657	$ 12,096,023	$ 317,273
Liabilities				
Due to other entities and individuals	$ 300,639	$ 12,112,657	$ 12,096,023	$ 317,273
Probate Court				
Assets				
Cash	$ 2,136	$ 57,279	$ 57,134	$ 2,281
Liabilities				
Due to other entities and individuals	$ 2,136	$ 57,279	$ 57,134	$ 2,281
Clerk of Courts				
Assets				
Cash	$ 32,135	$ 535,813	$ 536,137	$ 31,811
Liabilities				
Due to other entities and individuals	$ 31,811	$ 535,813	$ 536,137	$ 31,811
Magistrate Court				
Assets				
Cash	$ 29,189	$ 152,543	$ 169,062	$ 12,670
Liabilities				
Due to other entities and individuals	$ 29,189	$ 152,543	$ 169,062	$ 12,670
Sheriff				
Assets				
Cash	$ 86,019	$ 44,353	$ 98,703	$ 31,669
Liabilities				
Due to other entities and individuals	$ 86,019	$ 44,353	$ 98,703	$ 31,669
Total Agency Funds				
Assets				
Cash	$ 450,118	$ 12,902,645	$ 12,957,059	$ 395,704
Liabilities				
Due to other entities and individuals	$ 450,118	$ 12,902,645	$ 12,957,059	$ 395,704

CANDLER COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2019

2011 Special Sales Tax

Project	Original Estimated Cost	Current Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Public buildings projects	$ 575,000	$ 345,893	$ 271,470	$ 45,065	$ 316,535	92%
Recreation department projects	260,000	277,898	231,667	27,896	259,563	93%
Retirement of prior year debt	303,320	306,502	306,502	-	306,502	100%
Public works projects	15,000	559	559	-	559	100%
Road maintenance/improvements	469,930	22,000	22,000	-	22,000	100%
New equipment	2,408,750	3,115,356	2,372,709	423,372	2,796,081	90%
Candler County Industrial Authority	500,000	500,000	500,000	-	500,000	100%
City of Metter	2,880,000	2,883,410	2,883,410	-	2,883,410	100%
Town of Pulaski	288,000	288,331	288,331	-	288,331	100%
	$ 7,700,000	$ 7,739,949	$ 6,876,648	$ 496,333	$ 7,372,981	95%

2018 Special Sales Tax

Project	Original Estimated Cost	Current Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Retirement of general obligation debt	$ 1,600,000	$ 1,600,000	$ 62,860	$ 265,857	$ 328,717	21%
Capital improvements and equipment for County buildings	200,000	200,000	-	-	-	0%
Roads and bridges	1,424,000	1,424,000	-	-	-	0%
Recreation department projects	250,000	250,000	-	-	-	0%
Public works projects including solid waste collection/disposal	50,000	50,000	-	-	-	0%
Sheriff's department projects	250,000	250,000	-	33,665	33,665	13%
Radio communication equipment	720,000	720,000	-	244,050	244,050	34%
County general vehicles	150,000	150,000	-	-	-	0%
Computer equipment	20,000	20,000	-	5,588	5,588	28%
Public safety projects	240,000	240,000	-	3,312	3,312	1%
Candler County Industrial Authority	500,000	500,000	-	-	-	0%
City of Metter	2,360,000	2,360,000	100,575	425,372	525,947	22%
Town of Pulaski	236,000	236,000	10,057	42,537	52,594	22%
	$ 8,000,000	$ 8,000,000	$ 173,492	$ 1,020,381	$ 1,193,873	15%

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

Total 2018 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 1,760,481
Less proceeds from capital lease	(740,100)
Total current year expenditures per above	$ 1,020,381

LANIER, DEAL & PROCTOR

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Candler County, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Candler County, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Candler County's basic financial statements and have issued our report thereon dated December 31, 2019. Our report includes a reference to other auditors who audited the financial statements of the Candler County Board of Health and the Candler County Hospital Authority, as described in our report on Candler County, Georgia'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 Candler County, Georgia'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 Candler County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Candler County, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the deficiency in internal control, described below, that we consider to be a significant deficiency.

2019-1 Tax Commissioner's Office – Unidentified funds

The Tax Commissioner's Office has accumulated approximately $113,000 of unidentified funds from prior years. Staff members should try to identify the sources of these accumulated funds and determine how the funds should be distributed or seek direction from the County attorney on how to disburse the unidentified funds.

County Response: We concur with this finding and the Tax Commissioner's Office personnel will try to determine the source of these funds and how they should be disbursed.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Candler County, Georgia'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.*

Candler County, Georgia's Response to Findings

Candler County, Georgia's response to the findings identified in our audit is described above. Candler County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Lanier, Deal & Proctor

Statesboro, Georgia
December 31, 2019