UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA

Financial Statements and Supplemental Information
For the year ended June 30, 2020
And
Auditor's Report

Geer & Associates
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Albany, Ga 31701

UNIFIED GOVERNMENT OF CUSSETA-CHATTAHOOCHEE COUNTY
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Independent Auditors' Report

To the Board of Commissioners
Unified Government of Cusseta -
Chattahoochee County, Georgia
Cusseta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Unified Government of Cusseta - Chattahoochee County, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Government'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 Chattahoochee County Health Department, which represent total assets of $278,000 revenues of $65,000 and fund balance of $54,000. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Chattahoochee County Health Department 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 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 the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement 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 reports of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Unified Government of Cusseta - Chattahoochee County, Georgia, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 the budgetary comparison information of the general fund on page 28, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information.in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Management has omitted Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by accounting principles generally accepted in the United States of America, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The auditor's 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 Unified Government of Cusseta - Chattahoochee County basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by Official Code of Georgia 48-8-121 and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedule of expenditures of special purpose local option sales tax proceeds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic statements taken as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated April 30, 2021 on our consideration of Unified Government of Cusseta-Chattahoochee County's internal control over financial reporting and on our test 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 Unified Government of Cusseta - Chattahoochee County's internal control over financial reporting and compliance.

Respectfully submitted,

Geer & Associates

Geer & Associates
Albany, Georgia
April 30, 2021

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
ASSETS	**Governmental Activities**	**Business-Type Activities**	**Total**	Chattahoochee County Health Department
Current assets:				
Cash, including time deposits	$ 6,780,000	$ -	$ 6,780,000	$ 213,000
Receivables:				
Accounts receivable	-	-	-	-
Taxes receivable	509,000	-	509,000	-
Intergovernmental receivable	-	-	-	-
Restricted assets:				
Cash	-	193,000	193,000	-
Total current assets	7,289,000	193,000	7,482,000	213,000
Noncurrent assets:				
Capital assets not being depreciated:				
Land	355,000	4,000	359,000	-
Postemployment benefit assets	-	-	-	-
Capital assets net of accumulated depreciation:	4,445,000	3,273,000	7,718,000	-
Total noncurrent assets	4,800,000	3,277,000	8,077,000	-
Total assets	12,089,000	3,470,000	15,559,000	213,000
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows employer pension contributions	-	-	-	65,000
Total deferred outflows of resources	-	-	-	65,000
Total assets and deferred outflows	$ 12,089,000	$ 3,470,000	$ 15,559,000	$ 278,000
LIABILITIES				
Current liabilities:				
Accounts payable	$ 98,000	$ 16,000	$ 114,000	-
Accrued payroll and employee benefits	44,000	-	44,000	7,000
Customer deposits	-	79,000	79,000	-
Intergovernmental receivable	-	-	-	
Debt and leases payable, due within one yar	-	-	-	-
Total current liabilities	142,000	95,000	237,000	7,000
Non-current liabilities:				
Compensated absences	14,000	-	14,000	-
Net Pension Liability	-	-	-	148,000
Debt and leases payable, less current portion	-	-	-	-
Total non-current liabilities	14,000	-	14,000	148,000
Total liabilities	156,000	95,000	251,000	155,000
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources- penion plan	-	-	-	69,000
Total deferred inflow of resources	-	-	-	69,000
NET POSITION				
Net investment in capital assets	4,800,000	3,277,000	8,077,000	-
Restricted for debt service	-	86,000	86,000	-
Restricted for system replacement	-	102,000	102,000	-
Restricted for Splost & Tsplost projects	2,301,000	-	2,301,000	-
Restricted for special programs	387,000	-	387,000	9,000
Unrestricted	4,445,000	(90,000)	4,355,000	45,000
Total net position	11,933,000	3,375,000	15,308,000	54,000
Total net position & liabilities	$ 12,089,000	$ 3,470,000	$ 15,559,000	$ 278,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Primary Government: Government Activities Net (Expense)/ Revenue	Primary Government: Business-type Activities Net (Expense)/ Revenue	Primary Government: Government Activities Net (Expense)/ Revenue	Component Unit: Chattahoochee County Health Department
PRIMARY GOVERNMENT:								
Governmental Activities								
General government	$ 1,256,000	$ 160,000	$ -	$ -	$ (1,096,000)		$ (1,096,000)	
Judicial	371,000	4,000	-	-	(367,000)		(367,000)	
Public safety	1,022,000	9,000	-	-	(1,013,000)		(1,013,000)	
Public works	1,635,000	224,000	-	158,000	(1,253,000)		(1,253,000)	
Recreation	241,000	-	-	-	(241,000)		(241,000)	
Community development	160,000	-	-	35,000	(125,000)		(125,000)	
Health and welfare	53,000	-	-	-	(53,000)		(53,000)	
Depreciation	200,000	-	-	-	(200,000)		(200,000)	
Total general government	4,938,000	397,000	-	193,000	(4,348,000)	-	(4,348,000)	-
Business Type Activities	-	-						
Water Fund	782,000	655,000	-	-		$ (127,000)	(127,000)	
Total business type activities	$ 782,000	$ 655,000	$ -	$ -	$ -	$ (127,000)	$ (127,000)	$ -
Chattahoochee County Health Dept.	$ 258,000	$ 65,000	$ 169,000	$ -	$ -	$ -	$ -	$ (24,000)
Total Component Unit	$ 258,000	$ 65,000	$ 169,000	$ -	$ -	$ -	$ -	$ (24,000)
General revenues								
Sales taxes					2,158,000	-	2,158,000	-
Property taxes					852,000	-	852,000	-
Business taxes					1,299,000	-	1,299,000	-
Miscellaneous					75,000	-	75,000	-
Investment earnings					1,000	-	1,000	-
					-	-	-	-
Total general revenues					4,385,000	-	4,385,000	-
Transfers in (out)					(139,000)	139,000	-	-
Total revenues and transfers					4,246,000	139,000	4,385,000	-
Changes in net position					(102,000)	12,000	(90,000)	(24,000)
Net position--beginning					12,035,000	3,363,000	15,398,000	78,000
Prior period adjustment						-	-	-
Net position--ending					$ 11,933,000	$ 3,375,000	$ 15,308,000	$ 54,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,787,000	$ 1,865,000	$ 128,000	$ 6,780,000
Receivables:				
Accounts receivable	-	-	-	-
Due from other funds	-	-	527,000	527,000
Taxes receivable	341,000	168,000	-	509,000
Total Assets	5,128,000	2,033,000	655,000	7,816,000
LIABILITIES AND FUND BALANCES				
Accounts payable	98,000	-	-	98,000
Accrued liabilities	44,000	-	-	44,000
Due to other funds	527,000	-	-	527,000
Total liabilities	669,000	-	-	669,000
FUND BALANCES				
Restricted for:				
Special programs	-	2,033,000	655,000	2,688,000
Unassigned:	4,459,000	-	-	4,459,000
TOTAL FUND BALANCES	4,459,000	2,033,000	655,000	7,147,000
Total liabilities and fund balances	$ 5,128,000	$ 2,033,000	$ 655,000	$ 7,816,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Reconciliation of the change in fund balances--total governmental funds to the change in net position of governmental activities:	
Fund Balances - Governmental Funds	$ 7,147,000
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital assets used in governmental activities are not financial resources and Therefore are not reported in governmental funds, net of accumulated depreciation in the amount of $5,847,000	4,800,000
Revenues and expenses in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Compensated absences	(14,000)
Total Net Position - Governmental Activities	$ 11,933,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORIGA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Special Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 852,000	$ -	$ -	$ 852,000
Sales taxes	1,187,000	822,000	149,000	2,158,000
Franchise taxes	1,299,000	-	-	1,299,000
Grants	158,000	-	35,000	193,000
License, permits, and fees	160,000	-	-	160,000
Fines and forfeitures	4,000	-	9,000	13,000
Interest revenues	-	1,000	-	1,000
Charges for services	224,000	-	-	224,000
Miscellaneous revenues	75,000	-	-	75,000
Total revenues	3,959,000	823,000	193,000	4,975,000
EXPENDITURES				
Current:				
General government	1,246,000	-	-	1,246,000
Judicial	371,000	-	-	371,000
Public safety	925,000	-	97,000	1,022,000
Public works	953,000	614,000	68,000	1,635,000
Culture and recreation	241,000	-	-	241,000
Community development	120,000	-	40,000	160,000
Health and welfare	53,000	-	-	53,000
Intergovernmental	-	-	-	-
Capital projects	-	536,000	-	536,000
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	3,909,000	1,150,000	205,000	5,264,000
Excess (deficiency) of revenues over expenditures	50,000	(327,000)	(12,000)	- (289,000)
Net change in fund balances	50,000	(327,000)	(12,000)	(289,000)
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	-	53,000	143,000
Transfers out	(53,000)	(229,000)	-	(282,000)
Total other financing sources and uses	37,000	(229,000)	53,000	(139,000)
Net change in fund balances	87,000	(556,000)	41,000	(428,000)
Fund balance--beginning	4,372,000	2,589,000	614,000	7,575,000
Prior period adjustment	-	-		-
Fund balance--ending	$ 4,459,000	$ 2,033,000	$ 655,000	$ 7,147,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

Reconciliation of the change in fund balances--total governmental funds to the change in net position of governmental activities:		
Net change in fund balances--total governmental funds	$	(428,000)
Amounts reported for governmental activities in the Statement of Activities are		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Depreciation expense		(200,000)
Capital asset purchases capitalized		536,000
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Compensated absences		2,000
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		
Changes in Net Position of Governmental Activities	$	(90,000)

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Water Fund
ASSETS	
Current assets:	
Cash	$ -
Due from General Fund	
Account receivable (net)	-
Restricted assets	
Cash	193,000
Total current assets	193,000
Noncurrent assets:	
Land	4,000
Capital assets (net)	3,273,000
Total noncurrent assets	3,277,000
Total assets	$ 3,470,000
LIABILITIES	
Current liabilities:	
Accounts payable	$ 16,000
Accrued liabilities	-
Customer deposits	79,000
Current maturities of long-term debt	-
Total current liabilities	95,000
Noncurrent liabilities:	
Long-term debt, less current maturities	-
Total noncurrent liabilities	-
Total liabilities	$ 95,000
NET POSITION	
Net investment in capital assets	3,277,000
Restricted, for debt service	86,000
Restricted, for system replacement	102,000
Unrestricted	-
	(90,000)
Total net position	$ 3,375,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Water Fund
Operating revenues:	
Charges for services	$ 655,000
Total operating revenues	655,000
Operating expenses:	
Personnel services and employee benefits	245,000
Purchased/contracted services	270,000
Supplies	57,000
Depreciation	210,000
Total operating expense	782,000
Operating income	(127,000)
Non-operating revenue (expenses):	
Interest expense	-
Total nonoperating revenue (expense)	-
Income before transfers	(127,000)
Transfers & Capital Contributions:	
Capital contributions	-
Transfers In	229,000
Transfers Out	(90,000)
Total transfers	139,000
Change in net assets	12,000
Total net position--beginning	3,363,000
Prior period adjustment	-
Total net position--ending	$ 3,375,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR END JUNE 30, 2020

	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 655,000
Payments to suppliers	(320,000)
Payments to employees	(245,000)
Net cash provided from operating activities	90,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES	
Investment in fixed assets	(229,000)
Principal paid on debt	-
Transfers in from other funds	229,000
Transfers to other funds	(90,000)
Net cash used for capital and related financing activities	(90,000)
NET INCREASE IN CASH	-
Balances--beginning of the year	182,000
Balances--end of year	$ 182,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2020

		Water Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	$	(127,000)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Cash flows reported in other categories		
Depreciation and amortization		210,000
Change in assets and liabilities:		
Decrease in accounts receivable		-
Decrease in accounts and accrued payable		7,000
Decrease in other assets		-
Increase in customer deposits		-
Net cash provided by operating activities	$	90,000

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

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
COMBINED STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2020

	Fiduciary Fund
ASSETS	
Current assets:	
Cash	$ 942,000
Total current assets	942,000
Total assets	$ 942,000
LIABILITIES	
Current liabilities:	
Due to other governments and agencies	$ 942,000
Total current liabilities	942,000
Total liabilities	$ 942,000

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Unified Government of Cusseta - Chattahoochee County, Georgia (the Government) complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Georgia General Assembly enacted State Bill 228 to allow the governments of the City of Cusseta and Chattahoochee County to consolidate. The referendum for consolidation was passed on June 17, 2003. The city and county governments were consolidated effective November 6, 2003.

The County implemented GASB 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Non-spendable, Restricted, Committed, Assigned, and Unassigned.

- Non-spendable Fund Balance: Fund balances are reported as non-spendable 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 Balance: 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 Balance: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. The County Commission also may modify or rescind the commitment.
- Assigned Fund Balance: 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's finance committee or the County's finance director to assign fund balances.
- Unassigned Fund Balance: 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.

Flow Assumptions - When both restricted and unrestricted amounts of fund balances 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

1.A. FINANCIAL REPORTING ENTITY

The Unified Government of Cusseta - Chattahoochee County, Georgia is a political subdivision of the State of Georgia creased by virtue of a state law. The financial reporting entity has been determined by management in accordance with generally accepted accounting principles to be the primary government, organizations for which the primary government is financially accountable and organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units. The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included with the reporting entity as a Discretely Presented Component Unit:

Chattahoochee County Department of Public Health – The department is a legally separate agency of the State of Georgia. The Department is the basic level of government which has financial accountability and control over all activities related to the delivery of health services in the Unified Government of Cusseta and Chattahoochee County, Georgia.

The Department is considered a component unit of the Government due to the following reasons:

(1) The Government nominates the members of the governing body.

The Chattahoochee County Department of Public Health has issued separately audited component unit financial statements for the year-ended June 30, 2018. Copies of the component unit financial statements may be obtained from the administrative office at the Chattahoochee County Health Department, King Street, Cusseta, Georgia 32805.

1.B. BASIS OF PRESENTATION

Government-wide 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 government. For the most part, the effect of inter-fund 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to those 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.

Fund Financial Statements:
Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1.) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

2.) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resource measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition
In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (ie. collectible within the current year or within one month of year-end and available to pay obligations of the current period). This includes investment earnings, income taxes withheld by employers, estate taxes, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advanced, deferred until expenditures are made.

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenue when received in cash because they are generally not measurable until actually received.

The funds of the financial reporting entity are described below

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus
On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spend-able financial resources during a given period. These funds use fund balance as their measure of available spend-able financial resources at the end of the period.
b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.
c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

The Unified Government presents the following major governmental funds:
General Fund

The General Fund is the primary operating fund of the Government and accounts for all revenues and expenditures of the Government not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreements to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs are not paid through other funds are paid from the General Fund.

Special Local Option Sales Tax Fund

The Special Local Option Sales Tax Fund is used to account for financial resources for the acquisition or construction of major capital facilities and improvements other than those financed by Proprietary Funds. These projects are financed through budget appropriations, notes, sales tax proceeds and general obligation sales tax, and capital leases.

The Government reports the following major proprietary fund:

Water Fund

The water fund is used to account for the costs of providing water and sewer service to the community.

Additionally, the Government reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of for major capital projects) requiring separate accounting because of legal or regulatory provision or administrative action.

Proprietary Fund Types

Proprietary Fund Types are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement either a pension trust fund, private purpose trust fund or permanent fund is used. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The Government utilizes the following fiduciary funds:

Agency Funds are used to account for assets held by the Government as an agent for individuals, private organizations, other governments, and the Government departments.

The Government maintains the following Agency Funds:

Clerk of Superior Court
Probate Court
Tax Commissioner
Clerk of Magistrate Court

Private-sector standards of accounting and financial reporting issued prior to December 1, 1999, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include 1) charges 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. General revenues include all taxes.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year-end.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2.A. and 3.A.

Inventories

Inventories consist of materials, supplies, and food commodities and are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The cost of inventories is expensed when consumed.

Prepaid Assets

Prepaid expense is recorded as a current asset and amortized over the life of the asset on a straight-line basis.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Government as follows:

Buildings with a cost of $5,000 or more

Equipment with a cost of $1,000 or more and a useful life in excess of one year

Certain capital assets do not depreciate. This includes land, land improvements, and construction in progress.

All assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment of the Government are depreciated using the straight line method over the following estimated useful lives.

– Buildings	40 years
– Drainage	40 years
– Sewer lines	40 years
– Water lines	40 years
– Infrastructure	40 years
– Buses and heavy trucks	10 years
– Tractors and heavy equipment	10 years
– Furniture	10 years
– Office equipment	10 years
– Athletic equipment	10 years
– Cars and light trucks	10 years
– Computer equipment	10 years

Property Taxes

The Government bills and collects its own property taxes and also bills and collects taxes for the Chattahoochee County School system. Collections of the county taxes and remittance of them to the General Fund and the school system are accounted for in the Tax Commissioners Agency Fund. County property tax revenues are recognized when due to the extent that they result in current receivables.

Property taxes are normally levied on August 24th and due on December 20th each year. Collections of property taxes are made throughout the year. Liens may attach to property for unpaid taxes on December 21 after the due date.

Compensated Absences

The government has adopted a policy of not allowing employees to accumulate earned but unpaid vacation. Vacation not taken during the year will not be available for carryover. Sick leave is allowed for employees. Earned but unused sick leave can be accumulated up to four hundred and eighty hours. The government has not included a liability for this amount for the period being reported because it is not material.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Other information

Budgetary Information

Annual budgets are adopted on the modified accrual basis for its general fund. In April of each year, departments of the Government submit requests for appropriations to the Manager's office. The proposed budget is reviewed by the Commissioners and public hearings are held. After this, a final budget is prepared and adopted in a public hearing after the appropriate disclosures.

Fund Equity

Restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Restriction of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers, or other funds.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to bond reserve, sinking fund requirements & bond ordinance.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, notes payable, accrued compensated absences, and a court-assessed judgment if applicable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Equity Classifications
Government-wide Statements
Equity is classified as net position and displayed in three components:

a. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position—All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements
Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, and unrestricted, with unrestricted further split between committed, assigned and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

Special Local Option Sales Tax
The government receives sales tax revenue for the purpose of general government, making improvements on sidewalks, streets, and repair of equipment for the maintenance of these expenses.

Property Tax
Under State law, municipalities may levy a property tax. Property taxes are normally levied on August 24th and due on December 20th each year. Collections of property taxes are made throughout the year. Liens may attach to property for unpaid taxes on December 21 after the due date.

Operating Revenues and Expenses
Operating revenues and expenses for proprietary funds and general fund are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Non-operating Revenues and Expenses

Non-operating revenues and expenses for proprietary funds and general fund are those that do not result from providing services and producing and delivering goods and/or services.

Program Revenues
Transactions reported as program revenues on the statement of activities consist of charges for services to customer for garbage collection and all grant revenue.

Expenditures/Expenses
In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. The Unified Government applies a policy of applying restricted assets when restricted and unrestricted assets are available for the same purpose.

Proprietary Fund—By Operating and Non-operating
In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the Unified Government and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the Unified Government's compliance with significant laws and regulations and demonstration of its stewardship over Unified Government resources follows.

2.A. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Georgia or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Unified Government must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3A., all deposits were fully insured or collateralized.

Investments of the Government whose population exceeds 3,000 according to the latest census information are limited by state law to the following:

a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Georgia is pledged.
b. Certificates of deposit or savings accounts that is either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper, and repurchase agreements with certain limitations.
d. County, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money judgments; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligation of national mortgage associations.
f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous items a., b., c., and d.

2.B. REVENUE RESTRICTIONS

The Unified Government has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Special Purpose Local Option Sales Tax	See 1.E.
Jail Fund	O.C.G.A.
Drug Fund	O.C.G.A.
Revolving Loan Fund	O.C.G.A.
TSPLOST	O.C.G.A.

For the year ended June 30, 2019, the Unified Government has not complied, in all material respects, with these revenue restrictions.

2.C. FUND EQUITY RESTRICTIONS

Deficit Prohibition
The Code of Georgia prohibits the creation of a deficit fund balance in any individual fund. The Unified Government complied with this statute in all material respects for the year ended June 30, 2020.

2. D. FUND BUDGET REQUIREMENTS
The government is required by state law, OCGA 36-81-3(b) to adopt an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length balanced budget for each capital projects fund. The government exceeded budget appropriations at the legal level of control in general government. See page 27 for legal level of control budget violations.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. CASH AND INVESTMENTS

Deposits
As of June 30, 2019, the carrying amount of the Government's bank deposits were $7,298,000 and the respective bank balances totaled $7,220,000. Of the total bank balance, $250,000 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining balance of $7,470,000 was collateralized with pooled securities held by the financial institution's trust departments. These securities are held in the name of the financial institution.

3.B. RESTRICTED ASSETS

Funds provided from the operation of the Water System, together with the system's entire cash and investment income are restricted for payment of the entire note debt of this system.

3.C. NOTE RECEIVABLE – REVOLVING LOAN PROGRAM

The Government received a Rural Business Enterprise Grant from the United States Department of Agriculture to establish a revolving loan program to stimulate economic development in Chattahoochee County. As of June 30, 2020, the government had no outstanding loans.

3.D. INTERFUND TRANSACTIONS AND BALANCES

During the normal operations, numerous transactions take place between funds such as expenditures or transfers of resources to provide services, service debt or construct assets. These inter-fund transactions are eliminated, and no interest is charged on such transfers.

Transfers

	TRANSFERS IN					
	General Fund Fund	SPLOST Fund	Water & Sewer	Non-Major Funds	Total	Purpose
TRANSFER OUT						
General Fund	$ -	$ -	$ (90,000)	$ -	$ (90,000)	Operating
E-911	-	-	-	-	-	
SPLOST	-	-	229,000	-	229,000	Operating
Water & Sew er	-	-	-	-	-	Operating
Non-major Funds	(53,000)	-	-	-	(53,000)	Operating
	$ (53,000)	$ -	$ 139,000	$ -	$ 86,000	

3.D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

usseta-Chattahoochee County, Georgia
ıne 30, 2020
apital Asset Note Disclosure

	Balance at June 30, 2019	Additions	Deletions	Reclass	Balance at June 30, 2020
overnmental activities:					
ondepreciable assets:					
Land	$ 355,000	$ -	$ -	$ -	$ 355,000
Construction in progress (non-depreciable)	-	-	-	-	-
	355,000	-	-	-	355,000
epreciable assets:					
Machinery and equipment	2,869,000	536,000	-	-	3,405,000
Infrastructure	792,000	-	-	-	792,000
Buildings and site improvements	5,759,000	-	-	-	5,759,000
Total at historical cost	9,420,000	536,000	-	-	9,956,000
ess accumulated depreciation	5,311,000	200,000			5,511,000
Total accumulated depreciation	5,311,000	200,000	-	-	5,511,000
overnmental activities capital assets, net	$ 4,464,000	$ 336,000	$ -	$ -	$ 4,800,000
usiness-type activities					
ondepreciable assets:					
Land (non-depreciable)	$ 4,000	$ -	$ -	$ -	$ 4,000
	4,000	-	-	-	4,000
epreciable assets:					
Machinery and equipment	138,000		-	-	138,000
Water system	7,647,000	229,000	-	-	7,876,000
Buildings and site improvements	97,000	-	-	-	97,000
Total at historical cost	7,882,000	229,000	-	-	8,111,000
ess accumulated depreciation					
Machinery and equipment	120,000	-	-	-	120,000
Water system	4,444,000	197,000	-	-	4,641,000
Buildings and site improvements	74,000	3,000	-	-	77,000
Total accumulated depreciation	4,638,001	200,000	-	-	4,838,000
usiness-type capital assets, net	$ 3,248,000	$ 29,000	$ -	$ -	$ 3,277,000

Depreciation allocated for governmental activities		Depreciation allocated for business-type activities	
General government	$ 200,000	Water	$ 200,000

3.E. LONG-TERM DEBT

The Unified Government had no long-term debt during the year ending June 30, 2020.

Changes in Long-Term Obligations

	Balance at June 30, 2019	Additions	Payments	Adjustments	Balance at June 30, 2020	Due Within One Year
Governmental Activities:						
Compensated Absences	12,000	2,000	-	-	14,000	-
	12,000	2,000	-	-	14,000	-
Business Type Activities:						
Revenue bonds	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Totals	-	-	-	-	-	-
Totals	12,000	2,000	-	-	14,000	-

3.F. Cash Restrictions

Restrictions of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific restrictions of the fund equity accounts are summarized below.

The Government is required to account for the Special Local Option Sales Tax in separate accounts. The Capital Projects Fund contains reserved fund balance in the amount of $2,589,000 reserved for projects to be paid from special local option sales tax.

The Revolving Loan Fund has a reservation of fund balance for cash, which as of June 30, 2020 was $107,000

The balances of the Government's restricted cash accounts are as follows:

Renew al & Extension Fund- System Replacement	$ 102,000
Capital Cost- Water	3,000
Water Bond Sinking Fund- Debt Service	52,000
Water Deposits	39,000
	$ 196,000

The Government's policy is to utilize restricted assets when restricted and unrestricted assets are available for the same purpose.

4.A. Contingent Liabilities

The Government is a defendant in a claim by Environmental Protection Division of the State of Georgia. The resolution and expense is unknown at this time. A proposed resolution is pending final approval from Georgia EPD.

4.B. Joint Ventures

Under Georgia law, the Government, in conjunction with other cities and counties in the area, is a member of the Lower Chattahoochee Regional Commission and is required to pay annual dues thereto. Membership in Regional Commission is required by the Official Code of Georgia Annotated

(OCGA) Section 50-8-34 which provides for the organization structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts on obligations of a Regional Commission. Separate financial statements may be obtained from: Lower Chattahoochee Regional Commission, 1428 Second Avenue, Columbus, GA. 31902.

4.C .Pension Plans

DEFINED CONTRIBUTION PLAN

The Board of Commissioners of the Unified Government of Cusseta and Chattahoochee County established a Matching Defined Contribution Plan 457 (B) under the authority of Code Section 401 (a) for the exclusive benefit of the participants and their beneficiaries. The Board of Commissioners has the authority to amend the contribution amounts annually.

This plan is administrated by Valic Financial Advisors, as a defined contribution plan. Contribution limits are 100% of includible income up to $14,000 with a catch up contribution of up to $14,000, if within last 3 taxable years before normal retirement age and up to a $4,000 catch up contribution for those who age is 50 and older. The Government will match 50% of employee contributions up to 4%. During the year, the Government contributed $15,000 to the plan and the employees contributed $30,000.

4.D. Risk Management

The Government is exposed to various risks of loss related to torts; theft of, or damage to or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Government maintains commercial insurance to provide coverage for these risks.

Coverages are as follows:

Errors and Omissions Liability	
Part A – Public Officials Errors and Omissions Liability	$1 Million/Wrongful Act/Claim and $2 Million Annual Aggregate. These limits apply in total over Parts A and B and not separately to each part.
Part B – Employee Benefits Liability	
Crime Coverage	$150,000
Money and Securities (loss inside the premises)	
Money and Securities (loss outside the premises)	$150,000
Blanket Bond	Various limits
Extension	$150,000

Boiler and Machinery

The limits of liability under this coverage section arising out of any one accident is limited to $25 million. If an initial accident causes any other accidents, all will be considered one accident. All accidents at any one location which manifest themselves at the same time and are the result of the same cause will be considered one accident.

IRMA will pay no more than the following sub-limits of liability:

Hazardous Substances Coverage	$250,000	Any One Accident
Expediting Expense	$250,000	Any One Accident
Consequential Damage	$250,000	Any One Accident
Water Damage	$250,000	Any One Accident
Ammonia Contamination	$250,000	Any One Accident

The Government has joined the Association of County Commissioners of Georgia Inter-local Risk Management Agency Property and Liability Insurance Fund and Self-Insurance Workers Compensation Fund, a public entity risk pool operating as a common risk management and insurance program for members.

As part of these risk pools, the Government 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 Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the Government 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.

4.E. Subsequent Events and Legal Matters

As of April 30, 2021, there are several matters the attorney for the unified government has communicated to management at the completion of this audit. These matters have not been recorded as a liability to the unified government, as management does not believe these liabilities are known or probable, as of April 30, 2021. Management can be contacted for additional information about these matters.

4.F. Landfill Note Disclosure

State and federal laws and regulations required the government to place a final cover on its Fire Tower Road landfill. The engineers working with EPD on the closure and post-closure care cost for Fire Tower Road landfill expressed that the EPD is only requiring one year of testing and monitoring. The results of the test after one year will determine future requirements for the next 30 years as with most landfill closures. Therefore, a one year contract in the amount of $34,000 is anticipated to be paid by the government. As of June 30, 2020, the Closure Cost was $600,952 and the Post Closure Cost was $37,522

Required Supplementary Information

Required supplementary information includes financial information disclosures that are required by the GASB, but are not considered part of the basic financial statements.

ACCOUNTING BUDGETARY AND CONTROL

Budget Law

The Government prepares its annual operating budget under the provisions of the Georgia Code. In accordance with those provisions, the following process is used to adopt the annual budget:

a. Prior to June 1, the Governments Manager submits to the Government a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
b. Public hearings are conducted at regular Commission meetings to obtain taxpayer comments. Public hearings are held no later than 15 days prior to the beginning of the budget year.
c. Subsequent to the public hearings but no later than seven days prior to October 1, the budget is legally enacted through the passage of a resolution by the Government.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of State Law, except funds of public trust or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the object category level by department within a fund. State statutes recognize the following object categories as the minimum legal level of control by department.

- Personal Services
- Materials and Supplies
- Other Services and Charges
- Capital Outlay
- Debt Service
- Inter-fund Transfers
-

All supplemental appropriations require the approval of the Government. All transfers of appropriation between department and object categories require the approval of the Governing Body.

Budgetary Accounting

The annual operating budgets of governmental funds are prepared and presented on the modified accrual basis of accounting.

Budget Requirements

There were supplemental increases and or decreases in budget appropriations made and approved by the Government.

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	$ 612,000	$ 612,000	$ 852,000	$ 240,000
Sales	1,000,000	1,000,000	1,187,000	187,000
Franchise	599,000	599,000	1,299,000	700,000
Grants	-	-	158,000	158,000
License, permits, and fees	10,000	10,000	160,000	150,000
Fines and forfeitures	530,000	530,000	4,000	(526,000)
Interest revenues	10,000	10,000	-	(10,000)
Charges for services	196,000	196,000	224,000	28,000
Miscellaneous revenues	129,000	129,000	75,000	(54,000)
Total revenues	3,086,000	3,086,000	3,959,000	873,000
EXPENDITURES				
Current:				
General government	1,167,000	1,167,000	1,246,000	(79,000)
Judicial	413,000	413,000	371,000	42,000
Public safety	890,000	890,000	925,000	(35,000)
Public works	929,000	929,000	953,000	(24,000)
Culture and recreation	248,000	248,000	241,000	7,000
Community development	89,000	89,000	120,000	(31,000)
Health and welfare	56,000	56,000	53,000	3,000
Total expenditures	3,792,000	3,792,000	3,909,000	(117,000)
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	3,792,000	3,792,000	3,909,000	(117,000)
Excess (deficiency) of revenue over expenditures	(706,000)	(706,000)	50,000	990,000
OTHER FINANCING SOURCES				
Transfers In/(Out)			37,000	(37,000)
Total other financing sources	-	-	37,000	(37,000)
Net change in fund balance	$ (706,000)	$ (706,000)	$ 87,000	$ 953,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL LOCAL OPTION SALES TAX FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	$ 500,000	$ 500,000	$ 822,000	$ 322,000
Interest income	-	-	1,000	1,000
Total revenues	500,000	500,000	823,000	323,000
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	400,000	400,000	614,000	(214,000)
Public safety	-	-	-	-
Capital outlay			536,000	
Total current expenditures	400,000	400,000	1,150,000	(214,000)
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	400,000	400,000	1,150,000	(214,000)
Excess (deficiency) of revenue over expenditures	100,000	100,000	(327,000)	537,000
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	(229,000)	(229,000)
Total other financing sources	-	-	(229,000)	(229,000)
Net change in fund balance	$ 100,000	$ 100,000	$ (556,000)	$ 308,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JAIL FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ 5,000	$ 5,000	$ 7,000	$ 2,000
Interest income	-	-	-	-
Total revenues	5,000	5,000	7,000	2,000
EXPENDITURES				
Current:				
General government		-	-	-
Public works	-	-	-	-
Public safety	107,000	107,000	95,000	12,000
Capital outlay			-	
Total current expenditures	107,000	107,000	95,000	12,000
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	107,000	107,000	95,000	12,000
Excess (deficiency) of revenue over expenditures	(102,000)	(102,000)	(88,000)	(10,000)
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	$ (102,000)	$ (102,000)	$ (88,000)	$ (10,000)

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DRUG FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ -	$ -	$ 2,000	$ 2,000
Interest income	-	-	-	-
Total revenues	-	-	2,000	2,000
EXPENDITURES				
Current:				
General government	-	-	-	-
Public w orks	-	-	-	-
Public safety	-	-	2,000	(2,000)
Capital outlay			-	
Total current expenditures	-	-	2,000	(2,000)
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	2,000	(2,000)
Excess (deficiency) of revenue over expenditures	-	-	-	4,000
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	$ -	$ -	$ -	$ 4,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
REVOLVING LOAN FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government		-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Capital outlay			-	
Total current expenditures	-	-	-	-
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	-	-	-
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	$ -	$ -	$ -	$ -

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government		-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay			-	
Total current expenditures	-	-	-	-
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	-	-	-
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	(16,000)	(16,000)
Total other financing sources	-	-	(16,000)	(16,000)
Net change in fund balance	$ -	$ -	$ (16,000)	$ (16,000)

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMERGENCY MANAGEMENT FUND
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ -	$ -	$ 9,000	$ 9,000
Interest income	1,000	1,000	-	(1,000)
Total revenues	1,000	1,000	9,000	8,000
EXPENDITURES				
Current:				
General government		-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay			-	
Total current expenditures	-	-	-	-
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenue over expenditures	1,000	1,000	9,000	8,000
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	26,000	26,000
Total other financing sources	-	-	26,000	26,000
Net change in fund balance	$ 1,000	$ 1,000	$ 35,000	$ 34,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FAMILY CONNECTIONS
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Grants	$ 300,000	$ 300,000	$ 26,000	$ (274,000)
Interest income	-	-	-	-
Total revenues	300,000	300,000	26,000	(274,000)
EXPENDITURES				
Current:				
General government		-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Community development	50,000	50,000	40,000	10,000
Capital outlay	-	-	-	-
Total current expenditures	-	-	40,000	-
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	40,000	-
Excess (deficiency) of revenue over expenditures	300,000	300,000	(14,000)	(274,000)
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	13,000	13,000
Total other financing sources	-	-	13,000	13,000
Net change in fund balance	$ 300,000	$ 300,000	$ (1,000)	$ (261,000)

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TSPLOST
FOR THE PERIOD YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax revenue	$ -	$ -	$ 149,000	$ 149,000
Interest income	-	-	-	-
Total revenues	-	-	149,000	149,000
EXPENDITURES				
Current:				
General government	-	-	-	-
Public w orks	-	-	68,000	(68,000)
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total current expenditures	-	-	68,000	(68,000)
Non-current:				
Debt services:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	68,000	(68,000)
Excess (deficiency) of revenue over expenditures	-	-	81,000	217,000
OTHER FINANCING SOURCES				
Bond Proceeds				-
Transfers In/(Out)	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	$ -	$ -	$ 81,000	$ 217,000

ADDITIONAL INFORMATION

NON-MAJOR SPECIAL REVENUE FUNDS

These are funds used to report governmental operations where statutory, Regulatory or grant requirement provisions require separate accountability.

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Jail Fund	Drug Fund	Revolving Loan Fund	Library Book Funds	Seized Property Fund	Emergency Management Fund	Family Connections	TSPLOST Fund	Total Governmental Funds
ASSETS									
Cash	$ -	$ -	$ -	$ -	$ -	$ 36,000	$ 12,000	$ 80,000	$ 128,000
Due from General fund	169,000	63,000	107,000	-	-	-	-	188,000	527,000
Note receivable			-						-
Total Assets	169,000	63,000	107,000	-	-	36,000	12,000	268,000	655,000
LIABILITIES AND FUND BALANCE									
CURRENT LIABILITIES									
Accounts payable	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Reserved:	-	-	-	-	-		-	-	-
Restricted	169,000	63,000	107,000	-	-	36,000	12,000	268,000	655,000
Unrestricted									
Unassigned	-	-	-	-	-		-	-	-
TOTAL FUND BALANCES	169,000	63,000	107,000	-	-	36,000	12,000	268,000	655,000
Total liabilities and fund balances	$ 169,000	$ 63,000	$ 107,000	$ -	$ -	$ 36,000	$ 12,000	$ 268,000	$ 655,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Jail Fund	Drug Fund	Revolving Loan Fund	Library Book Funds	Seized Property Fund	Emergency Management Fund	Family Connections	TSPLOST Fund	Total Governmental Funds
REVENUES									
Fines and forfeitures	$ 7,000	$ 2,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,000
Tax revenue	-	-	-	-	-	-	-	149,000	149,000
Grants	-	-	-	-	-	9,000	26,000	-	35,000
Investment income	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	7,000	2,000	-	-	-	9,000	26,000	149,000	193,000
EXPENDITURES									
Current:									
Public safety	95,000	2,000	-	-	-		-	-	97,000
Public w orks	-	-	-	-	-	-	-	68,000	68,000
Culture & receation	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	40,000	-	40,000
TOTAL EXPENDITURES	95,000	2,000	-	-	-	-	40,000	68,000	205,000
Excess (deficiency) of revenue over expenditures	(88,000)	-	-	-	-	9,000	(14,000)	81,000	(12,000)
OTHER FINANCING SOURCES									
Transfers In/(Out)	37,000	-	-	(16,000)	(7,000)	26,000	13,000	-	53,000
Total other financing sources	37,000	-	-	(16,000)	(7,000)	26,000	13,000	-	53,000
Net change in fund balances	(51,000)	-	-	(16,000)	(7,000)	35,000	(1,000)	81,000	41,000
FUND BALNCE, BEGINNING	220,000	62,000	107,000	16,000	7,000	1,000	13,000	188,000	614,000
FUND BALANCE, ENDING	$ 169,000	$ 62,000	$ 107,000	$ -	$ -	$ 36,000	$ 12,000	$ 269,000	$ 655,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

YEAR ENDED JUNE 30, 2020

	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	TAX COMMISSIONER	TOTALS
ASSETS					
Cash	$ 7,000	$ 35,000	$ 1,000	$ 925,000	$ 968,000
Taxes Receivable	-	-	-	-	-
TOTAL ASSETS	$ 7,000	$ 35,000	$ 1,000	$ 925,000	$ 968,000
LIABILITIES					
Due to other governments and agencies	$ 7,000	$ 35,000	$ 1,000	$ 925,000	$ 968,000
Total business type activities	$ 7,000	$ 35,000	$ 1,000	$ 925,000	$ 968,000

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2020

	BALANCE July 1, 2019	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2020
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	$ 13,000	$ 46,000	$ 52,000	$ 7,000
LIABILITIES				
Due to other governments and agencies	$ 13,000	$ 46,000	$ 52,000	$ 7,000
PROBATE COURT				
ASSETS				
Cash	$ 29,000	$ 137,000	$ 131,000	$ 35,000
LIABILITIES				
Accounts Payable	$ 29,000	$ 137,000	$ 131,000	$ 35,000
CLERK OF MAGISTRATE COURT				
ASSETS				
Cash	$ 1,000	$ 13,000	$ 13,000	$ 1,000
LIABILITIES				
Due to other governments and agencies	$ 1,000	$ 13,000	$ 13,000	$ 1,000
TAX COMMISSIONER'S OFFICE				
ASSETS				
Cash	$ 899,000	$ 3,184,000	$ 3,158,000	$ 925,000
LIABILITIES				
Due to other governments and agencies	$ 899,000	$ 3,184,000	$ 3,158,000	$ 925,000
TOTAL ASSETS	$ 942,000	$ 3,380,000	$ 3,354,000	$ 968,000
TOTAL LIABILITIES	$ 942,000	$ 3,380,000	$ 3,354,000	$ 968,000

Compliance Section

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

To the Board of Commissioners
Unified Government of Cusseta -
Chattahoochee County, Georgia
Cusseta, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the Unified Government of Cusseta - Chattahoochee County, Georgia for the year ended June 30, 2020. This schedule is the responsibility of the Unified Government of Cusseta - Chattahoochee County, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

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

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of the Unified Government of Cusseta and Chattahoochee County, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the Unified Government of Cusseta - Chattahoochee County, Georgia's resolution or ordinance calling for the tax for the year ended June 30, 2020, in conformity with accounting principles generally accepted in the United States of America

Respectfully submitted,

Geer & Associates

Geer & Associates
April 30, 2021

UNIFIED GOVERNMENT OF CUSSETA - CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR YEAR ENDED JUNE 30, 2020

PROJECT	ORIGINAL ESTIMATED COSTS	REVISED ESTIMATED COSTS	PRIOR YEARS	CURRENT PERIOD	CUMULATIVE TOTAL	ESTIMATED % OF COMPLETION
2015 SPLOST						
Construction of water and sewer projects	$ 2,000,000	$ 2,934,000	$ 2,705,000	$ 229,000	$ 2,934,000	100.00%
Construction building, road, street, and bridge projects	$ 1,000,000	$ 8,310,000	$ 7,160,000	$ 1,150,000	$ 8,310,000	100.00%
2020 TSPLOST						
Construction building, road, street, and bridge projects	$ 1,000,000	$ 1,000,000	$ -	$ 68,000	$ 68,000	6.80%

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Unified Government of Cusseta -
Chattahoochee County, Georgia
Cusseta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financials 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Unified Government of Cusseta-Chattahoochee County, Georgia as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Cusseta-Chattahoochee County, Georgia's basic financial statements and have issued our report thereon dated April 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the Chattahoochee County Health Department as described in our report on Unified Government of Cusseta-Chattahoochee 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 separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Unified Government of Cusseta-Chattahoochee County's internal controls 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 Unified Government's internal controls. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies numbered 20-06 and 20-7 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.20-01, 20-02, 20-03, 20-04, 20-05, 20-6, & 20-7.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unified Government of Cusseta-Chattahoochee County, Georgia, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Unified Government of Cusseta-Chattahoochee County's Response to Findings

The Unified Government of Cusseta-Chattahoochee County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Unified Government of Cusseta-Chattahoochee 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 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.

Respectfully submitted,

Geer & Associates

Geer & Associates
April 30, 2021

UNIFIED GOVERNMENT OF CUSSETA -CHATTAHOOCHEE COUNTY, GEORGIA
SCHEDULE OF FINDINGS & QUESTIONED COST
JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued				Unqualified
Internal control over financial reporting:				
Material weakness(es) identified?	X	yes		no
Significant deficiencies identified not considered to be material weakness(es)	X	yes		no
Noncompliance material to financial statements noted		yes	X	no

Federal Awards

There were no major federal award programs as of June 30, 2020

Dollar threshold used to distingush between Type A and Type B prgrams: $750,000

UNIFIED GOVERNMENT OF CUSSETA CHATTAHOOCHEE COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
for the Year Ended June 30, 2020

Section II – Financial Statement Findings

Finding No. 20-01

Criteria:	Policies and procedures should be in place to ensure a better segregation of duties.
Statement of condition:	There is a lack of segregation of duties throughout the Unified Government departments.
Effect of condition:	Lack of segregation of duties greatly increases the opportunity for theft/fraud.
Cause of condition:	Procedures were not in place to ensure compliance.
Recommendation:	Management has mitigated the risks associated with the lack of segregation of duties. However, due to the small number of accounting personnel management must continue to monitor all operations to ensure that duties are properly segregated.
Management response:	We will review our operations to determine the most efficient and effective solution to properly segregate duties.

Contact person: Laura Bernstein, Manager
Telephone: (706) 989-3602; Fax (709) 989-2005; E-mail: admin@ugoccc.us

Finding No. 20-02

Criteria:	According to O.C.G.A. 36-81-3, all local governments shall operate under an annual balance budget for the general fund, each special revenue fund, and each capital project fund in use by the local government. Amendments shall be made, in a timely manner, by an increase in appropriations at the legal level of control of the local governments.
Statement of condition:	The Unified Government adopts a budget for its funds; however, they did not make amendments to the general government, culture and recreation, and Splost funds when expenditures exceeded appropriations at the legal level of control.
Effect of condition:	The Unified Government is in violation of O.C.G.A. 36-81-3
Cause of condition:	Policies and procedures were not in place to ensure that budget amendments are adopted for the general government, culture and recreation, and Splost funds used by the local government.
Recommendation:	Management should implement policies and procedures to ensure that budget amendments are adopted for each fund in use by the local government.
Management response:	Management agrees with the recommendation. Management shall properly adopt annual budget for the each fund in use by the local government.

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Finding 20-03

Criteria:	Policies and procedures should be in place to ensure cash receipts are deposited into separate bank accounts legally or contractually restricted
Statement of condition:	Funds legally requiring separate cash accounts have been deposited into the general fund.
Effect of condition:	Legal or contractual restricted has been commingled with general fund cash. TSPLOST
Cause of condition:	Policies and procedures were not in place to ensure that the funds are maintained in separate cash accounts
Recommendation:	Management should implement policies and procedures to ensure that appropriate accounts are maintained in separate cash accounts.
Management response:	Management agrees with the recommendation. Management will implement policies and procedures to ensure restricted cash is maintained in separate cash accounts.

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Finding 20-04

Criteria:	Policies and procedures should be in place to ensure that management budgets transfers between funds.
Statement of condition:	Transfers of assets between funds has occurred without budget considerations
Effect of condition:	The Unified Government is in violation of O.C.G.A. 36-81-3
Cause of condition:	Policies and procedures were not in place to ensure fund transfers are budgeted in a timely manner.
Recommendation:	Management should implement policies and procedures to ensure that transfers are budgeted in a timely manger.
Management response:	Management agrees with the recommendation. Management will implement policies and procedures to ensure all transfers are budgeted.

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Finding 20-05

Criteria:	Policies and procedures should be in place to correct the chart of accounts mask numbers and removed unused accounts in the general ledger package.
Statement of condition:	There are excess accounts in the general ledger chart of accounts and many accounts do not have property mask.
Effect of condition:	The financial statements are sensitive to material misstatements and the ability to detect material misstatements is significantly increased.
Cause of condition:	Policies and procedures should be employed to correct the chart of accounts and properly manage the chart of accounts.
Recommendation:	Management should implement policies and procedures to ensure the chart of accounts is effective and proper.
Management response:	Management agrees with the recommendation. Management will implement policies and procedures to review and correct matters related to the chart of accounts in the general ledger.

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Finding 20-06 Material Weakness

Criteria: Policies and procedures should be in place to ensure pooled cash or inter-fund balances are being calculated properly within the accounting software.

Statement of condition: Payments by the general fund for other funds is not recording the proper inter-fund liability and asset accounts to keep the funds in balance.

Effect of condition: The financial statements are sensitive to material misstatements and the ability to detect material misstatements is significantly increased.

Cause of condition: Policies and procedures were not in place to ensure accounting package is functioning properly and the individual funds remain in balance.

Recommendation: Management should implement policies and procedures to ensure that the accounting software is functioning properly and the individual funds do not get out of balance.

Management response: Management agrees with the recommendation. Management will implement policies and procedures to ensure the accounting software is functioning properly and the individual funds remain in balance.

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Finding 20-07 Material Weakness

Criteria: Policies and procedures should be in place to ensure that all asset and liability general ledger account are reconciled on a regular basis.

Statement of condition: Asset and liability ledger accounts are not being consistently reconciled.

Effect of condition: The financial statements are sensitive to material misstatements and the ability to detect material misstatements is significantly increased.

Cause of condition: Policies and procedures were not in place to ensure that the appropriate accounts are reconciled in a timely manner.

Recommendation: Management should implement policies and procedures to ensure that appropriate accounts are reconciled in a timely manner and that the internal control procedure is constantly monitored by management personnel.

Management response: Management agrees with the recommendation. Management will implement policies and procedures to ensure all accounts are reconciled in a timely manner as well as constantly monitoring of the account reconciliations.

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Section III – Financial Statement Prior Year Findings

Finding No. 19-01

Criteria:	Policies and procedures should be in place to ensure a better segregation of duties.
Statement of condition:	There is a lack of segregation of duties throughout the Unified Government departments.
Effect of condition:	Lack of segregation of duties greatly increases the opportunity for theft/fraud.
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Recommendation:	Management should implement policies and procedures to ensure that budget amendments are adopted for each fund in use by the local government.
Management response:	Management agrees with the recommendation. Management shall properly adopt annual budget for the each fund in use by the local government.

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