CLINCH COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended July 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Clinch County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clinch County, Georgia as of and for the year ended July 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clinch County, Georgia, as of July 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 38-40 and the schedules of historical pension information and the related notes on pages 41-43 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clinch County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and budget schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying Schedules of Projects Constructed with Special Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020, on our consideration of the Clinch County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clinch County, Georgia's internal control over financial reporting and compliance.

Tillman & Tillman LLP

Tillman & Tillman, LLP

Valdosta, Georgia

March 30, 2020

CLINCH COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended July 31, 2019

As Management of the Clinch County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending July 31, 2019. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

Key financial highlights for FY19 are as follows:

The County's total net position decreased by $586,017.

The County's governmental fund assets exceeded its liabilities at July 31, 2019 by $5,869,531 (fund balances). Of this amount $3,619,782 (unassigned fund balance) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, fund balance for the General Fund increased by $323,143 resulting in a fund balance of $3,904,896.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the government -wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail that the government-wide statements.

Government-Wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Position and the Statement of Activities

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net position and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including general government, judicial, public safety, public works, health and human services, culture and recreation and housing and development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Component Unit - The County's financial statements include financial data of the Clinch County, Georgia Board of Health. This component unit is described in the notes to the financial statements. This component unit is separate and may buy, sell, lease, and mortgage property in its own name and can sue or be sued in its own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental fund is General Fund.

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements—The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Percentage Change
	2018	**2019**	**2018-2019**
Assets			
Current and other assets	$ 5,582,833	$ 6,562,697	17.55%
Capital assets, net	7,915,235	6,341,004	-19.89%
Total Assets	**13,498,068**	**12,903,701**	-4.40%
Deferred Outflows of Resources	34,297	118,912	246.71%
Liabilities			
Current and other liabilities	823,627	947,446	15.03%
Long-term liabilities	778,702	748,834	-3.84%
Total Liabilities	**1,602,329**	**1,696,280**	5.86%
Deferred Inflows of Resources	63,084	45,398	0.00%
Net Position			
Invested in capital assets, net of related debt	7,004,103	5,511,783	-21.31%
Restricted	1,332,144	1,964,635	47.48%
Unrestricted	3,530,705	3,804,517	7.76%
Total Net Position	**$ 11,866,952**	**$ 11,280,935**	-4.94%

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by $11,280,935 as of July 31, 2019. A large portion of the County's net position (49%) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (17%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net position (34%) may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending July 31, 2019.

Changes in Clinch County's Net Position

	Governmental Activities		Total Percentage Change
	2018	**2019**	**2018-2019**
Revenues			
Program Revenues			
Charges for services	$ 875,139	$ 804,689	-8.05%
Operating grants and contributions	59,176	84,392	42.61%
Capital grants and contributions	32,405	972,422	2900.84%
Total Program Revenues	966,720	1,861,503	92.56%
General Revenues			
Property taxes	3,502,796	3,343,188	-4.56%
Sales taxes	890,221	1,269,494	42.60%
Timber taxes	242,137	197,297	-18.52%
Insurance premium taxes	220,775	238,055	7.83%
Other taxes	104,832	92,644	-11.63%
Interest, penalties and costs - taxes	57,115	77,303	35.35%
Investment earnings	26,122	36,860	41.11%
Gain on disposal of capital assets	11,661	-	0.00%
Miscellaneous	65,733	73,135	11.26%
Total General Revenues	5,121,392	5,327,976	4.03%
Total Revenues	**6,088,112**	**7,189,479**	**18.09%**
Expenses			
Governmental Activities:			
General Government			
Legislative and executive	$ 1,749,415	$ 1,760,657	0.64%
Judicial	469,969	443,043	-5.73%
Public safety	1,350,884	1,576,926	16.73%
Public works	3,288,540	3,563,390	8.36%
Health and welfare	87,589	98,150	12.06%
Culture and recreation	167,729	161,366	-3.79%
Housing and development	91,162	151,760	66.47%
Interest on long-term debt	24,146	20,204	-16.33%
Total Expenses	7,229,434	7,775,496	7.55%
Change in Net Position	**(1,141,322)**	**$ (586,017)**	**-48.65%**
Net Position, Beginning	13,008,274	11,866,952	-8.77%
Net Position, Ending	**$ 11,866,952**	**$ 11,280,935**	**-4.94%**

Governmental Activities

The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of Clinch County's Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
Function	**2018**	**2019**	**2018-2019**	**2018**	**2019**	**2018-2019**
General Government						
Legislative and executive	$ 1,749,415	$ 1,760,657	0.64%	$ 1,396,558	$ 1,470,420	5.29%
Judicial	469,969	443,043	-5.73%	267,630	229,781	-14.14%
Public safety	1,350,884	1,576,926	16.73%	1,189,819	1,426,930	19.93%
Public works	3,288,540	3,563,390	8.36%	3,078,180	2,409,288	-21.73%
Health and welfare	87,589	98,150	12.06%	57,710	49,779	-13.74%
Culture and recreation	167,729	161,366	-3.79%	167,729	161,366	-3.79%
Housing and development	91,162	151,760	66.47%	80,942	146,225	80.65%
Interest on long-term debt	24,146	20,204	-16.33%	24,146	20,204	-16.33%
Total	**$ 7,229,434**	**$ 7,775,496**	**7.55%**	**$ 6,262,714**	**$ 5,913,993**	**-5.57%**

Financial Analysis of County Funds

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of July 31, 2019, the County's governmental funds reported a combined ending fund balance of $5,869,531, an increase of $955,634. Approximately 62% of this total ($3,619,782) represents unassigned fund balance, which is available for spending at the County's discretion but is currently held for adequate fund balance reserves for daily operations.

The General Fund is the primary operating fund of the County. At the end of July 31, 2019, the unassigned fund balance was $ 3,619,782.

Budgetary Highlights

By State statute, the Board of County Commissioners adopts the annual operating budget for the fiscal year on or before the first day of the fiscal year. Changes were made to the adopted budget in some departments due to greater than expected expenditures such as rising gas prices and other unexpected cost and were offset by revenues exceeding the original budget.

Capital Assets

The County's investment in capital assets for governmental as of July 31, 2019, was $5,511,783 (net of accumulated depreciation and related debt). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles and infrastructure.

Major capital asset events during FY19 included the acquisition of a vehicle and equipment for various County departments and road improvements.

Note 5 (Capital Assets) provides additional information about capital asset activity during FY19.

Debt

At July 31, 2019, the County had total capital lease debt outstanding of $829,221.

In addition to the capital leases, the County's long-term obligations include compensated absences. Notes 8 and 9 provide information regarding these liabilities.

Economic Factors

Revenues in excess of expenditures resulted in an increase in the fund balance in the General Fund. However, compared to the prior year, the General Fund revenues had declined while expenditures increased.

The County adjusted net taxable digest decreased 0.89% in FY19.

Local option sales tax increased 2.5% in FY19.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Clinch County Commission, County Clerk, 22 Court Square, Suite B, Homerville, Georgia 31634.

Component unit financial statements can be obtained from the Southeast Health District office and should be addressed to the Finance Director, 604 Riverside Avenue, Waycross, Georgia 31501.

CLINCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
July 31, 2019

	Primary Government		Component Unit
	Governmental Activities	Total	Clinch County Board of Health
ASSETS			
Cash	$ 6,081,421	$ 6,081,421	$ 126,872
Taxes receivable	178,900	178,900	-
Accounts receivable	23,321	23,321	-
Notes receivable	161,207	161,207	-
Due from other governments	117,848	117,848	23,405
Nondepreciable capital assets	410,715	410,715	-
Depreciable capital assets, net	5,930,289	5,930,289	-
TOTAL ASSETS	12,903,701	12,903,701	150,277
DEFERRED OUTFLOWS OF RESOURCES			
Pension	118,912	118,912	103,849
LIABILITIES			
Accounts payable	62,371	62,371	-
Accrued liabilities	14,994	14,994	-
Due to other governments	457,360	457,360	-
Long-term liabilities:			
Due within one year:			
Capital leases payable	101,340	101,340	-
Compensated absences	31,430	31,430	13,113
Due in more than one year:			
Capital leases payable	727,881	727,881	-
Compensated absences	20,953	20,953	13,113
Net pension obligation liability	279,951	279,951	262,572
Net OPEB liability	-	-	128,818
TOTAL LIABILITIES	1,696,280	1,696,280	417,616
DEFERRED INFLOWS OF RESOURCES			
Pension	45,398	45,398	76,856
NET POSITION			
Net investment in capital assets	5,511,783	5,511,783	-
Restricted for:			
Capital projects	1,604,307	1,604,307	-
Law library	9,672	9,672	-
Drug education and treatment	1,694	1,694	-
Economic development	298,370	298,370	-
Drug enforcement	29,353	29,353	-
Jail operations	15,271	15,271	
Health and welfare	5,968	5,968	54,854
Unrestricted	3,804,517	3,804,517	(295,200)
TOTAL NET POSITION	$ 11,280,935	$ 11,280,935	$ (240,346)

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

CLINCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended July 31, 2019

FUNCTION/PROGRAM	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Primary Government:				
GOVERNMENTAL ACTIVITIES				
General government				
Legislative	$ 1,760,657	$ 290,237	$ -	$ -
Judicial	443,043	189,371	23,891	-
Public Safety	1,576,926	95,030	54,966	-
Public Works	3,563,390	181,680	-	972,422
Health and Welfare	98,150	48,371	-	-
Culture and Recreation	161,366	-	-	-
Housing and Development	151,760	-	5,535	-
Interest on Long-term Debt	20,204	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	7,775,496	804,689	84,392	972,422
TOTAL PRIMARY GOVERNMENT	$ 7,775,496	804,689	84,392	972,422
COMPONENTS UNITS				
Clinch County Board of Health	$ 358,230	$ 97,497	$ 317,817	$ -
TOTAL COMPONENT UNITS	$ 358,230	$ 97,497	$ 317,817	$ -
GENERAL REVENUES				
Property taxes, levied for general purposes				
Timber taxes				
Sales taxes				
Real estate transfer taxes				
Railroad equipment car taxes				
Insurance premium taxes				
Beer and wine taxes				
Intangible recording taxes				
Interest, penalties and costs - delinquent taxes				
Cable franchise tax				
Interest on bank deposits				
Gain on disposal of capital assets				
Other revenues				
TOTAL GENERAL REVENUES				
CHANGES IN NET POSITION				
NET POSITION, BEGINNING OF YEAR				
NET POSITION AT END OF YEAR				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		Component Unit
Governmental Activities	Total	Clinch County Board of Health
$ (1,470,420)	$ (1,470,420)	$ -
(229,781)	(229,781)	-
(1,426,930)	(1,426,930)	-
(2,409,288)	(2,409,288)	-
(49,779)	(49,779)	-
(161,366)	(161,366)	-
(146,225)	(146,225)	-
(20,204)	(20,204)	-
(5,913,993)	(5,913,993)	-
(5,913,993)	(5,913,993)	-
$ -	$ -	$ 57,084
$ -	$ -	$ 57,084
3,343,188	3,343,188	-
197,297	197,297	-
1,269,494	1,269,494	-
13,504	13,504	-
52,882	52,882	-
238,055	238,055	-
5,630	5,630	-
13,819	13,819	-
77,303	77,303	-
6,809	6,809	-
36,860	36,860	-
-	-	-
73,135	73,135	-
5,327,976	5,327,976	-
(586,017)	(586,017)	57,084
11,866,952	11,866,952	(297,430)
$ 11,280,935	$ 11,280,935	$ (240,346)

CLINCH COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
July 31, 2019

	General Fund	Capital Projects Funds: Public Roads Fund	Capital Projects Funds: 2015 Special Purpose Sales Tax Fund	Other Governmental Funds	Total
ASSETS					
Cash	$ 3,914,428	$ 1,007,159	$ 234,115	$ 494,644	$ 5,650,346
Taxes receivable	178,900	-	-	-	178,900
Accounts receivable	22,803	-	-	518	23,321
Note receivable	-	-	-	161,208	161,208
Due from other funds	100	-	-	-	100
Due from other governments	24,470	-	51,375	42,002	117,847
TOTAL ASSETS	4,140,701	1,007,159	285,490	698,372	6,131,722
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	62,372	-	-	-	62,372
Accrued liabilities	14,994	-	-	-	14,994
Due to other funds	-	-	-	100	100
Due to other governments	-	-	26,286	-	26,286
TOTAL LIABILITIES	77,366	-	26,286	100	103,752
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	158,439	-	-	-	158,439
TOTAL DEFERRED INFLOWS OF RESOURCES	158,439	-	-	-	158,439
FUND BALANCES					
Restricted for:					
Capital projects	-	1,007,159	259,204	337,944	1,604,307
Law library	-	-	-	9,672	9,672
Drug education and treatment	-	-	-	1,694	1,694
Economic development	-	-	-	298,370	298,370
Drug enforcement	-	-	-	29,353	29,353
Jail operations	-	-	-	15,271	15,271
Health and welfare	-	-	-	5,968	5,968
Assigned for:					
Property tax roll back	285,114	-	-	-	285,114
Unassigned reported in:					
General Fund	3,619,782	-	-	-	3,619,782
TOTAL FUND BALANCES	3,904,896	1,007,159	259,204	698,272	5,869,531
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,140,701	$ 1,007,159	$ 285,490	$ 698,372	$ 6,131,722

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

CLINCH COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
July 31, 2019

Total Governmental Fund Balances		$ 5,869,531
Amounts report for governmental activities on the statement of net position are different because of the following:		
Net Pension Obligation		
Pension liabilities resulting from contributions less than the annual required contribution		(279,951)
Net pension assets are not current financial resources and are not recognized at the fund financial reporting level but are reported on the government-wide statement of net position		
Deferred outflow of resources - pension	118,912	118,912
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	53,195,693	
Less accumulated depreciation	(46,854,689)	6,341,004
Some liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities.		
Capital leases payable	(829,221)	
Compensated absences	(52,383)	
Deferred inflow of resouces - pension	(45,397)	(927,001)
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred tax revenue		158,440
Net Position of Governmental Activities		$ 11,280,935

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

CLINCH COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended July 31, 2019

	General Fund	Capital Projects Funds: Public Roads Fund	Capital Projects Funds: 2015 Special Purpose Sales Tax Fund	Other Governmental Funds	Total
REVENUES					
Taxes	$ 4,253,707	$ -	$ 618,068	$ 357,031	$ 5,228,806
Licenses and permits	16,040	-	-	-	16,040
Intergovernmental revenues	168,632	518,590	-	453,832	1,141,054
Charges for services	559,818	-	-	-	559,818
Fines and forfeitures	85,202	-	-	40,205	125,407
Investment income	32,111	3,436	625	6,224	42,396
Miscellaneous	78,682	-	-	-	78,682
TOTAL REVENUES	5,194,192	522,026	618,693	857,292	7,192,203
EXPENDITURES					
Current:					
General Government					
Legislative and executive	1,738,642	-	-	60,441	1,799,083
Judicial	417,174	-	-	3,226	420,400
Public safety	1,421,765	-	30,542	39,997	1,492,304
Public works	937,562	198,944	134,606	473,339	1,744,451
Health and welfare	99,582	-	-	-	99,582
Culture and recreation	161,365	-	-	-	161,365
Housing and development	94,959	-	-	-	94,959
Intergovernmental	-	-	316,239	#REF!	#REF!
Capital outlay	-	-	30,000	-	30,000
Debt service					
Principle retirement	-	-	151,413	-	151,413
Interest	-	-	21,773	-	21,773
TOTAL EXPENDITURES	4,871,049	198,944	684,573	#REF!	#REF!
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	323,143	323,082	(65,880)	#REF!	#REF!
OTHER FINANCING SOURCES:					
Proceeds from capital lease financing	-	-	95,000	-	95,000
TOTAL OTHER FINANCING SOURCES (USES):	-	-	95,000	-	95,000
NET CHANGE IN FUND BALANCE	323,143	323,082	29,120	#REF!	#REF!
FUND BALANCE, BEGINNING OF YEAR	3,581,753	684,077	230,084	417,983	4,913,897
FUND BALANCE AT END OF YEAR	$ 3,904,896	$ 1,007,159	$ 259,204	#REF!	#REF!

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

CLINCH COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended July 31, 2019

Net Change in Fund Balances - Total Governmental Funds		#REF!
Amounts report for governmental activities in the statement of activities are different because of the following:		
Net Pension Obligation		
Change in pension liabilities resulting from contributions more than the annual required contribution		(43,251)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	711,870	
Current year depreciation expense	(2,286,101)	(1,574,231)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds		
Net change in deferred revenues - property taxes	(2,725)	
Capital lease financing	(95,000)	(97,725)
Some expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds:		
Net change in accrued interest	1,571	
Net change in long-term compensated absences	(4,926)	(3,355)
Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities:		
Payments on long-term debt		176,911
Change in Net Position of Governmental Activities		#REF!

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

CLINCH COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
July 31, 2019

	Agency Funds
ASSETS	
Cash	$ 431,073
TOTAL ASSETS	$ 431,073
LIABILITIES	
Due to others	$ 431,073
TOTAL LIABILITIES	431,073
NET POSITION	$ -

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

Note 1 – Summary of Significant Accounting Policies

The financial statements present Clinch County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A.The Reporting Entity

These financial statements present Clinch County, Georgia (the primary government) which is governed by an elected five - member board, and a discretely presented component unit. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity* and amended by GASB No. 61, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit, on the other hand, is reported separately in the government-wide financial statements reflects the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

Clinch County Board of Health

The Clinch County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board and the County's ability to impose its will upon the Clinch County Board of Health. The financial statements for the Clinch County Board of Health are presented in these financial statements using the method of discrete presentation. The Clinch County Board of Health fiscal year end is June 30. A complete set of financial statements for the Clinch County Board of Health is presented in a separate report and can be obtained from the Clinch County Board of Health, 1101 Church Street, Waycross, Georgia 31501.

Joint Venture

The County, in conjunction with cities and counties in the (16) county Southeast Georgia area are members of the Southern Georgia Regional Commission. Membership in the Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission's. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of $5,3,97 to the Regional Commission for the year ended July 31, 2019. The Regional Commission Board membership includes the Chief elected official of each county and municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from the County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines a Regional Commission as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a Regional Commission beyond its resources. (O.C.G. A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:

Southern Georgia Regional Commission
3395 Harris Road
Waycross. Georgia 31503

Note 1 – Summary of Significant Accounting Policies - Continued

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

B. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Note 1 - Summary of Significant Accounting Policies - Continued

C. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

Governmental Funds

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

General Fund. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Public Roads Fund. The Public Roads Fund accounts for road improvement funds provided by the Georgia Department of Transportation through its Local Maintenance and Improvement Grants (LMIG) program.

Capital Projects 2015 SPLOST Fund. The Capital Projects 2015 Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed by referendum. The revenue is restricted to the stated purposes of the referendum.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt, and the acquisition or construction of major capital projects.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The County's agency funds account for assets held by the County's Tax Commissioner, Clerk of Court, Sheriff, Magistrate Court and Probate Court for other governments or individuals.

Note 1 - Summary of Significant Accounting Policies - Continued

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position.

Fund Financial Statements

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Note 1 - Summary of Significant Accounting Policies - Continued

E. Basis of Accounting - Continued

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The County has no deferred outflows.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category on the governmental funds balance sheet.

Property taxes for which there was an enforceable legal claim at June 30, 2019, but were levied to finance FY19 operations are deferred and recognized as an inflow of resources in the period that amounts become available. The unavailable revenues from property taxes amount to $158,439.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. Prepaid expenditures in governmental funds are recognized during the benefiting period.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Process

The County adopts annual budgets for the General Fund, Capital Projects Fund and Special Revenue Funds. The budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles with the following exceptions. The County budget may present the use of appropriated beginning fund balances and the proceeds of short-term debt as other financing sources, and the repayment of short-term debt as other financing uses, when such elements are present in the adopted budget.

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

1. Prior to August 1, the Board of Commissioners prepares a proposed operating budget for the fiscal year commencing the following August 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments. Notice is given at least ten days in advance by publication in the official organ of Clinch County.

3. The budget is legally enacted through passage of an ordinance.

4. The budget is employed as a management control device during the year. Budgetary control is established at the department level. Management may not make changes without approval of the Board of Commissioners.

Budgeted amounts are presented as amended by the Clinch County Board of Commissioners.

Note 1 - Summary of Significant Accounting Policies – Continued

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized in the governmental funds.

H. Cash and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to know amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

The County's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

The County is authorized to invest in funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located in the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and Federal Bank of Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

I. Inventory

Materials purchased are shown as expenditures when acquired are not inventoried at year end due to a lack of materiality.

J. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of $5,000. The County's infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Note 1 - Summary of Significant Accounting Policies – Continued

K. Capital Assets - Continued

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

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

Description	Estimated Lives
Buildings and Building Improvements	40 - 50 years
Machinery and Equipment	5 - 10 years
Furniture and Fixtures	5 - 10 years
Vehicles	5 - 10 years
Infrastructure	25 years

Capital assets include public domain (infrastructure) general capital assets consisting of improvements including roads and bridges for which historical cost information was available or could be estimated. All infrastructure acquired prior to the implementation of GASB 34 has been capitalized and reported.

L. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities are eliminated on the government-wide statement of net position.

M. Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation and sick leave when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are not recognized as a liability and expenditure.

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

Note 1 - Summary of Significant Accounting Policies - Continued

O. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

P. Fund Balances

The County has implemented GASB No. 54, Fund Balance Report and Governmental Fund Type Definitions. Under GASB Statement No. 54, fund balances are required to be reported in the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form , or, for legal or contractual reasons, must be kept intact.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors, grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the County's highest level of decision-making authority, the County Board of Commissioners.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board of Commissioners, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balances – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

Note 1 - Summary of Significant Accounting Policies - Continued

Q. Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Estimates

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

Note 2 - Deposits and Investments

The County maintains separate checking and investment accounts for each fund. The County's cash in bank balances represent balances in all accounts including general fund, special revenue funds, capital projects funds, and fiduciary funds.

At July 31, 2019 the County had deposits in the amount of $6,164,552, and the balance of deposits were fully collateralized by FDIC insurance and pledged securities by the banking entities.

Note 3 – Due from Other Governments

Due from other governments consisted of the following:

General Fund	
Georgia Department of Revenue	$ 24,470
Total - General Fund	24,470
Capital Project Funds	
2015 SPLOST Fund	
Georgia Department of Revenue	51,375
Total - 2015 SPLOST Fund	51,375
Capital Project Funds	
T SPLOST Fund	
Georgia Department of Revenue	42,002
Total - T SPLOST Fund	42,002
Total - Due From Other Governments	$ 117,847

Note 4 – Interfund Balances

The composition of interfund balances as of July 31, 2019, is as follows:

	Interfund Receivable	Interfund Payable
General Fund		
CDBG Fund	$ 100	$ -
	100	-
Capital Projects Funds		
CDBG Fund		
General Fund	-	100
Total Governmental Funds	$ 100	$ 100

Note 5 - Property Taxes

The County sets its property tax millage on the tax levy date each year. Taxes are levied on October 1. The property tax lien attaches to property in existence at January 1 of each year and is payable by December 20 of that year. The County collects taxes on real and personal property including motor vehicles and mobile homes. The Clinch County Tax Commissioner acts as collection agent for the County, Industrial Authority, Hospital Authority, Board of Education, and State of Georgia for taxes on real and personal property and for
the City of Homerville for taxes on motor vehicles and mobile homes owned by City residents. Georgia state law does not provide for maximum millage rates that the County may levy.

Deferred Revenue - Delinquent property taxes not collected within sixty (60) days after year-end is recognized as deferred revenue.

Note 6 – Capital Assets

A summary of the changes in general capital assets for the year ended July 31, 2019 is as follows:

	Balance at August 1, 2018	Additions	Reductions	Balance at July 31, 2019
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 130,130	$ -	$ -	$ 130,130
Construction in progress	185,205	552,203	456,823	280,585
Total Nondepreciable Capital Assets	315,335	552,203	456,823	410,715
Depreciable Capital Assets:				
Buildings and building improvements	$ 2,498,430	$ 27,947	$ 1,500	$ 2,524,877
Machinery and equipment	1,944,079	95,000	47,056	1,992,023
Furniture and fixtures	33,029	6,720	-	39,749
Vehicles	1,025,749	30,000	-	1,055,749
Infrastructure	46,715,757	456,823	-	47,172,580
Total Depreciable Capital Assets	52,217,044	616,490	48,556	52,784,978
Less Accumulated Depreciation for:				
Buildings and building improvements	937,572	30,063	1,500	966,135
Machinery and equipment	1,026,041	257,890	47,056	1,236,875
Furniture and fixtures	28,963	2,417	-	31,380
Vehicles	666,335	121,814	-	788,149
Infrastructure	41,958,233	1,873,917	-	43,832,150
Total Accumulated Depreciation	44,617,144	2,286,101	48,556	46,854,689
Total Depreciable Capital Assets, Net	7,599,900	(1,669,611)	-	5,930,289
Governmental Activities Capital Assets, Net	$ 7,915,235	$ (1,117,408)	$ 456,823	$ 6,341,004

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 4,072
Judicial	10,463
Public Safety	126,706
Public Works	2,144,860
Total Depreciation Expense - Governmental Activities	$ 2,286,101

Note 7 – Risk Management

The County may be subject to risk of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County covers these risks through the purchase of insurance coverage through the ACCG – Group Self-Insurance Workers' Compensation Fund and the ACCG – Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

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

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

Note 8 – Pension Plan

Plan Description

The County contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by this Plan.

Plan membership contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

Note 8 – Pension Plan - Continued

Plan Membership

Participant counts of those eligible for benefits as of January 1, 2018, (the most recent actuarial valuation date) and covered compensation (based on coverage earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits		12
Terminated plan members entitled to but not yet receiving benefits		16
Active plan members		10
Total number of plan participants		38
Covered compensation for active participants	$	430,376

Benefits

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual fund requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contributions meets or exceeds the minimum funding requirements of Georgia Statute 47-20. The County contributions for the calendar year ending December 31, 2018 were $58,138. All governmental funds that have personnel contribute toward liquidation of the pension liabilities.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The amount recognized as by the County as the net pension liability was as follows:

Net Pension Liability	$279,951

Note 8 – Pension Plan – Continued

Net Pension Liability – Continued

Actuarial assumptions. The actuarial assumptions used for the January 1, 2018 valuation was applied to all periods included in the measurement were as follows:

Actuarial cost method	Entry age normal
Projected salary increases	4.00% per year with an age based scale
Cost of living adjustment	N/A
Investment return	7.00%
Mortality	RP-2000, projected with Scale AA

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	30%	25%-35%
Equities:		
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%
	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.00% as of December 31, 2017. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the current contribution rate and that Country contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 8 – Pension Plan – Continued

Changes in the Net Pension Liability

	Total Pension Liability	Fiduciary Net Pension	Net Pension Liability
Balance at December 31, 2017	$ 1,142,746	$ 1,008,347	$ 134,399
Changes for the year:			
Service cost	6,494	-	6,494
Interest	80,715	-	80,715
Liability experience (gain)/loss	19,290	-	19,290
Assumption change	23,807	-	23,807
Employer contributions	-	58,138	(58,138)
Employee contributions	-	-	-
Net investment income	-	(47,867)	47,867
Benefit payment	(58,879)	(58,879)	-
Administrative expense	-	(6,009)	6,009
Other changes	-	(19,508)	19,508
Net Changes	71,427	(74,125)	145,552
Balance at December 31, 2018	$ 1,214,173	$ 934,222	$ 279,951

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	6.00%	7.00%	8.00%
Total Pension Liability	$ 1,308,089	$ 1,214,173	$ 1,131,461
Fiduciary Net Position	934,222	934,222	934,222
Net Pension Liability	$ 373,867	$ 279,951	$ 197,239

Note 8 – Pension Plan – Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ended December 31, 2018, the County recognized pension expense of $58,138. At June 30, 2018, the County reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Net Deferred Outflows	Net Deferred Inflows
Asset (Gain) / Loss	$ 114,994	$ (45,398)
Liability (Gain) / Loss	1,754	-
(Gain) / Loss due to Assumption Change	2,164	-
Total	$ 118,912	$ (45,398)

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2020	$ 27,437
2021	11,537
2022	9,704
2023	24,836
2024	-

A copy of additional financial information from the Plan financial reports can be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Other Retirement Plans

In addition to the above retirement plan, of which the County is administrator, the following retirement plans are in effect but are not under the direct control of the County:

1) Judges of the Probate Courts Retirement Fund of Georgia
2) Clerk of Superior Court Retirement Fund
3) Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund
4) Peace Officers' Annuity and Benefit Fund of Georgia

These plans provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims. GASB Statement #68 valuation reports and schedules can be found on their respective web sites.

Note 8 – Pension Plan – Continued

Other Retirement Plans - Continued

Defined Contribution Money Purchase Plan:

In July 1998, the County adopted the Clinch County Money Purchase Plan, a defined contribution plan. The plan is an IRC Section 401(a)/457 Match Plan. Equitable Life Assurance Society sponsors the 401(a) portion of the Plan and the 457 plan. The plans are administered by Momentum Administrative Services.

Under the plan, all full-time permanent employees are eligible for participation. The County makes a base contribution to the 401(a) plan equal to 3% of each employee's salary. The employee may contribute up to 25% of their salary to the deferred compensation plan subject to an annual maximum of $8,000. For employees participating in the deferred compensation program, the County will make an additional matching contribution to the 401(a) plan equal to 50% of the employee's contribution up to a maximum of 6% of the employee's salary. The combined maximum contribution by the County is 6% of the employee's salary. During the year ended July 31, 2019, the plan members contributed $28,406 and the County contributed $100,317 to the plan.

The contributions to the 401(a) plan are 100% vested after 3 years of service. The 457 plan employee deferrals are 100% vested immediately. Employees may choose their own investments from among those offered by the Clinch County 401(a) / 457 Match Plan.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rate for the County and its plan members.

Deferred Compensation Plan:

The Clinch County Board of Commissioners offers all Clinch County employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457, as part of the match plan described in Note 7. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Clinch County, Georgia's financial statements.

Note 9 – Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused leave benefits. Unused leave benefits will be paid to employees upon separation from County services. The General Fund pays for any used compensated absences during a fiscal year.

	Balance at July 31, 2018	Additions	Reductions	Balance at July 31, 2019	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 47,457	$ 33,400	$ 28,474	$ 52,383	$ 31,430
Total Primary Government	$ 47,457	$ 33,400	$ 28,474	$ 52,383	$ 31,430

Note 10 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended July 31, 2019:

	Balance at July 31, 2018	Additions	Reductions	Balance at July 31, 2019	Amount Due In One Year
Governmental Activities					
Capital leases	$ 911,132	$ 95,000	$ 176,911	$ 829,221	$ 101,341
Total Governmental Activities	$ 911,132	$ 95,000	$ 176,911	$ 829,221	$ 101,341

The original issue date, interest rate and original issue amount for the County's long-term obligations are as follows:

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Governmental Activities					
Capital Lease	Graders	2017	2.35%	$ 912,864	2021
Capital Lease	Bulldozier	2019	4.95%	$ 95,000	2023

The accumulated amortization on the motor graders, an excavator and tractor was $793,474 as of July 31, 2019. The FY19 amortization expense of $223,795 was included in the depreciation expense.

Note 10 - Long-Term Debt - Continued

The following is a summary of the County's future annual debt service requirements on long-term obligations:

	Governmental Activities	
	Capital Leases	
Year Ending July 31,	Principal	Interest
2020	$ 101,341	$ 21,293
2021	104,295	18,339
2022	623,585	15,286
	$ 829,221	$ 54,918

Note 11 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at July 31, 2019. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State Governments for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

Note 12 – Assignment

Georgia code section 48-8-91 requires local governments collecting local option sales tax to calculate a reduction of the local millage rate based on the prior year collections of the local option sales tax. The assignment of fund balance for property tax roll back, accounts for the annual collection of local option sales tax fund that will be used in the calculation for the next year's millage rate reduction.

Note 13 – Expenditures in Excess of Appropriations

The following funds' expenditures/expenses exceeded appropriations:

	Expenditures/ Expenses Actual	Appropriations	Amount Exceeding Appropriations
General Fund:			
Commissioners' Office	$ 262,129	$ 259,642	$ 2,487
Clerk of Court	130,155	129,317	838
District Attorney	13,755	13,336	419
Road Department	644,191	639,883	4,308
Solid Waste Management	293,371	279,120	14,251
Concerted Services	1,471	1,400	71
Department of Family and Children Services	23,150	22,700	450
2015 SPLOST Fund	684,573	600,000	84,573
CDBG Fund	453,832	-	453,832

Note 14 – Subsequent Event

Subsequent events were evaluated through March 30, 2020 which is the date of the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

CLINCH COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 4,096,107	$ 4,096,107	4,253,707	$ 157,600
Licenses and permits	22,957	22,957	16,040	(6,917)
Intergovernmental revenues	146,028	146,028	168,632	22,604
Charges for services	523,487	523,487	559,818	36,331
Fines and forfeitures	83,995	83,995	85,202	1,207
Investment income	16,787	16,787	32,111	15,324
Miscellaneous	63,300	63,300	78,682	15,382
Total Revenues	$ 4,952,661	$ 4,952,661	$ 5,194,192	$ 241,531
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
Commissioners' Office	$ 241,425	$ 259,642	262,129	$ 2,487
Tax Assessor's Office	189,382	127,935	121,535	(6,400)
Tax Commissioner's Office	146,451	156,410	154,924	(1,486)
Equalization Board	8,484	8,484	2,367	(6,117)
Public Buildings	133,545	127,235	123,835	(3,400)
Elections	92,783	92,783	85,966	(6,817)
Non-Departmental	1,021,756	999,383	987,886	(11,497)
Total General Government	1,833,826	1,771,872	1,738,642	(33,230)
JUDICIAL				
Superior Court	65,713	35,749	33,285	(2,464)
Clerk of Courts	128,692	129,317	130,155	838
District Attorney	13,100	13,336	13,755	419
Juvenile Court	3,000	1,065	1,065	-
Public Defender	43,637	38,789	38,789	-
Probate Court	201,408	201,408	200,125	(1,283)
Total Judicial	455,550	419,664	417,174	(2,490)
PUBLIC SAFETY				
Sheriff	513,138	540,187	535,795	(4,392)
Fire Protection	52,900	52,900	32,622	(20,278)
E-911 Service	144,290	144,290	144,290	-
Emergency Management Agency	28,555	39,494	37,970	(1,524)
Emergency Medical Services	170,350	182,481	180,481	(2,000)
Coroner Office	7,000	10,686	8,686	(2,000)
School Resource Officer	24,000	24,765	24,765	-
Jail	355,900	459,156	457,156	(2,000)
Total Public Safety	1,296,133	1,453,959	1,421,765	(32,194)

See independent auditor's report.

CLINCH COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC WORKS				
Road Department	714,623	639,883	644,191	4,308
Solid Waste Management	274,866	279,120	293,371	14,251
Total Public Works	989,489	919,003	937,562	18,559
HEALTH AND WELFARE				
Public Health Services	65,618	76,118	74,961	(1,157)
Concerted Services	1,400	1,400	1,471	71
Department of Family and Children Services	22,700	22,700	23,150	450
Total Health and Welfare	89,718	100,218	99,582	(636)
CULTURE AND RECREATION				
Recreation	55,000	55,000	46,932	(8,068)
Senior Center	96,402	96,402	87,040	(9,362)
Library	35,033	35,033	27,393	(7,640)
Total Culture and Recreation	186,435	186,435	161,365	(25,070)
HOUSING AND DEVELOPMENT				
Forestry	50,843	50,843	50,733	(110)
County Agent's Office	44,667	44,667	40,586	(4,081)
Building Inspections	6,000	6,000	3,640	(2,360)
Total Community Development	101,510	101,510	94,959	(6,551)
TOTAL EXPENDITURES	4,952,661	4,952,661	4,871,049	(81,612)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	323,143	323,143
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	-
Proceeds of capital asset dispositions	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	323,143	323,143
FUND BALANCE AT BEGINNING OF YEAR	-	-	3,581,753	3,581,753
FUND BALANCE, END OF YEAR	$ -	$ -	$ 3,904,896	$ 3,904,896

See independent auditor's report.

Note 1 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedules of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual for the general and major special revenue funds are presented on the Budgetary Basis to provide a meaningful comparison of actual results with the budget. Beginning fund balances were budgeted under the Budgetary Basis.

CLINCH COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN
July 31, 2019

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2018	2017	2016	2015	2014
Total Pension Liability as of beginning of year	$ 1,142,746	$ 1,105,754	$ 1,060,352	$ 996,075	$ 959,275
Service cost	6,494	5,601	4,849	4,586	5,709
Interest	82,849	80,167	79,526	74,706	71,946
Plan change	-	-	-	-	-
Assumption change	23,807	2,320	21,458	33,442	-
Benefit payments (adjusted for interest)	(61,013)	(52,988)	(40,855)	(40,855)	(40,855)
Experience (gain)/(loss)	19,290	1,892	(19,576)	(7,602)	-
Total Pension Liability as of December 31, 2018	$ 1,214,173	$ 1,142,746	$ 1,105,754	$ 1,060,352	$ 996,075
Fiduciary Net Position as of beginning of year	$ 1,008,347	$ 881,644	$ 832,167	$ 829,120	$ 771,655
Employer contributions	58,138	47,680	48,138	48,837	51,997
Employee contributions (including buyback)	-	-	-	-	-
Net investment income	(47,867)	142,736	57,011	6,199	57,823
Benefit payments	(58,879)	(51,134)	(39,378)	(39,378)	(39,378)
Employee contribution refunds	-	-	-	-	-
Administrative expense	(6,009)	(5,249)	(8,623)	(5,184)	(4,969)
Other	(19,508)	(7,330)	(7,671)	(7,427)	(8,008)
Fiduciary Net Position as of December 31, 2018	$ 934,222	$ 1,008,347	$ 881,644	$ 832,167	$ 829,120
Net pension liability as of beginning of year	$ 134,399	$ 224,110	$ 228,185	$ 166,955	$ 187,620
Net pension liability as of end of year	$ 279,951	$ 134,399	$ 224,110	$ 228,185	$ 166,955
Fiduciary Net Position as a percentage of Total Pension Liability	76.9%	88.2%	79.7%	78.5%	83.2%
Covered-employee payroll	$ 430,376	$ 582,109	$ 557,006	$ 556,657	$ 539,741
Net pension liability as a percentage of covered-employee payroll	65.0%	23.1%	40.2%	41.0%	30.9%

Note: This schedule will present 10 years of information once the data is available.

CLINCH COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN
July 31, 2019

Schedule of Contributions
Pension Plan
Years ended June 30th

	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as Percentage of Payroll
2018	58,138	58,138	-	430,376	13.5%
2017	47,680	47,680	-	582,109	8.2%
2016	48,138	48,138	-	557,006	8.6%
2015	48,837	48,837	-	556,657	8.8%
2014	51,997	51,997	-	539,741	9.6%
2013	45,060	45,060	-	530,180	8.5%
2012	30,323	30,323	-	551,913	5.5%
2011	30,721	30,721	-	541,553	5.7%
2010	30,950	30,950	-	540,464	5.7%
2009	36,935	36,935	-	537,834	6.9%
2008	29,544	29,544	-	638,164	4.6%
2007	28,661	28,661	-	685,550	4.2%

Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

Change in Assumptions

- Due to the significant surplus in the Pre-Retirement Death Pool, the 2018 expense for the pre-retirement death benefit has been reduced to zero.
- The mortality improvements for the RP-2000 mortality table is projected to 2018 instead of 2017 with Scale AA.
- The investment return assumption was decreased from 7.25% to 7.00%.
- The turnover table was changed to the Vaughn Select and Ultimate Table through age 54.
- The disability table was changed from the 1977 Social Security Table to the 1985 CIDA Table Class 1through age 59.

Method and Assumptions Used to Determine Contribution Rates

Valuation date	January 1, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10 years
Asset valuation method	Smoothed market value with a 5-year smoothing period
Inflation	2.50%
Salary increases	4.00%
Investment rate of return	7.00%
Retirement:	Probability of Retirement
age 55 to 60	10%
ages 61 to 64	20%
age 65 to age 69	30%
age 70	100%
Mortality	RP-2000, Combined

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUND

CAPITAL PROJECT FUND

The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

Public Roads Fund – To account for maintenance funds provided through the Georgia Department of Transportation Local Maintenance and Improvement Grants (LMIG) program.

Capital Projects 2015 Special Purpose Sales Tax Fund – To account for the special purpose local option sales tax that was approved by 2015 referendum. The revenue is restricted to the stated purposes of the referendum.

CLINCH COUNTY, GEORGIA
PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 2,100	$ 2,100	$ 3,436	$ 1,336
TOTAL REVENUES	2,100	2,100	522,026	519,926
EXPENDITURES				
Current				
Public works	685,509	685,509	198,944	(486,565)
TOTAL EXPENDITURES	685,509	685,509	198,944	(486,565)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(683,409)	(683,409)	323,082	1,006,491
FUND BALANCE BEGINNING OF YEAR	683,409	683,409	684,077	668
FUND BALANCE END OF YEAR	$ -	$ -	$ 1,007,159	$ 1,007,159
Math Check.			1,007,159	

See independent auditor's report.

CLINCH COUNTY, GEORGIA
CAPITAL PROJECTS 2015 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 600,000	$ 600,000	$ 618,068	$ 18,068
Investment income	-	-	625	625
TOTAL REVENUES	600,000	600,000	618,693	18,693
EXPENDITURES				
Current				
Public safety	-	-	30,542	30,542
Public works	226,863	226,863	307,792	80,929
Intergovernmental	306,996	306,996	316,239	9,243
Capital outlay	66,141	66,141	30,000	(36,141)
TOTAL EXPENDITURES	600,000	600,000	684,573	84,573
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(65,880)	(65,880)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	95,000	95,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	95,000	95,000
FUND BALANCE BEGINNING OF YEAR	-	-	230,084	230,084
FUND BALANCE END OF YEAR	$ -	$ -	$ 259,204	$ 354,204

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes.

Multiple Grant Fund – To account for funds received through various grants for a specific purpose.

Jail Fund – To account for accounts for fine income specified for jail operations and the revenue is restricted for those purposes.

Law Library Fund – To account for funds accessed with fines and designated for the maintenance of a law library

D.A.T.E. Fund – To account for fine income specified for drug addiction treatment and education.

Revolving Loan Fund. The Revolving Loan Fund accounts for financing of various projects with economic development impact to the citizens of Clinch County. The fund was established initially through federal and state grants.

Sheriff's Drug Fund – To account for funds received through drug seizures.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

Transportation Investment Act Special Purpose Sales Tax Fund – To account for the special purpose local option sales tax that was approved by 2018 referendum. The revenue is restricted to stated transportation improvements. Collections for the ten-year program began on October 1, 2018.

Community Development Block Grant Fund – To account for grant funds provided for improvements to infrastructure.

CLINCH COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
July 31, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total
ASSETS			
Cash	$ 198,602	$ 296,042	$ 494,644
Note receivable	161,208	-	161,208
Accounts receivable	518	42,002	42,520
TOTAL ASSETS	$ 360,328	$ 338,044	$ 698,372
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due to other funds	-	100	-
TOTAL LIABILITIES	-	100	-
FUND BALANCES			
Restricted for:			
Capital projects	-	337,944	337,944
Law library	9,672	-	9,672
Drug education and treatment	1,694	-	1,694
Economic development	298,370	-	298,370
Drug enforcement	29,353	-	29,353
Jail operations	15,271	-	15,271
Health and welfare	5,968	-	5,968
TOTAL FUND BALANCES	360,328	337,944	698,272
TOTAL LIABILITIES AND FUND BALANCES	$ 360,328	$ 338,044	$ 698,272

See independent auditor's report.

CLINCH COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ending July 31, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES			
Fines and forfeitures	$ 40,205	$ -	$ 40,205
Taxes		357,031	357,031
Intergovernmental revenue	-	453,832	453,832
Investment income	5,804	420	6,224
TOTAL REVENUES	46,009	811,283	857,292
EXPENDITURES			
Current:			
Legislative and executive	60,441	-	60,441
Judicial	3,226	-	3,226
Public safety	39,997	-	39,997
Public works	-	473,339	473,339
TOTAL EXPENDITURES	103,664	473,339	577,003
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(57,655)	337,944	280,289
FUND BALANCE, BEGINNING OF YEAR	417,983	-	417,983
FUND BALANCE, END OF YEAR	$ 360,328	$ 337,944	$ 698,272

See independent auditor's report.

CLINCH COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
July 31, 2019

	Special Revenue Funds						
	Multiple Grant Fund	Jail Fund	Law Library Fund	D.A.T.E. Fund	Revolving Loan Fund	Sheriff's Drug Fund	Total
ASSETS							
Cash	$ 5,968	$ 15,271	$ 9,672	$ 1,176	$ 137,162	$ 29,353	$ 198,602
Note receivable	-	-	-	-	161,208	-	161,208
Accounts receivable	-	-	-	518	-	-	518
TOTAL ASSETS	$ 5,968	$ 15,271	$ 9,672	$ 1,694	$ 298,370	$ 29,353	$ 360,328
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES							
Restricted for:							
Law library	-	-	9,672	-	-	-	9,672
Drug education and treatment	-	-	-	1,694	-	-	1,694
Economic development	-	-	-	-	298,370	-	298,370
Drug enforcement	-	-	-	-	-	29,353	29,353
Jail operations	-	15,271	-	-	-	-	15,271
Health and welfare	5,968	-	-	-	-	-	5,968
TOTAL FUND BALANCES	5,968	15,271	9,672	1,694	298,370	29,353	360,328
TOTAL LIABILITIES AND FUND BALANCES	$ 5,968	$ 15,271	$ 9,672	$ 1,694	$ 298,370	$ 29,353	$ 360,328

See independent auditor's report.

CLINCH COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended July 31, 2019

	Special Revenue Funds						
	Multiple Grant Fund	Jail Fund	Law Library Fund	D.A.T.E. Fund	Revolving Loan Fund	Sheriff's Drug Fund	Total
REVENUES							
Fines and forfeitures	$ -	$ 21,824	$ 4,354	$ 12,027	$ -	$ 2,000	$ 40,205
Investment income	24	23	-	-	5,757	-	5,804
TOTAL REVENUES	24	21,847	4,354	12,027	5,757	2,000	46,009
EXPENDITURES							
Current:							
Legislative and executive	-	-	-	-	60,441	-	60,441
Judicial	-	-	3,226	-	-	-	3,226
Public safety	315	24,696	-	11,325	-	3,661	39,997
TOTAL EXPENDITURES	315	24,696	3,226	11,325	60,441	3,661	103,664
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(291)	(2,849)	1,128	702	(54,684)	(1,661)	(57,655)
FUND BALANCE, BEGINNING OF YEAR	6,259	18,120	8,544	992	353,054	31,014	417,983
FUND BALANCE, END OF YEAR	$ 5,968	$ 15,271	$ 9,672	$ 1,694	$ 298,370	$ 29,353	$ 360,328

See independent auditor's report.

CLINCH COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
July 31, 2019

	Capital Projects Funds		
	T-SPLOST Fund	CDBG Fund	Total
ASSETS			
Cash	$ 295,942	$ 100	$ 296,042
Accounts receivable	42,002	-	42,002
TOTAL ASSETS	$ 337,944	$ 100	$ 338,044
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due to other funds	-	100	100
TOTAL LIABILITIES	-	100	100
FUND BALANCES			
Restricted for:			
Capital projects	337,944	-	337,944
TOTAL FUND BALANCES	337,944	-	337,944
TOTAL LIABILITIES AND FUND BALANCES	$ 337,944	$ 100	$ 338,044

See independent auditor's report.

CLINCH COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ending July 31, 2019

	Capital Projects Funds		
	T-SPLOST Fund	CDBG Fund	Total
REVENUES			
Taxes	$ 357,031	$ -	357,031
Intergovernmental revenue	-	453,832	453,832
Investment income	420	-	420
TOTAL REVENUES	357,451	453,832	811,283
EXPENDITURES			
Current:			
Public works	19,507	453,832	473,339
TOTAL EXPENDITURES	19,507	453,832	473,339
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	337,944	-	337,944
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	$ 337,944	$ -	$ 337,944

See independent auditor's report.

CLINCH COUNTY, GEORGIA
MULTIPLE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 15	$ 15	$ 24	$ 9
TOTAL REVENUES	15	15	24	9
EXPENDITURES				
Current:				
Public safety	986	986	315	(671)
TOTAL EXPENDITURES	986	986	315	(671)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(971)	(971)	(291)	680
FUND BALANCE BEGINNING OF YEAR	6,255	6,255	6,259	4
FUND BALANCE END OF YEAR	$ 5,284	$ 5,284	$ 5,968	$ 684

See independent auditor's report.

CLINCH COUNTY, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 18,702	$ 18,702	$ 21,824	$ 3,122
Investment income	69	69	23	(46)
TOTAL REVENUES	18,771	18,771	21,847	3,076
EXPENDITURES				
Current:				
Public safety	31,929	31,929	24,696	(7,233)
TOTAL EXPENDITURES	31,929	31,929	24,696	(7,233)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(13,158)	(13,158)	(2,849)	10,309
FUND BALANCE BEGINNING OF YEAR	13,158	13,158	18,120	4,962
FUND BALANCE END OF YEAR	$ -	$ -	$ 15,271	$ 15,271

See independent auditor's report.

CLINCH COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 5,029	$ 5,029	$ 4,354	$ (675)
TOTAL REVENUES	5,029	5,029	4,354	(675)
EXPENDITURES				
Current:				
Judicial	12,670	12,670	3,226	(9,444)
TOTAL EXPENDITURES	12,670	12,670	3,226	(9,444)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(7,641)	(7,641)	1,128	8,769
FUND BALANCE BEGINNING OF YEAR	7,641	7,641	8,544	903
FUND BALANCE END OF YEAR	$ -	$ -	$ 9,672	$ 9,672

See independent auditor's report.

CLINCH COUNTY, GEORGIA
D.A.T.E FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 17,299	$ 17,299	$ 12,027	$ (5,272)
TOTAL REVENUES	17,299	17,299	12,027	(5,272)
EXPENDITURES				
Current:				
Health and welfare	17,299	17,299	11,325	(5,974)
TOTAL EXPENDITURES	17,299	17,299	11,325	(5,974)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	702	702
FUND BALANCE BEGINNING OF YEAR	-	-	992	992
FUND BALANCE END OF YEAR	$ -	$ -	$ 1,694	$ 1,694

See independent auditor's report.

CLINCH COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 8,378	$ 8,378	$ 5,757	$ (2,621)
TOTAL REVENUES	8,378	8,378	5,757	(2,621)
EXPENDITURES				
Current:				
Housing and development	-	-	60,441	60,441
TOTAL EXPENDITURES	-	-	60,441	60,441
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	8,378	8,378	(54,684)	(63,062)
FUND BALANCE BEGINNING OF YEAR	60,264	60,264	353,054	292,790
FUND BALANCE END OF YEAR	$ 68,642	$ 68,642	$ 298,370	$ 229,728

See independent auditor's report.

CLINCH COUNTY, GEORGIA
SHERIFF'S DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 200	$ 200	$ 2,000	$ 1,800
TOTAL REVENUES	200	200	2,000	1,800
EXPENDITURES				
Current:				
Public safety	31,377	31,377	3,661	(27,716)
TOTAL EXPENDITURES	31,377	31,377	3,661	(27,716)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(31,177)	(31,177)	(1,661)	29,516
FUND BALANCE BEGINNING OF YEAR	31,177	31,177	31,014	(163)
FUND BALANCE END OF YEAR	$ -	$ -	$ 29,353	$ 29,353

See independent auditor's report.

CLINCH COUNTY, GEORGIA
T-SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ -	$ 346,110	$ 357,031	$ 10,921
Investment income	-	-	420	420
TOTAL REVENUES	-	346,110	357,451	11,341
EXPENDITURES				
Current				
Public works	-	346,110	19,507	(326,603)
TOTAL EXPENDITURES	-	346,110	19,507	(326,603)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	337,944	337,944
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ 337,944	$ 337,944

See independent auditor's report.

CLINCH COUNTY, GEORGIA
CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended July 31, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovermental revenue	$ -	$ -	$ 453,832	$ 453,832
TOTAL REVENUES	-	-	453,832	453,832
EXPENDITURES				
Current				
Public works	-	-	453,832	453,832
TOTAL EXPENDITURES	-	-	453,832	453,832
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

Tax Commissioner - to account for the collection of property taxes, motor vehicle tax and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts, which are disbursed to other parties.

Office of Sheriff - to account for collection of cash bonds, fines, forfeitures, etc. which are disbursed to other parties.

Probate Court - to account for the collection of fees for a probate of wills, administration of estates, issuance of marriage licenses and maintenance of other vital records which are disbursed to other parties.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
July 31, 2019

	AGENCY FUNDS					
	TAX COMMISSIONER	PROBATE COURT	CLERK OF SUPERIOR COURT	OFFICE OF SHERIFF	MAGISTRATE COURT	TOTAL
ASSETS						
Cash	$ 335,344	$ 17,039	$ 51,302	$ 9,236	$ 18,152	$ 431,073
TOTAL ASSETS	$ 335,344	$ 17,039	$ 51,302	$ 9,236	$ 18,152	$ 431,073
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to others	$ 335,344	$ 17,039	$ 51,302	$ 9,236	$ 18,152	$ 431,073
TOTAL LIABILITIES	$ 335,344	$ 17,039	$ 51,302	$ 9,236	$ 18,152	$ 431,073
NET POSITION	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditor's report.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For the Year Ending July 31, 2019

	Balance August 1, 2018	Additions	Deductions	Balance July 31, 2019
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 318,130	$ 8,954,737	$ 8,937,523	$ 335,344
TOTAL ASSETS	$ 318,130	$ 8,954,737	$ 8,937,523	$ 335,344
LIABILITIES				
Due to others	$ 318,130	$ 8,954,737	$ 8,937,523	$ 335,344
TOTAL LIABILITIES	$ 318,130	$ 8,954,737	$ 8,937,523	$ 335,344
PROBATE COURT				
ASSETS				
Cash	$ 14,685	$ 64,354	$ 62,000	$ 17,039
TOTAL ASSETS	$ 14,685	$ 64,354	$ 62,000	$ 17,039
LIABILITIES				
Due to others	$ 14,685	$ 64,354	$ 62,000	$ 17,039
TOTAL LIABILITIES	$ 14,685	$ 64,354	$ 62,000	$ 17,039
CLERK OF COURT				
ASSETS				
Cash	$ 60,023	$ 190,930	$ 199,651	$ 51,302
TOTAL ASSETS	$ 60,023	$ 190,930	$ 199,651	$ 51,302
LIABILITIES				
Due to others	$ 60,023	$ 190,930	$ 199,651	$ 51,302
TOTAL LIABILITIES	$ 60,023	$ 190,930	$ 199,651	$ 51,302

See independent auditor's report.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - CONTINUED
For the Year Ending July 31, 2019

		Balance August 1, 2018	Additions	Deductions	Balance July 31, 2019
OFFICE OF SHERIFF					
ASSETS					
Cash		$ 7,715	$ 26,135	$ 24,614	$ 9,236
	TOTAL ASSETS	$ 7,715	$ 26,135	$ 24,614	$ 9,236
LIABILITIES					
Due to others		$ 7,715	$ 26,135	$ 24,614	$ 9,236
	TOTAL LIABILITIES	$ 7,715	$ 26,135	$ 24,614	$ 9,236
MAGISTRATE COURT					
ASSETS					
Cash		$ 11,418	$ 131,156	$ 124,422	$ 18,152
	TOTAL ASSETS	$ 11,418	$ 131,156	$ 124,422	$ 18,152
LIABILITIES					
Due to others		$ 11,418	$ 131,156	$ 124,422	$ 18,152
	TOTAL LIABILITIES	$ 11,418	$ 131,156	$ 124,422	$ 18,152

See independent auditor's report.

COMPLIANCE SECTION

CLINCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For the Year Ended July 31, 2019

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2015 SPLOST						
Roads, streets and bridge maintenance and equipment	$ 1,156,858	$ 1,156,858	$ 385,041	$ 307,791	$ 692,832	59.89%
Public safety vehicles, equipment and facilities	650,000	650,000	145,300	60,542	205,842	31.67%
City of Homerville	1,203,129	1,203,129	506,909	200,977	707,886	58.84%
Homerville Recreation Board	370,000	370,000	156,600	61,806	218,406	59.03%
City of Fargo	157,176	157,176	66,222	26,256	92,478	58.84%
City of DuPont	103,896	103,896	28,966	9,846	38,812	37.36%
City of Argyle	58,941	58,941	39,642	17,355	56,997	96.70%
Totals	$ 3,700,000	$ 3,700,000	$ 1,328,680	$ 684,573	$ 2,013,253	

See independent auditor's report.

CLINCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended July 31, 2019

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Clinch County, Georgia

16p-y-032-1-5841

For the Period Ending: July 31,2019
Cumulative

I. Total Fiscal Year 2016 CDBG Funds Awarded to Recipient:	$	500,000
II. Total Amount of Drawdown by Recipient from DCA:	$	500,000
III. Less: CDBG Funds Expended by Recipient:	$	500,000
IV. Amount of Fiscal Year 2016 CDBG Funds held by Recipient:	$	-

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Clinch County, Georgia

Grant #: 16p-y-032-1-5841

For the Period Ending: July 31, 2019

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Engineering - Moonshadow/Burch Dr.	T-03K-00	$ 31,218	$ 31,218	$ -	$ 31,218	-
Street improvements - Moonshadow/Burch Dr.	P-03K-01	331,872	331,872	-	331,872	$ -
Flood & drainage - Moonshadow/Burch Dr.	P-03K-02	101,960	101,960	-	101,960	$ -
Contingencies	C-022-00	-	-	-	-	$ -
Acquisition of property	P-001-01	4,950	4,950	-	4,950	$ -
Administration	A-21A-00	30,000	30,000	-	30,000	$ -
TOTAL		$ 500,000	$ 500,000	$ -	$ 500,000	$ -

See independent auditor's report.

CLINCH COUNTY, GEORGIA
REVOLVING LOAN FUND
SUPPLEMENTARY INFORMATION REQUIRED BY
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
TWELVE MONTHS ENDED JULY 31, 2019

	Twelve Months Ended 7/31/2019
Balance Sheet	
Assets:	
Cash and cash equivalents	$ 137,162
Loans receivable	161,208
Total Assets	298,370
Total Liabilities	-
Fund Balance Reserved for Revolving Loans	298,370
Total Liabilities and Fund Balance	$ 298,370
Statement of Revenues and Expenditures	
Revenues:	
Interest earned from bank accounts	$ 221
Interest earned from notes receivable	5,535
Total Revenues	5,756
Expenditures:	
Return of surplus funds to Department of Community Affairs	60,441
Total Expenditures	60,441
Excess of Revenues Over Expenditures	$ (54,685)
Statement of Sources and Uses of Funds	
Cash, Beginning of Period	$ 149,021
Sources of Funds:	
Principal received on notes receivable	42,826
Interest received on notes receivable	5,535
Interest received on bank accounts	221
Total Sources of Funds	48,582
Uses of Funds:	
Miscellaneous Expense	60,441
Total Uses of Funds	60,441
Cash, Ending of Period	$ 137,162

See independent auditor's report.

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

To the Board of County Commissioners
Clinch County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clinch County, Georgia as of and for the year ended July 31, 2019, and the related notes to the financial statements, which collectively comprise Clinch County's basic financial statements and have issued our report thereon, dated March 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinch County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clinch County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Clinch County, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, notated as 2019-1, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinch County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2019-1.

Clinch County, Georgia's Response to Finding

Clinch County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did no audit Clinch County, Georgia's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Tillman & Tillman LLP

Tillman & Tillman, LLP

Valdosta, Georgia
March 30, 2020

CLINCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended July 31, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting		
Material weakness identified?	_____ Yes	__X__ No
Significant deficiencies identified not considered to be material weakness?	__X__ Yes	_____ None reported
Noncompliance material to financial statements noted?	__X__ Yes	_____ No

Section II – Financial Statement Findings

Current Year Findings

Violations of Law

2019-1 – Criteria

Clinch County has established the "legal level of control" for budgetary purposes at the department level. Georgia Statutes, O.C.G.A. 36-81-3(d)(1) states, "Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution."

2019-1 – Violation

Per Note 14 several departments in the General Fund and some other funds had expenditures that exceeded appropriations.

2019-1 – Cause

Unexpected expenditures in some department funds were incurred that did not result in amendments to the budget.

2019-1 – Effect

The effect of this finding is a violation of Georgia Statutes (O.C.G.A. 36-81-3(d) (1)).

2019-1 – Recommendation

The Board of Commissioners should be sure to amend budgets when unexpected expenditures are incurred and to amend budgets for new funds that are established during the year.

2019-1 – Management Response

The Clinch County Board of Commissioners and management concur with the finding and will work to improve the budget process to include amendments when necessary.

Prior Year Findings

Finding 2019-1 was noted in the prior year.