Echols County, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019



Echols County, Georgia
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December 31, 2019

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ELECTED

Stanley Corbett, Chairman

Bobby Walker, Vice Chairman

Kenneth Petty, County Commissioner

STAFF

Latrice Bennett, County Administrator

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CPAs and Advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Echols County, Georgia
Statenville, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Echols County Board of Health, whose statements reflect total assets and deferred outflows of resources of $199,896 as of December 31, 2019 and total revenues of $245,662 for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Echols County Board of Health is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Echols County, Georgia, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the E-911 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information on pages 45 – 46 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Echols County, Georgia's financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Special Purpose Local Option Sales Tax Expenditures is presented for purposes of additional analysis as

required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, on our consideration of Echols 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Echols County, Georgia's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Valdosta, Georgia
June 26, 2020

Echols County, Georgia
Statement of Net Position
December 31, 2019

	Primary Government		Component Unit
	Governmental Activities	Total	Health Department
ASSETS			
Cash and cash equivalents	$ 3,703,982	$ 3,703,982	$ 112,546
Accounts receivable, net	86,481	86,481	-
Taxes receivable, net	375,996	375,996	-
Restitution receivable	884	884	-
Prepaid expenses	29,062	29,062	-
Due from other governments	63,559	63,559	29,295
Interfund balances	-	-	-
Restricted assets:			
Cash and cash equivalents	455,027	455,027	-
Certificates of deposit	2,296	2,296	-
Capital assets:			
Land	80,703	80,703	-
Construction in progress	72,558	72,558	-
Other capital assets, net of accumulated depreciation	4,880,800	4,880,800	5,233
Total assets	9,751,348	9,751,348	147,074
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows	-	-	52,822
LIABILITIES			
Accounts payable	99,438	99,438	-
Accrued expenses	13,328	13,328	-
Interfund balances	-	-	-
Long-term liabilities:			
Due within one year	55,067	55,067	25,347
Due in more than one year	85,455	85,455	73,475
Net pension obligation liability	-	-	140,638
Total liabilities	253,288	253,288	239,460
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	320,947	320,947	65,354
NET POSITION			
Investment in capital assets	5,034,061	5,034,061	5,233
Restricted for:			
Capital projects	205,739	205,739	-
Prior year program income	-	-	61,777
Sign	800	800	-
Jail operations	72,763	72,763	-
Drug education/enforcement	14,510	14,510	-
Cemetery upkeep	2,454	2,454	-
Public services	124,273	124,273	-
Nonspendable for prepaid expenses	29,062	29,062	-
Unrestricted	3,693,451	3,693,451	(171,928)
Total net position	$ 9,177,113	$ 9,177,113	$ (104,918)

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

Echols County, Georgia
Statement of Activities
For the Year Ended December 31, 2019

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 973,266	$ 340,058	$ -	$ 856,963	$ 223,755
Judicial	317,665	-	-	-	(317,665)
Public safety	899,964	46,245	2,838	-	(850,881)
Public works	673,759	3,271	-	-	(670,488)
Public health and welfare	86,834	-	-	-	(86,834)
Culture and recreation	81,460	2,085	-	-	(79,375)
Library	34,783	-	-	-	(34,783)
Conservation	102,330	-	-	-	(102,330)
Housing and development	14,303	-	-	-	(14,303)
Interest on long-term debt	14,332	-	-	-	(14,332)
Total governmental activities	3,198,696	391,659	2,838	856,963	(1,947,236)
Total primary government	3,198,696	391,659	2,838	856,963	(1,947,236)
Component unit:					
Board of Health	239,518	62,166	183,496	-	6,144
Total component units	$ 239,518	$ 62,166	$ 183,496	$ -	$ 6,144

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

Echols County, Georgia
Statement of Activities
For the Year Ended December 31, 2019

	Primary Government		Component Unit
	Governmental Activities	Total	Health Department
Change in net position:			
Net (expense) revenue	$ (1,947,236)	$ (1,947,236)	$ 6,144
General revenues:			
Taxes:			
Property taxes	1,824,602	1,824,602	-
Sales taxes	303,300	303,300	-
Insurance premium taxes	278,353	278,353	-
Other taxes	215,616	215,616	-
Interest income	11,028	11,028	-
Other revenues	72,733	72,733	-
Total general revenues and transfers	2,705,632	2,705,632	-
Change in net position	758,396	758,396	6,144
Net position, beginning of year	8,418,717	8,418,717	(111,062)
Net position, end of year	$ 9,177,113	$ 9,177,113	$ (104,918)

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

Echols County, Georgia
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Solid Waste Tax Fund	Capital Project SPLOST Fund	E911 Fund
Assets				
Cash and cash equivalents	$ 3,703,982	$ -	$ -	$ -
Accounts receivable, net	9,353	78,012	-	-
Taxes receivable, net	375,996	-	-	-
Prepaid items	29,062	-	-	-
Due from other governments	21,858	-	24,854	-
Due from other funds	65,873	-	5,819	-
Restricted assets:				
Cash and cash equivalents	-	28,315	47,569	165,532
Certificates of deposit	1,296	-	-	-
Total assets	$ 4,207,420	$ 106,327	$ 78,242	$ 165,532
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 99,438	$ -	$ -	$ -
Accrued expenses	13,328	-	-	-
Due to other funds	5,819	-	-	65,873
Total liabilities	118,585	-	-	65,873
Deferred Inflows of Resources				
Unavailable revenue	505,831	95,947	-	-
Nonspendable prepaid items	25,589	-	-	-
Fund balances restricted for:				
Capital projects	-	-	78,242	-
Sign	800	-	-	-
Jail operations	-	-	-	-
Drug education/enforcement	-	-	-	-
Cemetery upkeep	-	-	-	-
Public services	-	10,380	-	99,659
Unassigned, reported in:				
General fund	3,556,615	-	-	-
Total fund balances	3,583,004	10,380	78,242	99,659
Total liabilities, deferred inflows of resources and fund balances	$ 4,207,420	$ 106,327	$ 78,242	$ 165,532

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

Echols County, Georgia
Balance Sheet
Governmental Funds
December 31, 2019

	Other Governmental Funds	Total Governmental Funds
Assets		
Cash and cash equivalents	$ -	$ 3,703,982
Accounts receivable, net	-	87,365
Taxes receivable, net	-	375,996
Prepaid items	-	29,062
Due from other governments	16,847	63,559
Due from other funds	-	71,692
Restricted assets:		
Cash and cash equivalents	213,611	455,027
Certificates of deposit	1,000	2,296
Total assets	$ 231,458	$ 4,788,979
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 99,438
Accrued expenses	-	13,328
Due to other funds	-	71,692
Total liabilities	-	184,458
Deferred Inflows of Resources		
Unavailable revenue	-	601,778
Nonspendable prepaid items	-	25,589
Fund balances restricted for:		
Capital projects	127,497	205,739
Sign	-	800
Jail operations	72,763	72,763
Drug education/enforcement	14,510	14,510
Cemetery upkeep	2,454	2,454
Public services	14,234	124,273
Unassigned, reported in:		
General fund	-	3,556,615
Total fund balances	231,458	4,002,743
Total liabilities, deferred inflows of resources and fund balances	$ 231,458	$ 4,788,979

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

Echols County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2019

Total governmental fund balances	$ 4,002,743
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(23,770)
Compensated absences	(31,297)
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds	140,309
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,034,061
Net position of governmental activities	$ 9,177,113

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

Echols County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Solid Waste Tax Fund	Capital Project SPLOST Fund	E911 Fund
Revenues				
Property taxes	$ 1,769,449	$ -	$ -	$ -
Sales taxes	152,065	-	151,235	-
Insurance premium	278,353	-	-	-
Franchise fees	194,492	-	-	-
Other taxes	21,124	-	-	-
Licenses and permits	36,174	-	-	-
Intergovernmental	653,126	-	-	-
Charges for services	103,945	-	-	49,754
Fines and forfeitures	179,514	-	-	-
Interest income	10,991	-	11	-
Other revenues	66,210	-	-	-
Total revenues	3,465,443	-	151,246	49,754
Expenditures				
Current:				
General government	777,549	-	90,631	-
Court system	313,798	-	-	-
Public safety	761,261	-	-	65,259
Public works	462,105	-	-	-
Health and welfare	78,265	-	-	-
Housing and development	14,083	-	-	-
Conservation	102,330	-	-	-
Recreation	62,996	-	-	-
Library	34,783	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	87,013	-	116,672	-
Debt service:				
Principal	-	-	59,203	-
Interest	-	-	14,332	-
Total expenditures	2,694,183	-	280,838	65,259
Excess (Deficiency) of Revenues Over Expenditures	771,260	-	(129,592)	(15,505)
Other Financing Sources (Uses)				
Proceeds from sale of assets	9,186	-	-	-
Proceeds from capital leases	-	-	29,955	-
Transfers	(49,638)	-	-	49,430
Total other financing sources (uses)	(40,452)	-	29,955	49,430
Net change in fund balances	730,808	-	(99,637)	33,925
Fund balances, beginning of year	2,852,196	10,380	177,879	65,734
Fund balances, end of year	$ 3,583,004	$ 10,380	$ 78,242	$ 99,659

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

Echols County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property taxes	$ -	$ 1,769,449
Sales taxes	-	303,300
Insurance premium	-	278,353
Franchise fees	-	194,492
Other taxes	-	21,124
Licenses and permits	-	36,174
Intergovernmental	203,837	856,963
Charges for services	-	153,699
Fines and forfeitures	22,272	201,786
Interest income	26	11,028
Other revenues	175	66,385
Total revenues	226,310	3,892,753
Expenditures		
Current:		
General government	181	868,361
Court system	-	313,798
Public safety	30,432	856,952
Public works	14,550	476,655
Health and welfare	-	78,265
Housing and development	-	14,083
Conservation	-	102,330
Recreation	-	62,996
Library	-	34,783
Intergovernmental	-	-
Capital outlay	105,302	308,987
Debt service:		
Principal	-	59,203
Interest	-	14,332
Total expenditures	150,465	3,190,745
Excess (Deficiency) of Revenues Over Expenditures	75,845	702,008
Other Financing Sources (Uses)		
Proceeds from sale of assets	-	9,186
Proceeds from capital leases	-	29,955
Transfers	208	-
Total other financing sources (uses)	208	39,141
Net change in fund balances	76,053	741,149
Fund balances, beginning of year	155,405	3,261,594
Fund balances, end of year	$ 231,458	$ 4,002,743

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

Echols County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	$ 741,149
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets	
Capital asset purchases capitalized	308,987
Depreciation expense	(344,132)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt issued	(29,955)
Debt payments made	59,203
Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds	36,224
Compensated absences	(13,080)
Change in net position of governmental activities	$ 758,396

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

Echols County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	$ 1,758,980	$ 1,758,980	$ 1,769,449	$ 10,469
Sales taxes	112,098	112,098	152,065	39,967
Insurance premium	241,292	241,292	278,353	37,061
Franchise fees	130,000	130,000	194,492	64,492
Other taxes	-	-	21,124	21,124
Licenses and permits	23,000	27,083	36,174	9,091
Intergovernmental	241,005	241,005	653,126	412,121
Charges for services	248,500	248,500	103,945	(144,555)
Fines and forfeitures	120,500	120,500	179,514	59,014
Interest income	1,200	1,200	10,991	9,791
Other revenues	84,832	84,832	66,210	(18,622)
Total revenues	2,961,407	2,965,490	3,465,443	499,953
Expenditures				
General government				
Governing body	27,852	27,852	27,558	294
Executive	81,302	92,970	93,270	(300)
Elections	12,050	12,050	8,440	3,610
Human resources	-	-	-	-
Registrar	19,621	19,621	21,158	(1,537)
Tax commissioner	110,126	112,559	112,552	7
Tax assessor	86,945	86,945	73,205	13,740
Tax equalizer	7,026	7,026	4,390	2,636
General administration	545,939	551,914	436,976	114,938
Total general government	890,861	910,937	777,549	133,388
Court system				
Clerk of superior court	106,208	106,208	87,288	18,920
District attorney	61,825	61,825	57,693	4,132
Magistrate court	134,253	134,253	128,069	6,184
Juvenile court	1,200	1,560	4,065	(2,505)
Public defender	39,550	39,550	36,683	2,867
Total court system	343,036	343,396	313,798	29,598
Public safety				
Sheriff	456,823	475,567	481,696	(6,129)
D.A.R.E	40,891	41,512	41,970	(458)
Jail operations	130,000	158,200	158,200	-
Adult probation	5,000	5,000	4,327	673
Fire	3,700	3,700	43,023	(39,323)
Coroner/medical examiner	6,523	6,523	6,449	74
E-911 services	83,548	83,548	-	83,548
Animal control	8,000	8,690	8,190	500
Emergency management	13,791	13,791	17,406	(3,615)
Total public safety	748,276	796,531	761,261	35,270

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

Echols County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Public works				
Roads and bridges	$ 450,795	$ 450,795	$ 417,254	$ 33,541
Solid waste	202,322	202,322	44,851	157,471
Total public works	653,117	653,117	462,105	191,012
Public health and welfare				
Health	83,130	83,130	78,265	4,865
Welfare	-	-	-	-
Total health and welfare	83,130	83,130	78,265	4,865
Housing and development	10,000	10,000	14,083	(4,083)
Conservation	102,519	102,519	102,330	189
Recreation	46,346	46,346	62,996	(16,650)
Library	37,263	37,263	34,783	2,480
Capital projects	22,510	26,166	87,013	(60,847)
Debt Service				
Principal	-	-	-	-
Total expenditures	2,937,058	3,009,405	2,694,183	315,222
Excess (deficiency) of revenues over expenditures	24,349	(43,915)	771,260	815,175
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	-	9,186	(9,186)
Proceeds from capital leases	-	-	-	-
Transfers from other funds	34,800	34,800	54,458	(19,658)
Transfers to other funds	(59,000)	(59,000)	(104,096)	45,096
Total other financing sources (uses)	(24,200)	(24,200)	(40,452)	(16,252)
Net change in fund balances	149	(68,115)	730,808	798,923
Fund balances, beginning of year	2,852,196	2,852,196	2,852,196	-
Fund balances, end of year	$ 2,852,345	$ 2,784,081	$ 3,583,004	$ 798,923

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

Echols County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – E911 Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for services	$ -	$ -	$ 49,754	$ 49,754
Total revenues	-	-	49,754	49,754
Expenditures				
Public safety	-	-	65,259	(65,259)
Total expenditures	-	-	65,259	(65,259)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(15,505)	(15,505)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	49,430	49,430
Total other financing sources (uses)	-	-	49,430	49,430
Net change in fund balances	-	-	33,925	33,925
Fund Balances, beginning of year	65,734	65,734	65,734	-
Fund Balances, end of year	$ 65,734	$ 65,734	$ 99,659	$ 33,925

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

Echols County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2019

	Total Agency Funds
ASSETS	
Cash and cash equivalents	$ 2,544,138
Total assets	$ 2,544,138
LIABILITIES	
Due to others	$ 2,544,138
Total liabilities	$ 2,544,138

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

I. Reporting Entity

Echols County, Georgia was incorporated in the State of Georgia on December 13, 1858. The County is governed by an elected Board of Commissioners and an elected chairman of the Board and provides the following services to the citizens of Echols County: public safety (police and fire), public works (highways and streets), health and welfare services, culture and recreation, housing and development, judicial services, planning and community development, and general administrative services.

The financial reporting entity has been determined by management, in accordance with generally accepted accounting principles, to be Echols County (the primary government) and its component unit. A component unit is a legally separate organization for which the primary government is financially accountable for or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of the component unit included in the County's reporting unit as a discretely presented component unit.

Echols County Board of Health

Echols County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board, the County's ability to impose its will and fiscal dependency. The statement of net position and statement of activities for the Echols County Board of Health are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Echols County Board of Health is presented in a separate report and can be obtained from the Echols County Board of Health.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

II. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements.

These statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are presented on the accrual basis. Accordingly, all the County's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government – Wide Financial Statements (Continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County's major funds are the General Fund, Solid Waste Tax Fund, Capital Project SPLOST Fund, and the E-911 Fund.

The following fund types are used by the County:

General Fund is the principal fund of the County and is used to account for all of its activities not otherwise accounted for by a specified fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued) Fund Financial Statements (Continued)

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The County has the following special revenue funds:

- *Solid Waste Tax Fund* – used to account for and report proceeds from the solid waste special assessment tax and expenditures for solid waste collection services.
- *County Jail Fund* – used to account for and report proceeds and expenditures for the County Jail.
- *E-911 Fund* – used to account for and report proceeds and expenditures for operations for E-911 services.
- *Drug Education Fund* – used to account for and report proceeds and expenditures for drug education.
- *Confiscated Asset Fund* – used to account for and report proceeds and expenditures for drug related expenditures.
- *Cemetery Fund* – used to account for and report proceeds and expenditures for cemetery upkeep.

Capital Projects Funds are used to account for and report proceeds and expenditures for capital projects. The County has two capital projects funds:

- *Special Purpose Local Option Sales Tax (SPLOST)* – used to account for a special purpose local option sales tax received and restricted to use for qualifying capital expenditures.
- *Transportation Special Purpose Local Option Sales Tax (TSPLOST)*– used to account for a regionally approved transportation special purpose local option sales tax received and restricted to use for qualifying capital expenditures.

Fiduciary Funds or agency funds account for assets held by the County's Office of Tax Commissioner, Clerk of Court, and the Probate/Magistrate Courts for other governments or individuals. Fiduciary Fund reporting is on the accrual basis and focuses on net position.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored through subsequent years' budget appropriations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Equivalents

Cash shown on the balance sheets and statements of cash flows includes amounts in demand deposits and short-term investments with a maturity date less than three months from the date acquired by the County.

Investments

The County is limited by state law to the following investments: obligations of the State of Georgia, other states, or the U. S. Government; obligations fully insured by the U. S. Government or any agency thereof; obligations of any corporation of the U. S. Government; prime bankers' acceptance; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County held no investments for the year ended December 31, 2019.

Receivables and Property Taxes

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant in aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables. All amounts due from other governments are considered collectible in full.

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Interfund Receivables and Payables

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

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Proceeds from certain revenues and other resources in the General Fund, Special Revenue Funds, and Capital Projects Funds are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable statutes or agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), the County chose to include all such items regardless of their acquisition date or amount. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. No interest expense was capitalized during the fiscal year ending December 31, 2019.

Capital assets of the primary government and each discretely presented component unit are depreciated using the straight-line method over the following useful lives:

Buildings, improvements, water system	40 years
Infrastructure	40 years
Improvements	10 – 20 years
Machinery and equipment	5 – 10 years

Deferred Inflows of Resources

In addition to liabilities, the County will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The County has three types of deferred inflows of resources: property taxes, restitution, and special assessment. These items all arise under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, one item, unavailable revenue, is reported in both the government funds balance sheet and the government wide statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The County allows full-time, permanent employees to accumulate unused annual leave and sick leave. Unused annual leave may be accumulated up to a maximum of 45 days. Upon termination after one year of service, employees are paid for accumulated annual leave if separated in good standing and upon giving the required two weeks' notice. Sick leave may be accumulated up to a maximum of 45 days, but is not payable at termination. Therefore, accumulated annual leave but no accumulated sick leave is shown as a liability. Compensated absences are recorded as liabilities in the government-wide statement of net position. Only current amounts payable for employees terminated or retired at year-end are recorded in the governmental funds.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

Employee Benefits

The County maintains a deferred compensation plan (refer to Note 10 for additional plan information).

Fund Equity

The County implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, the board of commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes action by the board of commissioners to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the board of commissioners or by an official or body to which the board of commissioners delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the County to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the County that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At December 31, 2019, there were no encumbrances outstanding.

Use of Estimates

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

Subsequent Events

The County has performed an evaluation of subsequent events through the date the financial statements were available to be issued, June 26, 2020. See Note 13 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

I. Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the County's financial position. An annual operating budget is prepared for the General and Special Revenue Funds.

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

1) Prior to August 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2) Public notice of budget and tax proposals is provided in conformance with Georgia law.
3) Public hearings are conducted to obtain taxpayer comments.
4) Prior to December 1, the budget is formally adopted.
5) Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The appropriated budgets are prepared by fund, function, and department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level.

The County does not employ the use of encumbrance accounting in governmental funds and no material purchase orders, contracts, or other commitments existed at the end of the fiscal year, which should have been encumbered.

II. Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in the Capital Project SPLOST Fund and CDBG Capital Project Fund, are subject to budgetary control on a project basis. The budgets are approved by the Board of Commissioners and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

III. Excess of Expenditures Over Appropriations in the Individual Funds

The following funds and departments incurred actual expenditures in excess of budgeted amounts for the year ended December 31, 2019:

Department/Fund	Excess of Expenditures Over Budgeted Amounts
General Fund	
Executive	$300
Registrar	1,537
Juvenile court	2,505
Sheriff	6,129
D.A.R.E	458
Fire	39,323
Emergency management	3,615
Housing and development	4,083
Recreation	16,650
Capital projects	60,847

The County was not in compliance with certain State provisions as budgets were not adopted for the following funds: County Jail, Drug Education, Confiscated Assets, E-911, Cemetery Funds and Solid Waste Tax Funds.

NOTE 3 – CASH, CERTIFICATES OF DEPOSIT, CUSTODIAL RISK AND INTEREST RATE RISK

Total deposits and investments as of December 31, 2019 are summarized as follows:

Primary Government		
Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	3,703,982
Restricted:		
Cash and cash equivalents		455,027
Certificates of deposit		2,296
Amounts as presented on the Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		2,544,138
Total	$	6,705,443
Deposits with financial institutions	$	6,705,443
Component Unit - Board of Health		
Cash and cash equivalents	$	112,546
Deposits with financial institutions	$	112,546

The Georgia Code requires that depository institutions collateralize cash deposits of public funds. Depositories of public funds may secure deposits by the insurance of the F.D.I.C., pledged securities, or a combination of these methods. The market value of pledged securities shall be equal to or not less than 110 percent of the deposited public funds. The County does not have a formal investment policy for interest rate, credit, concentration of credit, or custodial credit risks.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depositor insurance, obligation of the U.S. government, or bonds of public authorities, counties or municipalities. As of December 31, 2019 the bank balance was $6,705,443, which was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

NOTE 4 – RECEIVABLES

I. Property Tax

Taxes on real estate, motor vehicles, intangibles, real estate transfer and mobile homes are collected by the Office of Tax Commissioner, an agency fund, and remitted to the County. Georgia statutes do not provide a maximum millage rate that may be levied.

NOTE 4 – RECEIVABLES (CONTINUED)

I. Property Tax (Continued)

Tax revenues are recognized during the period in which they are levied. An allowance is established for delinquent taxes to the extent their collectability is questionable. Taxes collected during the current period and within sixty days thereafter are considered available to finance current operations. On the governmental fund financial statements, receivables that were not collected within the available period are recorded as unavailable revenue.

The property tax rate for 2019 was $15.0 per $1,000 of assessed valuation, and current tax collection for the year then ended was 95% of the tax levied.

The full year property tax calendar is as follows:

Assessment date	June 6
Levy date	September 18
Due date of taxes, other than motor vehicles	December 20
Execution (lien) date for unpaid taxes	December 31

II. Receivables

Receivables at December 31, 2019 for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST Fund	Solid Waste Tax Fund	TSPLOST Fund	Total
Property tax receivable	$ 350,338	$ -	$ -	$ -	$ 350,338
Accounts receivable	9,353	-	78,012	-	87,365
Sales tax receivable	25,658	24,854	-	-	50,512
Due from other governments	21,858	-	-	16,847	38,705
Gross receivables	407,207	24,854	78,012	16,847	526,920
Less:					
Allowance for uncollectibles	-	-	-	-	-
Net total receivables	$ 407,207	$ 24,854	$ 78,012	$ 16,847	$ 526,920

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

Generally, outstanding balances between funds include outstanding charges by one fund to another for services or goods and other miscellaneous receivables and payables between funds. The composition of interfund receivables and payables as of December 31, 2019 is as follows:

	Due To					
Due from	General Fund	Solid Waste Tax Fund	SPLOST Fund	E-911 Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 5,819	$ -	$ -	$ 5,819
Solid Waste Tax Fund	-	-	-	-	-	-
SPLOST Fund	-	-	-	-	-	-
E-911 Fund	65,873	-	-	-	-	65,873
Nonmajor governmental fund	-	-	-	-	-	-
Total	$ 65,873	$ -	$ 5,819	$ -	$ -	$ 71,692

Interfund transfers are used to move revenues from the fund that the statute or budget requires to collect them to the fund that the Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The composition of interfund transfers as of December 31, 2019 is as follows:

	Transfer from					
Transfer to	General Fund	Solid Waste Tax Fund	SPLOST Fund	E-911 Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ -	$ -	$ -	$ -
Solid Waste Tax Fund	-	-	-	-	-	-
SPLOST Fund	-	-	-	-	-	-
E-911 Fund	49,430	-	-	-	-	49,430
Nonmajor governmental fund	208	-	-	-	-	208
Total	$ 49,638	$ -	$ -	$ -	$ -	$ 49,638

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of December 31, 2019:

Primary Government

Governmental Activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land and improvements	$ 80,703	$ -	$ -	$ -	$ 80,703
Construction in progress	799,526	68,266	-	(795,234)	72,558
Total capital assets not being depreciated	880,229	68,266	-	(795,234)	153,261
Other capital assets:					
Buildings	1,509,199	-	-	-	1,509,199
Improvements	936,457	132,975	-	795,234	1,864,666
Equipment	2,107,943	62,823	-	-	2,170,766
Vehicles	612,229	36,773	(16,923)	-	632,079
Infrastructure	11,747,466	8,150	-	-	11,755,616
Total other capital assets at cost	16,913,294	240,721	(16,923)	795,234	17,932,326
Less accumulated depreciation for:					
Buildings	(908,283)	(32,196)	-	-	(940,479)
Improvements	(497,919)	(60,475)	-	-	(558,394)
Equipment	(1,508,974)	(127,453)	-	-	(1,636,427)
Vehicles	(453,337)	(39,838)	16,923	-	(476,252)
Infrastructure	(9,355,804)	(84,170)	-	-	(9,439,974)
Total accumulated depreciation	(12,724,317)	(344,132)	16,923	-	(13,051,526)
Other capital assets, net	4,188,977	(103,411)	-	795,234	4,880,800
Governmental activities capital assets, net	$ 5,069,206	$ (35,145)	$ -	$ -	$ 5,034,061

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Depreciation expense was charged to functions as follows:

General Government	$	28,095
Judicial		3,867
Public safety		73,444
Public works		211,473
Health and welfare		8,569
Culture and recreation		18,464
Housing and development		220
Total governmental activities depreciation expense	$	344,132

Component Units

Capital asset activity for the Echols County Board of Health, a discretely presented component unit, for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Capital assets, not being depreciated	$ -	$ -	$ -	$ -	$ -
Other capital assets:					
Equipment	6,143	-	-	-	6,143
Total other capital assets at cost	6,143	-	-	-	6,143
Less accumulated depreciation for:			-	-	-
Equipment	-	(910)	-	-	(910)
Total accumulated depreciation	-	(910)	-	-	(910)
Other capital assets, net	6,143	(910)	-	-	5,233
Total capital assets, net	$ 6,143	$ (910)	$ -	$ -	$ 5,233

Depreciation expense was charged to functions as follows:

Governmental Activities		
Public health and welfare	$	910
Total governmental activities depreciation expense	$	910

NOTE 7 – LONG TERM DEBT

Primary Government

The following is a summary of long-term debt activity:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Capital leases	$ 138,473	$ 29,955	$ (59,203)	$ 109,225	$ 55,067
Compensated Absences	18,217	13,080	-	31,297	-
	$ 156,690	$ 43,035	$ (59,203)	$ 140,522	$ 55,067

The general fund typically has been used to liquidate long-term debt.

The County has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. Total cost of assets acquired through capital leases as of June 30, 2019, is $204,173, which consists of equipment, and is included in governmental activities on the Statement of Net Position. The County's total capital lease service requirements to maturity are as follows:

Year Ending December 31,	
2020	$ 63,674
2021	24,765
2022	18,929
2023	18,929
2024	-
Total minimum lease payments	$ 126,297
Less amount representing interest	(17,072)
Present value of future minimum lease payments	$ 109,225

Component Units

The change in compensated absences payable for the Echols County Board of Health, a discretely presented component unit, for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 8,105	$ 16,698	$ (4,053)	$ 20,750	$ 12,450

NOTE 8 – RESTRICTIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of nonspendable, restricted and unassigned amounts. Nonspendable fund balances represent amounts that are not in a spendable form. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned.

Fund balance restrictions at December 31, 2019 include:

General Fund		
Reserved to reflect resources legally restricted for signage	$	800
Special Revenue Funds		
Reserved to reflect resources legally restricted for:		
Public services – E911	$	99,659
Public services - solid waste tax		10,380
Public services - confiscated assets		14,234
Jail operations		72,763
Drug education/enforcement		14,510
Cemetery upkeep		2,454
Capital Projects Funds		
Reserved to reflect resources funded by Special Purpose Local Option Sales Tax and Federal Grants	$	78,242
Reserved to reflect resources funded by regional Transportation Special Purpose Local Option Sales Tax and Federal Grants		127,497

NOTE 9 – DEFINED BENEFIT PLANS

Primary Government

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple employer defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides nonemployer contributions to the POABFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued POABFG financial report, which is publicly available.

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	n/a
Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.66% using a Monte Carlo simulation in which best estimate ranges of expected future real rates of return (expected nominal 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. The POABFG's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABFG's investment manager.

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. 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 plan members. 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 9 – DEFINED BENEFIT PLANS (CONTINUED)

Net Pension Liability

At December 31, 2019, the County did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension asset associated with the County was $1,074 as of December 31, 2019.

Pension Expense

For the year ended December 31, 2019, the County recognized pension expense related to the POABFG of $987 and revenue of $987 for support provided by the State of Georgia.

Superior Court Clerks' Retirement Fund of Georgia

Plan Description

The Superior Court Clerks' Retirement Fund of Georgia (SCCRFG) is a cost-sharing multiple-employer defined benefit, public employee retirement system funded by member dues and fines and fees received from real estate filings, civil filings and bond forfeitures. Detailed information about the benefits provided to members is available in the separately issued SCCRFG financial report, which is publicly available.

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	n/a
Salary increases	n/a
Investment rate of return	5.25%
Mortality rates	RP-2014

The long-term expected rate of return on pension plan investments was calculated by the SCCRFG 's investment manager as 5.28% using a Monte Carlo simulation in which best estimate ranges of expected future real rates of return (expected nominal 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.

NOTE 9 – DEFINED BENEFIT PLANS (CONTINUED)

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. 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 plan members. 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.

Net Pension Liability

At December 31, 2019, the County did not have a liability for a proportionate share of the net pension liability (asset) of the SCCRFG because the funding comes from member dues and fines and fees received from real estate filings, civil filings and bond forfeitures. The amount of the State's proportionate share of the net pension liability associated with the County was $87,281 as of December 31, 2019.

Pension Expense

For the year ended December 31, 2019, the County recognized pension expense related to the SCCRFG of $26,264.

Georgia Firefighters' Pension Fund

Plan Description:

The Georgia Firefighters' Pension Fund (GFPF) is a cost-sharing multiple employer defined benefit created by the General Assembly of Georgia to provide retirement benefits to firefighters. Members of the GFPF are employed by units of government throughout the state of Georgia. Detailed information about the benefits provided to members is available in the separately issued GFPF financial report, which is publicly available.

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	n/a
Investment rate of return	6.0%
Mortality rates	RP-2000, Combined

NOTE 9 – DEFINED BENEFIT PLANS (CONTINUED)

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 the assumed rate of 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 discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 plan members. 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.

Net Pension Liability:

At December 31, 2019, the County did not have a liability for a proportionate share of the net pension liability of the GFPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the County was $76,120 as of December 31, 2019.

Pension Expense:

For the year ended December 31, 2019, the County recognized pension expense related to the GFPF of $19,282 and revenue of $19,282 for support provided by the State of Georgia.

Component Unit

Board of Health

Plan description

Employees Retirement System (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.

NOTE 9 – DEFINED BENEFIT PLANS (CONTINUED)

Component Unit (Continued)

Board of Health (Continued)

Benefits provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual contribution, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contribution in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes are used in the computation of the members' earnable compensation for the purposes of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2019 was 20.06% of annual covered payroll for the old plan, 24.78% for the new plan members and 21.78% for GSEPS members. The Board of health contributions to ERS totaled $23,266 for the year ended June 30, 2019. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 9 – DEFINED BENEFIT PLANS (CONTINUED)

Component Unit (Continued)

Board of Health (Continued)

Pension Liabilities and Pension Expense

At fiscal year end, the Board of Health reported $140,638 as a liability for its proportionate share of the net pension liability.

The Board of Health's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The Board of Health's proportion of the net pension liability was based on a projection of the Board of Health's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Board of Health's proportionate share of the net pension liability as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.003653%
Proportion - June 30, 2019	0.003421%

Pertinent actuarial and historical information is presented in the State of Georgia Employee's Retirement System Annual Financial Report. Further information can be obtained from: Employee Retirement System, 2 Northside 75, Suite 300, Atlanta, GA 30318.

For the year ended June 30, 2019, the Board of Health recognized pension expense of $2,019. At June 30, 2019, the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,374	$ -
Changes of assumptions	6,626	-
Net difference between projected and actual earnings on pension plan investments	-	3,241
Changes in proportion and differences between employer contributions and proportion share of contributions	-	12,283
Employer contributions subsequent to the measurement date	23,266	-
Total	$ 34,266	$ 15,524

NOTE 9 – DEFINED BENEFIT PLANS (CONTINUED)

Component Unit (Continued)

Board of Health (Continued)

Contributions subsequent to the measurement date of $23,266 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2020	$ 440
2021	1,871
2022	(5,388)
2023	(1,447)
2024	-
Thereafter	-

Actuarial assumptions

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% - 7.00%
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

NOTE 9 – DEFINED BENEFIT PLANS (CONTINUED)

Component Unit (Continued)

Board of Health (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.30%.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate:

	1.00% Decrease (6.30%)	Current discount rate (7.30%)	1.00% Increase (8.30%)
Employer's proportionate share of the net pension liability	200,038	140,638	90,029

NOTE 10 – DEFINED CONTRIBUTION PLANS

Plan Description

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code (IRC) Section 457. The plan is a defined contribution plan. The name of the plan is "The Deferred Compensation Plan for Public Employees" and is available to all eligible employees. Under the plan, employees are permitted to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The County Commission provides for the benefits and funding policy through a County ordinance and maintains the authority to change the policy.

The plan is administered by GEBCorp, an independent plan administrator, which invests the deferred amounts as directed by the participants, maintains detailed accounting records and individual participants' deferrals and earnings, and disburses funds to the plan participants under the terms of the deferred compensation agreement.

Plan provisions, established or amended under authority of the National Association of Counties, allow participants to contribute up to the greater of 100% of their county compensation or the maximum dollar deferral amount allowed by IRC Section 457(b)(2)(A). The County may contribute to the plan on behalf of employees. County contributions apply toward maximum deferral limits and vest when made. During 2019, the County contributed 6% of compensation for participating employees plus a 2% match of employee deferrals. The total County contribution for 2019 was $36,760 by the County and $13,992 by the plan members.

NOTE 10 – DEFINED CONTRIBUTION PLANS (CONTINUED)

Certain elected officials are covered under plans offered by the State of Georgia, such as the Probate Judges' Retirement Fund of Georgia, the Clerk of Superior Court Retirement Fund, and the Sheriff's Retirement Fund. These plans are administered by the State, are separate legal entities, and are not included in the County's financial statements.

NOTE 11 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County 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 12 – COMMITMENTS AND CONTINGENCIES

The County, in conjunction with cities and counties in an eighteen county South Georgia area are members of the Southern Georgia Regional Commission ("RC"), formerly the South Georgia Regional Development Center. Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to an RC. The RC board membership includes the chief elected official of each county and the chief elected official of each municipality. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RCs as

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

"public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond resources (O.C.G.A. 50- 8-39.1).

Separate financial statements are available from the Southern Georgia Regional Commission, 327 West Savannah Ave., Valdosta, Georgia, 31601. Management does not believe the Commission is currently experiencing fiscal stress that could put a financial burden on the RC.

NOTE 13: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the County. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Echols County, Georgia
Schedule of Proportionate Share of Net Pension Liabilities – Cost-Sharing Multiple Employer Pension Plans

Schedule of Proportionate Share of the Net Pension Liability

	June 30				
	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	.003421%	.003653%	.004325%	.004425%	.0004160%
Employer's proportionate share of the net pension liability	140,638	148,361	204,591	179,274	164,765
Employer's covered employee payroll during the measurement period	88,873	88,873	76,671	96,778	98,179
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	158.25%	166.94%	266.84%	185.24%	167.28%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	76.33%	72.34%	76.20%	77.99%

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

Schedule of Contributions

	June 30				
	2019	2018	2017	2016	2015
Contractually required contribution	$ 23,266	$ 21,649	$ 24,861	$ 22,218	$ 18,261
Contributions in relation to the contractually required contribution	23,266	21,649	24,861	22,218	18,261
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Employer's covered - employee payroll	96,902	88,873	76,671	96,778	98,179
Contributions as a percentage of covered-employee payroll	24.01%	24.36%	32.43%	22.96%	18.60%

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

Changes of benefit terms

None

Changes of assumptions

On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new fund policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

Method and assumptions used in calculations of actuarially determined contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contributions rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization method	19.4 years
Asset valuation method	5-year smoothed market
Inflation rate	2.75%
Salary increases	3.25% - 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Echols County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue Funds			
	County Jail Fund	Drug Education Fund	Confiscated Assets Fund	Cemetery Fund
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Restricted assets:				
Cash and cash equivalents	72,763	14,510	14,234	1,454
Certificates of deposit	-	-	-	1,000
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 72,763	$ 14,510	$ 14,234	$ 2,454
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	$ -	$ -	$ -	$ -
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Fund balances restricted for:				
Jail operations	72,763	-	-	-
Drug education/enforcement	-	14,510	-	-
Capital projects	-	-	-	-
Cemetery upkeep	-	-	-	2,454
Public services	-	-	14,234	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	72,763	14,510	14,234	2,454
Total liabilities, deferred inflows of resources and fund balances	$ 72,763	$ 14,510	$ 14,234	$ 2,454

Echols County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Capital Project Fund	
	TSPLOST Fund	Total Other Governmental Funds
Assets		
Cash and cash equivalents	$ -	$ -
Restricted assets:		
Cash and cash equivalents	110,650	213,611
Certificates of deposit	-	1,000
Due from other governments	16,847	16,847
Due from other funds		-
Total assets	$ 127,497	$ 231,458
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Due to other funds	-	-
Total liabilities	$ -	$ -
Deferred Inflows of Resources		
Unavailable revenue	-	-
Fund balances restricted for:		
Jail operations	-	72,763
Drug education/enforcement	-	14,510
Capital projects	127,497	127,497
Cemetery upkeep	-	2,454
Public services	-	14,234
Health and welfare	-	-
Unassigned	-	-
Total fund balances	127,497	231,458
Total liabilities, deferred inflows of resources and fund balances	$ 127,497	$ 231,458

Echols County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue Funds			
	County Jail Fund	Drug Education Fund	Confiscated Assets Fund	Cemetery Fund
Revenues				
Charges for services	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	15,977	6,295	-	-
Interest income	7	6	-	4
Other revenues	-	-	-	175
Total revenues	15,984	6,301	-	179
Expenditures				
Current:				
General government	-	-	-	181
Public safety	18,100	2,296	10,036	-
Health and welfare	-	-	-	-
Roads and bridges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	18,100	2,296	10,036	181
Excess (Deficiency) of Revenues Over Expenditures	(2,116)	4,005	(10,036)	(2)
Other Financing Sources (Uses)				
Transfers from other funds	-	208	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	208	-	-
Net change in fund balances	(2,116)	4,213	(10,036)	(2)
Fund Balances, beginning of year	74,879	10,297	24,270	2,456
Fund Balances, end of year	$ 72,763	$ 14,510	$ 14,234	$ 2,454

Echols County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Capital Project Fund	
	TSPLOST Fund	Total Other Governmental Funds
Revenues		
Charges for services	$ -	$ -
Intergovernmental	203,837	203,837
Fines and forfeitures	-	22,272
Interest income	9	26
Other revenues	-	175
Total revenues	203,846	226,310
Expenditures		
Current:		
General government	-	181
Public safety	-	30,432
Health and welfare	-	-
Roads and bridges	14,550	14,550
Capital outlay	105,302	105,302
Total expenditures	119,852	150,465
Excess (Deficiency) of Revenues Over Expenditures	83,994	75,845
Other Financing Sources (Uses)		
Transfers from other funds	-	208
Transfers to other funds	-	-
Total other financing sources (uses)	-	208
Net change in fund balances	83,994	76,053
Fund Balances, beginning of year	43,503	155,405
Fund Balances, end of year	$ 127,497	$ 231,458

Echols County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Jail Fund
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ -	$ 15,977	$ 15,977
Interest income	-	-	7	7
Total revenues	-	-	15,984	15,984
Expenditures				
Public safety	-	-	18,100	(18,100)
Total expenditures	-	-	18,100	(18,100)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2,116)	(2,116)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(2,116)	(2,116)
Fund Balances, beginning of year	74,879	74,879	74,879	-
Fund Balances, end of year	$ 74,879	$ 74,879	$ 72,763	$ (2,116)

Echols County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Drug Education Fund
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ -	$ 6,295	$ 6,295
Interest income	-	-	6	6
Total revenues	-	-	6,301	6,301
Expenditures				
Public safety	-	-	2,296	(2,296)
Health and welfare	-	-	-	-
Total expenditures	-	-	2,296	(2,296)
Excess (Deficiency) of Revenues Over Expenditures	-	-	4,005	4,005
Other Financing Sources (Uses)				
Transfers from other funds	-	-	208	(208)
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	208	(208)
Net change in fund balances	-	-	4,213	3,797
Fund Balances, beginning of year	10,297	10,297	10,297	-
Fund Balances, end of year	$ 10,297	$ 10,297	$ 14,510	$ 3,797

Echols County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Confiscated Assets Fund
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Public safety	-	-	10,036	(10,036)
Total expenditures	-	-	10,036	(10,036)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(10,036)	(10,036)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Transfers to other funds				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(10,036)	(10,036)
Fund Balances, beginning of year	24,270	24,270	24,270	-
Fund Balances, end of year	$ 24,270	$ 24,270	$ 14,234	$ (10,036)

Echols County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Cemetery Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Interest income	$ -	$ -	$ 4	$ 4
Miscellaneous	-	-	175	175
Total revenues	-	-	179	179
Expenditures				
General government	-	-	181	(181)
Total expenditures	-	-	181	(181)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2)	(2)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(2)	(2)
Fund Balances, beginning of year	2,456	2,456	2,456	-
Fund Balances, end of year	$ 2,456	$ 2,456	$ 2,454	$ (2)

Echols County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2019

	Office of Tax Commissioner	Clerk of Court	Probate/ Magistrate Court	Total
ASSETS				
Restricted assets:				
Cash and cash equivalents	$ 2,452,859	$ 27,475	$ 63,804	$ 2,544,138
Total assets	$ 2,452,859	$ 27,475	$ 63,804	$ 2,544,138
LIABILITIES				
Due to others	$ 2,452,859	$ 27,475	$ 63,804	$ 2,544,138
Total liabilities	$ 2,452,859	$ 27,475	$ 63,804	$ 2,544,138

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

To the Board of Commissioners
of Echols County, Georgia
Statenville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Echols County, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Echols County, Georgia's basic financial statements and have issued our report thereon dated June 26, 2020. Our report includes a reference to other auditors who audited the financial statements of the Echols County Health Department, as described in our report on Echols County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Echols 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 Echols County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Echols 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. However, as described in the accompanying schedule of financial statement findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses. [2019-001, 2019-002, 2019-003, 2019-004].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Echols County Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Echols County, Georgia's Response to Findings

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Valdosta, Georgia
June 26, 2020

2019-001

Criteria:

Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel.

Condition:

Echols County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for the proper segregation of duties.

Cause of Condition:

Since the County is a small local government, it is not financially feasible for the County to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition:

The County's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Response of Management:

Management concurs with the finding and is continually working to improve controls to mitigate the risks associated with this condition.

2019-002

Criteria:

Generally accepted accounting principles require Governmental Fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Condition:

The County's year-end closing policies and procedures did not prevent misstatements in the funds.

Cause of Condition:

Additional year-end closing entries were required for reporting in accordance with generally accepted accounting principles.

Effect of Condition:

Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with the finding and is developing additional policies and procedures and monitoring activities over financial reporting.

2019-003

Criteria:

State statues require an annual balanced budget for each special revenue fund.

Condition:

The County's policies and procedures for budget administration did not prevent formal budgets from not being adopted for the Jail, Drug Education, Confiscated Assets, E-911 and Cemetery Funds and Solid Waste Tax Funds.

Cause of Condition:

The County's monitoring controls were not implemented as a result of these funds being managed outside of the Finance Department in separate locations.

Effect of Condition:

The County is not in compliance with state law by not adopting budgets for all special revenue funds.

Response of Management:

Management concurs with this finding and is continuing to work toward developing additional policies, procedures, and monitoring activities over budget administration.

2019-004

Criteria:

Bank reconciliations should be performed to ensure completeness and accuracy of financial information.

Condition:

Bank reconciliations are not prepared for accounts held by the Sheriff's department.

Cause of Condition:

Turnover of staff responsible for bank reconciliation preparation and a lack of written policies and procedures requiring bank reconciliation performance that would ensure continuation of bank reconciliation preparation in the event of staff turnover.

Effect of Condition:

Completeness and accuracy of financial information is not maintained.

Response of Management:

Management concurs with this finding and will develop policies and procedures for bank reconciliation, implement performance of monthly preparation of bank reconciliations, management review and approval of bank reconciliations, and other financial activity as necessary to ensure the accuracy in accounting of financial activity and reliability of financial information.

Prior Year Findings

The current year finding 2019-001 was reported as finding 2018-001 in the prior year.

The current year finding 2019-002 was reported as finding 2018-002 in the prior year.

The current year finding 2019-003 was reported as finding 2018-003 in the prior year.

Echols County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Year Ended December 31, 2019

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Special Purpose Local Option Sales Tax - 2007 - 2012 Referendum					
Capital outlay for construction, renovation and/or requisition of county buildings and other structures		$ 162,861	$ 26,652	$ 189,513	
Capital outlay for roads, streets and bridges		270,061	79,593	349,654	
Major items or equipment and vehicles		1,011,164	494,490	1,505,654	
Total expenditures	$ 1,500,000	$ 1,444,086	$ 600,735	$ 2,044,821	136%