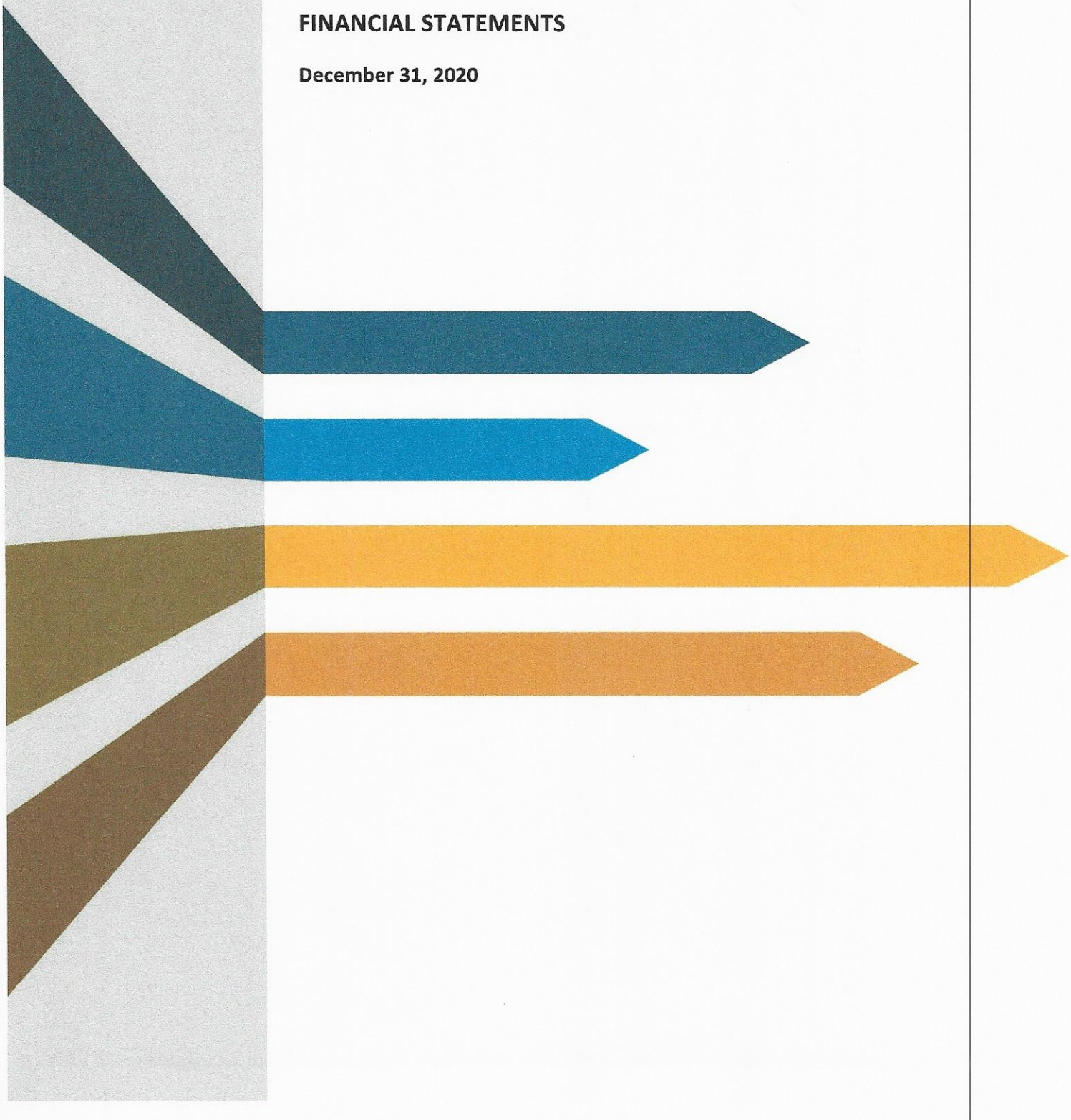
Echols County, Georgia

FINANCIAL STATEMENTS

December 31, 2020



Echols County, Georgia
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Echols County, Georgia
Principal Officials

ELECTED

Bobby Walker, Chairman

Stanley Corbett, 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, 2020, 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, which represent 100 percent, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports has 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Echols County, Georgia, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, Echols County, Georgia adopted Government Accounting Standards Board (GASB) Statement No. 84 "Fiduciary Activities". The new standard requires liabilities and net position to be recorded in the custodial funds, known as agency funds under prior standards. The cumulative effect due to the change in accounting principle is discussed in Note 2. Our opinion is not modified with respect to these matters.

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 Budgetary Comparison Schedule - General Fund (on page 38) and the Budgetary Comparison Schedule – E-911 Fund (on page 40) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules and the schedule of Special Purpose Local Option Sales Tax Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Echols County, Georgia's internal control over financial of Echols County, Georgia's 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
August 30, 2021

Echols County, Georgia
Statement of Net Position

December 31, 2020	Primary Government		Component Unit
	Governmental Activities	Total	Health Department
ASSETS			
Cash and cash equivalents	$ 4,143,349	$ 4,143,349	$ 143,159
Accounts receivable, net	72,084	72,084	-
Taxes receivable, net	313,707	313,707	-
Restitution receivable	884	884	-
Prepaid expenses	29,288	29,288	-
Due from other governments	77,043	77,043	-
Interfund balances	-	-	-
Restricted assets:			
Cash and cash equivalents	596,119	596,119	-
Certificates of deposit	2,296	2,296	-
Capital assets:			
Land	80,703	80,703	-
Construction in progress	168,038	168,038	-
Other capital assets, net of accumulated depreciation	4,770,300	4,770,300	4,323
Total assets	10,253,811	10,253,811	147,482
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows	-	-	39,578
LIABILITIES			
Accounts payable	71,901	71,901	-
Accrued expenses	31,675	31,675	-
Interfund balances	-	-	-
Long-term liabilities:			
Due within one year	17,119	17,119	12,008
Due in more than one year	41,535	41,535	36,683
Net pension obligation liability	-	-	131,636
Total liabilities	162,230	162,230	180,327
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	97,193	97,193	71,396
NET POSITION			
Investment in capital assets	4,968,323	4,968,323	4,323
Restricted for:			
Capital projects	346,946	346,946	-
Prior year program income	-	-	57,568
Sign	800	800	-
Jail operations	84,025	84,025	-
Drug education/enforcement	15,402	15,402	-
Cemetery upkeep	2,183	2,183	-
Public services	88,416	88,416	-
Nonspendable for prepaid expenses	29,288	29,288	-
Unrestricted	4,459,005	4,459,005	(126,554)
Total net position	$ 9,994,388	$ 9,994,388	$ (64,663)

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

For the year ended December 31, 2020

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	$ 1,092,685	$ 340,413	$ 117,058	$ 537,972	$ (97,242)
Judicial	325,927	-	-	-	(325,927)
Public safety	788,548	58,023	9,242	-	(721,283)
Public works	670,096	12,925	-	-	(657,171)
Public health and welfare	91,429	-	-	-	(91,429)
Culture and recreation	66,494	455	-	-	(66,039)
Library	34,783	-	-	-	(34,783)
Conservation	110,455	-	-	-	(110,455)
Housing and development	12,450	-	-	-	(12,450)
Interest on long-term debt	5,027	-	-	-	(5,027)
Total governmental activities	3,197,894	411,816	126,300	537,972	(2,121,806)
Total primary government	3,197,894	411,816	126,300	537,972	(2,121,806)
Component unit:					
Board of Health	230,146	57,568	212,833	-	40,255
Total component units	$ 230,146	$ 57,568	$ 212,833	$ -	$ 40,255

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

Echols County, Georgia
Statement of Activities

	Primary Government		Component Unit
	Governmental Activities	Total	Health Department
Change in net position:			
Net (expense) revenue	$ (2,121,806)	$ (2,121,806)	$ 40,255
General revenues:			
Taxes:			
Property taxes	1,963,293	1,963,293	-
Sales taxes	354,253	354,253	-
Insurance premium taxes	295,373	295,373	-
Other taxes	220,889	220,889	-
Interest income	12,679	12,679	-
Other revenues	92,594	92,594	-
Total general revenues and transfers	2,939,081	2,939,081	-
Change in net position	817,275	817,275	40,255
Net position, beginning of year	9,177,113	9,177,113	(104,918)
Net position, end of year	$ 9,994,388	$ 9,994,388	$ (64,663)

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

Echols County, Georgia
Balance Sheet
Governmental Funds

December 31, 2020	General Fund	Solid Waste Tax Fund	Capital Project SPLOST Fund	E911 Fund
Assets				
Cash and cash equivalents	$ 4,143,349	$ -	$ -	$ -
Accounts receivable, net	9,348	63,620	-	-
Taxes receivable, net	313,707	-	-	-
Prepaid items	29,288	-	-	-
Due from other governments	25,634	-	31,093	-
Due from other funds	65,873	-	5,819	-
Restricted assets:				
Cash and cash equivalents	-	61,689	86,250	143,909
Certificates of deposit	1,296	-	-	-
Total assets	$ 4,588,495	$ 125,309	$ 123,162	$ 143,909
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 53,972	$ 17,736	$ -	$ -
Accrued expenses	31,675	-	-	-
Due to other funds	5,819	-	-	65,873
Total liabilities	91,466	17,736	-	65,873
Deferred Inflows of Resources				
Unavailable revenue	212,388	97,193	-	-
Fund Balances				
Nonspendable				
Prepaid items	25,589	-	-	-
Restricted				
Capital projects	-	-	123,162	-
Sign	800	-	-	-
Jail operations	-	-	-	-
Drug education/enforcement	-	-	-	-
Cemetery upkeep	-	-	-	-
Public services	-	10,380	-	78,036
Unassigned, reported in:				
General fund	4,258,252	-	-	-
Total fund balances	4,284,641	10,380	123,162	78,036
Total liabilities, deferred inflows of resources and fund balances	$ 4,588,495	$ 125,309	$ 123,162	$ 143,909

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

Echols County, Georgia
Balance Sheet
Governmental Funds

December 31, 2020	Other Governmental Funds	Total Governmental Funds
Assets		
Cash and cash equivalents	$ -	$ 4,143,349
Accounts receivable, net	-	72,968
Taxes receivable, net	-	313,707
Prepaid items	-	29,288
Due from other governments	20,316	77,043
Due from other funds	-	71,692
Restricted assets:		
Cash and cash equivalents	304,271	596,119
Certificates of deposit	1,000	2,296
Total assets	$ 325,587	$ 5,306,462
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 193	$ 71,901
Accrued expenses	-	31,675
Due to other funds	-	71,692
Total liabilities	193	175,268
Deferred Inflows of Resources		
Unavailable revenue	-	309,581
Fund Balances		
Nonspendable		
Prepaid items	-	25,589
Restricted		
Capital projects	223,784	346,946
Sign	-	800
Jail operations	84,025	84,025
Drug education/enforcement	15,402	15,402
Cemetery upkeep	2,183	2,183
Public services	-	88,416
Unassigned, reported in:		
General fund	-	4,258,252
Total fund balances	325,394	4,821,613
Total liabilities, deferred inflows of resources and fund balances	$ 325,587	$ 5,306,462

The accompanying notes 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, 2020

Total governmental fund balances	$ 4,821,613
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	(50,718)
Compensated absences	(7,936)
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds	153,734
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,019,041
Net position of governmental activities	$ 9,994,388

The accompanying notes 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, 2020	General Fund	Solid Waste Tax Fund	Capital Project SPLOST Fund	E911 Fund
Revenues				
Property taxes	$ 2,031,736	$ -	$ -	$ -
Sales taxes	176,702	-	177,551	-
Insurance premium	295,373	-	-	-
Franchise fees	201,724	-	-	-
Other taxes	19,165	-	-	-
Licenses and permits	33,721	-	-	-
Intergovernmental	448,402	-	-	-
Charges for services	127,775	-	-	56,488
Fines and forfeitures	180,000	-	-	-
Interest income	12,629	-	7	-
Other revenues	94,615	-	-	-
Total revenues	3,621,842	-	177,558	56,488
Expenditures				
Current:				
General government	982,518	-	69,104	-
Court system	322,413	-	-	-
Public safety	658,421	-	-	65,587
Public works	461,290	-	-	-
Health and welfare	83,022	-	-	-
Housing and development	12,181	-	-	-
Conservation	110,455	-	-	-
Recreation	48,481	-	-	-
Library	34,783	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	155,961	-	-	63,500
Debt service:				
Principal	-	-	58,507	-
Interest	-	-	5,027	-
Total expenditures	2,869,525	-	132,638	129,087
Excess (Deficiency) of Revenues Over Expenditures	752,317	-	44,920	(72,599)
Other Financing Sources (Uses)				
Transfers	(50,680)	-	-	50,976
Total other financing sources (uses)	(50,680)	-	-	50,976
Net change in fund balances	701,637	-	44,920	(21,623)
Fund balances, beginning of year	3,583,004	10,380	78,242	99,659
Fund balances, end of year	$ 4,284,641	$ 10,380	$ 123,162	$ 78,036

The accompanying notes 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, 2020	Other Governmental Funds	Total Governmental Funds
Revenues		
Property taxes	$ -	$ 2,031,736
Sales taxes	-	354,253
Insurance premium	-	295,373
Franchise fees	-	201,724
Other taxes	-	19,165
Licenses and permits	-	33,721
Intergovernmental	213,799	662,201
Charges for services	-	184,263
Fines and forfeitures	13,832	193,832
Interest income	43	12,679
Other revenues	50	94,665
Total revenues	227,724	4,083,612
Expenditures		
Current:		
General government	325	1,051,947
Court system	-	322,413
Public safety	15,630	739,638
Public works	25,900	487,190
Health and welfare	-	83,022
Housing and development	-	12,181
Conservation	-	110,455
Recreation	-	48,481
Library	-	34,783
Intergovernmental	-	-
Capital outlay	91,637	311,098
Debt service:		
Principal	-	58,507
Interest	-	5,027
Total expenditures	133,492	3,264,742
Excess (Deficiency) of Revenues Over Expenditures	94,232	818,870
Other Financing Sources (Uses)		
Transfers	(296)	-
Total other financing sources (uses)	(296)	-
Net change in fund balances	93,936	818,870
Fund balances, beginning of year	231,458	4,002,743
Fund balances, end of year	$ 325,394	$ 4,821,613

The accompanying notes 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, 2020

Net change in fund balances - total governmental funds	$ 818,870
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	311,098
Depreciation expense	(326,118)
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	-
Debt payments made	58,507
Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds	(68,443)
Compensated absences	23,361
Change in net position of governmental activities	$ 817,275

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

Echols County, Georgia
Statement of Fiduciary Net Position – Fiduciary Funds

December 31, 2020	Custodial Funds
Assets	
Restricted assets	
Cash and cash equivalents	$ 1,977,392
Total assets	$ 1,977,392
Net position	
Restricted for individuals, organizations and other governments	$ 1,977,392
Total net position	$ 1,977,392

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

Echols County, Georgia
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended December 31, 2020	Custodial Funds
Additions	
Taxes collected for other agencies	$ 5,238,500
Court fees collected for other agencies	232,167
Court individual cases	116,201
Total additions	5,586,868
Deductions	
Payments of court fees to other agencies	(343,836)
Payments of taxes to other agencies	(5,809,778)
Total deductions	(6,153,614)
Net position - beginning of year, as originally stated	-
Net position - restatement (Note 2)	2,544,138
Net position - beginning of year, restated	2,544,138
Net position - end of year	$ 1,977,392

The accompanying notes 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 Assets 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.

Custodial Funds account for monies collected on behalf of individuals, organizations and other governments expected to be distributed to the individuals, organizations and other governments within three months of receipt.

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)

Budgets (Continued)

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.

Excess of expenditures over appropriations

The following funds and departments incurred actual expenditures in excess of budgeted amounts for the year ended December 31, 2020:

Department/Fund	Excess of Expenditures Over Budgeted Amounts
General Fund	
Elections	$51,593
Tax commissioner	9,105
Tax assessor	11,054
Public defender	4,329
Jail operations	36,800
Fire	37,251
Emergency management	1,114
Housing and development	2,181
Conservation	2,136
Recreation	2,136
Capital projects	135,451

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.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

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, 2020.

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.

Unearned revenue

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

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)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (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, 2020.

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 Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

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)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Fund Equity (Continued)

- 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.

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.

Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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, 2020, there were no encumbrances outstanding.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Management has evaluated subsequent events through August 30, 2021 and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

Recently Issued and Implemented Accounting Pronouncements

The County has implemented GASB Statement No. 83, Certain Asset Retirement Obligations. The objective of this statement is to provide for the measurement and accounting of legally enforceable liabilities associated with the retirement of tangible capital assets. Management has determined that the effect of adopting GASB Statement No. 83 does not have a material effect on the County's financial statements.

The County has implemented GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The implementation of this statement did not result in any change in the County's financial statements. GASB Statement No. 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to the financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. Management has determined that the effect of adopting GASB Statement No. 88 does not have a material effect on the County's financial statements.

The County has implemented GASB Statement No. 84, Fiduciary Activities. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Additional information on changes to the financial statements related to the implementation of this statement can be found in Note 2.

The County has implemented GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements (Continued)

equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. Management has determined that the effect of adopting GASB No. 90 does not have a material effect on the County's financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial

reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements (Continued)

accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

The County is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2 - CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT

In conformity with GAAP, as set forth in Statement No. 84 of the Governmental Accounting Standards Board, "Fiduciary Activities," 2019 net position has been restated for the effects of recording liabilities and net position in the custodial funds, known as agency funds under prior standards. The restatement affected the beginning net position in the custodial funds as follows:

	Office of Tax Commissioner	Clerk of Court	Probate/ Magistrate Court	Total
Net position, December 31, 2019, as previously reported	$ -	$ -	$ -	$ -
Implementation of GASB 84	2,452,859	27,475	63,804	2,544,138
Net position, December 31, 2019, as restated	$ 2,452,859	$ 27,475	$ 63,804	$ 2,544,138

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

Total deposits and investments as of December 31, 2020 are summarized as follows:

Primary Government		
Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	4,143,349
Restricted:		
Cash and cash equivalents		596,119
Certificates of deposit		2,296
Amounts as presented on the Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		1,977,392
Total	$	6,719,156
Deposits with financial institutions	$	6,719,156
Component Unit - Board of Health		
Cash and cash equivalents	$	143,159
Deposits with financial institutions	$	143,159

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, 2020 the bank balance was $6,644,237, 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.

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 2020 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, 2020 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	$ 282,614	$ -	$ -	$ -	$ 282,614
Accounts receivable	9,348	-	63,620	-	72,968
Sales tax receivable	31,093		-	-	31,093
Due from other governments	25,634	31,093	-	20,316	77,043
Gross receivables	348,689	31,093	63,620	20,316	463,718
Less:					
Allowance for uncollectibles	-	-	-	-	-
Net total receivables	$ 348,689	$ 31,093	$ 63,620	$ 20,316	$ 463,718

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, 2020 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, 2020 is as follows:

	Transfer from					
Transfer to	General Fund	Solid Waste Tax Fund	SPLOST Fund	E-911 Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ -	$ -	$ 296	$ 296
Solid Waste Tax Fund	-	-	-	-	-	-
SPLOST Fund	-	-	-	-	-	-
E-911 Fund	50,976	-	-	-	-	50,976
Nonmajor governmental fund	-	-	-	-	-	-
Total	$ 50,976	$ -	$ -	$ -	$ 296	$ 51,272

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of December 31, 2020:

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	72,558	95,480	-	-	168,038
Total capital assets not being depreciated	153,261	95,480	-	-	248,741
Other capital assets:					
Buildings	1,509,199	-	-	-	1,509,199
Improvements	1,864,666	59,327	-	-	1,923,993
Equipment	2,170,766	21,832	-	-	2,192,598
Vehicles	632,079	70,959	(19,466)	-	683,572
Infrastructure	11,755,616	63,500	-	-	11,819,116
Total other capital assets at cost	17,932,326	215,618	(19,466)	-	18,128,478
Less accumulated depreciation for:					
Buildings	(940,479)	(32,196)	-	-	(972,675)
Improvements	(558,394)	(52,390)	-	-	(610,784)
Equipment	(1,636,427)	(122,161)	-	-	(1,758,588)
Vehicles	(476,252)	(39,569)	19,466	-	(496,355)
Infrastructure	(9,439,974)	(79,802)	-	-	(9,519,776)
Total accumulated depreciation	(13,051,526)	(326,118)	19,466	-	(13,358,178)
Other capital assets, net	4,880,800	(110,500)	-	-	4,770,300
Governmental activities capital assets, net	$ 5,034,061	$ (15,020)	$ -	$ -	$ 5,019,041

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Depreciation expense was charged to functions as follows:

General Government	$	22,894
Judicial		3,514
Public safety		64,540
Public works		208,481
Health and welfare		8,407
Culture and recreation		18,013
Housing and development		269
Total governmental activities depreciation expense	$	326,118

Component Units

Capital asset activity for the Echols County Board of Health, a discretely presented component unit, for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
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)	-	-	(1,820)
Total accumulated depreciation	(910)	(910)	-	-	(1,820)
Other capital assets, net	5,233	(910)	-	-	4,323
Total capital assets, net	$ 5,233	$ (910)	$ -	$ -	$ 4,323

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	$ 109,225	$ -	$ (58,507)	$ 50,718	$ 17,119
Compensated Absences	31,297	-	(23,361)	7,936	-
	$ 140,522	$ -	$ (81,868)	$ 58,654	$ 17,119

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 December 31, 2020, 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,	
2021	$ 21,325
2022	18,929
2023	18,929
2024	-
2025	-
Total minimum lease payments	$ 59,183
Less amount representing interest	(8,465)
Present value of future minimum lease payments	$ 50,718

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	$ 20,750	$ -	$ (737)	$ 20,013	$ 12,008

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, 2020 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	$	78,036
Public services - solid waste tax		10,380
Jail operations		84,025
Drug education/enforcement		15,402
Cemetery upkeep		2,183
Capital Projects Funds		
Reserved to reflect resources funded by Special Purpose Local Option Sales Tax and Federal Grants	$	123,162
Reserved to reflect resources funded by regional Transportation Special Purpose Local Option Sales Tax and Federal Grants		223,784

Net Investment in Capital Assets

The elements of this calculation are as follows:

		Governmental Activities
Capital assets (net)	$	5,019,041
Outstanding debt related to capital assets		(50,718)
Net investment in capital assets	$	4,968,323

NOTE 9 – DEFINED BENEFIT PLANS

Primary Government

The County's elected officials participate in the following retirement plans which are in effect but not under direct control of the County:

1. Peace Officers' Annuity and Benefit Fund of Georgia
2. Superior Court Clerks' Retirement Fund of Georgia
3. Georgia Firefighters' Pension Fund

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.

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

NOTE 11 – RISK MANAGEMENT (CONTINUED)

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

Commitments

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 "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.

Contingencies

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies (Continued)

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
Required Supplementary Information
Budgetary Comparison Schedule – General Fund

For the year ended December 31, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 1,717,506	$ 1,717,506	$ 2,031,736	$ 314,230
Sales taxes	134,304	134,304	176,702	42,398
Insurance premium	259,984	259,984	295,373	35,389
Franchise fees	200,000	200,000	201,724	1,724
Other taxes	15,000	15,000	19,165	4,165
Licenses and permits	28,500	28,500	33,721	5,221
Intergovernmental	227,772	227,772	448,402	220,630
Charges for services	263,500	263,500	127,775	(135,725)
Fines and forfeitures	202,500	202,500	180,000	(22,500)
Interest income	6,000	6,000	12,629	6,629
Other revenues	37,500	37,500	94,615	57,115
Total revenues	3,092,566	3,092,566	3,621,842	529,276
Expenditures				
General government				
Governing body	33,933	33,933	22,337	11,596
Executive	87,465	87,465	86,400	1,065
Elections	50,000	50,000	101,593	(51,593)
Human resources	-	-	-	-
Registrar	20,709	20,709	11,881	8,828
Tax commissioner	112,006	112,006	121,111	(9,105)
Tax assessor	87,530	87,530	98,584	(11,054)
Tax equalizer	7,026	7,026	3,595	3,431
General administration	554,452	554,452	537,017	17,435
Total general government	953,121	953,121	982,518	(29,397)
Court system				
Clerk of superior court	107,711	107,711	96,772	10,939
District attorney	62,105	62,105	48,653	13,452
Magistrate court	136,383	136,383	132,979	3,404
Juvenile court	1,200	1,200	130	1,070
Public defender	39,550	39,550	43,879	(4,329)
Total court system	346,949	346,949	322,413	24,536
Public safety				
Sheriff	460,343	460,343	379,392	80,951
D.A.R.E	40,891	40,891	34,747	6,144
Jail operations	130,000	130,000	166,800	(36,800)
Adult probation	5,000	5,000	4,181	819
Fire	3,700	3,700	40,951	(37,251)
Coroner/medical examiner	6,704	6,704	6,645	59
E-911 services	83,548	83,548	-	83,548
Animal control	10,800	10,800	10,800	-
Emergency management	13,791	13,791	14,905	(1,114)
Total public safety	754,777	754,777	658,421	96,356

Echols County, Georgia
Required Supplementary Information
Budgetary Comparison Schedule – General Fund

For the year ended December 31, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
Public works				
Roads and bridges	$ 459,409	$ 459,409	$ 379,751	$ 79,658
Solid waste	217,758	217,758	81,539	136,219
Total public works	677,167	677,167	461,290	215,877
Public health and welfare				
Health	83,130	83,130	83,022	108
Welfare	-	-	-	-
Total health and welfare	83,130	83,130	83,022	108
Housing and development	10,000	10,000	12,181	(2,181)
Conservation	108,319	108,319	110,455	(2,136)
Recreation	46,345	46,345	48,481	(2,136)
Library	37,263	37,263	34,783	2,480
Capital projects	20,510	20,510	155,961	(135,451)
Debt Service				
Principal	-	-	-	-
Total expenditures	3,037,581	3,037,581	2,869,525	168,056
Excess (deficiency) of revenues over expenditures	54,985	54,985	752,317	697,332
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	-	-	-
Proceeds from capital leases	-	-	-	-
Transfers from other funds	4,015	4,015	56,899	(52,884)
Transfers to other funds	(59,000)	(59,000)	(107,579)	48,579
Total other financing sources (uses)	(54,985)	(54,985)	(50,680)	4,305
Net change in fund balances	-	-	701,637	701,637
Fund balances, beginning of year	3,583,004	3,583,004	3,583,004	-
Fund balances, end of year	$ 3,583,004	$ 3,583,004	$ 4,284,641	$ 701,637

Echols County, Georgia
Required Supplementary Information
Budgetary Comparison Schedule – E-911 Fund

For the year ended December 31, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for services	$ -	$ -	$ 56,488	$ 56,488
Total revenues	-	-	56,488	56,488
Expenditures				
Public safety	-	-	65,587	(65,587)
Capital Outlay	-	-	63,500	(63,500)
Total expenditures	-	-	129,087	(129,087)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(72,599)	(72,599)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	50,976	50,976
Total other financing sources (uses)	-	-	50,976	50,976
Net change in fund balances	-	-	(21,623)	(21,623)
Fund Balances, beginning of year	99,659	99,659	99,659	-
Fund Balances, end of year	$ 99,659	$ 99,659	$ 78,036	$ (21,623)

NOTE 1 – BUDGETARY INFORMATION

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.

Echols County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2020	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	84,025	15,595	-	1,183
Certificates of deposit	-	-	-	1,000
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 84,025	$ 15,595	$ -	$ 2,183
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 193	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	$ -	$ 193	$ -	$ -
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Fund Balances				
Restricted				
Jail operations	84,025	-	-	-
Drug education/enforcement	-	15,402	-	-
Capital projects	-	-	-	-
Cemetery upkeep	-	-	-	2,183
Public services	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	84,025	15,402	-	2,183
Total liabilities, deferred inflows of resources and fund balances	$ 84,025	$ 15,595	$ -	$ 2,183

Echols County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2020	Capital Project Fund: TSPLOST Fund	Total Other Governmental Funds
Assets		
Cash and cash equivalents	$ -	$ -
Restricted assets:		
Cash and cash equivalents	203,468	304,271
Certificates of deposit	-	1,000
Due from other governments	20,316	20,316
Due from other funds		-
Total assets	$ 223,784	$ 325,587
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 193
Due to other funds	-	-
Total liabilities	$ -	$ 193
Deferred Inflows of Resources		
Unavailable revenue	-	-
Fund Balances		
Restricted		
Jail operations	-	84,025
Drug education/enforcement	-	15,402
Capital projects	223,784	223,784
Cemetery upkeep	-	2,183
Public services	-	-
Health and welfare	-	-
Unassigned	-	-
Total fund balances	223,784	325,394
Total liabilities, deferred inflows of resources and fund balances	$ 223,784	$ 325,587

Echols County, Georgia
Combining Statement of Revenues
Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For the year ended December 31, 2020	Special Revenue Funds			
	County Jail Fund	Drug Education Fund	Confiscated Assets Fund	Cemetery Fund
Revenues				
Charges for services	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	11,255	2,577	-	-
Interest income	7	7	-	4
Other revenues	-	-	-	50
Total revenues	11,262	2,584	-	54
Expenditures				
Current:				
General government	-	-	-	325
Public safety	-	1,692	13,938	-
Health and welfare	-	-	-	-
Roads and bridges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	1,692	13,938	325
Excess (Deficiency) of Revenues Over Expenditures	11,262	892	(13,938)	(271)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(296)	-
Total other financing sources (uses)	-	-	(296)	-
Net change in fund balances	11,262	892	(14,234)	(271)
Fund Balances, beginning of year	72,763	14,510	14,234	2,454
Fund Balances, end of year	$ 84,025	$ 15,402	$ -	$ 2,183

Echols County, Georgia
Combining Statement of Revenues
Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For the year ended December 31, 2020	Capital Project Fund: TSPLOST Fund	Total Other Governmental Funds
Revenues		
Charges for services	$ -	$ -
Intergovernmental	213,799	213,799
Fines and forfeitures	-	13,832
Interest income	25	43
Other revenues	-	50
Total revenues	213,824	227,724
Expenditures		
Current:		
General government	-	325
Public safety	-	15,630
Health and welfare	-	-
Roads and bridges	25,900	25,900
Capital outlay	91,637	91,637
Total expenditures	117,537	133,492
Excess (Deficiency) of Revenues Over Expenditures	96,287	94,232
Other Financing Sources (Uses)		
Transfers from other funds	-	-
Transfers to other funds	-	(296)
Total other financing sources (uses)	-	(296)
Net change in fund balances	96,287	93,936
Fund Balances, beginning of year	127,497	231,458
Fund Balances, end of year	$ 223,784	$ 325,394

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, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ -	$ 11,255	$ 11,255
Interest income	-	-	7	7
Total revenues	-	-	11,262	11,262
Expenditures				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	11,262	11,262
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	11,262	11,262
Fund Balances, beginning of year	72,763	72,763	72,763	-
Fund Balances, end of year	$ 72,763	$ 72,763	$ 84,025	$ 11,262

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, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ -	$ 2,577	$ 2,577
Interest income	-	-	7	7
Total revenues	-	-	2,584	2,584
Expenditures				
Public safety	-	-	1,692	(1,692)
Health and welfare	-	-	-	-
Total expenditures	-	-	1,692	(1,692)
Excess (Deficiency) of Revenues Over Expenditures	-	-	892	892
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	892	892
Fund Balances, beginning of year	14,510	14,510	14,510	-
Fund Balances, end of year	$ 14,510	$ 14,510	$ 15,402	$ 892

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, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Public safety	-	-	13,938	(13,938)
Total expenditures	-	-	13,938	(13,938)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(13,938)	(13,938)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(296)	(296)
Transfers to other funds				
Total other financing sources (uses)	-	-	(296)	(296)
Net change in fund balances	-	-	(14,234)	(14,234)
Fund Balances, beginning of year	14,234	14,234	14,234	-
Fund Balances, end of year	$ 14,234	$ 14,234	$ -	$ (14,234)

Echols County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Cemetery Fund
Nonmajor Special Revenue Funds

For the year ended December 31, 2020	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Interest income	$ -	$ -	$ 4	$ 4
Miscellaneous	-	-	50	50
Total revenues	-	-	54	54
Expenditures				
General government	-	-	325	(325)
Total expenditures	-	-	325	(325)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(271)	(271)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(271)	(271)
Fund Balances, beginning of year	2,454	2,454	2,454	-
Fund Balances, end of year	$ 2,454	$ 2,454	$ 2,183	$ (271)

Echols County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures

For the year ended December 31, 2020	Original Estimated Cost	Expenditures		
		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		$ 184,236	$ -	$ 184,236
Capital outlay for roads, streets and bridges		418,910	69,104	488,014
Major items or equipment and vehicles		1,121,778	63,534	1,185,312
Total expenditures	$ 1,500,000	$ 1,724,924	$ 132,638	$ 1,857,562

Echols County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Custodial Funds

December 31, 2020	Office of Tax Commissioner	Clerk of Court	Probate/ Magistrate Court	Total
Assets				
Restricted assets:				
Cash and cash equivalents	$ 1,881,581	$ 39,134	$ 56,677	$ 1,977,392
Total assets	$ 1,881,581	$ 39,134	$ 56,677	$ 1,977,392
Net Position				
Net position - held for others	$ 1,881,581	$ 39,134	$ 56,677	$ 1,977,392
Total net position	$ 1,881,581	$ 39,134	$ 56,677	$ 1,977,392

Echols County, Georgia
Combining Statement of Changes in Fiduciary Assets and Liabilities
Custodial Funds

For the year ended December 31, 2020	Office of Tax Commissioner	Clerk of Court	Probate/ Magistrate Court	Total
Additions				
Taxes collected for other agencies	$ 5,238,500	$ -	$ -	$ 5,238,500
Court fees collected for other agencies	-	-	232,167	232,167
Court individual cases	-	116,201	-	116,201
Total assets	5,238,500	116,201	232,167	5,586,868
Deductions				
Payments of court fees to other agencies	-	(104,542)	(239,294)	(343,836)
Payments of taxes to other agencies	(5,809,778)	-	-	(5,809,778)
Total deductions	(5,809,778)	(104,542)	(239,294)	(6,153,614)
Net position - beginning of year, as originall	-	-	-	-
Net position - restatement (Note 2)	2,452,859	27,475	63,804	2,544,138
Net position - beginning of year, restated	2,452,859	27,475	63,804	2,544,138
Net position - end of year	$ 1,881,581	$ 39,134	$ 56,677	$ 1,977,392

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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, 2020, 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 August 30, 2021. 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) as a basis for designing 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 [2020-001, 2020-002, 2020-003].

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards,* described in the accompanying schedule of financial statement findings and responses [2020-004].

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
August 30, 2021

2020-001

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.

2020-002

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.

2020-003

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.

Instance of Noncompliance

2020-004

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.

Prior Year Findings

The current year finding 2020-001 was reported as finding 2019-001 in the prior year.

The current year finding 2020-002 was reported as finding 2019-002 in the prior year.

The current year finding 2020-003 was reported as finding 2019-004 in the prior year.

The current year finding 2020-004 was reported as finding 2019-003 in the prior year.