FANNIN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
(WITH INDEPENDENT AUDITOR'S REPORT)

Year Ended December 31, 2020

FANNIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

September 24, 2021

Board of Commissioners
FANNIN COUNTY, GEORGIA
Blue Ridge, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of FANNIN 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 FANNIN COUNTY WATER AUTHORITY, a component unit of the County, as of and for the year then ended June 30, 2020, which represent 68.58%, 71.60%, and 40.74%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the FANNIN COUNTY WATER AUTHORITY, is based solely on the report of the other auditors. We did not audit the financial statements of the FANNIN COUNTY HEALTH DEPARTMENT, a component unit of the County, as of and for the year then ended June 30, 2020, which represent 5.90%, (3.42)%, and 42.34%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the FANNIN COUNTY HEALTH DEPARTMENT, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Change in Accounting Principle

As described in NOTE 19 to the financial statements, the County restated the fiduciary net position according to GASB Statement 84, "Fiduciary Activities." Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Net Pension Liability - Fannin County Defined Benefit Plan, Schedule of Contributions - Fannin County Defined Benefit Plan, Schedule of Notes to Required Supplementary Information - Fannin County Defined Benefit Plan, Budgetary Comparison Schedule - General Fund, and Budgetary Comparison Schedule - Excise Lodging Tax listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise FANNIN COUNTY, GEORGIA's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and the Schedule of State Contractual Assistance, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds, Schedule of State Contractual Services, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America 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 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 September 24, 2021 on our consideration of FANNIN COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FANNIN 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 FANNIN COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates, Carter & Co., LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Fannin County, Georgia (the "County"), we provide this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2020. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities by $55,769,456 (net position) for the year reported. This represents an increase of $8,195,523 from the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled $31,295,077.
2. Net position of $11,603,668 are restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of 2020, unrestricted net position balance increased by $3,413,930 from $9,456,781 to $12,870,711.

The County's governmental funds reported total ending fund balance of $28,013,404. This compares to the prior year ending fund balance of $21,712,062 showing an increase of $6,301,342 during the current year.

At the end of 2020, unassigned fund balance for the County's governmental funds was $13,397,396.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government – wide statements and fund financial statements. This report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances and are more comparable to the financial statements of private-sector businesses. The government-wide statements provide both short and long-term information about the County's financial status as a whole. Government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and total liabilities. Changes in net position indicate the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

The first of these government-wide statements is the *Statement of Net Position*. This statement presents information that includes all of the County's assets and liabilities, with the difference reported as total net position.

The second government-wide statement is the *Statement of Activities* which indicates how the County's net position changed during the current fiscal year. This report is designed to show the financial reliance of the County's activities and functions on revenues provided by County taxpayers.

The government-wide statements are divided into governmental activities and component units.

Governmental activities include most of the County's basic services such as general administration, public safety, public works, court systems, culture and recreation, health and welfare, and housing and development. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Component Units for the County include the Development Authority and the Fannin County Department of Public Health. Separate financial statements are issued for both component units. See page 10 of the financial statements for more information.

Fund Financial Statements

Fannin County, like all other governmental entities in Georgia, uses fund accounting to ensure compliance with finance-related laws and regulations. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be classified as governmental funds, proprietary funds, or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next fiscal year. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are financial resources available to finance the County's programs. Most of the County's basic services are accounted for in governmental funds.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the Government. Fannin County's fiduciary funds are considered agency funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data presented in both the government-wide and fund financial statements. The notes to the financial statements begin on page 12 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table below presents the County's condensed *Statement of Net Position.* Comparison analysis is made from the year ended December 31, 2020 to the year ended December 31, 2019 as required by GASB Statement No. 34.

Comparative Schedule of Net Position
December 31, 2020 and 2019

	Governmental Activities	
	2020	**2019**
Capital assets (net of depreciation)	$ 32,968,036	$ 33,052,455
Current and other assets	27,683,706	21,136,194
Total Assets	60,651,742	54,188,649
Total deferred outflows of resources	1,639,969	2,190,442
Long-term liabilities	3,794,369	5,982,476
Other liabilities	2,276,755	2,822,682
Total liabilities	6,071,124	8,805,158
Total deferred inflows of resources	451,131	-
Net Position:		
Net investment in capital assets	31,295,077	30,266,175
Restricted	11,603,668	7,850,977
Unrestricted	12,870,711	9,456,781
Total net position	$ 55,769,456	$ 47,573,933

Over time, net position serves as a useful indicator of a government's financial position. The County's net position totaled $55,769,456 at December 31, 2020 compared to $47,573,933 at December 31, 2019. The total increase was $8,195,523.

The largest portion of net position, $31,295,077 (56%), reflects the County's investment in capital assets (land, buildings, machinery and equipment) less accumulated depreciation and any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investments in capital assets are reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources as the capital assets cannot be liquidated to pay the liabilities. The County has $11,603,668 (21%) of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position represents $12,870,711 (23%) of unrestricted net position.

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2020 with comparative amounts for the year ended December 31, 2019.

Comparative Schedule of Changes in Net Position
December 31, 2020 and 2019

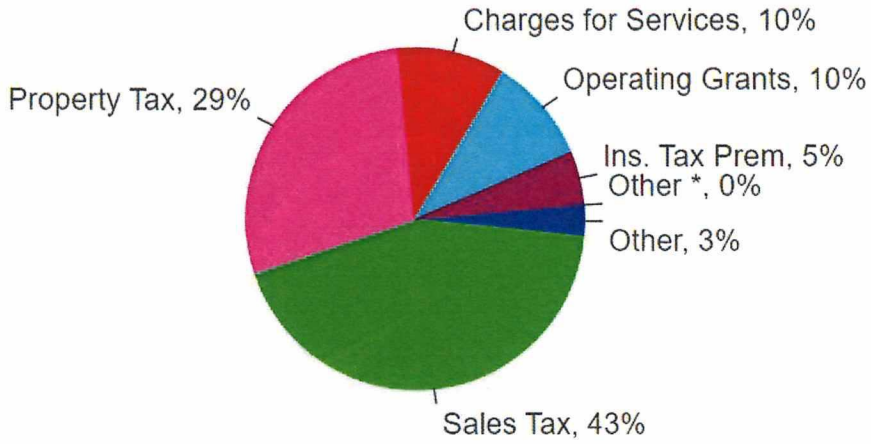
	Governmental Activities	
	2020	2019
REVENUES		
Program revenues		
Charges for services	$ 3,091,715	$ 3,215,416
Operating grants and contributions	3,053,307	1,475,648
Capital grants and contributions	12,208	1,466,629
Subtotal for program revenues	6,157,230	6,157,693
General revenues		
Property taxes	8,749,071	8,333,005
Sales taxes	13,244,832	10,726,985
Insurance premium tax	1,538,759	1,451,903
Other taxes	898,012	456,230
Interest and investment earnings	14,899	28,466
Other revenue	3,252,636	2,169,764
Gain on sale of capital assets	68,598	34,933
Subtotal for general revenues	27,766,807	23,201,286
Total revenues	33,924,037	29,358,979
EXPENSES		
Program expenses		
General government	5,420,634	4,955,451
Judicial	2,384,710	2,255,697
Public safety	8,654,911	8,292,991
Public works	5,637,817	5,639,803
Health & welfare	261,678	357,823
Recreation & culture	1,310,266	1,382,507
Housing and development	2,003,528	1,436,283
Interest and paying agent fees	54,970	89,182
Total expenses	25,728,514	24,409,737
Change in net position	8,195,523	4,949,242
Net position, beginning of year	47,573,933	42,624,691
Net position, end of year	$ 55,769,456	$ 47,573,933

Governmental Activities Revenues such as property taxes, insurance premium tax and other taxes, continue as the main source of revenue for governmental activities which totaled $27,766,807 in 2020 compared to $23,201,286 in 2019. This change is an increase of 20%.

Governmental Activities Expenses by function as reflected in the table above show that during 2020, the County expended 34% for Public Safety, 9% for Judicial, 22% for Public Works, 21% for General Government, 5% for Culture and Recreation, 8% for Housing and Development, 1% for Health and Welfare, and 1% for Interest on Long-term debt.

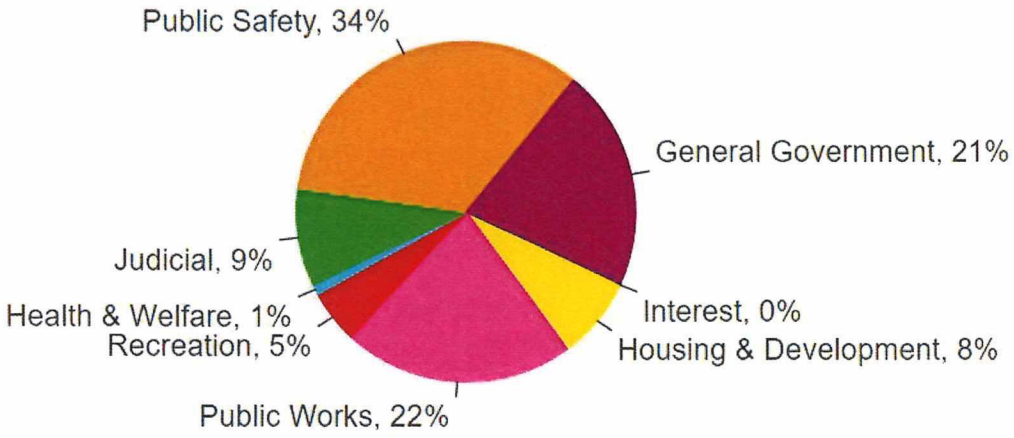
As a comparative, during fiscal year 2019, the County expended 34% for Public Safety, 9% for Judicial, 23% for Public Works, 20% for General Government, 6% for Culture and Recreation, 6% for Housing and Development, 1% for Health and Welfare, and 1% for Interest on Long-term debt.

Revenues by Source
Government-Wide Activities



*Due to rounding, charts may not always equal 100%

Expenses by Function
Government-Wide Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

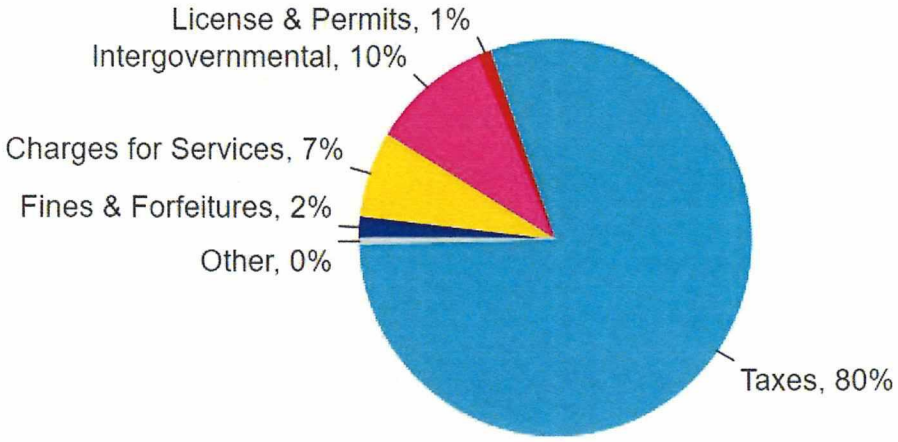
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing the Government's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The major governmental funds are the General Fund and SPLOST Fund. The General Fund is the chief operating fund of the County. It is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other imposed requirements. The County's General Fund reported ending fund balance of $14,637,252. This compares to the prior year ending fund balance of $11,355,778, showing an increase of $3,281,474 during the current year. At the end of fiscal year 2020, unassigned fund balance for the County's General Fund was $13,397,396.

The County's other major governmental fund is the SPLOST Fund. The fund balance of the SPLOST Fund increased by $3,203,659 during the current fiscal year. Collections for 2014 SPLOST began on July 1, 2014. Based on the approved 2014 SPLOST referendum, the majority of the 2014 SPLOST revenues are allocated for capital road projects and public safety. The SPLOST fund has an ending fund balance of $9,659,844 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

In 2020, governmental revenues increased $4,498,596 from 2019. This increase is primarily due to activity in the General Fund related to an increase in revenues from taxes, licenses and permits, and intergovernmental funding. The County received $1,214,466 for Coronavirus Relief Funding which contributed to the large increase in governmental revenues. There was an 0.4% decrease in revenues in the SPLOST Fund.

Revenues by Source
Fund Level - Governmental



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's capital assets for governmental activities as of December 31, 2020 total $32,968,036 (net of accumulated depreciation). These assets include land, land improvements, infrastructure, buildings, machinery and equipment, furniture and fixtures, vehicles and construction in progress.

Fannin County's Capital Assets
(Net of depreciation)

	Governmental Activities	
	2020	2019
Land and improvements	$ 2,253,633	$ 2,253,633
Construction in progress	1,389,329	1,363,418
Buildings	16,789,513	16,840,957
Machinery & equipment	3,136,032	3,100,962
Furniture & fixtures	-	-
Vehicles	-	-
Infrastructure	9,399,529	9,493,485
Total Assets	$ 32,968,036	$ 33,052,455

Detailed information on the County's capital assets can be found in Note 6 of the basic financial statements.

Long-term Debt. During 2020, the long-term debt of Fannin County's governmental activities decreased $(2,381,564). The net pension liability decreased by $(922,778), and the net OPEB obligation decreased by $(130,242).

Fannin County's Outstanding Debt
Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts

	Governmental Activities	
	2020	2019
Installment Sale Agreement	$ 1,109,121	$ 2,184,094
Capital leases	563,839	797,331
Notes from direct borrowings	-	20,079
Net pension liability	3,378,352	4,301,130
Net OPEB liability	135,763	266,005
Totals	$ 5,187,075	$ 7,568,639

Additional information regarding Fannin County's long-term debt can be found in Note 7 of the basic financial statements

ECONOMIC FACTORS AND THE 2021 BUDGET

- The 2020 millage rate decreased from 3.938 to 3.862 per $1,000 of valuation. The 2020 millage rate was a decrease of 0.076%, however the 2020 net tax digest reflected an increase in overall valuation. The 2020 total County taxes levied increased $119,638 as compared to 2019. The County property tax digest is assessed and recorded as revenue in the same fiscal period. The budget for fiscal year 2021 is created using historical trends and future projections.

- The 2021 budget was approved and adopted by the Board of Commissioners on December 8, 2020. The 2021 operating budget increased from $28,564,665 to $29,444,533 an increase of $879,868. The majority of the revenue increase is in tax revenues, title ad valorem tax, license and permit fees. The majority of expenditure increase is in purchased services and salaries and benefits.

- Monthly budgetary reports are provided to all department heads, elected officials and the Board of Commissioners.

- As referred to in Note 18 of the Financial Statements, fiscal year 2021 may have some unexpected differences in the upcoming financials due to the spread of a strain of coronavirus. This outbreak may negatively impact operating results in the future due to operational disruptions caused by the pandemic.

Fannin County management continues to monitor revenue collection rates and control budgetary spending in an effort to provide services at or above current levels without further burdening the county taxpayers.

REQUESTS FOR INFORMATION

This report is designed to provide the reader a general overview of the County's finances and demonstrate Management's commitment to public accountability. Questions concerning any of the information found in this report or requests for additional information should be directed to Sherri Walker, Finance Director for Fannin County Board of Commissioners, 400 West Main Street, Suite 100, Blue Ridge, Georgia 30513.

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

	PRIMARY GOVERNMENT	
	GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
ASSETS		
Cash	$ 24,223,205	$ 924,475
Receivables (net of allowance for uncollectibles)	3,243,131	196,017
Inventories	25,730	1,216,074
Prepaid items	191,640	10,473
Restricted assets:		
Cash	-	676,433
Non-current assets:		
Property held for resale	-	3,300
Net pension asset	-	57,585
Capital assets:		
Capital assets not being depreciated	3,642,962	499,407
Capital assets being depreciated	68,573,768	7,334,812
Less: accumulated depreciation	(39,248,694)	(1,551,666)
Capital assets, net of depreciation	32,968,036	6,282,553
TOTAL ASSETS	60,651,742	9,366,910
DEFERRED OUTFLOWS OF RESOURCES		
Pension expense	1,639,969	122,471
OPEB expense	-	59,611
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,639,969	182,082
TOTAL ASSETS & DEFERRED OUTFLOWS	62,291,711	9,548,992
LIABILITIES		
Accounts payable	860,547	180,531
Accrued interest payable	6,623	1,606
Other accrued items	151,268	4,657
Due to other governments	-	40,921
Unearned revenue	-	4,658
Amounts held in trust	-	15,344
Noncurrent liabilities:		
Due within one year		
Compensated absences payable	-	21,830
Estimated claims payable	1,375	-
Notes from direct borrowings	-	44,978
Capital leases payable	147,821	-
Revenue bonds payable	-	29,302
Installment sale agreement	1,109,121	-
Due in more than one year		
Compensated absences payable	-	21,830
Net pension liability	3,378,352	135,763
Net OPEB liability	-	515,775
Notes from direct borrowings	-	844,675
Capital leases payable	416,017	-
Revenue bonds payable	-	1,750,129
TOTAL LIABILITIES	6,071,124	3,611,999

CONTINUED...

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

...CONTINUED	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
DEFERRED INFLOWS OF RESOURCES		
Pension expense	451,131	16,055
OPEB expense	-	190,194
TOTAL DEFERRED INFLOWS OF RESOURCES	451,131	206,249
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,522,255	3,818,248
NET POSITION		
Net investment in capital assets	31,295,077	3,468,130
Restricted for:		
Debt service	-	124,594
Capital outlay projects	9,661,171	625,658
Judicial programs	362,749	-
Public safety programs	1,015,086	-
Health and welfare programs	-	99,503
Housing and development programs	564,662	1,482,318
Unrestricted	12,870,711	(69,459)
TOTAL NET POSITION	$ 55,769,456	$ 5,730,744

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
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) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: COMPONENT UNITS
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES						
General government	$ 5,420,634	$ 109,815	$ 2,483,208	$ -	$ (2,827,611)	$ -
Judicial	2,384,710	584,953	158,137	-	(1,641,620)	-
Public safety	8,654,911	1,864,690	251,012	-	(6,539,209)	-
Public works	5,637,817	72,699	144,292	12,208	(5,408,618)	-
Public health and welfare	261,678	-	16,658	-	(245,020)	-
Recreation and culture	1,310,266	168,151	-	-	(1,142,115)	-
Housing and development	2,003,528	291,407	-	-	(1,712,121)	-
Interest	54,970	-	-	-	(54,970)	-
Total Governmental Activities	25,728,514	3,091,715	3,053,307	12,208	(19,571,284)	-
TOTAL PRIMARY GOVERNMENT	$ 25,728,514	$ 3,091,715	$ 3,053,307	$ 12,208	(19,571,284)	-
COMPONENT UNITS						
Health Department	$ 704,506	$ 385,440	$ 388,348	$ -	-	69,282
Water Authority	554,493	294,745	-	443,182	-	183,434
Development Authority	212,248	242,639	66,000	-	-	96,391
TOTAL COMPONENT UNITS	$ 1,471,247	$ 922,824	$ 454,348	$ 443,182	-	349,107
GENERAL REVENUES						
Property taxes					8,749,071	-
Sales taxes					13,244,832	-
Insurance premium taxes					1,538,759	-
Real estate recording taxes					898,012	-
Other taxes					3,252,636	-
Total taxes					27,683,310	-
Unrestricted investment earnings					14,899	7,201
Gain on sale of capital assets					68,598	-
TOTAL GENERAL REVENUES AND TRANSFERS					27,766,807	7,201
CHANGES IN NET POSITION					8,195,523	356,308
NET POSITION, Beginning					47,573,933	5,374,436
NET POSITION, Ending					$ 55,769,456	$ 5,730,744

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	GENERAL	EXCISE TAX LODGING	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	$ 13,195,790	$ 455,419	$ 9,339,707	$ 1,232,287	$ 24,223,203
Receivables (net of allowance for uncollectibles)	1,806,863	456,554	715,081	264,633	3,243,131
Interfund receivables	329,699	-	-	-	329,699
Prepaid items	178,043	-	-	13,598	191,641
Inventories	10,469	-	15,261	-	25,730
TOTAL ASSETS	15,520,864	$ 911,973	10,070,049	1,510,518	28,013,404
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 15,520,864	$ 911,973	$ 10,070,049	$ 1,510,518	$ 28,013,404
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 301,373	$ 227,036	$ 310,189	$ 21,948	$ 860,546
Other accrued items	151,268	-	-	-	151,268
Interfund payables	-	229,518	100,016	165	329,699
Estimated claims payable	1,375	-	-	-	1,375
TOTAL LIABILITIES	454,016	456,554	410,205	22,113	1,342,888
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	383,237	-	-	-	383,237
Unavailable revenue - ambulance	46,359	-	-	-	46,359
TOTAL DEFERRED INFLOWS OF RESOURCES	429,596	-	-	-	429,596
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	883,612	456,554	410,205	22,113	1,772,484
FUND BALANCES					
Nonspendable:					
Prepaid expenditure	178,043	-	-	13,598	191,641
Inventories	10,469	-	15,261	-	25,730
Restricted:					
Capital outlay projects	-	-	9,644,583	1,327	9,645,910
Judicial programs	-	-	-	362,749	362,749
Public safety programs	-	-	-	1,001,488	1,001,488
Housing and development programs	-	455,419	-	109,243	564,662
Assigned:					
Next year's budget	1,051,344	-	-	-	1,051,344
Unassigned	13,397,396	-	-	-	13,397,396
TOTAL FUND BALANCES	14,637,252	455,419	9,659,844	1,488,405	26,240,920
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 15,520,864	$ 911,973	$ 10,070,049	$ 1,510,518	$ 28,013,404

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2020

Total Fund Balances for Governmental Funds (page 4)		$ 26,240,920
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		32,968,036
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	383,237	
Ambulance Charges	46,359	
		429,596
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(6,623)	
Net pension liability	(3,378,352)	
Net deferred inflows (outflows) - pension expense	1,188,838	
Capital leases	(563,838)	
Installment sale agreement	(1,109,121)	
		(3,869,096)
Total net position of governmental activities (page 2)		$ 55,769,456

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	GENERAL	EXCISE TAX LODGING	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	$ 17,091,303	$ 3,048,926	$ 7,529,098	$ -	$ 27,669,327
Licenses and permits	328,497	71	-	-	328,568
Intergovernmental	2,756,173	-	-	272,927	3,029,100
Fines and forfeitures	509,720	-	-	54,216	563,936
Charges for services	1,543,754	-	-	599,753	2,143,507
Contributions and donations	22,706	-	-	1,500	24,206
Investment income	12,805	511	12,208	1,581	27,105
Miscellaneous	70,674	-	-	10,925	81,599
TOTAL REVENUES	22,335,632	3,049,508	7,541,306	940,902	33,867,348
EXPENDITURES					
Current Expenditures					
General government	5,214,391	-	-	-	5,214,391
Judicial	2,273,589	-	-	103,465	2,377,054
Public safety	7,065,428	-	-	819,804	7,885,232
Public works	1,598,803	-	2,965,607	-	4,564,410
Public health and welfare	139,011	-	-	-	139,011
Recreation and culture	1,184,677	-	-	-	1,184,677
Housing and development	476,181	1,521,058	-	96	1,997,335
Intergovernmental	30,044	-	-	49,167	79,211
Capital outlay	588,950	-	1,372,040	86,685	2,047,675
Debt service					
Principal	1,328,544	-	-	-	1,328,544
Interest	62,941	-	-	-	62,941
TOTAL EXPENDITURES	19,962,559	1,521,058	4,337,647	1,059,217	26,880,481
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	2,373,073	1,528,450	3,203,659	(118,315)	6,986,867
OTHER FINANCING SOURCES (USES)					
Sale of county property	47,298	-	-	-	47,298
Transfers in	1,530,611	84,689	-	584,819	2,200,119
Transfers out	(669,508)	(1,530,611)	-	-	(2,200,119)
TOTAL OTHER FINANCING SOURCES (USES)	908,401	(1,445,922)	-	584,819	47,298
NET CHANGE IN FUND BALANCES	3,281,474	82,528	3,203,659	466,504	7,034,165
FUND BALANCES, Beginning of year	11,355,778	372,891	6,456,185	1,021,901	19,206,755
FUND BALANCES, End of year	$ 14,637,252	$ 455,419	$ 9,659,844	$ 1,488,405	$ 26,240,920

The accompanying notes are an integral part of this statement.

FANNIN 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 (page 6)		$ 7,034,165
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	2,047,675	
Depreciation expense	(2,153,394)	
		(105,719)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	13,982	
Donated assets	21,300	
Ambulance charges	(25,895)	
		9,387
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Principal payments on long-term debt	1,328,544	
Accrued interest on bonds, current year	(6,623)	
Accrued interest on bonds, prior year	14,595	
		1,336,516
Net pension liability is not available during the current period and therefore is not reported in the fund and changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows and inflows.		
End of year- Deferred outflows to pension	1,639,969	
Beginning of year- Deferred outflows to pension	(2,190,442)	
End of year- net pension liability	(3,378,352)	
Beginning of year- net pension liability	4,301,130	
		(78,826)
Changes in net position of governmental activities (page 3)		$ 8,195,523

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	CUSTODIAL FUNDS
ASSETS	
Cash	$ 6,616,970
TOTAL ASSETS	6,616,970
LIABILITIES	
Amount held in trust	5,843,143
TOTAL LIABILITIES	5,843,143
NET POSITION	
Restricted for others	773,827
TOTAL NET POSITION	$ 773,827

The accompanying notes are an integral part of this statement.

FANNIN 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 entities	$ 32,649,352
Fees collected for other entities	429,876
Court individual cases	838,682
Inmate account deposits	172,739
TOTAL ADDITIONS	34,090,649
DEDUCTIONS	
Payment of taxes to other entities	32,649,352
Payments of fees to other entities	452,564
Payments to others	641,041
Payments to/for inmates	167,707
TOTAL DEDUCTIONS	33,910,664
CHANGE IN NET POSITION	179,985
NET POSITION, Beginning of year	-
CHANGE IN ACCOUNTING PRINCIPLE	593,842
NET POSITION, End of year	$ 773,827

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2020

	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	WATER AUTHORITY	TOTAL
ASSETS				
Cash	$ 415,285	$ 405,987	$ 103,203	$ 924,475
Receivables (net of allowance for uncollectibles)	66,061	-	129,956	196,017
Inventories	380	1,199,020	16,674	1,216,074
Prepaid items	-	10,473	-	10,473
Cash	-	-	676,433	676,433
Non-current assets:				
Property held for resale	-	-	3,300	3,300
Net pension asset	57,585	-	-	57,585
Capital assets:				
Capital assets not being depreciated	-	142,371	357,036	499,407
Capital assets being depreciated	45,763	1,371,576	5,917,473	7,334,812
Less: accumulated depreciation	(32,828)	(739,016)	(779,822)	(1,551,666)
Capital assets, net of depreciation	12,935	774,931	5,494,687	6,282,553
TOTAL ASSETS	552,246	2,390,411	6,424,253	9,366,910
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	122,471	-	-	122,471
OPEB expense	59,611	-	-	59,611
TOTAL DEFERRED OUTFLOWS OF RESOURCES	182,082	-	-	182,082
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	734,328	2,390,411	6,424,253	9,548,992
LIABILITIES				
Accounts payable	20,912	338	159,281	180,531
Accrued interest payable	-	-	1,606	1,606
Other accrued items	-	-	4,657	4,657
Due to other governments	7,833	32,974	114	40,921
Unearned revenue	-	-	4,658	4,658
Amounts held in trust	-	3,000	12,344	15,344
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	21,830	-	-	21,830
Notes from direct borrowing	-	36,299	8,679	44,978
Revenue bonds payable	-	-	29,302	29,302
Due in more than one year				
Compensated absences payable	21,830	-	-	21,830
Net OPEB liability	135,763	-	-	135,763
Net pension liability	515,775	-	-	515,775
Notes from direct borrowing	-	494,648	350,027	844,675
Revenue bonds payable	-	-	1,750,129	1,750,129
TOTAL LIABILITIES	723,943	567,259	2,320,797	3,611,999
DEFERRED INFLOWS OF RESOURCES				
Pension expense	16,055	-	-	16,055
OPEB expense	190,194	-	-	190,194
TOTAL DEFERRED INFLOWS OF RESOURCES	206,249	-	-	206,249
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	930,192	567,259	2,320,797	3,818,248
NET POSITION				
Net investment in capital assets	12,935	243,984	3,211,211	3,468,130
Restricted for:				
Debt service			124,594	124,594
Capital outlay projects	-	-	625,658	625,658
Housing and development	-	1,482,318	-	1,482,318
Public health and welfare	99,503	-	-	99,503
Unrestricted	(308,302)	96,850	141,993	(69,459)
TOTAL NET POSITION	$ (195,864)	$ 1,823,152	$ 4,103,456	$ 5,730,744

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	WATER AUTHORITY	TOTAL
	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET POSITION....			
COMPONENT UNITS								
GOVERNMENTAL ACTIVITIES								
Health Department	$ 704,506	$ 385,440	$ 388,348	$ -	$ 69,282	$ -	$ -	$ 69,282
BUSINESS-TYPE ACTIVITIES								
Water Authority	554,493	294,745	-	443,182	-	-	183,434	183,434
Development Authority	212,248	242,639	66,000	-	-	96,391	-	96,391
TOTAL COMPONENT UNITS	$ 1,471,247	$ 922,824	$ 454,348	$ 443,182	69,282	96,391	183,434	349,107
GENERAL REVENUES								
Unrestricted investment earnings					32	459	6,710	7,201
TOTAL GENERAL REVENUES AND TRANSFERS					32	459	6,710	7,201
CHANGES IN NET POSITION					69,314	96,850	190,144	356,308
NET POSITION, Beginning					(265,178)	1,726,302	3,913,312	5,374,436
NET POSITION, Ending					$ (195,864)	$ 1,823,152	$ 4,103,456	$ 5,730,744

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of FANNIN COUNTY, GEORGIA have been prepared in conformity with generally accepted accounting principles (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.

REPORTING ENTITY

The County is a political subdivision of the State of Georgia, located about 60 miles north of Atlanta. The County is governed by three elected Commissioners. In addition, there are four Constitutional Officers: the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable and for which a financial benefit or burden relationship is present. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the County.

Blended component units, although legally separate entities, are, in substance, part of the Government's operations. A brief description of the blended component unit follows:

> FANNIN COUNTY BUILDING AUTHORITY: The Building Authority is governed by a board appointed by the County Commissioners who have the ability to impose their will on the Building Authority. Although it is legally separate from the County, the Building Authority is reported as if it is a part of the primary government, as a blended component unit, because its primary purpose is to acquire, construct, and maintain capital projects for use by the County. Separate financial statements for the Building Authority are not prepared. Financial information related to the Fannin County Building Authority may be obtained from the Office of the County Clerk of Fannin County, Georgia.

Brief descriptions of discretely presented component units follow:

> FANNIN COUNTY DEPARTMENT OF PUBLIC HEALTH: The Health Department is governed by a seven member board comprimised of a Fannin County Commission representative, the Fannin County school superintendent, a licensed physician practicing in Fannin County, a City of Blue Ridge Council representative, and two members appointed by the City of Blue Ridge Council. The Health Department is reported as a component unit of the County because it is fiscally accountable. The Health Department

provides health related services to residents of Fannin County. The County provides the Health Department with its building space, liability insurance, maintenance on the building, and janitorial services. The presentation of the Health Department's financial information was taken from its audited financial report as of June 30, 2020. Separate financial statements for the Health Department can be obtained from their administrative offices at Georgia Department of Health Resources, Northwest Health District, 111 Bryant Crossing, Suite AA, Dalton, Georgia 30720.

DEVELOPMENT AUTHORITY OF FANNIN COUNTY: The Development Authority provides a means to develop and promote trade, commerce, industry, and employment opportunities within the County. The Development Authority is used as a flow through for grant monies and expenditures for real estate development projects. All nine board members are appointed by the County and the County has a significant financial relationship with the Development Authority. Separate financial statements for the Development Authority are not prepared. Financial information for the Fannin County Development Authority may be obtained from the Office of the County Clerk of Fannin County, Georgia.

FANNIN COUNTY WATER AUTHORITY: The Water Authority acquires, constructs, equips, maintains, and operates adequate water supply, treatment, and distribution facilities and sewerage collection, treatment, and distribution facilities, making such facilities and services available to public and private consumers and users located in the County. The Water Authority receives SPLOST allocated for water purposes from the County. All seven board members are appointed by the County and the County has a significant financial relationship with the Water Authority. The presentation of the Water Authority's financial information was taken from its audited financial report as of June 30, 2020. Separate financial statements for the Water Authority may be obtained from their administrative offices at 400 West Main Street, Suite 101 B, Blue Ridge, Georgia 30513.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally are supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 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 individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements (fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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.

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 property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period for which they are imposed. 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 tax, franchise taxes, charges for services, and interest 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 reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Excise Tax Lodging Fund* is used to account for collection of special sales tax to be used for tourism promotion within the County.

The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax, passed by the 2011 and 2017 Special Purpose Local Option Sales Tax referendums, which are reserved for construction of various capital projects.

Additionally, the County reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specified purposes.

Capital projects funds account for acquisition and construction of the County's capital assets.

Fiduciary funds are custodial in nature and do not represent results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff hold for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

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 "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. The 2020 taxes were levied August 30, 2020, and were due December 20, 2020. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien 90 days after the due date. Property taxes levied during 2020 are to fund operations for the County's fiscal year beginning January 1, 2020.

The County's property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Bond Premiums and Discounts

Premiums and discounts, if applicable, are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Restricted Assets

Certain proceeds of the County's capital leases or debt issues may be classified as restricted assets on the balance sheet if they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, culverts, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of three years or an acquisition of land at any cost. Roads, bridges, culverts, and other infrastructure are defined by the County as projects with an individual cost of $50,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Roads, bridges, and culverts acquired prior to July 1, 1980 have not been reported.

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.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Assets	Years
Buildings & Improvements	20-50	Vehicles	2-15
Vehicles and Equipment	2-15	Infrastructure	30
		Land	N/A

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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item consists of the deferred charge in pension expense. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. These two items consist of unavailable revenue and deferred inflows related to pension expense. Unavailable revenue, arises under the modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and ambulance charges. The deferred inflows related to pension expense represents differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. Vacation leave is forfeited if not taken by December 31st of each calendar year. Therefore, it is expensed as incurred.

Long-term Obligations

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fannin County Defined Benefit Plan (Plan) and additions to/from from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity/Net Position

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

> *Nonspendable* - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of December 31, 2020 are as follows:

Net investment in capital assets	Governmental Activities	Component Unit Development Authority
Cost of capital assets	$ 72,216,730	$ 1,513,947
Less accumulated depreciation	(39,248,694)	(739,016)
Book value	32,968,036	774,931
Less capital related debt	(1,672,959)	(530,947)
Net investment in capital assets	$ 31,295,077	$ 243,984

Management Estimates

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

NOTE 2 - FUND BALANCE/NET POSITION

The governmental activities statement of net position reports $11,603,668 of restricted net position, of which $10,789,331 is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:	
Excise Lodging Tax	
Housing & development - To account for Hotel/Motel Tax funds received to promote tourism, conventions, and trade shows.	$ 455,419
SPLOST Fund	
Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum.	9,644,583

Nonmajor Restricted Programs Funds

Judicial Programs -	
Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15.	26,763
Victims Rights and Assistance Fund - To account for funds collected from fines and forfeitures to be used for assisting victims of crime.	6,829
Juvenile Fund - To account for funds collected from fines and forfeitures to be used for the juvenile court.	48,710
Clerk's Technology Fund - To account for funds collected from fines and forfeitures to be used for the Clerk of Court.	280,447
Subtotal - Restricted for Judicial Programs	362,749
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	662,566
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	78,742
Multiple Grant Fund - Used to account for public safety administered state reimbursement grants.	219,376
Donations/Special Projects Fund - To account for funds collected from donations to be used for the Sheriff.	6,053
Jail Fund - Used to account for funds collected from fines and forfeitures to be used for maintenance of the County Jail.	23,996
Inmate Welfare Fund - Used to account for funds legally restricted for the benefit of detainees in the County Jail.	2,078
Confiscated Assets Fund - to account for funds from seizures to be used for law enforcement activities.	8,677
Subtotal - Restricted for Public Safety Programs	1,001,488
Housing and Development Programs -	
Revolving Loan Fund - Used to account for funds received to loan to business for economic development.	109,243
Capital Outlay Projectss -	
Capital Improvements Fund - Used to account for funds received from issuance of bonds, intergovernmental grants, and transfers from other funds that have not been spent.	1,327
Total Restricted Fund Balance	$ 11,574,809

Assigned:
General Fund

Appropriated as a resource in next year's budget	$ 1,051,344

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The County Commission adopts an annual budget for all governmental fund types prior to no later than the first County meeting in December.

Prior to September 1, the proposed budget is presented to the Board of Commissioners for review. The final budget must be prepared and adopted no later than the first County meeting in December. Public hearings are conducted by the Board of Commissioners to obtain taxpayer comments.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses must be approved by the Board of Commissioners.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

DEFICIT FUND BALANCES

There are no funds with deficits.

NOTE 4 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of December 31, 2020, all deposits of the County were insured or collateralized.

Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

> Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.
>
> Under the *pooled method,* a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The County utilized both methods to secure its deposits of public funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. The County does not have an investment policy that would further limit these investment choices.

A hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring that the most observable inputs be used when available was establish. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 process, such as quoted prices for similar assets, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 assets are not actively traded, and their values can only be estimated using a combination of complex market prices, mathematical models, and subjective assumptions. As of December 31, 2020, the County did not hold any assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition.

Concentration of Credit Risk

The County places no limit on the amount it may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 5 - RECEIVABLES

PRIMARY GOVERNMENT

Receivables as of year-end for the County's individual major funds and nonmajor governmental funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Excise Lodging Tax	SPLOST	Nonmajor Governmental Funds
Receivables:				
Property Taxes	$ 862,124	$ -	$ 715,081	$ -
Accounts	1,517,309	456,554	-	231,464
Intergovernmental	612,181	-	-	33,169
Total Gross Receivables	2,991,614	456,554	715,081	264,633
Less: Allowance for Uncollectibles	(1,184,751)	-	-	-
Total Net Receivables	$ 1,806,863	$ 456,554	$ 715,081	$ 264,633

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable (General Fund)	$ 383,237
Ambulance Charges (General Fund)	46,359
Total unavailable revenue for governmental funds	$ 429,596

Property taxes receivable at December 31, 2020, consist of the following:

Digest Year	General Fund
2020	$ 709,148
2019	92,650
2018	20,548
2017	7,938
2016	6,878
2015	9,815
2014	10,532
2013	4,024
2012	327
2011	264
Total	$ 862,124

DISCRETELY PRESENTED COMPONENT UNITS

Receivables as of year-end for the County's component units, including the applicable allowances for uncollectible accounts are as follows:

	Water Authority	Health Department
Receivables:		
Accounts	$ 62,716	$ 49,166
Intergovernmental	87,769	16,895
Total Gross Receivables	150,485	66,061
Less: Allowance for Uncollectibles	(20,529)	-
Total Net Receivables	$ 129,956	$ 66,061

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended December 31, 2020, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 2,253,633	$ -	$ -	$ -	$ 2,253,633
Construction in progress	1,363,418	418,175	-	(392,264)	1,389,329
Total non-depreciable capital assets	3,617,051	418,175	-	(392,264)	3,642,962
Depreciable Assets:					
Land improvements	-	-	-	-	-
Buildings and improvements	23,882,866	49,824	-	392,264	24,324,954
Vehicles and equipment	14,464,471	796,361	-	-	15,260,832
Infrastructure	28,183,367	804,615	-	-	28,987,982
Total depreciable capital assets	66,530,704	1,650,800	-	392,264	68,573,768
Less Accumulated Depreciation for:					
Land improvements	-	-	-	-	-
Buildings and improvements	7,041,909	493,532	-	-	7,535,441
Vehicles and equipment	11,363,509	761,291	-	-	12,124,800
Infrastructure	18,689,882	898,571	-	-	19,588,453
Total accumulated depreciation	37,095,300	2,153,394	-	-	39,248,694
Total depreciable capital assets, net	29,435,404	(502,594)	-	392,264	29,325,074
Governmental activities capital assets, net	$ 33,052,455	$ (84,419)	$ -	$ -	$ 32,968,036

Additions to governmental activities capital assets for the fiscal year ending December 31, 2020, consist of the following:

Capital Outlay	$ 2,047,675
Donated Assets	21,300
Total	$ 2,068,975
Non-depreciable capital assets additions	$ 418,175
Depreciable capital assets additions	1,650,800
Total	$ 2,068,975

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 195,183
Judicial	10
Public Safety	724,933
Public Works	1,062,744
Public Health and Welfare	43,456
Recreation and Culture	123,930
Housing and Development	3,138
Total depreciation expense-governmental activities	$ 2,153,394

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2020, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended to Date	Contracts in Progress	Authorized Not Obligated	Sources
Governmental Activities:					
Whitepath Administrative Building	3,500,000	1,389,329	-	2,110,671	SPLOST
Total Governmental Activities	$ 3,500,000	$ 1,389,329	$ -	$ 2,110,671	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Depreciable Assets:				
Leasehold Improvements	$ 6,580	$ -	$ -	$ 6,580
Vehicles and Equipment	39,183	-	-	39,183
Total depreciable capital assets	45,763	-	-	45,763
Less Accumulated Depreciation for:				
Leasehold Improvements	6,563	-	-	6,563
Vehicles and Equipment	21,265	5,000	-	26,265
Total accumulated depreciation	27,828	5,000	-	32,828
Capital Assets, net	$ 17,935	$ (5,000)	$ -	$ 12,935

Activity for the *Development Authority* for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Non-Depreciable Assets:				
Land	$ 142,371	$ -	$ -	$ 142,371
Total Non-Depreciable Assets	142,371	-	-	142,371
Depreciable Assets:				
Land improvements	5,000	-	-	5,000
Buildings and improvements	1,355,385	-	-	1,355,385
Equipment	11,191	-	-	11,191
Total Depreciable assets	1,371,576	-	-	1,371,576
Less Accumulated Depreciation for:				
Equipment	(685,871)	(92,985)	39,840	(739,016)
Total accumulated depreciation	(685,871)	(92,985)	39,840	(739,016)
Total depreciable capital assets, net	685,705	(92,985)	39,840	632,560
Capital Assets, net	$ 828,076	$ (92,985)	$ 39,840	$ 774,931

Activity for the *Water Authority* for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Non-Depreciable Assets:				
Land & Easements	$ 75,517	$ -	$ -	$ 75,517
Construction in progress	868,412	243,314	(830,207)	281,519
Total Non-Depreciable Assets	943,929	243,314	(830,207)	357,036
Depreciable Assets:				
Land improvements	83,822	3,000	-	86,822
Buildings	37,041	-	-	37,041
Infrastructure	4,585,867	861,437	-	5,463,424
Vehicles & Equipment	351,663	33,770	(55,247)	330,186
Total Depreciable assets	5,058,393	898,207	(55,247)	5,917,473
Less Accumulated Depreciation for:				
Infrastructure	(472,575)	(127,300)	-	(601,218)
Land improvements	(18,161)	(4,366)	-	(22,527)
Buildings	(7,124)	(1,852)	-	(8,976)
Equipment	(140,184)	(35,921)	29,004	(147,101)
Total accumulated depreciation	(638,044)	(169,439)	27,661	(779,822)
Total depreciable capital assets, net	4,420,349	728,768	(27,586)	5,137,651
Capital Assets, net	$ 5,364,278	$ 972,082	$ (857,793)	$ 5,494,687

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Installment Sale Agreement	$ 2,184,094	$ -	$ (1,074,973)	$ 1,109,121	$ 1,109,121	$ -
Notes from direct borrowings	20,079	-	(20,079)	-	-	-
Capital leases	797,331	-	(233,492)	563,839	147,821	416,017
Net pension liability	4,301,130	-	(922,778)	3,378,352	-	3,378,352
Governmental activities long-term liabilities	$ 7,302,634	$ -	$ (2,251,322)	$ 5,051,312	$ 1,256,942	$ 3,794,369

GOVERNMENTAL ACTIVITIES

Installment Sale Agreement

The County has entered into an installment sale agreement with the Association of County Commissioners of Georgia ("ACCG") for the purpose of refunding outstanding certificates of participation and revenue bonds issued in 2001 in conjunction with the construction of a new courthouse and jail facilities and the purchase of land for a County park. The substance of the agreement provided for the sale and simultaneous repurchase of the County's courthouse and jail facilities for a cost of $9,325,250, an amount sufficient to refund the outstanding certificates and bonds and to cover other costs of the transaction. The ACCG has assigned this agreement to the Bank of America. The County has pledged the County Courthouse and Jail building for collateral for the agreement. The installment sale agreement bears an interest rate of 2.39%. At December 31, 2020, the outstanding balance was $1,109,121. The loan will mature in 2021.

The annual requirements to amortize the installment sale agreement outstanding as of December 31, 2020, are as follows:

December 31,	Principal	Interest	Total
2021	$ 1,109,121	$ 13,254	$ 1,122,375
Total	$ 1,109,121	$ 13,254	$ 1,122,375

Capital Leases

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, $240,906 was included in depreciation expense. The balance of these leases at December 31, 2020 is $563,839 for governmental activities.

The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment and vehicles for EMS, fire, and road. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Vehicles and equipment	$ 1,196,681
Less: Accumulated Depreciation	(574,337)
Total	$ 622,344

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year Ending December 31,	Governmental Activities
2021	$ 159,867
2022	156,157
2023	152,446
2024	121,300
Total minimum lease payments	589,770
Less: amount representing interest (0.00% - 3.04%)	(25,931)
Present value of minimum lease payments	$ 563,839

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the *Health Department* for the year ended December 31, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 49,577	$ 18,872	$ (24,789)	$ 43,660	$ 21,830	$ 21,830
Net OPEB Liability	266,005	-	(130,242)	135,763	-	135,763
Net Pension Liability	482,265	33,510	-	515,775	-	515,775
Total long-term Liabilities	$ 797,847	$ 85,892	$ (24,789)	$ 695,198	$ 21,830	$ 673,368

Long-term debt activity for the *Development Authority* for the year ended December 31, 2020, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Notes from direct borrowings	$ 567,034	$ -	$ (36,087)	$ 530,947	$ 36,299	$ 494,648
Total long-term liabilities	$ 567,034	$ -	$ (36,087)	$ 530,947	$ 36,299	$ 494,648

During 2011, the Development Authority entered into $500,000 of direct borrowings from the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. The agreement was awarded in two parts; Part One payments are due in quarterly installments with annual principal amounts of $17,632 and a 0.00% interest rate, and Part Two payments are due in quarterly installments with annual principal amounts of $9,880 and a 3.00% interest rate. As of December 31, 2020, the outstanding balance for Part One was $237,858 and the outstanding balance for Part Two was $92,276. These notes from direct borrowing will mature from October 2031 to October 2036.

During 2016, the Development Authority entered into $229,500 of direct borrowings from the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. Debt service payments are due in quarterly installments with annual principal amounts of $11,475 and a 0.00% interest rate. As of December 31, 2020, the outstanding balance is $200,813. This note from direct borrowing will mature in April 2038.

The annual requirements to amortize long-term debt as of December 31, 2020, are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 36,299	$ 2,688	$ 38,987
2022	36,517	2,470	38,987
2023	36,742	2,245	38,987
2024	36,974	2,013	38,987
2025	37,212	1,775	38,987
2026-2030	189,903	5,031	194,934
2031-2035	122,042	183	122,225
2036-2040	35,258	-	35,258
Total	$ 530,947	$ 16,405	$ 547,352

Long-term debt activity for the *Water Authority* for the year ended December 31, 2020, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Revenue Bonds payable	$ 1,807,798	$ -	$ (28,367)	$ 1,779,431	$ 29,302	$ 1,750,129
Notes from direct borrowings	375,802	-	(17,096)	358,706	8,679	350,027
Total long-term liabilities	$ 2,183,600	$ -	$ (45,463)	$ 2,138,137	$ 37,981	$ 2,100,156

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of December 31, 2020, is as follows:

Due To	Due From			
	Excise Lodging Tax	SPLOST	Other Nonmajor Governmental Funds	Total Due from Other Funds
General Fund	$ 229,518	$ 100,016	$ 165	$ 329,699
Total Due to Other Funds	$ 229,518	$ 100,016	$ 165	$ 329,699

These balances resulted from 1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, 2) the time lag between the dates that transactions are recorded in the accounting system, 3) the time lag between the dates that payments between funds are made, 4) short-term loans, and 5) to fund capital projects.

Interfund transfers as of the year ended December 31, 2020, are as follows:

Transfers Out	Transfers in			
	General Fund	Excise Lodging Tax	Other Nonmajor Governmental Funds	Total Transfers Out
General Fund	$ -	$ 84,689	$ 584,819	$ 669,508
Excise Lodging Tax	1,530,611	-	-	1,530,611
Total - Transfers in	$ 1,530,611	$ 84,689	$ 584,819	$ 2,200,119

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, and 3) move the County's matching portion on federal and state grants.

NOTE 10 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Fannin County Defined Benefit Plan (the "Plan"), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 17.01 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 17.02 of the ACCG Plan Document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Government Employees Benefits Corporation of Georgia, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

All full-time employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. The plan is closed to employees with a commencement date on or after July 1, 2018. Participants become eligible to retire with unreduced benefits at age 65 or the anniversary of the required years of service under which the ACCG Plan specifies. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1% of annual average compensation up to $10,000 plus 1.5% of average annual compensation in excess of $10,000 plus $50 multiplied by years of service. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death before retirement or early retirement subject to certain early retirement reduction factors. These benefit provisions were established by an adoption agreement executed by the County Commission.

Participant counts as of January 1, 2019, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	77
Terminated plan participants entitled to but not yet receiving benefits	99
Active employees participating in the Plan	199
Total number of Plan participants	375
Covered compensation for active participants	$ 6,269,273
Contributions as a percentage of covered payroll	11.50%

Contributions

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2019 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary Increases	2.50% - 5.50%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected with Scale AA for Males and Females.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study dated February, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.07%
Domestic large equities	30.00	1.97%
Domestic mid equities	5.00	0.86%
Domestic small equities	5.00	0.30%
REIT	5.00	0.52%
International	15.00	0.47%
Multi cap	5.00	0.51%
Global allocation	5.00	0.58%
TOTAL	100.00%	

* Rates shown are net of inflation

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

Change in the Net Pension Liability

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2019	$ 15,652,801	$ 11,351,671	$ 4,301,130
Changes for the year:			
Service cost	321,233	-	321,233
Interest	1,073,954	-	1,073,954
Difference between expected and actual experience	16,367	-	16,367
Assumption Change	687,357	-	687,357
Contribution-employer	-	772,930	(772,930)
Net investment income	-	2,386,516	(2,386,516)
Benefit payments	(621,203)	(621,203)	-
Administrative expense	-	(46,050)	46,050
Other charges	-	(91,707)	91,707
Net changes	1,477,708	2,400,486	(922,778)
Balances at December 31, 2020*	$ 17,130,509	$ 13,752,157	$ 3,378,352

* Measurement date of December 31, 2019

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

	1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 5,737,650	$ 3,378,352	$ 1,420,767

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

For the year ended December 31, 2020, the County recognized pension expense of $939,482. The required contribution for the year ended December 31, 2020 was $772,930.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 451,131
Changes of assumptions	779,313	-
Net difference between projected and actual earnings on pension plan investments	-	-
County contributions subsequent to the measurement date	860,656	-
TOTAL	$ 1,639,969	$ 451,131

County contributions of $860,656 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year December 31, 2021.

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

Year Ended December 31,	
2021	$ 114,344
2022	$ 127,072
2023	$ 304,579
2024	$ (217,753)
2025	$ -
Thereafter	$ -

DEFINED CONTRIBUTION PLAN

Plan Description

The County contributes to two deferred compensation plans administered by independent plan administrators through an administrative agreement; Plan A is administered by Nationwide Retirement Solutions and Plan B is administered by GEBCorp. Both plans were established by the County in July, 2018 pursuant to Section 401(a) of the Internal Revenue Code of 1986 as a Money-Purchase Plan and Trust. Any employees hired after July 1, 2018 can enroll in the County's 401(a) defined contribution plan. The County will provide a match up to 4% of the employee's salary, which is deposited into the 401(a). Employees are eligible after six months of employment and are fully vested after five years. Plan provisions and contribution requirements are established and may be amended by resolution of the County Commissioners. Neither Plan A nor Plan B issue a stand alone report.

Funding Policy

Contributions totaling $86,274 ($0 employer and $86,274 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all County employees, permits them 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. Because the assets are held in trust for the employees, they are not assets of the County and are not reported in these financial statements.

NOTE 11 - CONTINGENT LIABILITIES AND COMMITMENTS

The County's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are not significant for any of the major funds nor for the nonmajor funds in total.

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County may be a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are ways the County handles these risks:

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At December 31, 2020, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

As part of this risk pool (GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

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

GROUP HEALTH INSURANCE

The County provides health care benefits to its active employees and their dependents through a partially self-insured plan administered by Benefit Support, Inc. Under this arrangement, the County is responsible for paying all claims but purchases reinsurance policies through an insurance provider that is responsible for paying claims in excess of $100,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At December 31, 2020, the County included in accrued expenses $1,375 for unpaid claims. This liability was determined based on actual claims received for the first two months after year-end plus projected claims based on prior years activity. These claims are expected to be paid within 12 months of the year-end.

	Beginning of Year	Incurred Claims and Changes in Estimates	Claims Payments	End of Year
Year ended December 31, 2019	$ 419,666	$ 2,390,790	$ (2,490,202)	$ 320,254
Year ended December 31, 2020	$ 320,254	$ -	$ (318,879)	$ 1,375

As of July 1 2020, the County terminated it's plan with Benefit Support Inc. and now provides health care benefits to its active employees and their dependents through a fully-insured policy plan administered by United Healthcare Insurance Company.

OTHER

The County also purchases combined automobile, crime, liability, and property insurance coverage from the Association County Commissioners of Georgia. The following is a summary of coverage at December 31, 2020:

Property Losses	$ -	aggregate
Comprehensive General Liability	$ 2,000,000	per occurrence
Automobile Liability	$ 1,250,000	per occurrence
Law Enforcement Liability	$ 2,000,000	per occurrence
Crime Coverage (theft/fraud)	$ 150,000	per occurrence
Errors and Omission Liability	$ 2,000,000	per occurrence
	$ 4,000,000	aggregate

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of December 31, 2020.

Settled claims in the past three years have not exceeded the coverage.

NOTE 13 - NORTHWEST GEORGIA REGIONAL COMMISSION

Under Georgia Law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. During the year ended December 31, 2020, the County paid $23,200 in such dues. Membership in the NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The NWGRC Board membership includes the chief elected official in each county and municipality of the area. The County Board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

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

Separate financial statements for the NWGRC can be obtained from NWGRC, P.O. Box 1798, Rome, Georgia 30162.

NOTE 14 - RELATED PARTIES

The County entered into a license agreement on June 25, 1986 with the Tennessee Valley Authority (TVA) whereby the County has use of four TVA houses and land adjoining the Lake Blue Ridge dam site. The County is responsible for the maintenance, upkeep, and security of these properties. During the current year, the County has discussed with the TVA a possible restructure of the license agreement under which the County would be able to use the property as a park for County residents.

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County elected an early closure date of April 10, 1994 when the solid waste landfill facility reached 80% capacity. In 1994, engineering studies estimated post closure costs of approximately $66,121 to complete the closure of the landfill. These costs were based on the amounts that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of the expected date of closure of December 31, 1996. Amounts were expensed as closure of the landfill was completed. On February 1, 2000, the County received its closure certificate; therefore, no significant future expenditures are expected. At the end of the current year, no liability remains for the post closure care costs.

NOTE 16 - SIGNIFICANT ESTIMATES

As discussed in Note 1, estimates are used in the preparation of these financial statements. Three of the estimates qualify as significant estimates in that it is reasonably possible that the estimates will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

These estimates are as follows:

The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

The estimate for allowance for doubtful accounts relating to Fannin County EMS accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than one year old.

The amount reported as the estimated amounts for the net pension liability, and related deferred outflows and deferred inflows, qualify as significant estimates and are based on actuarial studies and projections.

NOTE 17 - HOTEL/MOTEL TAX

During the year ended December 31, 2020, the County had receipts of $3,048,926 and spent $1,521,058 to promote tourism, conventions, and trade shows. The total expenditures represent 50% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County has complied with the requirements of this law.

NOTE 18 - COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacted many industries. The outbreak could have a continues material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any predication as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the County, its performance, and its financial results.

On March 27, 2020 the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was enacted. The County received $1,214,466 as of December 31, 2020. These funds are reimbursements to the County for expenditures related to public safety and various items during the COVID-19 pandemic.

NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE

In conformity with GAAP, as set forth in Statement No. 84 of the Governmental Accounting Standards Board, "Fiduciary Activities," December 31, 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.

This restatement affected the beginning net position in the custodial funds as follows:

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
2019 net position, as previously reported	$ -	$ -	$ -	$ -	$ -	$ -
Effect of GASB 84 on the statement of net position	245,883	283,133	22,096	8,424	34,306	593,842
2019 net position, as restated	$ 245,883	$ 283,133	$ 22,096	$ 8,424	$ 34,306	$ 593,842

FANNIN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
FANNIN COUNTY DEFINED BENEFIT PLAN
For the Year Ended December 31, 2020
"Unaudited"

For the Year Ended December 31,	2020	2019	2018	2017	2016	2015
Net pension liability	$ 3,378,352	$ 4,301,130	$ 2,495,708	$ 4,010,052	$ 3,049,024	$ 2,685,259
Covered payroll	$ 6,269,273	$ 6,134,828	$ 5,847,302	$ 5,950,065	$ 5,024,137	$ 5,377,003
Net pension liability as a percentage of its covered payroll	53.89%	70.11%	42.68%	67.40%	60.69%	49.94%
Plan fiduciary net position as a percentage of the total pension liability	80.30%	72.50%	82.53%	71.59%	75.17%	77.20%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

FANNIN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS -
FANNIN COUNTY DEFINED BENEFIT PLAN
For the Year Ended December 31, 2020
"Unaudited"

For the Year Ended December 31,	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 860,656	$ 772,930	$ 805,768	$ 784,291	$ 816,970	$ 635,829
Contributions in relation to the contractually required contribution	860,656	772,930	805,768	784,291	816,970	635,829
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 6,492,529	$ 6,269,273	$ 6,134,828	$ 5,847,302	$ 5,950,065	$ 5,024,137
Contributions as a percentage of covered payroll	13.26%	12.33%	13.13%	13.41%	13.73%	12.66%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

FANNIN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
FANNIN COUNTY DEFINED BENEFIT PLAN
For the Year Ended December 31, 2020
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as December 31, one year prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended December 31, 2020 reported in that schedule:

Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	2.00%
Salary Increases	2.50% - 5.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 11,355,778	$ 11,355,778	$ 11,355,778	$ -
RESOURCES (INFLOWS)				
Taxes	13,985,929	14,585,929	17,091,303	2,505,374
Licenses and permits	268,300	268,300	328,497	60,197
Intergovernmental	1,553,330	2,609,830	2,756,173	146,343
Fines and forfeitures	471,600	471,600	509,720	38,120
Charges for services	1,641,550	1,641,550	1,543,754	(97,796)
Contributions and donations	-	-	22,706	22,706
Investment income	13,700	13,700	12,807	(893)
Miscellaneous	29,200	29,200	70,674	41,474
Sale of county property	25,000	25,000	47,298	22,298
Transfers in	1,250,000	1,250,000	1,530,611	280,611
Total Resources (Inflows)	19,238,609	20,895,109	23,913,543	3,018,434
AMOUNTS AVAILABLE FOR APPROPRIATION	30,594,387	32,250,887	35,269,321	3,018,434
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	1,530,000	2,130,000	2,121,400	8,600
Governing Body	631,042	631,042	620,618	10,424
Elections	327,886	327,886	301,575	26,311
Purchasing	18,000	50,000	43,939	6,061
Tax commissioner	380,790	430,790	430,109	681
Tax assessor	677,443	677,443	609,584	67,859
Buildings	639,610	754,610	732,013	22,597
Board of equalization	29,936	29,936	12,282	17,654
Other general government	300,000	345,000	342,872	2,128
Total General Government	4,534,707	5,376,707	5,214,392	162,315
Judicial				
Superior court	286,236	286,236	265,131	21,105
Clerk of Superior court	573,048	573,048	557,511	15,537
District attorney	405,170	420,170	400,047	20,123
Magistrate court	257,894	257,894	223,965	33,929
Probate court	314,039	319,039	315,726	3,313
Juvenile court	258,185	258,185	248,710	9,475
Public defender	279,785	297,785	284,469	13,316
Total Judicial	2,374,357	2,412,357	2,295,559	116,798
Public Safety				
Sheriff	2,310,528	2,335,528	2,330,808	4,720
Jail operation	1,472,701	1,532,701	1,527,180	5,521
Court services	138,809	163,809	160,098	3,711
Fire	788,235	833,235	831,360	1,875
Emergency medical services	2,204,683	2,654,683	2,653,118	1,565
Coroner/Medical Examiner	73,916	88,916	88,327	589
E-911/Communications center	541,370	-	-	-
Agencies	-	7,000	6,858	142
Emergency Management Agency	130,556	130,556	113,051	17,505
Animal control	202,546	202,546	192,343	10,203
Total Public Safety	7,863,344	7,948,974	7,903,143	45,831
Public Works				
Highways and streets	1,947,045	1,947,045	1,582,334	364,711
Other public works	1,134,750	1,137,750	1,137,220	530
Total Public Works	3,081,795	3,084,795	2,719,554	365,241

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Public Health and Welfare				
Health department	58,995	58,995	56,438	2,557
Senior citizens center	197,501	197,501	41,086	156,415
Children and family services	50,558	50,558	41,487	9,071
Agencies	29,554	30,054	30,044	10
Total Public Health and Welfare	336,608	337,108	169,055	168,053
Recreation and Culture				
Parks and recreation	854,977	854,977	820,969	34,008
Library	224,910	229,910	229,118	792
Agencies	33,212	33,212	23,525	9,687
Arts	110,753	111,753	111,065	688
Total Recreation and Culture	1,223,852	1,229,852	1,184,677	45,175
Housing and development				
Urban redevelopment and housing	282,584	282,584	261,832	20,752
Development authority	184,478	194,478	191,149	3,329
Other housing and development	35,500	35,500	23,200	12,300
Total Housing and Development	502,562	512,562	476,181	36,381
Transfers out	-	671,370	669,508	1,862
TOTAL CHARGES TO APPROPRIATIONS	19,917,225	21,573,725	20,632,069	941,656
CHANGE IN FUND BALANCE	(678,616)	(678,616)	3,281,474	3,960,090
FUND BALANCE, End of year	$ 10,677,162	$ 10,677,162	$ 14,637,252	$ 3,960,090

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
EXCISE LODGING TAX FUND
For the Year Ended December 31, 2020
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 372,891	$ 372,891	$ 372,891	$ -
RESOURCES (INFLOWS)				
Taxes	1,799,840	3,330,451	3,048,926	(281,525)
Licenses and permits	-	-	71	71
Investment income	160	160	511	351
Transfers in	-	-	84,689	84,689
Total Resources (Inflows)	1,800,000	3,330,611	3,134,197	(196,414)
AMOUNTS AVAILABLE FOR APPROPRIATION	2,172,891	3,703,502	3,507,088	(196,414)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development				
Economic development	1,800,000	1,800,000	1,521,058	278,942
Total Housing and Development	1,800,000	1,800,000	1,521,058	278,942
Transfers out	-	1,530,611	1,530,611	-
TOTAL CHARGES TO APPROPRIATIONS	1,800,000	3,330,611	3,051,669	278,942
CHANGE IN FUND BALANCE	-	-	82,528	82,528
FUND BALANCE, End of year	$ 372,891	$ 372,891	$ 455,419	$ 82,528

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY FUND	CONFISCATED ASSETS FUND	MULTIPLE GRANT FUND	CRIME VICTIMS ASSISTANCE FUND	DRUG FUND	JAIL FUND	JUVENILE FUND
ASSETS							
Cash	$ 25,753	$ 8,677	$ 128,782	$ 6,149	$ 78,686	$ 23,801	$ 48,710
Receivables (net of allowance for uncollectibles)	1,010	-	103,176	680	56	195	-
Prepaid items	-	-	-	-	-	-	-
TOTAL ASSETS	$ 26,763	$ 8,677	$ 231,958	$ 6,829	$ 78,742	$ 23,996	$ 48,710
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 12,417	$ -	$ -	$ -	$ -
Interfund payables	-	-	165	-	-	-	-
TOTAL LIABILITIES	-	-	12,582	-	-	-	-
FUND BALANCES							
Prepaid expenditure	-	-	-	-	-	-	-
Restricted:							
Capital outlay projects	-	-	-	-	-	-	-
Judicial programs	26,763	-	-	6,829	-	-	48,710
Public safety programs	-	8,677	219,376	-	78,742	23,996	-
Housing and development programs	-	-	-	-	-	-	-
TOTAL FUND BALANCES	26,763	8,677	219,376	6,829	78,742	23,996	48,710
TOTAL LIABILITIES AND FUND BALANCES	$ 26,763	$ 8,677	$ 231,958	$ 6,829	$ 78,742	$ 23,996	$ 48,710

FANNIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS	
	CLERKS TECHNOLOGY FUND	REVOLVING LOAN FUND	DONATIONS/ SPECIAL PROJECTS FUND	E-911 FUND	INMATE WELFARE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 280,447	$ 51,414	$ 6,053	$ 570,410	$ 2,078	$ 1,327	$ 1,232,287
Receivables (net of allowance for uncollectibles)	-	57,829	-	101,687	-	-	264,633
Prepaid items	-	-	-	13,598	-	-	13,598
TOTAL ASSETS	$ 280,447	$ 109,243	$ 6,053	$ 685,695	$ 2,078	$ 1,327	$ 1,510,518
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ 9,531	$ -	$ -	$ 21,948
Interfund payables	-	-	-	-	-	-	165
TOTAL LIABILITIES	-	-	-	9,531	-	-	22,113
FUND BALANCES							
Prepaid expenditure	-	-	-	13,598	-	-	13,598
Restricted:							
Capital outlay projects	-	-	-	-	-	1,327	1,327
Judicial programs	280,447	-	-	-	-	-	362,749
Public safety programs	-	-	6,053	662,566	2,078	-	1,001,488
Housing and development programs	-	109,243	-	-	-	-	109,243
TOTAL FUND BALANCES	280,447	109,243	6,053	676,164	2,078	1,327	1,488,405
TOTAL LIABILITIES AND FUND BALANCES	$ 280,447	$ 109,243	$ 6,053	$ 685,695	$ 2,078	$ 1,327	$ 1,510,518

FANNIN 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							
	LAW LIBRARY FUND	CONFISCATED ASSETS FUND	MULTIPLE GRANT FUND	CRIME VICTIMS ASSISTANCE FUND	DRUG FUND	JAIL FUND	JUVENILE FUND	CLERKS TECHNOLOGY FUND
REVENUES								
Intergovernmental	-	-	226,802	-	-	-	-	46,125
Fines and forfeitures	8,873	10,761	-	10,568	10,964	13,050	-	-
Charges for services	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-
Investment income	48	12	433	7	129	22	81	189
Miscellaneous	-	-	1,815	-	-	5,220	-	-
TOTAL REVENUES	8,921	10,773	229,050	10,575	11,093	18,292	81	46,314
EXPENDITURES								
Current Expenditures								
Judicial	10,057	-	20,782	12,251	-	-	800	59,575
Public safety	-	9,157	53,994	-	10,634	4,979	-	-
Housing and development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	49,167	-	-	-	-	-
Capital outlay	-	-	45,744	-	-	-	-	-
TOTAL EXPENDITURES	10,057	9,157	169,687	12,251	10,634	4,979	800	59,575
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,136)	1,616	59,363	(1,676)	459	13,313	(719)	(13,261)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,136)	1,616	59,363	(1,676)	459	13,313	(719)	(13,261)
FUND BALANCES, Beginning of year	27,899	7,061	160,013	8,505	78,283	10,683	49,429	293,708
FUND BALANCES, End of year	$ 26,763	$ 8,677	$ 219,376	$ 6,829	$ 78,742	$ 23,996	$ 48,710	$ 280,447

FANNIN 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				CAPITAL PROJECTS FUNDS	
	REVOLVING LOAN FUND	DONATIONS/ SPECIAL PROJECTS FUND	E-911 FUND	INMATE WELFARE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Intergovernmental	-	-	-	-	-	272,927
Fines and forfeitures	-	-	-	-	-	54,216
Charges for services	-	-	584,325	15,428	-	599,753
Contributions and donations	-	1,500	-	-	-	1,500
Investment income	69	9	576	-	6	1,581
Miscellaneous	-	-	3,890	-	-	10,925
TOTAL REVENUES	69	1,509	588,791	15,428	6	940,902
EXPENDITURES						
Current Expenditures						
Judicial	-	-	-	-	-	103,465
Public safety	-	270	723,618	17,152	-	819,804
Housing and development	96	-	-	-	-	96
Intergovernmental	-	-	-	-	-	49,167
Capital outlay	-	-	40,941	-	-	86,685
TOTAL EXPENDITURES	96	270	764,559	17,152	-	1,059,217
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(27)	1,239	(175,768)	(1,724)	6	(118,315)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	584,819	-	-	584,819
TOTAL OTHER FINANCING SOURCES (USES)	-	-	584,819	-	-	584,819
NET CHANGE IN FUND BALANCES	(27)	1,239	409,051	(1,724)	6	466,504
FUND BALANCES, Beginning of year	109,270	4,814	267,113	3,802	1,321	1,021,901
FUND BALANCES, End of year	$ 109,243	$ 6,053	$ 676,164	$ 2,078	$ 1,327	$ 1,488,405

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 27,899	$ 27,899	$ 27,899	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	7,460	10,060	8,873	(1,187)
Investment income	40	40	48	8
Total Resources (Inflows)	7,500	10,100	8,921	(1,179)
AMOUNTS AVAILABLE FOR APPROPRIATION	35,399	37,999	36,820	(1,179)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	7,500	10,100	10,057	43
TOTAL CHARGES TO APPROPRIATIONS	7,500	10,100	10,057	43
CHANGE IN FUND BALANCE	-	-	(1,136)	(1,136)
FUND BALANCE, End of year	$ 27,899	$ 27,899	$ 26,763	$ (1,136)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
CONFISCATED ASSETS SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 7,061	$ 7,061	$ 7,061	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	11,000	11,000	10,761	(239)
Investment income	-	-	12	12
Total Resources (Inflows)	11,000	11,000	10,773	(227)
AMOUNTS AVAILABLE FOR APPROPRIATION	18,061	18,061	17,834	(227)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	11,000	11,000	9,157	1,843
TOTAL CHARGES TO APPROPRIATIONS	11,000	11,000	9,157	1,843
CHANGE IN FUND BALANCE	-	-	1,616	1,616
FUND BALANCE, End of year	$ 7,061	$ 7,061	$ 8,677	$ 1,616

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
MULIPLE GRANTS SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 160,013	$ 160,013	$ 160,013	$ -
RESOURCES (INFLOWS)				
Intergovernmental	116,000	176,000	226,802	50,802
Investment income	-	-	434	434
Miscellaneous	-	-	1,815	1,815
Total Resources (Inflows)	116,000	176,000	229,051	53,051
AMOUNTS AVAILABLE FOR APPROPRIATION	276,013	336,013	389,064	53,051
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	55,000	25,000	20,782	4,218
Public safety	11,000	101,000	99,739	1,261
Public health and welfare	50,000	50,000	49,167	833
TOTAL CHARGES TO APPROPRIATIONS	116,000	176,000	169,688	6,312
CHANGE IN FUND BALANCE	-	-	59,363	59,363
FUND BALANCE, End of year	$ 160,013	$ 160,013	$ 219,376	$ 59,363

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
CRIME VICTIMS ASSISTANCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 8,505	$ 8,505	$ 8,505	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	10,485	12,485	10,568	(1,917)
Investment income	15	15	7	(8)
Total Resources (Inflows)	10,500	12,500	10,575	(1,925)
AMOUNTS AVAILABLE FOR APPROPRIATION	19,005	21,005	19,080	(1,925)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	10,500	12,500	12,251	249
TOTAL CHARGES TO APPROPRIATIONS	10,500	12,500	12,251	249
CHANGE IN FUND BALANCE	-	-	(1,676)	(1,676)
FUND BALANCE, End of year	$ 8,505	$ 8,505	$ 6,829	$ (1,676)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DRUG SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 78,283	$ 78,283	$ 78,283	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	12,386	12,386	10,964	(1,422)
Investment income	114	114	129	15
Total Resources (Inflows)	12,500	12,500	11,093	(1,407)
AMOUNTS AVAILABLE FOR APPROPRIATION	90,783	90,783	89,376	(1,407)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	12,500	12,500	10,634	1,866
TOTAL CHARGES TO APPROPRIATIONS	12,500	12,500	10,634	1,866
CHANGE IN FUND BALANCE	-	-	459	459
FUND BALANCE, End of year	$ 78,283	$ 78,283	$ 78,742	$ 459

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
JAIL SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 10,683	$ 10,683	$ 10,683	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	8,980	8,980	13,050	4,070
Investment income	20	20	22	2
Miscellaneous	-	-	5,220	5,220
Total Resources (Inflows)	9,000	9,000	18,292	9,292
AMOUNTS AVAILABLE FOR APPROPRIATION	19,683	19,683	28,975	9,292
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Public safety	10,000	10,000	4,979	5,021
TOTAL CHARGES TO APPROPRIATIONS	10,000	10,000	4,979	5,021
CHANGE IN FUND BALANCE	(1,000)	(1,000)	13,313	14,313
FUND BALANCE, End of year	$ 9,683	$ 9,683	$ 23,996	$ 14,313

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
JUVENILE SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 49,429	$ 49,429	$ 49,429	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	625	725	-	(725)
Investment income	75	75	81	6
Total Resources (Inflows)	700	800	81	(719)
AMOUNTS AVAILABLE FOR APPROPRIATION	50,129	50,229	49,510	(719)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	700	800	800	-
TOTAL CHARGES TO APPROPRIATIONS	700	800	800	-
CHANGE IN FUND BALANCE	-	-	(719)	(719)
FUND BALANCE, End of year	$ 49,429	$ 49,429	$ 48,710	$ (719)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
CLERKS TECHNOLOGY SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 293,708	$ 293,708	$ 293,708	$ -
RESOURCES (INFLOWS)				
Intergovernmental	24,940	59,940	46,125	(13,815)
Investment income	60	60	189	129
Total Resources (Inflows)	25,000	60,000	46,314	(13,686)
AMOUNTS AVAILABLE FOR APPROPRIATION	318,708	353,708	340,022	(13,686)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	25,000	60,000	59,575	425
TOTAL CHARGES TO APPROPRIATIONS	25,000	60,000	59,575	425
CHANGE IN FUND BALANCE	-	-	(13,261)	(13,261)
FUND BALANCE, End of year	$ 293,708	$ 293,708	$ 280,447	$ (13,261)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
REVOLVING LOAN SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 109,270	$ 109,270	$ 109,270	$ -
RESOURCES (INFLOWS)				
Investment income	1,000	1,000	69	(931)
Total Resources (Inflows)	1,000	1,000	69	(931)
AMOUNTS AVAILABLE FOR APPROPRIATION	110,270	110,270	109,339	(931)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	1,000	1,000	96	904
TOTAL CHARGES TO APPROPRIATIONS	1,000	1,000	96	904
CHANGE IN FUND BALANCE	-	-	(27)	(27)
FUND BALANCE, End of year	$ 109,270	$ 109,270	$ 109,243	$ (27)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DONATIONS / SPECIAL PROJECTS SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 4,814	$ 4,814	$ 4,814	$ -
RESOURCES (INFLOWS)				
Contributions and donations	490	490	1,500	1,010
Investment income	10	10	9	(1)
Total Resources (Inflows)	500	500	1,509	1,009
AMOUNTS AVAILABLE FOR APPROPRIATION	5,314	5,314	6,323	1,009
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	500	500	270	230
TOTAL CHARGES TO APPROPRIATIONS	500	500	270	230
CHANGE IN FUND BALANCE	-	-	1,239	1,239
FUND BALANCE, End of year	$ 4,814	$ 4,814	$ 6,053	$ 1,239

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
E-911 SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 267,113	$ 267,113	$ 267,113	$ -
RESOURCES (INFLOWS)				
Charges for services	374,000	404,000	584,325	180,325
Investment income	350	350	576	226
Miscellaneous	-	-	3,890	3,890
Transfer in	-	541,370	584,819	43,449
Total Resources (Inflows)	374,350	945,720	1,173,610	227,890
AMOUNTS AVAILABLE FOR APPROPRIATION	641,463	1,212,833	1,440,723	227,890
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	194,350	765,720	764,559	1,161
Transfers out	180,000	180,000	-	180,000
TOTAL CHARGES TO APPROPRIATIONS	374,350	945,720	764,559	181,161
CHANGE IN FUND BALANCE	-	-	409,051	409,051
FUND BALANCE, End of year	$ 267,113	$ 267,113	$ 676,164	$ 409,051

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
INMATE WELFARE SPECIAL REVENUE FUND
For the Year Ended December 31, 2020

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,802	$ 3,802	$ 3,802	$ -
RESOURCES (INFLOWS)				
Charges for services	16,000	18,500	15,429	(3,071)
Total Resources (Inflows)	16,000	18,500	15,429	(3,071)
AMOUNTS AVAILABLE FOR APPROPRIATION	19,802	22,302	19,231	(3,071)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	15,000	17,500	17,153	347
TOTAL CHARGES TO APPROPRIATIONS	15,000	17,500	17,153	347
CHANGE IN FUND BALANCE	1,000	1,000	(1,724)	(2,724)
FUND BALANCE, End of year	$ 4,802	$ 4,802	$ 2,078	$ (2,724)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
ALL FIDUCIARY FUNDS
December 31, 2020

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF INMATE FUND	TOTAL
ASSETS						
Cash	$ 5,997,089	$ 543,813	$ 31,351	$ 5,379	$ 39,338	$ 6,616,970
TOTAL ASSETS	5,997,089	543,813	31,351	5,379	39,338	6,616,970
LIABILITIES						
Amounts held for others	5,843,123	20	-	-	-	5,843,143
TOTAL LIABILITIES	5,843,123	20	-	-	-	5,843,143
NET POSITION						
Restricted for others	153,966	543,793	31,351	5,379	39,338	773,827
TOTAL NET POSITION	$ 153,966	$ 543,793	$ 31,351	$ 5,379	$ 39,338	$ 773,827

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
ALL FIDUCIARY FUNDS
For the Year Ended December 31, 2020

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF INMATE FUND	TOTAL
ADDITIONS						
Taxes collected for other entities	$ 30,487,383	$ 2,161,969	$ -	$ -	$ -	$ 32,649,352
Fees collected for other entities	-	38,201	287,270	104,405	-	429,876
Court individual cases	119,814	705,669	13,199	-	-	838,682
Inmate account deposits	-	-	-	-	172,739	172,739
TOTAL ADDITIONS	30,607,197	2,905,839	300,469	104,405	172,739	34,090,649
DEDUCTIONS						
Payments of taxes to other entities	30,487,383	2,161,969	-	-	-	32,649,352
Payments of fees to other entities	-	59,000	286,114	107,450	-	452,564
Payments to others	211,731	424,210	5,100	-	-	641,041
Payments to/for inmates	-	-	-	-	167,707	167,707
TOTAL DEDUCTIONS	30,699,114	2,645,179	291,214	107,450	167,707	33,910,664
CHANGE IN NET POSITION	(91,917)	260,660	9,255	(3,045)	5,032	179,985
TOTAL NET POSITION, Beginning of year	-	-	-	-	-	-
CHANGE IN ACCOUNTING PRINCIPLE	245,883	283,133	22,096	8,424	34,306	593,842
TOTAL NET POSITION, Beginning of year as restated	245,883	283,133	22,096	8,424	34,306	593,842
TOTAL NET POSITION, End of year	$ 153,966	$ 543,793	$ 31,351	$ 5,379	$ 39,338	$ 773,827

FANNIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2020

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
2011 Projects				
Roads and Bridges				
Improvements	$ 17,025,000	$ 17,025,000	$ 19,815,663	$ -
Capital Improvements				
Water	2,500,000	2,500,000	2,122,730	-
Capital Outlay	2,500,000	2,500,000	2,625,388	-
Contractual Payments				
City of Blue Ridge	1,575,000	1,575,000	1,632,921	-
City of McCaysville	1,400,000	1,400,000	1,436,017	-
Total SPLOST 2011 Projects	$ 25,000,000	$ 25,000,000	$ 27,632,719	$ -
2017 Projects				
Roads and Bridges				
Improvements	$ 17,370,000	$ 17,370,000	$ 1,374,063	$ 2,318,492
Capital Improvements				
Water	2,100,000	2,100,000	960,188	518,475
Administrative Building and Parking Deck	3,150,000	3,150,000	1,343,416	69,334
Recreation	1,500,000	1,500,000	256,718	411,091
Public Safety	2,100,000	2,100,000	1,214,871	87,000
Contractual Payments				
City of Blue Ridge *(1)*	2,100,000	2,100,000	921,299	518,475
City of McCaysville *(1)*	1,680,000	1,680,000	708,521	414,780
Total SPLOST 2011 Projects	$ 30,000,000	$ 30,000,000	$ 6,779,076	$ 4,337,647
Total SPLOST Projects	$ 55,000,000	$ 55,000,000	$ 34,411,795	$ 4,337,647

(1) The County remits the tax collected to the City who is responsible for reporting on the expenditures in accordance with OCGA 48-8-121.

FANNIN COUNTY, GEORGIA
Reconciliation of Expenditures for SPLOST
Year Ended December 31, 2020

Statement of Revenues, Expenditures and Changes in Fund Balance (page 6)		
	Expenditures	$ 4,337,647
	Transfers out	-
Expenditures reported on Splost schedule		**$ 4,337,647**
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 71)		
	SPLOST - 2011 Projects	$ -
	SPLOST - 2017 Projects	4,337,647
Total		$ 4,337,647

FANNIN COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

State Program Name	Contract Number	Current Year Received	Current Year Expended	Amount Due from (to) State
Family Connections	42700-93-202000075	$ 26,000	$ 26,000	$ -
Family Connections	42700-93-2021000075	23,167	23,167	-
		$ 49,167	$ 49,167	$ -

The above schedule has been prepared on the modified accrual basis of accounting.

FANNIN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2020

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	SUB-RECIPIENT EXPENDITURES	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE - FOREST SERVICE					
Passed through Office of the State Treasurer					
Secure Rural Schools and Community Self-Determination Act of 2000	10.665	486Forest	$ 81,876	$ -	$ 81,876
			81,876	-	81,876
Total U.S. Department of Agriculture - Forest Service			**81,876**	**-**	**81,876**
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through Georgia Emergency Management and Homeland Security Agency					
FY 2020 Assistance to Firefighters Grant Program - COVID-19 Supplement	97.044	EMW-2020-FG-00800	87,532	-	79,468
FY 2020 Emergency Management Performance Grant (EMPG)	97.042	OEM20-057	11,275	-	11,275
			98,807	-	90,743
Total Department of Homeland Security			**98,807**	**-**	**90,743**
U.S. DEPARTMENT OF TREASURY					
Passed through Office of the Governor					
Coronavirus Relief Funding (CRF)	20.019	CARES Funding	1,214,466	-	1,214,466
Total U.S. Department of Treasury			**1,214,466**	**-**	**1,214,466**
		GRAND TOTALS	**$ 1,395,149**	**$ -**	**$ 1,387,085**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. This schedule is prepared on the modified accrual basis of accounting.
2. The County did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs.

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

September 24, 2021

Board of Commissioners
FANNIN COUNTY, GEORGIA
Blue Ridge, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of FANNIN COUNTY, GEORGIA as of and for the year ended December 31, 2020, which collectively comprise the FANNIN COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated September 24, 2021. Our report includes a reference to other auditors who audited the financial statements of the FANNIN COUNTY WATER AUTHORITY and FANNIN COUNTY HEALTH DEPARTMENT, as described in our report on FANNIN COUNTY, GEORGIA's basic financial statements. This report does not include the results of the other auditor's 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, we considered FANNIN COUNTY, GEORGIA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FANNIN COUNTY, GEORGIA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the FANNIN COUNTY, GEORGIA's internal control over financial reporting.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 through 2020-016 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Fannin County Response to Findings

FANNIN COUNTY, GEORGIA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit FANNIN COUNTY, GEORGIA's responses, and accordingly, we express no opinion on them.

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.

Bates, Carter & Co., LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 24, 2021

Board of Commissioners
FANNIN COUNTY, GEORGIA
Blue Ridge, Georgia

Report on Compliance for Each Major Federal Program

We have audited FANNIN COUNTY, GEORGIA's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of FANNIN COUNTY, GEORGIA's major federal programs for the year ended December 31, 2020. FANNIN COUNTY, GEORGIA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of FANNIN COUNTY, GEORGIA's major federal programs based on our audit of the types of compliance requirements referred to above. FANNIN COUNTY, GEORGIA's basic financial statements include the operations of legally separate component units, FANNIN COUNTY WATER AUTHORITY and FANNIN COUNTY HEALTH DEPARTMENT. Any amounts of federal awards received by those component units are not included in the accompanying schedule of expenditures of federal awards. Our audit, described below, did not include the operations of FANNIN COUNTY WATER AUTHORITY and FANNIN COUNTY HEALTH DEPARTMENT because the component unit engaged other auditors to perform any audit required in accordance with OMB *Compliance Supplement*.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in

Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about FANNIN COUNTY, GEORGIA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on FANNIN COUNTY, GEORGIA's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, FANNIN COUNTY, GEORGIA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of FANNIN COUNTY, GEORGIA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered FANNIN COUNTY, GEORGIA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of FANNIN COUNTY, GEORGIA's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Botes, Carter & Co., LLP

FANNIN COUNTY, GEORGIA
AUDITOR'S SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020

I SUMMARY OF AUDITOR'S RESULTS:

1. Report issued on Financial Statements – Unmodified opinion.
2. Compliance (financial statements) – No material instances of noncompliance.
3. Internal Control (financial statements) – Sixteen significant deficiencies.
4. Compliance (major programs) – Unmodified opinion, no instances of noncompliance.
5. Internal control (major programs) – Unmodified opinion, no material weaknesses.
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a)
    i) Significant deficiencies in internal controls over major programs – None reported
    ii) Material noncompliance related to major programs – None reported
    iii) Known questioned costs greater than $25,000 for major programs – None reported
    iv) Known questioned costs greater than $25,000 for a program not audited as major – None reported
    v) Circumstances if report on compliance is other than unqualified – N/A
    vi) Known fraud – N/A
    vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major programs for the year – CARES Relief Funding Grant, CFDA 20.019
8. Dollar threshold used to distinguish between Type A and Type B programs – $750,000.
9. Does the auditee qualify as a low risk auditee – No.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Finding Number

SIGNIFICANT DEFICIENCY

FINANCE

2020-001

Statement of Condition:
During testing, we noted several employee payments for overtime hours worked that did not agree to the approved time sheet for the pay period. Out of twenty-five (25) paychecks tested, two (2) employees were paid for fewer overtime hours and one (1) employee was paid for more overtime hours than those indicated on the approved timesheet.

Criteria:
To ensure proper controls over disbursements, there should be procedures in place to ensure employees are being paid for the accurate hours worked.

Effect of Condition:
The risk of inaccurate payment to employees.

Cause of Condition:
There is a lack of controls and procedures related to recording and issuing payroll checks.

Recommendation:
We recommend that the County implement a control to ensure that employees are paid the correct amount each pay period based on the approved time sheet for the period.

Response:
We will begin to print off all checks stubs to ensure that each employee is paid correctly.

2020-002

Statement of Condition:

During fieldwork, we noted that the County did not manage federal and state grant documentation of related costs incurred for reimbursement.

Criteria:

According to basic guidelines for factors affecting allowability of cost for federal awards, costs must be adequately documented.

Effect of Condition:

The risk of inaccurate reporting associated with grant funds.

Cause of Condition:

There is a lack of understanding related to financial reporting of federal and state grants.

Recommendation:

We recommend that the County implement procedures to ensure supporting documentation is adequate and appropriately filed for grant and internal control compliance purposes.

Response:

We will implement quarterly monitoring of federal and state grants.

2020-003 ***Statement of Condition:***

During fieldwork, we noted that revenue/receivables and expenditures/payable account balances were not properly reflected at year end.

Criteria:

Internal controls should be in place to ensure proper accruals at year end. The financial statements should include accruals of receivables/payables in order to properly reflect revenue and expenditures/expenses for the year.

Effect of Condition:

Revenue and expenditures are not properly stated for the year.

Cause of Condition:

Internal controls were not in place to properly detect material misstatements in the County's revenues and related receivable accounts or expenditures/expenses and related liability accounts.

Recommendation:

We recommend the County carefully review all revenue and expenditure/expense after year end to ensure all necessary transactions are reported in the proper period.

Response:

We will implement monthly monitoring of these accounts.

2020-004 ***Statement of Condition:***

We noted that activity was not recorded for the Clerks Technology Fund and Revolving Loan Fund.

Criteria:

To ensure proper accounting activity, all accounts should be recorded accurately and in a timely manner to the general ledger.

Effect of Condition:

Interim reporting and timely monitoring of fund activity will not be available.

Cause of Condition:

Internal controls were not in place to properly monitor fund activity in the County's general ledger.

Recommendation:

We recommend the County properly record transactions as they occur to ensure that all accounts are properly reflected at year end.

Response:

We will work on establishing better communication with the Clerk's office to ensure proper recording of accounts.

EMS

2020-005 ***Statement of Condition:***

Appropriate segregation of duties does not exist within the EMS department.

Criteria:

Internal controls should be in place to provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in each office to perform all of the duties.

Recommendation:

We recommend that EMS work to segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

Response:

There are limited number of employees to perform duties of receipting, recording, custody, distributions, and reconciliation of accounts.

PROBATE COURT

2020-006 ***Statement of Condition (Re-issued):***

The Probate Court does not turn over the County's portion of fines and fees collected in a timely manner.

Criteria:

To ensure proper controls over receipts and disbursements, the court should keep up with all amounts paid during the year.

Effect of Condition:

The risk of errors and misappropriation of assets increases the longer the funds are held.

Cause of Condition:

There is a lack of cross-training of employees to prevent disruption during key personnel absences.

Recommendation:

We recommend that the county portion of fines and fees collected should be disbursed at least on a monthly basis both to reduce the risk of loss and errors.

Response:

The county Finance Department will communicate these findings to the Probate judge and make recommendations.

2020-007 ***Statement of Condition (Re-issued):***

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Probate Court.

Criteria:

Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in the office to perform all of the duties.

Recommendation:

We recommend the Court segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

Response:

The county Finance Department will communicate these findings to the Probate judge and make recommendations.

2020-008 ***Statement of Condition:***

The Probate Court has unidentified funds held at the end of the year.

Criteria:

To ensure proper controls and prevent misappropriation of assets, all funds should be reconciled to reflect all monies held.

Effect of Condition:

The risk of misappropriation of assets.

Cause of Condition:

The court has unidentified monies held in a bank account.

Recommendation:

We recommend that the court keep record of whom monies are owed.

Response:

The county Finance Department will communicate these findings to the Probate judge and make recommendations.

CLERK OF COURT

2020-009 ***Statement of Condition (Re-issued):***

During the audit, we reviewed the expenditures of the Clerk of Court and noted that payments were not made on a timely basis.

Criteria:

A proper system of internal controls requires that accounting expenditures are remitted on a timely basis within the cutoff period.

Effect of Condition:

When expenditures are not paid within a month of the invoice, the account balance has a greater risk of misstatement. Since this office is maintained internally and transfers monies to the county, this could cause the county financial statements to become misstated.

Cause of Condition:

Monthly payments are not remitted on a timely basis.

Recommendation:

We recommend that all transactions be maintained in some type of accounting software which will more accurately maintain accounting records, this includes ensuring timely payments of expenditures.

Response:

The county Finance Department will communicate these findings to the Clerk of Court and make recommendations.

2020-010 ***Statement of Condition (Re-issued):***

The Clerk of Court does not balance actual disbursements made to and from the bank accounts to the computer system's reports. The disbursement report does not agree to the check register.

Criteria:

The reports used to summarize information for disbursing funds should be agreed to the bank deposits before checks are issued.

Effect of Condition:

If funds were misappropriated, the Court may not catch the difference in a timely manner. In addition, the Court would not know about errors in disbursements, and these errors may cause the bank account balance to be insufficient to cover payables.

Cause of Condition:

There is not a procedure in place for regular and timely review of the recorded disbursements.

Recommendation:

We recommend the Court reconcile disbursements made by using the computerized disbursement reports.

Response:

The county Finance Department will communicate these findings to the Clerk of Court and make recommendations.

2020-011 ***Statement of Condition:***

During audit procedures at the Clerk of Court's office, we noted there is no listing kept to reconcile the multiple funds within the cash accounts. The Clerk of Court is unable to determine to who these funds belong.

Criteria:

Proper internal controls require that all cash in agency funds be properly accounted for.

Effect of Condition:

Failure to account for all cash and to whom it is due subjects the assets of the County to greater risk of misappropriation.

Cause of Condition:

The Clerk of Court does not have the information available to reconcile to whom excess funds should be disbursed.

Recommendation:

The Clerk of Court should determine proper payee and disburse funds appropriately.

Response:

The county Finance Department will communicate these findings to the Clerk of Court and make recommendations.

SHERIFF

2020-012 ***Statement of Condition (Re-issued):***

During the audit of the Sheriff's Department, we noted that there is a lack of internal controls regarding the financial reporting.

Criteria:

In order to ensure proper internal controls, a log should be maintained for all cash accounts to record in flows and outflows of monies related to each account.

Effect of Condition:

This risk of misstatement from arithmetic errors.

Cause of Condition:

Receipts recorded are not reconciled to deposits.

Recommendation:

We recommend that all financial records be kept in a digital log that is automatically calculated to ensure proper record keeping.

Response:

The county Finance Department will communicate these findings to the Sheriff and make recommendations.

TAX COMMISSIONER

2020-013 ***Statement of Condition (Re-issued):***

The bank statements were not properly reconciled.

Criteria:

Bank accounts should be properly reconciled on a monthly basis.

Effect of Condition:

The balance per the reconciliation was overstated.

Cause of Condition:

The reconciliation did not include deposits in transit.

Recommendation:

We recommend the bank reconciliations be completed in entirety as soon as possible after the monthly bank statements arrive.

Response:

The county Finance Department will communicate these findings to the Tax Commissioner and make recommendations.

LAW LIBRARY

2020-014 ***Statement of Condition (Re-issued):***

While performing audit procedures, we noted deposits were not being made on a timely basis. Receipts were held for more than seven days before depositing.

Criteria:

To insure proper internal controls, cash receipts should be deposited and recorded in a timely manner.

Effect of Condition:

Not only is there a risk of loss from burglary, misplacement, or misappropriation, but cash is not available for expenditures or investment.

Cause of Condition:

The Law Library is not depositing receipts on a weekly basis.

Recommendation:

We recommend deposits be made on a weekly basis both to improve cash flow and reduce the risk of loss.

Response:

The county Finance Department will communicate these findings to the Clerk of Court and make recommendations.

DEVELOPMENT AUTHORITY

2020-015 ***Statement of Condition (Re-issued):***

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Development Authority.

Criteria:

Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in each office to perform all of the duties.

Recommendation:

We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

Response:

This is a single person department and the county Finance Department will make recommendations to get the Board's assistance.

2020-016 ***Statement of Condition (Re-issued):***

During fieldwork, we noted reconciliations were not completed for the operating bank account or any other cash accounts maintained by the Development Authority.

Criteria:

Reporting should be in place to ensure funds held are accurate.

Effect of Condition:

The risk of not knowing for whom the funds belong.

Cause of Condition:

Reconciliation of operating account may not be performed timely, and there are no reconciliation procedures in place for all other cash accounts.

Recommendation:

We recommend that reconciliations are completed on a monthly basis to present an accurate representation of the fund.

Response:

The county Finance Department will communicate these findings to the Department Head and make recommendations.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relating to Federal awards reported for the year ended December 31, 2020.