HANCOCK COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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Independent Auditor's Report

To the Honorable Chairman and
Members of the Board of Commissioners
Hancock County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hancock County, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Hancock County, Georgia'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 Hancock County Health Department which represents 18 percent, -15 percent, and 86 percent assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the Hancock County Health Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hancock County, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of American require that the Schedule of Changes in Net Pension Liability and Related Ratios (on page 43), the Schedule of County Contributions (on page 44) and the budgetary comparison (on pages 45-47) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during the 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. The County has not presented the Management's Discussion and Analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hancock County, Georgia's basic financial statements. The budgetary comparison schedules, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax, are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of projects constructed with special sales tax proceeds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 the other auditors. In our opinion, the budgetary comparison schedules, combining and individual nonmajor fund financial statements and the schedule of projects constructed with special sales tax proceeds are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Nichols, Cauley & Associates, LLC

Dublin, Georgia
November 30, 2020

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary funds
  - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

HANCOCK COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority
ASSETS:					
Current assets:					
Cash and cash equivalents	$ 983,612	$ 52,843	$ 1,036,455	$ 251,076	$ 88,039
Accounts receivable, net	1,539,891	11,297	1,551,188	63,163	6,012
Receivable from other governments	173,891	-	173,891	-	-
Prepaid expenses	78,746	-	78,746	-	-
Total current assets	2,776,140	64,140	2,840,280	314,239	94,051
Noncurrent assets:					
Nondepreciable	896,820	75,233	972,053	-	-
Depreciable capital assets, net of accumulated depreciation	13,807,160	1,850,954	15,658,114	4,679	1,383,245
Total noncurrent assets	14,703,980	1,926,187	16,630,167	4,679	1,383,245
Total assets	17,480,120	1,990,327	19,470,447	318,918	1,477,296
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows related to pensions	322,423	-	322,423	124,131	-
LIABILITIES:					
Current liabilities:					
Accounts payable	654,611	-	654,611	5,878	24
Other accrued liabilities	593,753	4,637	598,390	5,404	1,338
Customer deposits	8,000	-	8,000	-	-
Due to other governments	4,477	-	4,477	-	-
Current portion of long-term debt	318,436	23,774	342,210	-	-
Accrued compensated absences	132,535	1,688	134,223	-	-
Total current liabilities	1,711,812	30,099	1,741,911	11,282	1,362
Noncurrent liabilities:					
Long-term debt, less current portion	1,700,200	398,820	2,099,020	-	-
Accrued compensated absences	-	-	-	37,016	-
Net pension liability	1,524,937	-	1,524,937	335,954	-
Net OPEB liability	-	-	-	149,363	-
Total noncurrent liabilities	3,225,137	398,820	3,623,957	522,333	-
Total liabilities	4,936,949	428,919	5,365,868	533,615	1,362
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows related to pensions	268,937	-	268,937	102,919	-
NET POSITION:					
Net investment in capital assets	12,685,344	1,503,593	14,188,937	4,679	1,383,245
Restricted for:					
Public safety	66,765	-	66,765	-	-
Judicial	39,793	-	39,793	-	-
Transportation	275,178	-	275,178	-	-
Unrestricted	(470,423)	57,815	(412,608)	(198,164)	92,689
	$ 12,596,657	$ 1,561,408	$ 14,158,065	$ (193,485)	$ 1,475,934

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Health Department	Component Units: Development Authority
Primary government:									
Governmental activities:									
General government	$ 2,701,101	$ 253,820	$ -	$ -	$ (2,447,281)	$ -	$ (2,447,281)		
Public safety	3,048,386	172,535	711,323	-	(2,164,528)	-	(2,164,528)		
Judicial	826,426	272,606	-	-	(553,820)	-	(553,820)		
Public works	3,135,749	7,170	1,739,469	-	(1,389,110)	-	(1,389,110)		
Health and welfare	968,106	97,639	124,710	608,819	(136,938)	-	(136,938)		
Culture and recreation	404,587	8,345	-	-	(396,242)	-	(396,242)		
Housing and development	187,827	-	-	-	(187,827)	-	(187,827)		
Interest on long-term debt	80,638	-	-	-	(80,638)	-	(80,638)		
Total governmental activities	11,352,820	812,115	2,575,502	608,819	(7,356,384)	-	(7,356,384)		
Business-type activities:									
Water and Sewer	691,542	224,950	-	-	-	(466,592)	(466,592)		
Total primary government	$ 12,044,362	$ 1,037,065	$ 2,575,502	$ 608,819	(7,356,384)	(466,592)	(7,822,976)		
Component units:									
Health department	$ 523,252	$ 178,728	$ 381,686	$ -				$ 37,162	$ -
Development authority	223,061	10,000	105,820	-				-	(107,241)
Total component units	$ 746,313	$ 188,728	$ 487,506	$ -				37,162	(107,241)
		General revenues:							
		Taxes:							
		Property taxes			6,180,734	-	6,180,734	-	-
		General sales and use tax			321,586	-	321,586	-	-
		Insurance premium tax			553,043	-	553,043	-	-
		Other taxes			885,941	-	885,941	-	-
		Interest income			1,173	46	1,219	776	-
		Miscellaneous			64,229	-	64,229	-	174,988
		Transfers in (out)			(220,167)	220,167	-	-	-
		Total general revenues and transfers			7,786,539	220,213	8,006,752	776	174,988
		Change in net position			430,155	(246,379)	183,776	37,938	67,747
		Net position, beginning			12,166,502	1,807,787	13,974,289	(231,423)	1,408,187
		Net position, ending			$ 12,596,657	$ 1,561,408	$ 14,158,065	$ (193,485)	$ 1,475,934

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	TSPLOST	Special Local Option Sales Tax	LMIG Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 526,558	$ 187,685	$ 127,358	$ 24,300	$ 117,711	$ 983,612
Accounts receivable, net	1,528,964	-	-	-	10,927	1,539,891
Due from other funds	1,631,427	-	-	-	-	1,631,427
Due from other governments	27,172	102,372	43,127	-	1,220	173,891
Prepaid expenses	78,746	-	-	-	-	78,746
Total assets	$ 3,792,867	$ 290,057	$ 170,485	$ 24,300	$ 129,858	$ 4,407,567
LIABILITIES:						
Accounts payable	$ 615,422	$ 39,179	$ -	$ -	$ 10	$ 654,611
Accrued expenses	570,589	-	-	-	23,164	593,753
Customer deposits	8,000	-	-	-	-	8,000
Intergovernmental payable	4,477	-	-	-	-	4,477
Due to other funds	-	-	1,627,721	-	3,706	1,631,427
Total liabilities	1,198,488	39,179	1,627,721	-	26,880	2,892,268
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenues - property taxes	1,363,549	-	-	-	-	1,363,549
Total deferred inflows of resources	1,363,549	-	-	-	-	1,363,549
FUND BALANCES:						
Non-spendable fund balance:						
Prepaid expenses	78,746	-	-	-	-	78,746
Restricted fund balance:						
Public safety	-	-	-	-	66,765	66,765
Judicial	-	-	-	-	39,793	39,793
Transportation	-	250,878	-	24,300	-	275,178
Unassigned fund balance	1,152,084	-	(1,457,236)	-	(3,580)	(308,732)
Total fund balances	1,230,830	250,878	(1,457,236)	24,300	102,978	151,750
Total liabilities, deferred inflows of resources and fund balances	$ 3,792,867	$ 290,057	$ 170,485	$ 24,300	$ 129,858	$ 4,407,567

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Fund balances - total governmental funds	$	151,750
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of $12,120,615		14,703,980
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds:		
Net pension liability		(1,524,937)
Net deferred inflows (outflows) - pension expense		53,486
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		1,363,549
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Long-term debt		(2,018,636)
Compensated absences		(132,535)
Net position of governmental activities	$	12,596,657

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	TSPLOST	Special Local Option Sales Tax	LMIG Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	$ 7,861,880	$ -	$ 510,333	$ -	$ -	$ 8,372,213
Licenses and permits	85,669	-	-	-	-	85,669
Intergovernmental	325,352	1,117,982	-	621,487	608,819	2,673,640
Fees and fines	296,171	-	-	-	14,658	310,829
Charges for services	250,031	-	-	-	134,312	384,343
Other	96,676	-	348	-	-	97,024
Total revenues	8,915,779	1,117,982	510,681	621,487	757,789	11,923,718
EXPENDITURES:						
Current operating:						
General government	2,547,556	-	-	-	-	2,547,556
Public safety	2,052,933	-	-	-	737,708	2,790,641
Judicial	746,776	-	-	-	250	747,026
Public works	1,974,962	346,194	-	682,968	-	3,004,124
Health and welfare	937,629	-	-	-	-	937,629
Culture and recreation	362,905	-	-	-	-	362,905
Housing and development	177,522	-	-	-	-	177,522
Debt service:						
Principal	260,777	-	-	-	97,763	358,540
Interest and other charges	29,963	-	-	-	50,675	80,638
Capital outlays	-	11,544	-	-	573,989	585,533
Total expenditures	9,091,023	357,738	-	682,968	1,460,385	11,592,114
Excess (deficiency) of revenues over expenditures	(175,244)	760,244	510,681	(61,481)	(702,596)	331,604
OTHER FINANCING SOURCES (USES):						
Proceeds from capital leases	167,224	-	-	-	-	167,224
Transfers in (out)	(299,947)	(640,000)	(57,963)	71,000	706,743	(220,167)
Total other financing sources and uses	(132,723)	(640,000)	(57,963)	71,000	706,743	(52,943)
Net change in fund balance	(307,967)	120,244	452,718	9,519	4,147	278,661
FUND BALANCE, beginning	1,538,797	130,634	(1,909,954)	14,781	98,831	(126,911)
FUND BALANCE, ending	$ 1,230,830	$ 250,878	$ (1,457,236)	$ 24,300	$ 102,978	$ 151,750

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds	$ 278,661
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlays	867,036
Depreciation	(841,529)
	25,507
The effect of various capital asset disposals and sales, net of accumulated depreciation	(79,062)
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Cost of benefits net of employee contributions	(62,833)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets:	
Issuance of long-term debt	(167,224)
Repayment of long-term debt	358,540
	191,316
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(2,858)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	79,424
	$ 430,155

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Water and Sewer Fund
ASSETS	
CURRENT ASSETS:	
Cash in bank	$ 52,843
Accounts receivable, net of allowance of $219,738	11,297
Total current assets	64,140
NONCURRENT ASSETS:	
Capital Assets:	
Land	20,413
Equipment	297,745
Distribution system	6,271,837
Construction in progress	54,820
	6,644,815
Less accumulated depreciation	(4,718,628)
Total capital assets	1,926,187
Total assets	1,990,327
LIABILITIES	
CURRENT LIABILITIES:	
Current portion of notes payable	23,774
Accrued compensated absences	1,688
Other accrued liabilities	4,637
Total current liabilities	30,099
NONCURRENT LIABILITIES:	
Notes payable, net of current portion	398,820
Total noncurrent liabilities	398,820
Total liabilities	428,919
NET POSITION	
NET INVESTMENT IN CAPITAL ASSETS	1,503,593
UNRESTRICTED	57,815
Total net position	$ 1,561,408

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PRORIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water and Sewer Fund
OPERATING REVENUES:	
Water sales	$ 224,950
Total operating revenue	224,950
OPERATING EXPENSES:	
Personal services and employee benefits:	
Salaries	124,872
Payroll taxes	11,553
Employee benefits	33,725
Purchased/contracted services:	
Repairs and replacement	22,568
Dues and subscriptions	4,550
Supplies:	
Chemicals and supplies	6,199
Office supplies	219
Utilities and communication	176,812
Depreciation	271,468
Miscellaneous	24,108
Total operating expenses	676,074
OPERATING LOSS	(451,124)
NON-OPERATING REVENUES (EXPENSES):	
Interest income	46
Interest expense	(15,468)
Total non-operating revenues (expenses)	(15,422)
NET LOSS BEFORE TRANSFERS	(466,546)
TRANSFERS FROM (TO) GENERAL FUND	220,167
NET LOSS	(246,379)
NET POSITION, beginning of year	1,807,787
NET POSITION, end of year	$ 1,561,408

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 231,144
Cash paid to suppliers for goods and services	(233,088)
Cash paid to employees	(170,150)
Net cash provided by (used for) operating activities	(172,094)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from (to) other funds	220,167
Net cash provided by (used for) noncapital financing activities	220,167
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(23,145)
Principal paid on capital debt	(23,293)
Interest paid on capital debt	(15,468)
Net cash provided by (used for) capital and related financing activities	(61,906)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	46
Net cash provided by (used for) investing activities	46
NET INCREASE (DECREASE) IN CASH	(13,787)
CASH AND CASH EQUIVALENTS, beginning of year	66,630
CASH AND CASH EQUIVALENTS, end of year	$ 52,843
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Net operating income (loss)	$ (451,124)
Adjustments to reconcile net operating income (loss to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	271,468
Changes in assets and liabilities:	
Accounts receivable	6,194
Other accrued liabilities	1,368
Net cash provided by (used for) operating activities	$ (172,094)

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
FIDUCIARY FUNDS – AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2019

	Agency Funds
ASSETS:	
Cash in bank	$ 399,199
Total assets	$ 399,199
LIABILITIES:	
Due to others	$ 222,565
Due to General Fund	176,634
Total liabilities	$ 399,199

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of Hancock County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

Included as blended component units because they are, in substance, part of the County's operation:

Sparta-Hancock Public Facilities Authority – The Sparta-Hancock Public Facilities Authority's (the Public Facilities Authority) purpose is to promote the public good and general welfare of the citizens of Hancock County and of the State of Georgia and finance and provide facilities, equipment, and services within the County, for sale to, lease or sublease to, or operation by any public body or any private person. In 2019, the Public Facilities Authority issued bonds in the amount of $1,257,000, the proceeds of which were used to pay in full the outstanding balance of the County's Certificates of Participation, Series 1999. As part of the issuance, the County entered into an intergovernmental agreement with the Authority, whereby the County will make annual principal and semiannual interest payments sufficient to meet debt service requirements through 2028. The County's commitment to making the payments meets the criteria for inclusion as financial burden. Accordingly, the financial statements of the Public Facilities Authority have been included as a blended component unit in these financial statements.

Included as discretely presented component units in separate columns in the government-wide financial statements to emphasize that each is legally separate from the County:

Hancock County Health Department – The Hancock County Health Department (the Department) provides various health services for citizens in Hancock County. The County Commission's Chairperson holds a permanent seat on the board of directors. The County appoints three of the six remaining seats and funds a portion of the Department's budget. Another auditor, whose report was unmodified, audited the Health Department's financial statements which have a fiscal year end of June 30, 2019. Complete financial statements may be obtained at 451A Boland Street, Sparta, Georgia 31087.

Hancock County Development Authority – The Hancock County Development Authority is charged with promoting and expanding industry and trade within Hancock County. The County appoints the seven board members of the Authority and funds a significant portion of the Authority's budget. The Authority has a December 31 fiscal year. Separate statements are not prepared for the Hancock County Development Authority.

Excluded from the reporting entity:

Because they are operated as agencies controlled and/or funded by other government agencies, the Hancock County Board of Education and the Hancock County Hospital Authority are not included in the County's reporting entity.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County has elected not to allocate indirect costs among the programs, functions and segments. 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 as general revenues.

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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 TSPLOST Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax in effect for the period January 1, 2014 to December 31, 2022.

The Special Local Options Sales Tax Fund accounts for the special purpose local option sales tax funds that are legally restricted to expenditure for particular purposes.

The LMIG Fund accounts for the accumulation of LMIG revenues and the related capital expenditures.

The County reports the following major proprietary fund:

The Water and Sewer Fund is used to account for the provision of water and sewer services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operation, financing and related debt services, and billing and collections.

Additionally, the County reports the following fund type:

> Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The County's fiduciary funds include the following fund type:
>
> > Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the County holds for others in an agency capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

E. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

Materials purchased in the proprietary fund are expensed as purchased and are not inventoried at year end due to lack of materiality.

F. Prepaid Items

Prepaid balances, if any, are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years and an original cost of $1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended December 31, 2019, interest expense incurred by the County's business-type activities was $15,468. Of this amount, none was applicable to construction of capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	20-40 Years
Depreciable land improvements	8 - 20 years
Equipment	5 - 25 years
Infrastructure	20 - 50 years

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Full time employees of the Hancock County Health Department (the "Department") earn 10, 12, or 14 hours of annual leave time per month depending on length of service. The maximum accumulation is 360 hours for any one employee. In accordance with the provisions of Financial Accounting Standards No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

I. 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they occured.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position and the balance sheet reports 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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Equity Classifications

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 assets and liabilities under the current financial resources measurement focus of accounting. 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 amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund 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 County Commissioners through the adoption of a resolution. Only the County Commissioners may modify or rescind the commitment.

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 County Commissioners have authorized the County Clerk to assign fund balances.

Unassigned – Fund balances are reported as unassigned 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 balances may be reported in all funds.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the County Commissioners address various target reserve positions which are reviewed periodically.

Net Position

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

2. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis

GAAP is the budgetary basis used in the preparation of these statements.

Budget Requirements, Accounting and Reporting

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

1. Prior to year end the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Hancock County.
3. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations which were amended.

Excesses of Expenditures over Appropriations in Individual Funds

No funds or departments within funds had expenditures in excess of budgeted appropriations for the year ended December 31, 2019.

4. DEPOSITS AND INVESTMENTS

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with State law. Neither the County nor its component units, have a deposit policy for custodial credit risk. As of December 31, 2019, none of the County's bank balance was exposed to custodial credit risk.

Investments – The County had no investments at December 31, 2019. As of December 31, 2019, the County did not have a formal investment policy.

Interest Rate Risk – 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 increased interest rates.

Credit Risk – Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United Sates Government or an agency or corporation of the United Sates Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and AAA by Moody's Investors Service.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarch is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. As of December 31, 2019, the County had no investments.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer.

5. PROPERTY TAXES

The value of all real and business personal property located in the County is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. Appraised values are established by the Hancock County Tax Assessors at 40% of estimated fair market value. Property taxes are usually levied on or around July 15 of each year. Real and personal property taxes are usually due by November 15 and considered delinquent by November 16. Property taxes are attached as an enforceable lien on the day the taxes become delinquent. The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets.

Property taxes receivable at December 31, 2019, is comprised of the following:

Year of Levy:	
2019	$ 840,117
2018	338,637
2017	230,022
2016	191,396
2015	168,831
2014	146,116
2013	129,131
Prior to 2013	785,262
Total	2,829,512
Allowance for doubtful accounts	(1,311,408)
Net receivable	$ 1,518,104

The County has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

For the year ended December 31, 2019, the County had the following property tax abatements:

- For the fiscal year ended December 31, 2019, the County abated property taxes for the development of a solar farm. The abatement was a 100% property tax reduction which totaled approximately $12,000.

6. RECEIVABLES

Primary Government

Receivables at December 31, 2019 for the County's individual major funds and non-major funds, including applicable allowances for uncollectible accounts, are as follows:
At December 31, 2019, accounts receivable consisted of the following:

	Governmental Activities	Business-type Activities	Total
General Fund:			
Property tax	$ 2,829,512	$ -	$ 2,829,512
Local option sales tax	27,172	-	27,172
Miscellaneous receivable	10,860	-	10,860
Special Local Option Sales Tax Fund:			
Special local option sales tax	43,127	-	43,127
TSPLOST Fund:			
Special local option sales tax	102,372	-	102,372
Nonmajor Funds:			
Accounts receivable	10,927	-	10,927
Intergovernmental	1,220	-	1,220
Water and Sewer Fund:			
Water and sewer fees	-	231,035	231,035
	3,025,190	231,035	3,256,225
Allowance for doubtful accounts	(1,311,408)	(219,738)	(1,531,146)
	$ 1,713,782	$ 11,297	$ 1,725,079

Trade receivables from the Sparta-Hancock County Development Authority and Hancock County Health Department as of December 31, 2019, are as follows:

	Sparta-Hancock County Development Authority	Hancock Health Department	Total
Receivables:			
Accounts	$ -	$ 63,163	$ 63,163
Other	6,012	-	6,012
	6,012	63,163	69,175
Allowance for doubtful accounts	-	-	-
	$ 6,012	$ 63,163	$ 69,175

7. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	$ 896,820	$ -	$ -	$ 896,820
Construction-in-progress	94,784	661,975	(756,759)	-
Subtotal	991,604	661,975	(756,759)	896,820
Other capital assets:				
Infrastructure	1,980,655	-	-	1,980,655
Buildings	14,410,659	756,759	-	15,167,418
Equipment	8,750,880	205,061	(176,239)	8,779,702
Subtotal	26,133,798	1,623,795	(932,998)	26,824,595
Accumulated depreciation:				
Infrastructure	651,372	64,207	-	715,579
Buildings	3,785,069	395,588	-	4,180,657
Equipment	6,939,822	381,734	(97,177)	7,224,379
Subtotal	11,376,263	841,529	(97,177)	12,120,615
Net capital assets	$ 14,757,535	$ 782,266	$ (835,821)	$ 14,703,980

Depreciation was charged to functions as follows:

Governmental activities:	
General government	$ 237,193
Judicial	70,715
Public safety	243,189
Public works	207,415
Health and welfare	34,477
Housing and development	9,361
Culture and recreation	39,179
	$ 841,529

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Not being depreciated:				
Land	$ 20,413	$ -	$ -	$ 20,413
Construction-in-progress	31,675	23,145	-	54,820
Subtotal	52,088	23,145	-	75,233
Other capital assets:				
Equipment	297,745	-	-	297,745
Infrastructure	6,271,837	-	-	6,271,837
Subtotal	6,621,670	23,145	-	6,644,815
Accumulated depreciation:				
Equipment	295,371	1,322	-	296,693
Infrastructure	4,151,789	270,146	-	4,421,935
Subtotal	4,447,160	271,468	-	4,718,628
Net capital assets	$ 2,174,510	$ (248,323)	$ -	$ 1,926,187

8. CHANGES IN GENERAL CAPITAL ASSETS – DISCRETELY PRESENTED COMPONENT UNIT

Capital asset activity for the Hancock County Health Department for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Equipment	$ 50,206	$ 1,822	$ -	$ 52,028
Less accumulated depreciation	(45,942)	(1,407)	-	(47,349)
Net capital assets	$ 4,264	$ 415	$ -	$ 4,679

Capital asset activity for the Hancock County Development Authority for the year ended December 31, 2019 was as follows:

Depreciable capital assets:				
Buildings and land improvements	$ 3,885,032	$ -	$ -	$ 3,885,032
Equipment	979,329	-	-	979,329
Subtotal	4,864,361	-	-	4,864,361
Accumulated depreciation:				
Buildings and land improvements	2,352,266	149,521	-	2,501,787
Equipment	979,329	-	-	979,329
Subtotal	3,331,595	149,521	-	3,481,116
Net capital assets	$ 1,532,766	$ (149,521)	$ -	$ 1,383,245

9. INTERFUND TRANSACTIONS AND BALANCES

Balances due to/from other funds at December 31, 2019, consist of the following –

	Due From	Due To
Major Funds:		
General Fund	$ -	$ 1,631,427
Special Local Option Sales Tax Fund	1,627,721	-
Nonmajor Funds:		
Emergency 911 Fund	3,706	-
	$ 1,631,427	$ 1,631,427

Generally, outstanding balances between funds reported as due to/due from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables.

Management expects that future special local option tax collections will be in excess of the amount needed to extinguish debt obligations thereby allowing the Special Local Option Sales Tax Fund to use these excess proceeds to repay the General Fund.

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs.

A reconciliation of transfers in and transfers out is as follows:

	Transfer From:					
Transfer To:	General Fund	TSPLOST Fund	LMIG Fund	SPLOST Fund	CDBG Fund	Total
General Fund	$ -	$ 320,000	$ 249,000	$ -	$ -	$ 569,000
LMIG Fund	-	320,000	-	-	-	320,000
Public Facilities Fund	-	-	-	104,793	-	104,793
SPLOST Fund	-	-	-	-	46,830	46,830
Water Fund	220,167	-	-	-	-	220,167
E911 Fund	648,780	-	-	-	-	648,780
	$ 868,947	$ 640,000	$ 249,000	$ 104,793	$ 46,830	$ 1,909,570

10. SHORT TERM NOTES PAYABLE

The County uses warrants payable to provide operating funds on a short-term basis throughout the year. Short-term notes payable activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ -	$ 4,300,000	$ 4,300,000	$ -

In addition, the Sparta-Hancock County Development Authority had a short-term note payable with the Bank of Hancock County with an interest rate of 6.0% for the purpose of acquiring real estate for community development. The note was paid in full in March 2019. Short-term notes payable activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Sparta –Hancock Development Authority	$ 181,955	$ 508	$ (182,463)	$ -

11. LONG-TERM DEBT

Outstanding Debt:

At December 31, 2019, long-term debt consisted of the following:

	Governmental Activities	Water and Sewer Fund Debt
Bonds Payable:		
Series 2019 bonds in the original amount of $1,257,000; issued to payoff the balance of the Series 1999 Certificates of Participation which were used for the construction of Hancock County Jail Facility, Fire and Rescue Buildings, and development of Devereaux Water and Sewer System; due in annual installments ranging from $83,375 to 158,477; interest rate at 3.58%	$ 1,200,000	$ -
Notes Payable:		
$336,400 to USDA Rural Development for building and equipment purchase; due in annual installments of $17,315 through April 2054; interest at 4.125%	315,579	-
$223,800 to Kansas State Bank for radio tower, due in annual installments of $60,208 to August 2020, interest at 2.96%	58,455	-
$375,250 USDA note payable; interest at 4.5%; due in monthly principle and interest payments of $1,689 to June 2044	-	300,785
$119,795 GEFA note payable; interest at 3.0%; due in monthly principle and interest payments of $690 to June 2027	-	55,543
$198, 800 GEFA note payable; interest at 0%; due in quarterly principle and interest payments of $2,549 to April 2026	-	66,266
Capital Lease Obligations:		
$84,122 to Ford Motor Credit for the purchase of 2 vehicles; due in annual installments of $29,417 to May 2020; interest at 4.49%	20,459	-
$205,036 to AT&T Capital for E911 software upgrades; due in monthly installments of $3,883 to January 2022; interest at 5.15%	94,395	-
$296,461 to Caterpillar Financial for 2 pieces of equipment; interest at 3.2%; due in 60 monthly installments of $3,343 to March 2021 and a balloon payment of $130,601 in April 2022	162,524	-
$167,224 to John Deere Financial for a tractor; interest at 4.80% due in 3 annual installments of $61,299 to August 2022	167,224	-
Total long-term debt	$ 2,018,636	$ 422,594

Annual Requirements to Retire Debt Obligations:

The annual maturities for the years subsequent to December 31, 2019 are as follows:

Governmental-Type Activities:

Year Ending December 31	Series 2019 Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2020	$ 115,000	$ 40,902	$ 62,664	$ 14,860
2021	119,000	36,712	4,382	12,933
2022	124,000	32,363	4,563	12,752
2023	128,000	27,852	4,751	12,564
2024	133,000	23,180	4,947	12,368
2025 – 2029	581,000	42,514	27,970	58,605
2030 – 2034	-	-	34,236	52,339
2035 – 2039	-	-	41,904	44,671
2040 – 2044	-	-	51,291	35,284
2045 – 2049	-	-	62,779	23,796
2050 - 2054	-	-	74,547	9,735
	$ 1,200,000	$ 203,523	$ 374,034	$ 289,907

Business-Type Activities:

Year Ending December 31	Notes Payable	
	Principal	Interest
2020	$ 23,774	$ 14,969
2021	24,294	14,449
2022	24,834	13,909
2023	25,396	13,346
2024	25,981	12,762
2025 – 2029	82,371	54,957
2030 – 2034	59,041	42,299
2035 – 2039	73,906	27,434
2040 - 2044	82,997	8,905
	$ 422,594	$ 203,030

Capital Leases

Ford Motor Credit Capital Lease – General Fund – In April 2017, the County entered into a capital lease agreement with Ford Motor Credit to purchase 2 vehicles. The original amount of $84,122 was financed under the lease agreement with an interest rate of 4.49%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The vehicles acquired by the lease are included in the governmental activities general assets in the amount of $51,074 (cost of $84,122 less accumulated depreciation of $33,048). Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2020	$ 20,459	$ 2,461	$ 22,920
	$ 20,459	$ 2,461	$ 22,920

AT&T Capital Lease – General Fund – In February 2017, the County entered into a capital lease agreement with AT&T Capital to purchase E911 software upgrades. The original amount of $205,036 was financed under the lease agreement with an interest rate of 5.15%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The public safety equipment acquired by the lease is included in the governmental activities general assets in the amount of $162,320 (cost of $205,036 less accumulated depreciation of $42,716). Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2020	$ 42,913	$ 3,688	$ 46,601
2021	45,176	1,425	46,601
2022	6,306	13	6,319
	$ 94,395	$ 5,126	$ 99,521

Caterpillar Financial Capital Lease – General Fund – In March 2016, the County entered into a capital lease agreement with Caterpillar Financial to purchase public works equipment. The original amount of $296,461 was financed under the lease agreement with an interest rate of 3.2%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The public works equipment acquired by the lease is included in the governmental activities general assets in the amount of $180,347 (cost of $296,461 less accumulated depreciation of $116,114). Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2020	$ 24,307	$ 5,262	$ 29,569
2021	138,217	1,860	140,077
	$ 162,524	$ 7,122	$ 169,646

John Deere Financial Capital Lease – General Fund – In August 2019, the County entered into a capital lease agreement with John Deere Financial to purchase a motorgrader. The original amount of $167,224 was financed under the lease agreement with an interest rate of 4.80%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The public works equipment acquired by the lease is included in the governmental activities general assets in the amount of $158,454 (cost of $167,224 less accumulated depreciation of $8,770). Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2020	$ 53,093	$ 8,206	$ 61,299
2021	55,699	5,600	61,299
2022	58,432	2,867	61,299
	$ 167,224	$ 16,673	$ 183,897

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Governmental Activities:					
Capital leases payable	$ 517,783	$ 167,224	$ (240,405)	$ 444,602	$ 140,772
Notes payable	435,169	-	(61,135)	374,034	62,664
Series 2019 Bonds	1,257,000	-	(57,000)	1,200,000	115,000
Compensated absences	129,677	2,858	-	132,535	132,535
Total governmental activities	$ 2,339,629	$ 170,082	$ (358,540)	$ 2,151,171	$ 450,971
Business-Type Activities:					
Notes payable	$ 445,887	$ -	$ (23,293)	$ 422,594	$ 23,774
Compensated absences	-	1,688	-	1,688	1,688
Total business-type activities	$ 445,887	$ 1,688	$ (23,293)	$ 424,282	$ 25,462
Discretely presented component unit:					
Health Department					
Compensated absences	$ 35,619	$ 19,689	$ (18,292)	$ 37,016	$ -
Total long-term liabilities	$ 35,619	$ 19,689	$ (18,292)	$ 37,016	$ -

Notes payable, net pension liability and compensated absences are general liquidated by the General Fund and are therefore included in the above schedule. Capital lease obligations will be liquidated primarily by the General Fund as special local option sales tax is collected.

Bonds payable include the Series 2019 Bonds in the original amount of $1,257,000 which were issued to payoff the Series 1999 Certificates of Participation. The Sparta-Hancock Public Facilities Authority's source of revenues to pay for the principal and interest of the bonds is an intergovernmental agreement between the Public Facilities Authority and the County, whereby the County will make annual principal and semiannual interest payments sufficient to meet debt service requirements.

12. FUND DEFICITS

As of December 31, 2019, the Special Local Option Sales Tax Fund had a deficit fund balance of $1,457,236 and the Public Facilities Fund had a deficit balance of $3,580.

13. CONTINGENT LIABILITIES

Amounts expended or payable from federal grantor agencies are subject to audit and adjustment. 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 County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. In the opinion of County management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially effect the County's financial position.

14. RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

These plans provide for certain sums from marriage license, fees, fines and forfeitures to be remitted directly to the pension plans before payment of any costs or other claims. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information and valuation reports and schedules can be found on their respective websites.

Defined Benefit Pension Plan

The following information is as of January 1, 2019, the most recent year end of the described benefit pension plan.

A. Plan Description

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

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

The County's payroll for employees participating in the Plan as of January 1, 2019, the date of the latest actuarial valuation study, was $2,397,795 (based on W-2 earnings for the preceding year). All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with three years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation multiplied by years of service payable as a life annuity. Compensation is calculated as the highest average of the participant's compensation over five consecutive plan years during the ten plan years preceding retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

ACCG 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 GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339 or by calling (800) 736-7166.

Plan membership data related to the current plan membership at January 1, 2019, was as follows:

Retirees and beneficiaries currently receiving benefits	55
Terminated employees entitled to benefits but not yet receiving them	46
Active employees participating in the Plan:	67
Total number of Plan participants	168

B. Summary of Significant Accounting Policies

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

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

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis. The trustees shall rebalance the portfolio at least annually for asset allocation purposes.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

C. Contributions

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

County employees are not required to contribute to the Plan. The annual County contribution to the Plan 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 Statute 47-20. The required contribution for the 2019 plan year was $370,411. This amount represents 16.0% of covered payroll.

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

D. Actuarial Methods and Assumptions

Valuation date	January 1, 2019
Mortality rates	RP-2000 projected with Scale AA to 2019
Actuarial cost method	Entry age method
Asset valuation method	Five-year smoothed market
Investment rate of return	7.0% per annum
Projected salary increases	4.5% - 6.5% per annum
Inflation	3.0%
Cost of Living Adjustment	N/A

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

E. Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	$ 7,080,637	$ 4,939,090	$ 2,141,547
Changes for the year:			
Service cost	140,459	-	140,459
Interest	483,246	-	483,246
Liability experience (gain)/loss	11,591	-	11,591
Assumption change	283,882	-	283,882
Employer contributions	-	409,491	(409,491)
Employee contributions	-	-	-
Net investment income	-	1,005,367	(1,005,367)
Benefit payments	(354,251)	(354,251)	-
Administrative expense	-	(28,636)	28,636
Other	-	149,566	(149,566)
Net changes	564,927	1,181,537	(616,610)
Balances at December 31, 2019	$ 7,645,564	$ 6,120,627	$ 1,524,937

F. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County 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 appled to all of the projected benefit payments to determine the total pension liability.

G. Sensitivity Analysis for the Measurement Period Ended December 31, 2019

The following presents the County's net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) and 1-percentage point higher (8.0%) than the current rate:

	6.0%	7.0%	8.0%
Total Pension Liability	$ 8,481,437	$ 7,645,564	$ 6,939,308
Fiduciary Net Position	6,120,627	6,120,627	6,120,627
Net Pension Liability	$ 2,360,810	$ 1,524,937	$ 818,681

H. Summary of Net Deferred Outflows and Inflows of Resources

At December 31, 2019 the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	$ -	$ (267,374)
Differences in expected and actual experience	7,298	(1,563)
(Gain)/Loss due to Assumption change	315,125	-
Net position restricted for pensions	$ 322,423	$ (268,937)

The net amount of the County's balances of deferred outflows and inflows that will be recognized in the County's pension expense is as follows:

Year ending December 31:	
2020	$ 13,372
2021	13,372
2022	13,371
2023	13,371
	$ 53,486

I. Pension Expense for the Measurement Period Ended December 31, 2019

Service cost	$ 140,459
Interest on TPL	483,246
Amortization of:	
Liability experience (gain)/loss	62,169
Change in assumption	279,057
Asset (gain)/loss	(1,574)
Employee contributions	-
Projected earnings on plan investments	(345,108)
Administrative expense	28,636
Other change in FNP	15,819
Total expense	$ 662,704

J. Asset Allocation Policy

The Trustees rebalance the the portfolio at least annually for asset allocation purposes. The guidelines for allocations are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed Income shall be targeted at 30% of total Plan assets, valued at cost.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.33%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized as follows:

	Target Allocation	Range
Fixed Income	30%	25% - 35%
Large Cap equity	30%	25% - 35%
International equity	15%	10% - 20%
Other equity	20%	2.5% - 10%
Real estate	5%	2.5% - 10%
	100%	

K. Payable to the Pension Plan

At December 31, 2019, the County reported a payable of $409,491 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

15. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters for which the County carries commercial insurance. The County is partially self-insured for medical claims. The County pays for such claims as they become due. There are no unpaid claims as of December 31, 2019.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers

Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As a part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

16. JOINT VENTURE

Under Georgia law, the County in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission and is required to pay annual dues thereto. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30908-2016

17. RELATED PARTY TRANSACTIONS

The County purchased various parts and supplies from three entities owned by a related party. This related party also served as a County Commissioner during the year ended December 31, 2019. Payments to these entities totaled $15,818 during the year.

18. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The recently declared pandemic could adversely impact the County's future financial results, especially if the the community is negatively impacted by the decrease in economic activity caused by the virus. Such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of County Contributions
- Budgetary Comparison Schedules
  - General Fund
  - TSPLOST Special Revenue Fund

HANCOCK COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2019	2018	2017	2016	2015
Total Pension Liability as of the beginning of year (1)	$ 7,080,637	$ 6,460,282	$ 6,200,518	$ 5,620,958	$ 5,177,596
Service cost	140,459	100,051	87,985	75,692	64,334
Interest	483,246	454,990	436,541	408,958	376,919
Plan chage	-	-	-	-	-
Changes of assumptions	283,882	439,462	12,194	155,665	144,765
Benefit payments (adjusted for interest)	(354,251)	(369,109)	(358,525)	(336,360)	(304,025)
Experience (gain)/(loss)	11,591	(5,039)	81,569	275,605	161,369
Total pension liability as of end of year (2)	$ 7,645,564	$ 7,080,637	$ 6,460,282	$ 6,200,518	$ 5,620,958
Fiduciary Net Position as of beginning of year (3)	$ 4,939,090	$ 5,409,001	$ 4,706,640	$ 4,427,196	$ 4,453,855
Contributions - employer	409,491	190,379	398,669	367,141	308,152
Contributions - employee (including buyback)	-	-	-	-	-
Net investment income	1,005,367	(230,786)	714,415	301,275	30,690
Benefit payments	(354,251)	(369,109)	(358,525)	(336,360)	(304,025)
Administrative expense	(28,636)	(16,980)	(14,603)	(17,703)	(12,333)
Other	149,566	(43,415)	(37,595)	(34,909)	(49,143)
Fiduciary net position as of end of year (4)	$ 6,120,627	$ 4,939,090	$ 5,409,001	$ 4,706,640	$ 4,427,196
Net pension liability, beginning of year (1)-(3)	$ 2,141,547	$ 1,051,281	$ 1,493,878	$ 1,193,762	$ 723,741
Net pension liability as of end of year (2)-(4)	$ 1,524,937	$ 2,141,547	$ 1,051,281	$ 1,493,878	$ 1,193,762
Fiduciary Net Position as % of Total Pension Liability (4)/(2)	80.1%	69.8%	83.7%	75.9%	78.8%
Covered payroll	$ 2,559,418	$ 2,397,795	$ 2,302,496	$ 2,200,545	$ 1,766,404
Net pension liability as a % of covered payroll	59.6%	89.3%	45.7%	67.9%	67.6%

Notes to the schedule

The schedule will present 10 years of information once it is accumulated.

HANCOCK COUNTY, GEORGIA
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31,

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 370,411	$ 324,695	$ 398,669	$ 367,141	$ 308,152
Contributions in relation to the actuarially determined contribution	409,491	190,271	398,669	367,141	308,152
Contribution deficiency (excess)	$ (39,080)	$ 134,424	$ -	$ -	$ -
Covered payroll	2,559,418	2,397,795	2,302,496	2,200,545	1,766,404
Contribution as a % of covered payroll	16.00%	7.94%	17.31%	16.68%	17.45%

Notes to the Schedule

Valuation Date	January 1, 2019
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market with a 5-year smoothing period
Assumed Rate of Return on Investments	7.0%
Projected Salary Increases	4.50% - 6.50% per annum
Inflation	3.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once accumulated

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
General property taxes	$ 5,728,633	$ 6,200,000	$ 6,101,310	$ (98,690)
Local option sales tax	330,000	330,000	321,586	(8,414)
Timber tax	207,000	207,000	184,604	(22,396)
Mobile home tax	97,000	110,000	113,255	3,255
Vehicle tax	382,000	410,000	408,257	(1,743)
Insurance premium tax	478,576	553,000	553,043	43
Other taxes	48,000	206,000	179,825	(26,175)
	7,271,209	8,016,000	7,861,880	(154,120)
Licenses and Permits:				
Occupation tax	5,308	6,500	6,455	(45)
Business licenses	9,900	7,000	6,718	(282)
Building permits	61,000	72,000	72,496	496
	76,208	85,500	85,669	169
Intergovernmental:				
Rural transit fee reimbursement	80,000	124,000	124,710	710
Public safety grants	-	200,000	200,642	642
	80,000	324,000	325,352	1,352
Charges for services:				
Tax Commissioner	141,500	141,500	136,877	(4,623)
Public transit fees	120,000	120,000	97,639	(22,361)
Streets and sanitation	3,500	7,000	7,170	170
Recreation activity fees	8,200	8,200	8,345	145
	273,200	276,700	250,031	(26,669)
Fees and fines:				
Sheriff costs and fees	23,250	28,000	28,450	450
Superior Court	132,500	132,500	114,122	(18,378)
Probate Court	125,000	128,000	128,965	965
Magistrate Court	19,000	25,000	24,634	(366)
	299,750	313,500	296,171	(17,329)
Interest income	500	1,000	1,173	173
Miscellaneous:				
Rent	30,000	31,000	31,274	274
Other	787,200	208,968	64,229	(144,739)
	817,200	239,968	95,503	(144,465)
Total revenues	8,818,067	9,256,668	8,915,779	(340,889)

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current Operating:				
General government	$ 3,420,295	$ 2,467,351	$ 2,447,570	$ 19,781
Public safety	1,706,755	2,049,255	2,042,640	6,615
Judicial	645,146	749,646	746,776	2,870
Public works	1,675,177	1,817,577	1,807,738	9,839
Health and welfare	969,762	941,781	933,629	8,152
Culture and recreation	307,654	364,653	362,905	1,748
Housing and development	130,103	181,103	177,522	3,581
Total operating expenditures	8,854,892	8,571,366	8,518,780	52,586
Capital Outlays:				
General government	5,000	100,000	99,986	14
Public safety	2,000	11,000	10,293	707
Judicial	-	-	-	-
Public works	45,000	168,000	167,224	776
Health and welfare	14,211	4,211	4,000	211
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total capital expenditures	66,211	283,211	281,503	1,708
Debt Service:				
Principal	17,315	261,315	260,777	538
Interest	-	30,000	29,963	37
Total debt service	17,315	291,315	290,740	575
Total expenditures	8,938,418	9,145,892	9,091,023	54,869
Excess (deficiency) of revenues over expenditures	(120,351)	110,776	(175,244)	(286,020)
OTHER FINANCING SOURCES (USES):				
Proceeds from capital leases	-	167,224	167,224	-
Interfund transfers in (out):				
LMIG Fund	-	275,000	249,000	(26,000)
TSPLOST Fund	819,500	320,000	320,000	-
Water Fund	(189,793)	(221,000)	(220,167)	833
Emergency 911 Telephone Fund	(509,356)	(652,000)	(648,780)	3,220
	120,351	(110,776)	(132,723)	(21,947)
Excess (deficiency) of revenues over expenditures and other financing sources	-	-	(307,967)	(307,967)
FUND BALANCE, beginning of year	1,538,797	1,538,797	1,538,797	-
FUND BALANCE, end of year	$ 1,538,797	$ 1,538,797	$ 1,230,830	$ (307,967)

HANCOCK COUNTY, GEORGIA
TSPLOST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ 1,200,000	$ 1,117,982	$ (82,018)
Total revenues	-	1,200,000	1,117,982	(82,018)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	-	400,000	346,194	53,806
Capital outlays	-	100,000	11,544	88,456
Total expenditures	-	500,000	357,738	142,262
Excess revenues over (under) expenditures	-	700,000	760,244	60,244
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(700,000)	(640,000)	60,000
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	120,244	120,244
FUND BALANCE, beginning of year	130,634	130,634	130,634	-
FUND BALANCE, end of year	$ 130,634	$ 130,634	$ 250,878	$ 120,244

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements not required by the GASB, nor is a part of the basic financial statements, but is presented for purposes of additional analysis. Such information includes:

- Budgetary Comparison Schedules
  - Special Local Option Sales Tax Fund
  - LMIG Fund
- Combining Balance Sheet – Nonmajor Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Funds
- Nonmajor Special Revenue Funds – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) Basis to Actual
  - Emergency 911
  - Law Library
  - Public Facilities
  - Sheriff's Confiscation
  - Drug Abuse Education
  - CDBG Fund
- General Fund Statement of Expenditures (Final Budget to Actual) Detailed by Department
- Combining Statements – Fiduciary funds
- Community Development Block Grant:
  - Schedule of Source and Application of Funds
  - Schedule of Project Cost – Budget and Actual
- Schedule of Projects Constructed with Special Sales Tax Proceeds

HANCOCK COUNTY, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ 525,000	$ 510,333	$ (14,667)
Other	-	500	348	(152)
	-	525,500	510,681	(14,819)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	-	5,000	-	5,000
Total expenditures	-	5,000	-	5,000
Excess revenues over (under) expenditures	-	520,500	510,681	(9,819)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(520,500)	(57,963)	462,537
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	452,718	452,718
FUND BALANCE, beginning of year	(1,909,954)	(1,909,954)	(1,909,954)	-
FUND BALANCE, end of year	$ (1,909,954)	$ (1,909,954)	$ (1,457,236)	$ 452,718

HANCOCK COUNTY, GEORGIA
LMIG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	$ -	$ 800,000	$ 621,487	$ (178,513)
	-	800,000	621,487	(178,513)
EXPENDITURES:				
Current operating:				
Road expenditures	-	690,000	682,968	7,032
Total expenditures	-	690,000	682,968	7,032
Excess revenues over (under) expenditures	-	110,000	(61,481)	(171,481)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(110,000)	71,000	181,000
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	9,519	9,519
FUND BALANCE, beginning of year	14,781	14,781	14,781	-
FUND BALANCE, end of year	$ 14,781	$ 14,781	$ 24,300	$ 9,519

HANCOCK COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	SPECIAL REVENUE						Total Nonmajor Governmental Funds
	Emergency 911 Fund	Law Library	Public Facilities Authority	Sheriff's Confiscation	Drug Abuse Education	CDBG	
ASSETS:							
Cash and cash equivalents	$ 12,363	$ 39,530	$ -	$ 9,547	$ 56,271	$ -	$ 117,711
Accounts receivable, net	10,927	-	-	-	-	-	10,927
Due from other governments	-	263	-	-	957	-	1,220
Total assets	$ 23,290	$ 39,793	$ -	$ 9,547	$ 57,228	$ -	$ 129,858
LIABILITIES:							
Accounts payable	$ -	$ -	$ -	$ 10	$ -	$ -	$ 10
Accrued expenses	19,584	-	3,580	-	-	-	23,164
Due to other funds	3,706	-	-	-	-	-	3,706
Total liabilities	23,290	-	3,580	10	-	-	26,880
FUND BALANCES:							
Restricted fund balance:							
Public safety	-	-	-	9,537	57,228	-	66,765
Judicial	-	39,793	-	-	-	-	39,793
Unassigned fund balance	-	-	(3,580)	-	-	-	(3,580)
Total fund balances	-	39,793	(3,580)	9,537	57,228	-	102,978
Total liabilities and fund balance	$ 23,290	$ 39,793	$ -	$ 9,547	$ 57,228	$ -	$ 129,858

HANCOCK COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENT FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	SPECIAL REVENUE						Total
	Emergency 911 Fund	Law Library	Public Facilities Authority	Sheriff's Confiscation	Drug Abuse Education	CDBG	Nonmajor Governmental Funds
REVENUES:							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 608,819	$ 608,819
Fines and forfeitures	-	4,885	-	1,275	8,498	-	14,658
Charges for services	134,312	-	-	-	-	-	134,312
Total revenues	134,312	4,885	-	1,275	8,498	608,819	757,789
EXPENDITURES:							
Current operating:							
Public safety	736,433	-	-	1,275	-	-	737,708
Judicial	-	250	-	-	-	-	250
Capital outlays	-	12,000	-	-	-	561,989	573,989
Debt service:							
Principal	40,763	-	57,000	-	-	-	97,763
Interest	5,896	-	44,779	-	-	-	50,675
Total expenditures	783,092	12,250	101,779	1,275	-	561,989	1,460,385
Excess (deficiency) of revenues over expenditures	(648,780)	(7,365)	(101,779)	-	8,498	46,830	(702,596)
OTHER FINANCING SOURCES (USES):							
Transfers in (out)	648,780	-	104,793	-	-	(46,830)	706,743
Total other financing sources and uses	648,780	-	104,793	-	-	(46,830)	706,743
Net change in fund balance	-	(7,365)	3,014	-	8,498	-	4,147
FUND BALANCE, beginning	-	47,158	(6,594)	9,537	48,730	-	98,831
FUND BALANCE, ending	$ -	$ 39,793	$ (3,580)	$ 9,537	$ 57,228	$ -	$ 102,978

HANCOCK COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
E-911 fees	$ 100,000	$ 135,000	$ 134,312	$ (688)
Total revenues	100,000	135,000	134,312	(688)
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	450,318	620,000	619,832	168
Purchased/contracted services	147,938	110,000	109,098	902
Supplies	11,100	10,000	7,503	2,497
Debt service:				
Principal	-	41,000	40,763	237
Interest	-	6,000	5,896	104
Total expenditures	609,356	787,000	783,092	3,908
Excess revenues over (under) expenditures	(509,356)	(652,000)	(648,780)	3,220
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	509,356	652,000	648,780	(3,220)
Total other financing sources (uses)	509,356	652,000	648,780	(3,220)
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

HANCOCK COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	$ -	$ 13,000	$ 4,885	$ (8,115)
Total revenues	-	13,000	4,885	(8,115)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	-	1,000	250	750
Capital outlays	-	12,000	12,000	-
Total expenditures	-	13,000	12,250	750
Excess revenues over (under) expenditures	-	-	(7,365)	(7,365)
OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	(7,365)	(7,365)
FUND BALANCE, beginning of year	47,158	47,158	47,158	-
FUND BALANCE, end of year	$ 47,158	$ 47,158	$ 39,793	$ (7,365)

HANCOCK COUNTY, GEORGIA
PUBLIC FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Debt service:				
Principal	-	57,000	57,000	-
Interest	-	45,000	44,779	221
Total expenditures	-	102,000	101,779	221
Excess revenues over (under) expenditures	-	(102,000)	(101,779)	221
OTHER FINANCING SOURCES (USES)				
Transfers in	-	102,000	104,793	2,793
Total other financing sources (uses)	-	102,000	104,793	2,793
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	3,014	3,014
FUND BALANCE, beginning of year	(6,594)	(6,594)	(6,594)	-
FUND BALANCE, end of year	$ (6,594)	$ (6,594)	$ (3,580)	$ 3,014

HANCOCK COUNTY, GEORGIA
SHERIFF'S CONFISCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	$ -	$ 4,000	$ 1,275	$ (2,725)
Total revenues	-	4,000	1,275	(2,725)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	-	4,000	1,275	2,725
Total expenditures	-	4,000	1,275	2,725
Excess revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	9,537	9,537	9,537	-
FUND BALANCE, end of year	$ 9,537	$ 9,537	$ 9,537	$ -

HANCOCK COUNTY, GEORGIA
DRUG ABUSE EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	$ -	$ 9,000	$ 8,498	$ (502)
Total revenues	-	9,000	8,498	(502)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	-	5,000	-	5,000
Supplies	-	4,000	-	4,000
Total expenditures	-	9,000	-	9,000
Excess revenues over (under) expenditures	-	-	8,498	8,498
OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	8,498	8,498
FUND BALANCE, beginning of year	48,730	48,730	48,730	-
FUND BALANCE, end of year	$ 48,730	$ 48,730	$ 57,228	$ 8,498

HANCOCK COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ 608,819	$ 608,819	$ -
	-	-	608,819	-
EXPENDITURES:				
Capital outlays	-	561,989	561,989	-
Total expenditures	-	561,989	561,989	-
Excess revenues over (under) expenditures	-	-	46,830	-
OTHER FINANCING SOURCES (USES)				
Net Transfers in (out)	-	(46,830)	(46,830)	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

HANCOCK COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2019

	Superior Court	Sheriff's Office	Magistrate Court	Probate Court	Tax Commissioner's Office	Total Agency Funds
ASSETS:						
Cash	$ 144,846	$ 1,154	$ 9,607	$ 29,265	$ 214,327	$ 399,199
LIABILITIES:						
Due to others	$ 129,047	$ -	$ 8,391	$ 24,610	$ 60,517	$ 222,565
Due to General Fund	15,799	1,154	1,216	4,655	153,810	176,634
	$ 144,846	$ 1,154	$ 9,607	$ 29,265	$ 214,327	$ 399,199

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT:				
Board of Commissioners:				
Personal services	$ 337,622	$ 396,334	$ 394,850	$ 1,484
Purchased/contracted services	79,350	64,350	63,346	1,004
Supplies	6,600	7,600	7,256	344
Capital outlays	2,000	-	-	-
	425,572	468,284	465,452	2,832
Tax Commissioner:				
Personal services	186,818	235,818	235,503	315
Purchased/contracted services	64,200	55,200	54,857	343
Supplies	3,050	3,550	3,197	353
Capital outlays	3,000	-	-	-
	257,068	294,568	293,557	1,011
Tax Assessors:				
Personal services	149,869	178,869	178,025	844
Purchased/contracted services	32,650	24,650	23,764	886
Supplies	17,910	8,910	8,405	505
Capital outlays	-	-	-	-
	200,429	212,429	210,194	2,235
Board of Elections:				
Personal services	63,364	79,252	78,023	1,229
Purchased/contracted services	78,650	42,900	41,279	1,621
Supplies	2,000	1,000	907	93
Capital outlays	-	-	-	-
	144,014	123,152	120,209	2,943
Coroner:				
Personal services	12,060	13,060	12,703	357
Purchased/contracted services	9,100	6,100	5,143	957
Supplies	1,500	500	125	375
Capital outlays	-	-	-	-
	22,660	19,660	17,971	1,689
Public Building and Property:				
Personal services	107,072	129,072	128,716	356
Purchased/contracted services	405,100	454,100	453,712	388
Supplies	16,600	18,600	17,014	1,586
Capital outlays	-	100,000	99,986	14
	528,772	701,772	699,428	2,344

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
County Agent:				
Personal services	19,891	23,891	23,815	76
Purchased/contracted services	4,000	4,000	3,303	697
Supplies	3,400	3,400	2,886	514
	27,291	31,291	30,004	1,287
Miscellaneous General Government:				
Property and liability insurance	153,591	159,000	158,209	791
Workers compensation	102,703	92,000	91,538	462
Audit and accounting	100,000	100,000	97,809	2,191
Service contracts	12,000	58,000	57,725	275
Legal fees	32,000	29,000	28,603	397
Other	1,419,195	278,195	276,857	1,338
Capital outlays	-	-	-	-
	1,819,489	716,195	710,741	5,454
Total general government	3,425,295	2,567,351	2,547,556	19,795
PUBLIC SAFETY:				
Sheriff's Office:				
Personal services	633,474	758,474	757,134	1,340
Purchased/contracted services	28,950	63,950	63,572	378
Supplies	71,300	35,300	34,381	919
Capital outlays	-	-	-	-
	733,724	857,724	855,087	2,637
Jail:				
Personal services	611,208	722,208	721,269	939
Purchased/contracted services	75,550	100,550	100,190	360
Supplies	69,300	85,300	85,229	71
Capital outlays	2,000	11,000	10,293	707
	758,058	919,058	916,981	2,077
Fire:				
Personal services	84,260	79,260	78,901	359
Purchased/contracted services	15,899	19,899	19,356	543
Supplies	5,550	33,550	33,030	520
Capital outlays	-	-	-	-
	105,709	132,709	131,287	1,422
Courthouse Security:				
Personal services	108,764	146,764	146,118	646
Supplies	2,500	4,000	3,460	540
	111,264	150,764	149,578	1,186
Total public safety	1,708,755	2,060,255	2,052,933	7,322

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
JUDICIAL SYSTEM:				
Superior Court:				
Personal services	$ 143,456	$ 177,456	$ 176,759	$ 697
Purchased/contracted services	158,738	160,738	160,789	(51)
Supplies	2,020	5,020	4,670	350
Capital outlays	-	-	-	-
	304,214	343,214	342,218	996
Probate Court:				
Personal services	131,683	157,683	157,650	33
Purchased/contracted services	33,150	33,150	32,695	455
Supplies	1,800	2,800	2,123	677
Capital outlays	-	-	-	-
	166,633	193,633	192,468	1,165
Magistrate Court:				
Personal services	162,548	202,548	202,173	375
Purchased/contracted services	8,501	8,501	8,422	79
Supplies	3,250	1,750	1,495	255
Capital outlays	-	-	-	-
	174,299	212,799	212,090	709
Total Judicial	645,146	749,646	746,776	2,870
PUBLIC WORKS:				
Road Department:				
Personal services	575,532	707,532	706,585	947
Purchased/contracted services	89,601	46,601	39,603	6,998
Supplies	450,150	492,150	491,879	271
Capital outlays	45,000	168,000	167,224	776
	1,160,283	1,414,283	1,405,291	8,992
Solid Waste Department:				
Personal services	68,885	78,885	78,131	754
Purchased/contracted services	490,009	491,009	490,150	859
Supplies	1,000	1,400	1,390	10
Capital outlays	-	-	-	-
	559,894	571,294	569,671	1,623
Total Public Works	1,720,177	1,985,577	1,974,962	10,615
HEALTH AND WELFARE:				
Public Health:				
Emergency management	29,878	31,877	31,438	439
Ambulance - service contract	350,000	350,000	350,000	-
Ambulance - other operating	19,480	3,500	3,072	428
DFACS	4,000	4,000	376	3,624
Board of Health	120,000	120,000	119,195	805
	523,358	509,377	504,081	5,296

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Transit/Senior Citizen Center:				
Personal services	$ 293,444	$ 330,444	$ 328,528	$ 1,916
Purchased/contracted services	86,000	82,000	81,308	692
Supplies	66,960	19,960	19,712	248
Capital outlays	14,211	4,211	4,000	211
	460,615	436,615	433,548	3,067
Total Health and Welfare	983,973	945,992	937,629	8,363
CULTURE AND RECREATION:				
Recreation:				
Personal services	128,854	168,853	168,455	398
Purchased/contracted services	21,300	35,300	35,054	246
Supplies	11,500	6,500	6,160	340
Capital outlays	-	-	-	-
	161,654	210,653	209,669	984
Library:				
Library contributions	126,000	125,000	124,512	488
Supplies	-	-	-	-
	126,000	125,000	124,512	488
Hancock Youth Center contribution	20,000	29,000	28,724	276
Total Culture and recreation	307,654	364,653	362,905	1,748
HOUSING AND DEVELOPMENT:				
Planning and zoning:				
Personal services	46,403	64,403	63,586	817
Purchased/contracted services	37,900	35,900	33,984	1,916
Supplies	800	800	743	57
Capital outlays	-	-	-	-
	85,103	101,103	98,313	2,790
Development Authority contribution	45,000	80,000	79,209	791
Total Housing and development	130,103	181,103	177,522	3,581
GRAND TOTAL	$ 8,921,103	$ 8,854,577	$ 8,800,283	$ 54,294

HANCOCK COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
CDBG No. 17p-y-070-1-5940
SCHEDULE OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

SOURCE OF FUNDS:		
CDBG Funds drawn down by recipient during the year ended December 31, 2019		$ 608,819
APPLICATION OF FUNDS:		
Construction costs for health department upgrades	$ 590,273	
Administration	18,546	608,819
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION		$ -

HANCOCK COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
CDBG No. 17p-y-070-1-5940
SCHEDULE OF PROJECT COST - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Total Budgeted Costs (Revised) For CDBG	Costs Prior to Year Ended 12/31/19	Actual Current Year Costs	Total Project Costs To Date	(Over) Under Budget
Construction cost for health facilities	$ 590,273	$ -	$ 590,273	$ 590,273	$ -
Administration	37,677	-	18,546	18,546	19,131
Total	$ 627,950	$ -	$ 608,819	$ 608,819	$ 19,131

HANCOCK COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Jail Renovation Project	$3,700,000	$6,400,000	$ 10,204,484	$ 104,793	$ 10,309,277

COMPLIANCE SECTION

NICHOLS, CAULEY & ASSOCIATES, LLC
1300 Bellevue Avenue
Dublin, Georgia 31021
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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*

Independent Auditor's Report

To the Honorable Chairman and
Members of the Board of Commissioners
Hancock County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hancock County, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Hancock County, Georgia's basic financial statements, and have issued our report thereon dated November 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Hancock County Health Department, as described in our report on Hancock County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Hancock County, Georgia in a separate letter dated November 30, 2020.

Hancock County's Response to Findings

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

Purpose of this Report

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

Nichols, Cauley & Associates, LLC

Dublin, Georgia
November 30, 2020

Finding 2019-001

Material Weakness in Internal Control Over Financial Reporting – Inadequate Segregation of Duties

Criteria: The internal control environment of an entity will allow proper segregation of duties so that an employee will not have access to overlapping duties in regards to the receipt and/or disbursement of funds, reconciliation of accounts, posting of accounting records, etc.

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County.

Cause: The County's limited size and staffing resources have resulted in a lack of internal controls adequately designed or implemented.

Effect or Potential Effect: An absence of appropriate segregation of duties could increase the risk of misappropriation of assets if other controls are not in place or do not function properly.

Recommendation: The County should continue to monitor this situation and use alternative control measures where available to assist in safeguarding County assets.

Responsible Official's Response: We are aware of this situation and will continue to evaluate the costs and related benefits of adding additional personnel in certain departments to alleviate the people. We will continue to use alternative measures where available to assist in safeguarding assets.