JENKINS COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

JENKINS COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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JENKINS COUNTY, GEORGIA

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FOR THE FISCAL YEAR ENDED
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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Jenkins County, Georgia
Millen, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of **Jenkins County, Georgia** (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Jenkins 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 the Jenkins County Development Authority and the Jenkins County Department of Health, which represents 100% of the assets, net position, and revenue of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jenkins County Development Authority and Jenkins County Department of Heath, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issue by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund (on pages 44 through 46), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 47), and the Schedule of County Contributions (on page 48) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jenkins County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2019

BASIC FINANCIAL STATEMENTS

JENKINS COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS	Primary Government	Component Units	
	Governmental Activities	Jenkins County Development Authority	Jenkins County Department of Health
Cash and cash equivalents	$ 5,771,279	$ 367,474	$ 206,431
Taxes receivable	305,466	-	-
Accounts receivable, net of allowances	220,965	-	45,103
Note receivable, current portion	-	189,225	-
Due from other governments	42,196	-	-
Prepaid items	138,312	-	-
Capital assets, nondepreciable	460,808	700,912	-
Capital assets, depreciable, net of accumulated depreciation	14,517,897	157,839	-
Other assets	-	-	10,709
Total assets	21,456,923	1,415,450	262,243
DEFERRED OUTFLOWS OF RESOURCES			
State OPEB contributions	-	-	51,211
SEAD-OPEB contributions	-	-	3,353
Pension	248,768	-	58,236
Total deferred outflows of resources	248,768	-	112,800
LIABILITIES			
Accounts payable	258,466	-	1,811
Accrued liabilities	15,543	1,960	-
Due to other governments	15,532	-	19,801
Capital leases due within one year	62,119	-	-
Capital leases due in more than one year	522,550	-	-
Compensated absences due within one year	27,126	-	-
Compensated absences due in more than one year	81,379	-	14,976
Notes payable due within one year	-	11,435	-
Notes payable due in more than one year	-	50,558	-
Bonds payable due within one year	235,000	-	-
Bonds payable due in more than one year	1,475,000	-	-
Landfill post-closure costs due within one year	90,000	-	-
Landfill post-closure costs due in more than one year	1,549,708	-	-
Net pension liability	1,127,784	-	232,479
Net OPEB liability	-	-	135,958
Total liabilities	5,460,207	63,953	405,025

(Continued)

JENKINS COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government	Component Units	
DEFERRED INFLOWS OF RESOURCES	**Governmental Activities**	**Jenkins County Development Authority**	**Jenkins County Department of Health**
Pension	$ 87,411	$ -	$ 7,762
State OPEB contributions	-	-	79,381
SEAD-OPEB contributions	-	-	1,770
Total deferred inflows of resources	87,411	-	88,913
NET POSITION			
Net investment in capital assets	11,933,581	796,758	-
Restricted for:			
Capital projects	3,444,391	-	-
Economic development	142,718	-	-
Judicial	43,523	-	-
Public safety	287,181	-	-
Health and welfare	-	-	131,592
Unrestricted	306,679	554,739	(250,487)
Total net position	$ 16,158,073	$ 1,351,497	$ (118,895)

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

JENKINS COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 2,869,069	$ 281,672	$ 38,073	$ -
Judicial	704,084	1,185,009	-	-
Public safety	2,587,034	489,591	-	1,470
Public works	1,833,034	120,472	-	500,738
Health and welfare	470,147	-	-	-
Culture and recreation	370,699	89,626	1,500	-
Economic development	464,822	-	30,960	-
Conservation of natural resources	123,118	-	-	-
Interest on long-term debt	63,152	-	-	-
Total governmental activities	9,485,159	2,166,370	70,533	502,208
Component unit:				
Jenkins County Development Authority	$ 259,797	$ 132,365	$ 150,000	$ 104,873
Jenkins County Department of Health	328,808	124,370	275,822	-
Total component unit	$ 588,605	$ 256,735	$ 425,822	$ 104,873
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on sale of assets				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

	Net (Expenses) Revenues and Changes in Net Position		
		Component Unit	
	Governmental Activities	Jenkins County Development Authority	Jenkins County Department of Health
	$ (2,549,324)	$ -	$ -
	480,925	-	-
	(2,095,973)	-	-
	(1,211,824)	-	-
	(470,147)	-	-
	(279,573)	-	-
	(433,862)	-	-
	(123,118)	-	-
	(63,152)	-	-
	(6,746,048)	-	-
	-	127,441	-
	-	-	71,384
	$ -	$ 127,441	71,384
	3,534,273	-	-
	1,945,848	-	-
	336,412	-	-
	1,144	-	-
	521,632	11,133	-
	-	25,986	-
	6,339,309	37,119	-
	(406,739)	164,560	71,384
	16,564,812	1,186,937	(190,279)
	$ 16,158,073	$ 1,351,497	$ (118,895)

JENKINS COUNTY, GEORGIA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund	TSPLOST Discretionary Fund
ASSETS				
Cash and cash equivalents	$ 1,898,250	$ 460,965	$ 459,633	$ 1,998,725
Taxes receivable	305,466	-	-	-
Accounts receivable	85,576	-	60,280	75,109
Due from other governments	42,196	-	-	-
Prepaid items	138,312	-	-	-
Total assets	$ 2,469,800	$ 460,965	$ 519,913	$ 2,073,834
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 183,393	$ -	$ 10,987	$ 64,086
Accrued liabilities	15,543	-	-	-
Due to other governments	-	-	15,532	-
Total liabilities	198,936	-	26,519	64,086
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	31,836	-	-	-
Total deferred inflows of resources	31,836	-	-	-

(Continued)

	LMIG Fund	Nonmajor Governmental Funds	Total Governmental Funds
	$ 480,184	$ 473,522	$ 5,771,279
	-	-	305,466
	-	-	220,965
	-	-	42,196
	-	-	138,312
	$ 480,184	$ 473,522	$ 6,478,218
	$ -	$ -	$ 258,466
	-	-	15,543
	-	-	15,532
	-	-	289,541
	-	-	31,836
	-	-	31,836

JENKINS COUNTY, GEORGIA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund	TSPLOST Discretionary Fund
FUND BALANCES				
Nonspendable:				
Prepaid items	$ 138,312	$ -	$ -	$ -
Restricted for:				
Capital projects	-	460,965	493,394	2,009,748
Economic development	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Unassigned	2,100,716	-	-	-
Total fund balances	2,239,028	460,965	493,394	2,009,748
Total liabilities, deferred inflows of resources, and fund balances	$ 2,469,800	$ 460,965	$ 519,913	$ 2,073,834

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.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred outflows of resources are not due and payable in the current period, and therefore, are not reported in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

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

LMIG Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 138,312
480,184	100	3,444,391
-	142,718	142,718
-	43,523	43,523
-	287,181	287,181
-	-	2,100,716
480,184	473,522	6,156,841
$ 480,184	$ 473,522	
		14,978,705
		(55,575)
		248,768
		(5,170,666)
		$ 16,158,073

JENKINS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund
Revenues			
Taxes	$ 3,920,944	$ -	$ 947,334
Licenses and permits	6,255	-	-
Intergovernmental	41,043	-	-
Fines and forfeitures	957,824	-	-
Charges for services	671,301	-	-
Investment income	947	1,589	1,559
Miscellaneous	791,091	-	-
Total revenues	6,389,405	1,589	948,893
Expenditures			
Current:			
General government	1,393,095	-	-
Judicial	688,638	-	-
Public safety	2,333,756	-	-
Public works	1,666,688	-	-
Health and welfare	461,744	-	-
Culture and recreation	334,810	-	-
Conservation of natural resources	120,857	-	-
Economic development	348,853	-	-
Intergovernmental	-	-	209,211
Capital outlay	-	107,827	508,881
Debt service:			
Principal	-	48,429	-
Interest and fiscal charges	-	526	-
Total expenditures	7,348,441	156,782	718,092
Excess (deficiency) of revenues over (under) expenditures	(959,036)	(155,193)	230,801

(Continued)

TSPLOST Discretionary Fund	LMIG Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 998,514	$ -	$ -	$ 5,866,792
-	-	-	6,255
-	473,923	144,779	659,745
-	-	140,898	1,098,722
-	-	-	671,301
5,765	1,037	197	11,094
-	-	23,679	814,770
1,004,279	474,960	309,553	9,128,679
-	-	-	1,393,095
-	-	5,140	693,778
-	-	191,224	2,524,980
-	-	-	1,666,688
-	-	-	461,744
-	-	-	334,810
-	-	-	120,857
-	-	13,239	362,092
-	-	-	209,211
1,016,500	106,712	22,861	1,762,781
-	-	311,009	359,438
-	-	62,626	63,152
1,016,500	106,712	606,099	9,952,626
(12,221)	368,248	(296,546)	(823,947)

JENKINS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund
Other financing sources (uses):			
Transfers in	$ -	$ -	$ -
Transfers out	-	-	(352,952)
Total other financing sources (uses)	-	-	(352,952)
Net change in fund balances	(959,036)	(155,193)	(122,151)
Fund balance, beginning of year	3,198,064	616,158	615,545
Fund balance, end of year	$ 2,239,028	$ 460,965	$ 493,394

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

TSPLOST Discretionary Fund	LMIG Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 352,952	$ 352,952
-	-	-	(352,952)
-	-	352,952	-
(12,221)	368,248	56,406	(823,947)
2,021,969	111,936	417,116	6,980,788
$ 2,009,748	$ 480,184	$ 473,522	$ 6,156,841

JENKINS COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds.	$	(823,947)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		391,017
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(50,259)
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		324,141
Some expenses 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.		(247,691)
	$	(406,739)

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

JENKINS COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS	
Cash	$ 751,949
Taxes receivable	510,422
Total assets	$ 1,262,371
LIABILITIES	
Due to others	$ 1,262,371

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County is a political subdivision of the State of Georgia. The County is governed by a five member elected board of county commissioners which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge and Clerk of State and Superior Court. The Magistrate Court Judge, which is appointed by the County Commission, is also included within the financial records and financial statements of the County. The cost of operations of the Superior Court Judges and the District Attorney, which are elected court functions, are shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in the County's financial statements.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the various constitutional officers including the Clerk of Court, the Sheriff, the Probate Court, the Tax Commissioner, the Magistrate Court and Probation.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and: 1) the County is able to significantly influence the programs or services performed or provided by the organizations; or 2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Brief descriptions of the discretely presented component units follow:

Jenkins County Development Authority (the "Development Authority") – The Development Authority is responsible for encouraging economic development within the County. The County Commission appoints a majority of the members of the Development Authority Board. The Development Authority is fiscally dependent upon the County for operating subsidies. Complete financial statements for the Development Authority may be obtained from its administrative office.

Jenkins County Department of Health (the "Health Department") – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department Board consists of seven members, four of these members are appointed by the County Commission. Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. Complete financial statements for the Health Department may be obtained from its administrative office.

B. Basis of Presentation

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

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. The primary government and the component units are presented separately within these financial statements with the focus on the primary government.

The statement of net position presents the financial position of the governmental activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: 1) charges for services, which report fees, and other charges to users of the County's services; 2) operating grants and contributions, which finance annual operating activities including restricted investment income; and 3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted for the functions use.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental funds.

Major individual governmental funds are reported in separate columns.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

SPLOST V Capital Project Fund – This fund accounts for the financial resources of the 2008 Special Purpose Local Option Sales Taxes.

SPLOST VI Capital Project Fund – This fund accounts for the financial resources of the 2013 Special Purpose Local Option Sales Taxes.

TSPLOST Discretionary Fund – This fund is used to account for the acquisition of property and the construction of projects designated to be funded by the special sales tax created with the Transportation Investment Act of 2010.

LMIG Fund – This fund is used to account for the construction and maintenance of projects designated to be funded by the Local Maintenance and Improvement Grant.

Additionally, The County reports the following fund types:

Special Revenue Funds – Special revenue funds account for the specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Funds – Capital projects funds account for revenue sources that are to be used for the acquisition and construction of major capital facilities.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources that are restricted and assigned for the payment of principal and interest on long-term debt.

Fiduciary Funds – Fiduciary funds reporting focuses on net position. The County's fiduciary funds are agency funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

D. Basis of Accounting

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

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Revenues – Non-exchange Transactions – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

E. Cash, Cash Equivalents, and Investments

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

Investments are stated at fair value, based on quoted market prices or the best estimate thereof.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents, and Investments (Continued)

Georgia law authorizes the County to invest in the following types 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 United States Government or Government agency
- Obligations of any corporation of the United States 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

F. Receivables

All receivables are reported at their net realizable value.

G. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

I. Capital Assets

Capital assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The County maintains a capitalization threshold of $5,000 dollars. The County began reporting its infrastructure prospectively beginning July 1, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Category	Years
Buildings	20 – 99
Vehicles	7 – 20
Machinery and equipment	5 – 20
Roads and infrastructure	20 – 80

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due".

K. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases and installment obligations are recognized as a liability in the governmental fund financial statements when due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources*, and Net Position and No. 65, *Items Previously Reported as Assets and Liabilities*. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government-wide financial statements report deferred outflows related to pensions and will be recognized as pension expense over a five-year closed period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category; *unavailable revenue*, which arises only under a modified accrual basis of accounting, and deferred inflows related to pensions. The governmental funds report unavailable revenues from property taxes and other receivables, which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The government-wide financial statements report deferred inflows related pensions and will be recognized as a reduction of pension expense over a five-year closed period.

M. Pensions

The County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.* GASB Statement No. 68 establishes standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association of County Commissioners of Georgia Pension Plan for County Employees (the “Plan”) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund 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 constraints imposed by formal action of the County Commissioners through the adoption of a resolution. By policy, the County Commissioners also may modify or rescind any 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 policy, authorization to assign fund balances remains with the Board.

- ***Unassigned*** – Fund balances are reported as unassigned when amounts do not meet any of the above criteria. The County reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted. When both restricted and unrestricted amounts of net position are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts, as they are needed.

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

P. Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $5,170,666 difference are as follows:

Capital leases payable	$ (584,669)
Bonds payable	(1,710,000)
Landfill post-closure costs	(1,639,708)
Compensated absences	(108,505)
Net pension liability	(1,127,784)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (5,170,666)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position – governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $391,017 difference are as follows:

Capital outlay	$ 1,043,039
Depreciation expense	(652,022)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 391,017

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) 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 position. The details of this $324,141 difference are as follows:

Debt repaid:		
Capital leases	$	129,438
Revenue bonds		230,000
Landfill post-closure costs		(35,297)
Net adjustment to increase net changes in *fund balances - total governmental funds* to arrive at changes in *net position - governmental activities*	$	324,141

Another element of that reconciliation states that "Some expenses 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." The details of this $247,691 difference are as follows:

Compensated absences	$	(21,652)
Net pension liability		(412,524)
Deferred outflows of resources		51,203
Deferred inflows of resources		135,282
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(247,691)

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County is required to adopt an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length balanced budget for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a GAAP basis. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of County Commissioners.

The department head may approve budget transfers within departments with certain exceptions. During the year, the Board approved budget revisions. All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2019, expenditures exceeded budget, as follows:

Fund or Department		Excess
General Fund:		
Board of commissioners	$	389,564
Elections		412
Tax assessor		31,503
County buildings		17,219
Superior court		20,179
Law enforcement administration		14,121
Ambulance		413,167
Coroner		1,334
Landfill		357,119
Hospital authority		25,000
Health department		9,225
Senior citizens program		26,623
Libraries		3,233
Airport		142,346

The over-expenditures in the General Fund were funded by under-expenditures in other department and unanticipated revenue.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

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 increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2019, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at June 30, 2019, consisted of accounts, taxes, and other receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Receivables consisted of the following at June 30, 2019:

	General	SPLOST VI Capital Projects Fund	TSPLOST Discretionary Fund	Total
Receivables:				
Taxes	$ 305,466	$ -	$ -	$ 305,466
Accounts	85,576	60,280	75,109	220,965
Total receivables	$ 391,042	$ 60,280	$ 75,109	$ 526,431

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 460,808	$ -	$ -	$ -	$ 460,808
Construction in progress	99,000	-	-	(99,000)	-
Total	559,808	-	-	(99,000)	460,808
Capital assets, being depreciated:					
Buildings	8,165,005	551,430	-	-	8,716,435
Vehicles	1,449,286	99,290	(300,527)	-	1,248,049
Roads and infrastructure	7,557,674	33,830	-	-	7,591,504
Machinery and equipment	4,434,575	358,489	(162,498)	99,000	4,729,566
Total	21,606,540	1,043,039	(463,025)	99,000	22,285,554
Less accumulated depreciation for:					
Buildings	1,729,683	127,988	-	-	1,857,671
Vehicles	1,155,493	71,955	(300,527)	-	926,921
Roads and infrastructure	994,297	252,271	-	-	1,246,568
Machinery and equipment	3,699,187	199,808	(162,498)	-	3,736,497
Total	7,578,660	652,022	(463,025)	-	7,767,657
Total capital assets, being depreciated, net	14,027,880	391,017	-	99,000	14,517,897
Governmental activities capital assets, net	$ 14,587,688	$ 391,017	$ -	$ -	$ 14,978,705

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

Governmental activities:	
General government	$ 32,189
Judicial	1,834
Public safety	176,385
Public works	299,357
Health and welfare	14,822
Culture and recreation	22,444
Conservation of natural resources	2,261
Housing and development	102,730
Total depreciation expense - governmental activities	$ 652,022

NOTE 7. LONG-TERM DEBT

Changes in Long-term Debt – Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Landfill post-closure	$ 1,604,411	$ 128,018	$ 92,721	$ 1,639,708	$ 90,000
Capital leases	714,107	-	129,438	584,669	62,119
General obligation bonds	1,940,000	-	230,000	1,710,000	235,000
Compensated absences	86,853	62,048	40,396	108,505	27,126
Net pension liability	715,260	540,344	127,820	1,127,784	-
Totals	$ 5,060,631	$ 730,410	$ 620,375	$ 5,170,666	$ 414,245

The general fund is funding the landfill closure/post-closure care costs. The compensated absences liability will be paid from the general fund.

Governmental Activities Bond Payable – The County issued bonds to acquire, construct and equip a new county jail. The original amount of the bond issuance was $2,595,000 with an interest rate of 2.46% with quarterly principal and interest maturity installments. Bond payments are reflected as debt service expenditures at the governmental fund reporting level. Annual debt service requirements to amortize the bonds outstanding as of June 30, 2019, are as follows:

Fiscal Year ending June 30,	Principal	Interest
2020	$ 235,000	$ 39,887
2021	230,000	33,962
2022	235,000	28,155
2023	240,000	22,222
2024	250,000	16,115
2025-2026	520,000	12,136
	$ 1,710,000	$ 152,477

Proceeds from the debt service fund will be used to liquidate the long-term bond liability.

Governmental Activities Capital Lease

The County previously entered into a capital lease for an industrial loader. The original amount of $159,328 was financed under this lease agreement with an interest rate of 2.14%.

The County previously entered into a capital lease for the purchase of various E911 equipment, an ambulance, and a motor grader. The original amount of $675,315 was financed under this lease agreement with an interest rate of 2.68%.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $522,344 with current year depreciation of $76,288 (cost of $643,786 less accumulated depreciation of $121,442). Depreciation of the governmental activities general capital assets recorded under capital leases is included in the accompanying statement of activities.

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2020	$ 62,119	$ 15,256
2021	63,795	13,580
2022	65,516	11,859
2023	67,284	10,091
2024	69,098	8,276
2025-2028	256,857	13,951
	$ 584,669	$ 73,013

Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level.

NOTE 8. INTERFUND BALANCES

The composition of interfund transfers for the year ended June 30, 2019, is as follows:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	SPLOST VI Capital Project Fund	$ 352,952

Transfers are used: 1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and 2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. PROPERTY TAXES

The County property taxes are based on assessments of property values on January 1, 2018, assessed by the County the Assessors' office. The digest is prepared by the assessor's office and verified by the Georgia Department of Revenue. The Board of Commissioners set the property tax millage rate in September of 2018

The tax billing cycle for the fiscal year 2019 is as follows:

	Real/Personal Property
Assessment date	August 6, 2018
Levy date	November 30, 2018
Due date and collection date	February 20, 2019
Tax execution date/lien date	Staggered

NOTE 10. DEFINED BENEFIT PENSION PLAN

Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Association County Commissioners of Georgia Jenkins County Defined Benefit Plan (the “Plan”), covering the majority of all of the County’s employees. The County’s pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the “ACCG Plan”), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (“ACCG”). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Plan Membership

As of January 1, 2018, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disabled receiving benefits	24
Terminated plan participants entitled to but not yet receiving benefits	32
Active employess participating in the Plan	39
Total number of Plan Participants	95

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the year ended June 30, 2019, the County's contribution rate was 2.99% of annual payroll. The County contributions to the Plan were $29,197 for the year ended June 30, 2019.

Net Pension Liability of the County

The County’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2018.

Actuarial Assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	1.50% - 3.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Mortality rates were based on the RP-2000 projected with scale AA to 2018.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study through February 2019.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), 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, 2018, are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed Income:	30 %	25% - 30%
Equities:		
Larger Cap	30	25% - 35%
Mid Cap	5	2.5% - 10%
Small Cap	5	2.5% - 10%
REIT	5	2.5% - 10%
International	15	10% - 20%
Multi Cap	5	2.5% - 10%
Global Allocation	5	2.5% - 10%
	100 %	

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2019, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	$ 3,981,500	$ 3,266,240	$ 715,260
Changes for the year:			
Service cost	54,163	-	54,163
Interest	274,980	-	274,980
Differences between expected and actual experience	(98,623)	-	(98,623)
Assumption changes	19,758	-	19,758
Contributions - employer	-	29,197	(29,197)
Net investment income	-	(130,236)	130,236
Benefit payments, including refunds of employee contributions	(377,355)	(377,355)	-
Administrative expenses	-	(10,142)	10,142
Other changes	-	(51,065)	51,065
Net changes	(127,077)	(539,601)	412,524
Balances at June 30, 2019	$ 3,854,423	$ 2,726,639	$ 1,127,784

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's net pension liability	$ 1,563,470	$ 1,127,784	$ 757,897

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Calculations are based on the substantive plan in effect as of December 31, 2018, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2019, the County recognized pension expense of $255,236. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 735	$ (87,411)
Changes in actuarial assumptions	49,929	-
Net difference between projected and actual earnings on pension plan investments	198,104	-
Total	$ 248,768	$ (87,411)

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ending June 30:	
2020	$ 59,581
2021	10,572
2022	18,005
2023	73,199
	$ 161,357

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

Jenkins County has a defined contribution 401(a) retirement plan and a 457 Deferred compensation plan. The 457 plan allows for both traditional (Pre Tax) and Roth (Post Tax) contributions. The plans are administrated by ACCG Retirement Services. The funding formula for the 401(a) is as follows: Eligible employees as defined by the plans adoption agreement are required to contribution 3% of compensation to the plan at the time of hire or at the point they become eligible. The County also makes a 3% base contribution to the plan. The County's 3% base contribution is subject to a 5-year step-vesting schedule. The employee may elect to participant in the 457 on a voluntary basis but receives no matching contributions from the County. Elected officials covered under state sponsored retirement plans are not eligible for the 401(a) plan but may elect to participant in the voluntary 457 plan.

For the fiscal year ending June 30, 2019, the County's contribution to the 401(a) plan was $55,883. The amount contributed by employees was $55,883.

NOTE 12. LANDFILL POST-CLOSURE CARE LIABILITY

State and Federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste, and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs,* requires the County to report a liability for the estimated costs of closing and maintaining each landfill site. Recognition of a liability for landfill closure and post-closure care costs is based upon the capacity used to date of the County's landfill. The landfill has been closed and, accordingly, 100% of the estimated post-closure care costs are recognized. The estimated costs are the engineers' best estimate of future costs and could increase or decrease due to changes in inflation or deflation, technology or applicable laws and regulations. Expenditures of post-closure care costs reduce the liability. Costs incurred and expended for the year ended June 30, 2019 totaled $92,722. The remaining estimated liability for landfill closure and post-closure care is $1,639,708.

Closure and post-closure care costs will be revised on an annual basis, with the total estimated liability reduced as these costs are incurred. The County is exempt from the state requirement to establish a trust fund with an independent third party to accumulate assets needed for the actual payout of post-closure care costs.

NOTE 13. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the 14 county east central Georgia area, is a member of the Central Savannah River Area Regional Commission (“RC”) and is required to pay annual dues thereto. During its year ended June 30, 2019, the County paid $5,220 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. Section 50-8-39.1 provides that the member governments are liable for debts or obligations of an RC. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
P. O. Box 2800
Augusta, Georgia 30914

NOTE 14. HOTEL/MOTEL LODGING TAX

The County has levied an 8% lodging tax. The County collects hotel/motel lodging tax and distributes the funds to the various government entities including the City of Millen (30%) and the Jenkins County Chamber of Commerce (70%). The County remitted $13,239 to the local entities noted above in conjunction with the ordinance establishing this tax. All expenditures were for promotion of tourism as required by O.C.G.A. 48-13-51.

NOTE 15. OTHER INFORMATION

A. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

B. Risk Management

Interlocal Risk Management Agency – The County maintains third-party coverage for claims arising from property and casualty claims, theft, errors and omissions and general liability claims.

The County is a member of the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool. This fund was created to provide its members with an alternative method in which to finance their workers' compensation coverage. The authority to participate in this fund rests with the County Commissioners. The County's responsibility relates to paying an annual premium to the fund for its workers' compensation coverage. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

JENKINS COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 2,201,205	$ 2,201,205	$ 2,126,067	$ (75,138)
Sales taxes	100,000	100,000	61,414	(38,586)
Other taxes	1,626,225	1,626,225	1,733,463	107,238
Licenses and permits	9,300	9,300	6,255	(3,045)
Intergovernmental	42,363	42,363	41,043	(1,320)
Fines and forfeitures	620,500	620,500	957,824	337,324
Charges for services	635,100	635,100	671,301	36,201
Investment income	1,000	1,000	947	(53)
Miscellaneous	903,577	903,577	791,091	(112,486)
Total revenues	6,139,270	6,139,270	6,389,405	250,135
Expenditures:				
Current:				
General government:				
Board of commissioners	474,054	474,054	863,618	(389,564)
Elections	54,452	54,452	54,864	(412)
Tax commissioner	120,493	120,493	115,165	5,328
Tax assessor	155,667	155,667	187,170	(31,503)
County buildings	82,492	82,492	99,711	(17,219)
General administration	78,220	78,220	72,567	5,653
Total general government	965,378	965,378	1,393,095	(427,717)
Judicial:				
Superior court	412,650	412,650	432,829	(20,179)
Magistrate court	102,219	102,219	96,670	5,549
Probate court	172,998	172,998	159,139	13,859
Total judicial	687,867	687,867	688,638	(771)

(Continued)

JENKINS COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
Public safety:				
Law enforcement administration	$ 1,087,690	$ 1,087,690	$ 1,101,811	$ (14,121)
Jail operations	6,100	6,100	-	6,100
Adult probation and parole	102,984	102,984	102,005	979
Fire	74,750	74,750	71,491	3,259
Ambulance	607,613	607,613	1,020,780	(413,167)
Coroner	21,675	21,675	23,009	(1,334)
Emergency management	15,089	15,089	14,660	429
Total public safety	1,915,901	1,915,901	2,333,756	(417,855)
Public works:				
Road department	845,317	845,317	809,665	35,652
Landfill	499,904	499,904	857,023	(357,119)
Total public works	1,345,221	1,345,221	1,666,688	(321,467)
Health and welfare:				
Hospital authority	125,000	125,000	150,000	(25,000)
Health department	43,150	43,150	52,375	(9,225)
Mental health clinic	1,200	1,200	881	319
Learning center	4,800	4,800	3,540	1,260
Transportation program	144,281	144,281	46,665	97,616
Senior citizens program	173,160	173,160	199,783	(26,623)
Family and children services	8,612	8,612	8,500	112
Total health and welfare	500,203	500,203	461,744	38,459
Culture and recreation:				
Recreation centers	257,058	257,058	224,574	32,484
Libraries	107,003	107,003	110,236	(3,233)
Total culture and recreation	364,061	364,061	334,810	29,251
Economic development:				
Development authority	135,118	135,118	135,107	11
Airport	71,400	71,400	213,746	(142,346)
Total culture and recreation	206,518	206,518	348,853	(142,335)

(Continued)

JENKINS COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
Conservation of natural resources				
County agent	$ 87,430	$ 87,430	$ 58,072	$ 29,358
Forestry supplemental services	14,892	14,892	14,638	254
ASCS	51,799	51,799	48,147	3,652
Total conservation of natural resources	154,121	154,121	120,857	33,264
Total expenditures	6,139,270	6,139,270	7,348,441	(1,209,171)
Excess (deficiency) of revenues over (under) expenditures	-	-	(959,036)	(959,036)
Net change in fund balance	-	-	(959,036)	(959,036)
Fund balance, beginning of year	3,198,064	3,198,064	3,198,064	-
Fund balance, end of year	$ 3,198,064	$ 3,198,064	$ 2,239,028	$ (959,036)

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

JENKINS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	**$ 54,163**	$ 40,622	$ 44,633	$ 41,623	$ 41,386
Interest on total pension liability	**274,980**	273,940	269,046	247,558	238,472
Differences between expected and actual experience	**(98,623)**	(22,335)	(35,124)	30,191	-
Changes of assumptions	**19,758**	8,631	103,772	143,117	-
Benefit payments, including refunds of employee contributions	**(377,355)**	(195,672)	(186,583)	(165,379)	(152,036)
Net change in total pension liability	**(127,077)**	105,186	195,744	297,110	127,822
Total pension liability - beginning	**3,981,500**	3,876,314	3,680,570	3,383,460	3,255,638
Total pension liability - ending (a)	**$ 3,854,423**	$ 3,981,500	$ 3,876,314	$ 3,680,570	$ 3,383,460
Plan fiduciary net position					
Contributions - employer	**$ 29,197**	$ 148,752	$ 156,082	$ 151,069	$ 165,000
Net investment income	**(130,236)**	453,137	193,532	23,790	189,693
Benefit payments, including refunds of employee contributions	**(377,355)**	(195,672)	(186,583)	(165,379)	(152,036)
Administrative expenses	**(10,142)**	(7,477)	(11,458)	(7,763)	(7,377)
Other	**(51,065)**	(18,878)	(39,107)	(19,238)	(18,751)
Net change in fiduciary net position	**(539,601)**	379,862	112,466	(17,521)	176,529
Plan fiduciary net position - beginning	**3,266,240**	2,886,378	2,773,912	2,791,433	2,614,904
Plan fiduciary net position - ending (b)	**$ 2,726,639**	$ 3,266,240	$ 2,886,378	$ 2,773,912	$ 2,791,433
County's net pension liability - ending (a) - (b)	**$ 1,127,784**	$ 715,260	$ 989,936	$ 906,658	$ 592,027
Plan fiduciary net position as a percentage of total pension liability	**70.74%**	82.04%	74.46%	75.37%	82.50%
Covered-employee payroll	**1,112,884**	968,042	1,048,413	975,934	977,609
County's net pension liability as a percentage of covered-employee payroll	**101.34%**	73.89%	94.42%	92.90%	60.56%

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

JENKINS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE COUNTY'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 114,935**	$ 141,959	$ 153,870	$ 144,935	$ 136,557	$ 157,856
Contributions in relation to the actuarially determined contribution	**29,197**	148,752	156,082	144,935	165,000	162,818
Contribution deficiency (excess)	**$ 85,738**	$ (6,793)	$ (2,212)	$ -	$ (28,443)	$ (4,962)
Covered-employee payroll	**976,270**	1,112,884	968,042	1,048,413	975,934	977,609
Contributions as a percentage of Covered-employee payroll	**2.99%**	13.37%	16.12%	13.82%	16.91%	16.65%

Notes to the Schedule

Valuation Date	January 1, 2018
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return On Investments	7.00%
Projected Salary Increases	1.50% - 3.50% (including 3.0% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The **Jail Improvement Fund** – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

The **Law Library Fund** – To account for costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

The **Drug Abuse T&E Fund** – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

The **Juvenile Program Fund** – To account for fines and donations, which can be used to rehabilitate juveniles at the discretion of the juvenile judge.

The **Forfeitures Fund** – To account for monies deemed as forfeited property by courts to Jenkins County from cases related to illegal drug activity.

The **Hotel/Motel Fund** – To account for hotel/motel tax funds received. The resources are restricted by state law and County code for tourism and tourism product development.

The **E911 Fund** – To account for telephone subscriber surcharge collections and the operations of the Emergency 911 system.

The **EIP CDBG Grant Fund** – To account for proceeds and expenditures of the Economic Incentives Program Community Development Block Grant received from the Georgia Department of Community Affairs.

Debt Service Funds

The **Debt Service Fund** – To account for the accumulation of resources for the payment of debt principal and interest for the County.

Capital Projects Funds

The **SPLOST IV Fund** is used to account for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax.

The **CDBG EIP Scotbilt Fund** – To account for proceeds and expenditures of the Community Development Block Grant received from the Georgia Department of Community Affairs.

JENKINS COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue		
	Jail Improvement Fund	Law Library Fund	Drug Abuse T & E Fund
ASSETS			
Cash	$ 111,592	$ 43,523	$ 134,102
Total assets	$ 111,592	$ 43,523	$ 134,102
FUND BALANCES			
Restricted for:			
Capital projects	$ -	$ -	$ -
Economic development	-	-	-
Judicial	-	43,523	-
Public safety	111,592	-	134,102
Total fund balances	$ 111,592	$ 43,523	$ 134,102

(Continued)

Special Revenue					Debt Service
Juvenile Program Fund	Forfeitures Fund	Hotel/Motel Tax Fund	E911 Fund	EIP CDBG Grant Fund	Debt Service Fund
$ 1,281	$ 11,447	$ -	$ 28,759	$ 142,718	$ -
$ 1,281	$ 11,447	$ -	$ 28,759	$ 142,718	$ -
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	142,718	-
-	-	-	-	-	-
1,281	11,447	-	28,759	-	-
$ 1,281	$ 11,447	$ -	$ 28,759	$ 142,718	$ -

JENKINS COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Projects		
	SPLOST IV Fund	CDBG EIP Scotbilt Fund	Totals
ASSETS			
Cash	$ -	$ 100	$ 473,522
Total assets	$ -	$ 100	$ 473,522
FUND BALANCES			
Restricted for:			
Capital projects	$ -	$ 100	$ 100
Economic development	-	-	142,718
Judicial	-	-	43,523
Public safety	-	-	287,181
Total fund balances	$ -	$ 100	$ 473,522

JENKINS COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue		
	Jail Improvement Fund	Law Library Fund	Drug Abuse T & E Fund
Revenues:			
Intergovernmental	$ -	$ -	$ -
Fines and forfeitures	103,790	9,957	17,642
Investment income	-	-	-
Miscellaneous	123	-	-
Total revenues	103,913	9,957	17,642
Expenditures:			
Current:			
Judicial	-	5,140	-
Public safety	80,360	-	957
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	80,360	5,140	957
Excess (deficiency) of revenues over (under) expenditures	23,553	4,817	16,685
Other financing sources:			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	23,553	4,817	16,685
Fund balances, beginning of year	88,039	38,706	117,417
Fund balances, end of year	$ 111,592	$ 43,523	$ 134,102

(Continued)

Special Revenue					Debt Service
Juvenile Program Fund	Forfeitures Fund	Hotel/Motel Tax Fund	E911 Fund	EIP CDBG Grant Fund	Debt Service Fund
$ -	$ -	$ 13,239	$ 114,675	$ -	$ -
50	9,459	-	-	-	-
-	6	-	-	174	-
-	-	-	23,556	-	-
50	9,465	13,239	138,231	174	-
-	-	-	-	-	-
435	-	-	109,472	-	-
-	-	13,239	-	-	-
-	-	-	-	6,086	-
-	-	-	-	-	290,487
-	-	-	-	-	62,465
435	-	13,239	109,472	6,086	352,952
(385)	9,465	-	28,759	(5,912)	(352,952)
-	-	-	-	-	352,952
-	-	-	-	-	352,952
(385)	9,465	-	28,759	(5,912)	-
1,666	1,982	-	-	148,630	-
$ 1,281	$ 11,447	$ -	$ 28,759	$ 142,718	$ -

JENKINS COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Capital Projects		
	SPLOST IV Fund	CDBG EIP Scotbilt Fund	Totals
Revenues:			
Intergovernmental	$ -	$ 16,865	$ 144,779
Fines and forfeitures	-	-	140,898
Investment income	17	-	197
Miscellaneous	-	-	23,679
Total revenues	17	16,865	309,553
Expenditures:			
Current:			
Judicial	-	-	5,140
Public safety	-	-	191,224
Economic development	-	-	13,239
Capital outlay	10	16,765	22,861
Debt service:			
Principal	20,522	-	311,009
Interest and fiscal charges	161	-	62,626
Total expenditures	20,693	16,765	606,099
Excess (deficiency) of revenues over (under) expenditures	(20,676)	100	(296,546)
Other financing sources:			
Transfers in	-	-	352,952
Total other financing sources	-	-	319,080
Net change in fund balances	(20,676)	100	16,659
Fund balances, beginning of year	20,676	-	417,116
Fund balances, end of year	$ -	$ 100	$ 433,775

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2004 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Landfill					
Capital costs	$ 350,000	$ 637,596	$ 637,596	$ -	$ 637,596
Debt service	-	22,351	44,499	20,683	65,182
General government					
Equipment	-	35,000	32,574	-	32,574
Public works					
Buildings and improvements	48,000	124,100	123,068	-	123,068
Vehicles and equipment	44,500	185,159	185,159	-	185,159
Recreation department					
Buildings and improvements	50,000	50,000	45,920	-	45,920
Equipment	50,000	51,079	51,079	-	51,079
Pubilc Safety					
Buildings	150,000	301,124	198,840	-	198,840
Vehicles and equipment	172,000	375,000	372,502	-	372,502
Roads and bridges	417,821	400,321	260,683	10	260,693
General obligation debt	442,679	-	-	-	-
City of Millen	775,000	848,220	848,220	-	848,220
Total	$ 2,500,000	$ 3,029,950	$ 2,800,140	$ 20,693	$ 2,820,833

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2008 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
General government					
Buildings and improvements	$ 578,000	$ 640,179	$ 640,179	$ -	$ 640,179
Equipment	18,000	19,608	19,608	-	19,608
Public safety					
Buildings and improvements	1,080,000	1,080,499	1,080,499	-	1,080,499
Vehicles and equipment	1,085,000	503,784	376,062	49,516	425,578
Public works					
Buildings and improvements	100,000	80,000	48,402	45,660	94,062
Vehicles and equipment	559,000	559,000	169,056	61,606	230,662
Roads	800,000	250,000	250,000	-	250,000
Health and welfare					
Vehicles and equipment	5,000	4,000	4,000	-	4,000
Economic development					
Infrastructure	200,000	100,000	35,000	-	35,000
City of Millen	1,575,000	1,029,070	1,029,070	-	1,029,070
Total	$ 6,000,000	$ 4,266,140	$ 3,651,876	$ 156,782	$ 3,808,658

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2014 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Landfill					
Equipment	$ 200,000	$ 200,000	$ -	$ -	$ -
General government					
Buildings and improvements	385,500	385,500	329,786	-	329,786
Equipment	18,000	18,000	123	-	123
Public works					
Vehicles and equipment	677,000	639,365	228,924	-	228,924
Recreation department					
Buildings and improvements	150,000	187,635	370,542	33,830	404,372
Pubilc Safety					
Buildings	1,650,000	1,650,000	304,652	470,766	775,418
Vehicles and equipment	295,000	295,000	114,924	-	114,924
Roads and bridges	8,000	8,000	-	-	-
Health and welfare	65,000	65,000	11,745	4,285	16,030
Economic development	54,000	54,000	-	-	-
City of Millen	997,500	997,500	593,987	209,211	803,198
Total	$ 4,500,000	$ 4,500,000	$ 1,954,683	$ 718,092	$ 2,672,775

AGENCY FUNDS

Tax Commissioner – To account for the collection and payment to the County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of the County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

Probation – To account for all monies received by the Probation Officer on behalf of individuals, private organizations, other governmental units, and other funds.

JENKINS COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2019

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 249,733	$ 154,456	$ 1,668	$ 5,219
Taxes receivable	510,422	-	-	-
Total assets	$ 760,155	$ 154,456	$ 1,668	$ 5,219
LIABILITIES				
Due to others	$ 760,155	$ 154,456	$ 1,668	$ 5,219

Sheriff	Probation	Total
$ 316,184	$ 24,689	$ 751,949
-	-	510,422
$ 316,184	$ 24,689	$ 1,262,371
$ 316,184	$ 24,689	$ 1,262,371

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Commissioners
of Jenkins County, Georgia
Millen, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jenkins County, Georgia (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Jenkins County Department of Health and the Jenkins County Development Authority, as described in our report on the County's financial statements. This report does not include the results of 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 the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-002 to be material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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.*

Jenkins County, Georgia's Responses to Findings

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2019

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

There was not an audit of major federal programs as of June 30, 2019 due to the total amount expended being less than $750,000.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2019-001. Segregation of Duties

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

Condition: During our review of the internal control procedures of the County, we noted that there are instances of overlapping duties with regard to the day-to-day activities of the employees in the offices of elected officials (Tax Commissioner, Probate Court, Magistrate Court and the Probation Office), the Law Library and the County's Finance Department.

Context: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business. Examples of segregation of duties issues are as follows:

- Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- Individuals responsible for the preparation of checks for distribution are also approving the disbursements, signing the checks and reconciling the bank statements.
- The individual responsible for the preparation of payroll is also responsible for other payroll duties, including time keep and distribution.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to properly segregate duties is due to the limited number of individuals available in each office to perform each of the duties.

Recommendation: Although we understand the limited number of employees involved and the resulting overlapping of duties, we recommend that there be adequate segregation of duties to ensure proper recording and recognition of accounting transactions, and to lessen the potential for misappropriation of the County assets. The duties of recording, distribution, approving, writing and signing of checks, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: 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 this problem. We will continue to use alternative measures where available to assist in safeguarding assets.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-002. Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets.

Condition: Accounts payable were incorrectly recorded in the General Fund, SPLOST VI Fund, and the TSPLOST Discretionary Fund as of June 30, 2019.

Context: We addressed this matter with the County to determine the appropriate amounts to record as of and for the year ended June 30, 2019.

Effect: Significant audit adjustments were required with the total effect for each fund noted below:

Accounts Payable

- General Fund – increase in accounts payable and expenditures of $38,084
- SPLOST VI Fund – decrease in accounts payable and expenditures of $109,223
- TSPLOST Discretionary Fund – increase in accounts payable and expenditures of $33,712

Cause: There was an overall lack of appropriate controls implemented at the County during the fiscal year.

Recommendation: The County should implement the necessary controls to ensure proper recognition of accounts payable during their financial reporting process.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We will establish internal controls and procedures to ensure proper recognition of accounts payable during their financial reporting process.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

JENKINS COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

2018-001. Segregation of Duties

Criteria: For the fiscal year ended June 30, 2018, there was not appropriate segregation of duties among recording, distribution, reconciliation of cash accounts and other operational functions in the offices of the elected officials and the various funds possessed by the County.

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

Context: We addressed this matter with the County to determine the appropriate amounts to record as of and for the year ended June 30, 2018.

Auditee Response/Status: Unresolved. See current year finding 2019-001.

2018-002. Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets.

Condition: Accounts payable were incorrectly recorded in the General Fund, SPLOST VI Fund, and the TSPLOST Discretionary Fund as of June 30, 2018.

Context: We addressed this matter with the County to determine the appropriate amounts to record as of and for the year ended June 30, 2018.

Auditee Response/Status: Unresolved. See current year finding 2019-002.

2018-003. Management of Long-term Obligations

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred. Governmental accounting standards require liabilities reported in governmental-type funds and whose liquidation does not require current financial resources to be reported only at the government-wide level statement of net position. Additionally, governmental accounting standards also require that governmental funds record proceeds from the issuance of long-term obligations in the period of issuance as well as debt service expenditures and costs of issuance in the period paid.

Condition: The County did not record the proceeds from a capital lease entered into during the current fiscal year, and did not record payments on the debt or the capital outlay associated with the leased assets.

Context: We addressed these matters with the County officials and they were able to determine the appropriate amounts to be recorded for the capital lease obligation as of June 30, 2018.

Auditee Response/Status: Resolved.