JENKINS COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

INTRODUCTORY SECTION

JENKINS COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

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FINANCIAL SECTION

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 three months ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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 September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 47), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on pages 48 and 49), and the Schedule of County Contributions (on pages 50 and 51) 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 Annotated § 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 schedules 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 September 29, 2021, 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
September 29, 2021

BASIC FINANCIAL STATEMENTS

JENKINS COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government	Component Units	
	Governmental Activities	Jenkins County Development Authority	Jenkins County Department of Health
ASSETS			
Cash and cash equivalents	$ 6,389,491	$ 371,365	$ 245,616
Taxes receivable	81,165	-	-
Accounts receivable, net of allowances	30,940	-	18,312
Note receivable, current portion	-	169,014	-
Due from other governments	246,311	-	-
Prepaid items	94,260	-	-
Capital assets, nondepreciable	453,590	707,412	-
Capital assets, depreciable, net of accumulated depreciation	13,891,009	876,145	-
Other assets	-	-	12,563
Total assets	21,186,766	2,123,936	276,491
DEFERRED OUTFLOWS OF RESOURCES			
State OPEB contributions	-	-	35,406
SEAD-OPEB contributions	-	-	784
Pension	99,444	-	62,689
Total deferred outflows of resources	99,444	-	98,879
LIABILITIES			
Accounts payable	184,516	-	3,280
Accrued liabilities	74,005	1,692	-
Due to other governments	-	-	17,878
Capital leases due within one year	63,795	-	-
Capital leases due in more than one year	458,755	-	-
Compensated absences due within one year	29,471	-	-
Compensated absences due in more than one year	88,411	-	18,891
Notes payable due within one year	-	33,278	-
Notes payable due in more than one year	-	670,493	-
Bonds payable due within one year	230,000	-	-
Bonds payable due in more than one year	1,245,000	-	-
Landfill post-closure costs due within one year	100,000	-	-
Landfill post-closure costs due in more than one year	1,569,223	-	-
Net pension liability	118,323	-	249,573
Net OPEB liability	-	-	69,688
Total liabilities	4,161,499	705,463	359,310

(Continued)

JENKINS COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government	Component Units	
	Governmental Activities	Jenkins County Development Authority	Jenkins County Department of Health
DEFERRED INFLOWS OF RESOURCES			
Pension	$ 361,529	$ -	$ 7,973
State OPEB contributions	-	-	102,818
SEAD-OPEB contributions	-	-	1,862
Total deferred inflows of resources	361,529	-	112,653
NET POSITION			
Net investment in capital assets	12,311,848	879,786	-
Restricted for:			
Capital projects	4,431,745	-	-
Judicial	53,462	-	-
Public safety	265,380	-	-
Health and welfare	-	-	136,363
Unrestricted	(299,253)	538,687	(232,956)
Total net position	$ 16,763,182	$ 1,418,473	$ (96,593)

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

JENKINS COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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	$ 645,618	$ 76,610	$ 341,690	$ -
Judicial	173,637	195,135	-	-
Public safety	409,205	105,319	-	-
Public works	317,298	29,190	-	681,615
Health and welfare	114,605	-	-	-
Culture and recreation	91,294	20,050	-	-
Economic development	91,773	-	-	-
Conservation of natural resources	23,906	-	-	-
Total governmental activities	$ 1,867,336	$ 426,304	$ 341,690	$ 681,615
Component units:				
Jenkins County Development Authority	$ 208,190	$ 130,120	$ 135,000	$ -
Jenkins County Department of Health	366,383	119,686	268,996	-
Total component units	$ 574,573	$ 249,806	$ 403,996	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net position				
Net position, beginning of year				
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 Units	
Governmental Activities	Jenkins County Development Authority	Jenkins County Department of Health
$ (227,318)	$ -	$ -
21,498	-	-
(303,886)	-	-
393,507	-	-
(114,605)	-	-
(71,244)	-	-
(91,773)	-	-
(23,906)	-	-
(417,727)	-	-
-	56,930	-
-	-	22,299
-	56,930	22,299
515,456	-	-
349,006	-	-
-	-	-
393	-	-
111,927	10,046	3
976,782	10,046	3
559,055	66,976	22,302
16,204,127	1,351,497	(118,895)
$ 16,763,182	$ 1,418,473	$ (96,593)

JENKINS COUNTY, GEORGIA

GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2020

ASSETS	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund	SPLOST VII Capital Project Fund
Cash and cash equivalents	$ 1,778,811	$ 141,405	$ 447,511	$ 302,703
Taxes receivable	81,165	-	-	-
Accounts receivable	30,940	-	-	-
Due from other governments	48,372	-	-	67,221
Prepaid items	94,260	-	-	-
Total assets	$ 2,033,548	$ 141,405	$ 447,511	$ 369,924
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 126,484	$ -	$ -	$ 58,032
Accrued liabilities	74,005	-	-	-
Total liabilities	200,489	-	-	58,032
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	3,725	-	-	-
Total deferred inflows of resources	3,725	-	-	-

(Continued)

TSPLOST Discretionary Fund	LMIG Fund	CDBG EIP Scotbilt Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,350,631	$ 1,049,588	$ -	$ 318,842	$ 6,389,491
-	-	-	-	81,165
-	-	-	-	30,940
130,718	-	-	-	246,311
-	-	-	-	94,260
$ 2,481,349	$ 1,049,588	$ -	$ 318,842	$ 6,842,167
$ -	$ -	$ -	$ -	$ 184,516
-	-	-	-	74,005
-	-	-	-	258,521
-	-	-	-	3,725
-	-	-	-	3,725

JENKINS COUNTY, GEORGIA

GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2020

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund	SPLOST VII Capital Project Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)				
FUND BALANCES				
Nonspendable:				
Prepaid items	$ 94,260	$ -	$ -	$ -
Restricted for:				
Capital projects	-	141,405	447,511	311,892
Judicial	-	-	-	-
Public safety	-	-	-	-
Unassigned	1,735,074	-	-	-
Total fund balances	1,829,334	141,405	447,511	311,892
Total liabilities, deferred inflows of resources, and fund balances	$ 2,033,548	$ 141,405	$ 447,511	$ 369,924

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.

The net pension liability and related deferred outflows of resources and deferred inflows 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.

TSPLOST Discretionary Fund	LMIG Fund	CDBG EIP Scotbilt Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 94,260
2,481,349	1,049,588	-	-	4,431,745
-	-	-	53,462	53,462
-	-	-	265,380	265,380
-	-	-	-	1,735,074
2,481,349	1,049,588	-	318,842	6,579,921
$ 2,481,349	$ 1,049,588	$ -	$ 318,842	
				14,344,599
				3,725
				(262,085)
				(3,902,978)
				$ 16,763,182

JENKINS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund	SPLOST VII Capital Project Fund
Revenues				
Taxes	$ 372,514	$ -	$ -	$ 200,878
Licenses and permits	10,505	-	-	-
Intergovernmental	341,690	-	-	-
Fines and forfeitures	156,971	-	-	-
Charges for services	169,137	-	-	-
Investment income	392	57	113	-
Miscellaneous	174,194	-	-	-
Total revenues	1,225,403	57	113	200,878
Expenditures				
Current:				
General government	331,087	-	-	-
Judicial	170,912	-	-	-
Public safety	458,331	-	-	-
Public works	325,434	-	-	-
Health and welfare	110,557	-	-	-
Culture and recreation	85,224	-	-	-
Conservation of natural resources	23,341	-	-	-
Economic development	63,391	-	-	-
Intergovernmental	-	-	-	57,932
Capital outlay	-	123,599	-	-
Total expenditures	1,568,277	123,599	-	57,932
Excess (deficiency) of revenues over (under) expenditures	(342,874)	(123,542)	113	142,946

(Continued)

TSPLOST Discretionary Fund	LMIG Fund	CDBG EIP Scotbilt Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 349,006	$ -	$ -	$ -	$ 922,398
-	-	-	-	10,505
-	451,190	229,500	3,838	1,026,218
-	-	-	23,586	180,557
-	-	-	-	169,137
556	199		1	1,318
-	-	-	-	174,194
349,562	451,389	229,500	27,425	2,484,327
-	-	-	-	331,087
-	-	-	-	170,912
-	-	-	27,965	486,296
-	-	-	-	325,434
-	-	-	-	110,557
-	-	-	-	85,224
-	-	-	-	23,341
-	-	-	3,838	67,229
-	-	-	-	57,932
98,318	833	15,452	-	238,202
98,318	833	15,452	31,803	1,896,214
251,244	450,556	214,048	(4,378)	588,113

JENKINS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General Fund	SPLOST V Capital Project Fund	SPLOST VI Capital Project Fund	SPLOST VII Capital Project Fund
Net change in fund balances	$ (342,874)	$ (123,542)	$ 113	$ 142,946
Fund balance, beginning of year	2,172,208	264,947	447,398	168,946
Fund balance, end of year	$ 1,829,334	$ 141,405	$ 447,511	$ 311,892

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

TSPLOST Discretionary Fund	LMIG Fund	CDBG EIP Scotbilt Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 251,244	$ 450,556	$ 214,048	$ (4,378)	$ 588,113
2,230,105	599,032	(214,048)	323,220	5,991,808
$ 2,481,349	$ 1,049,588	$ -	$ 318,842	$ 6,579,921

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 SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds.	$	588,113
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 depreciation exceeded capital outlay in the current period.		35,201
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(57,936)
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.		(6,323)
	$	559,055

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

JENKINS COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Agency Funds
ASSETS	
Cash	$ 871,162
Taxes receivable	93,514
Total assets	$ 964,676
LIABILITIES	
Due to others	$ 964,676

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 function's 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.

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

SPLOST VI Capital Project Fund – This fund accounts for the financial resources of the 2013 SPLOST.

SPLOST VII Capital Project Fund – This fund accounts for the financial resources of the 2018 SPLOST.

Transportation Special Purpose Local Option Sales Tax ("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.

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

The Community Development Block Grant ("CDBG") Economic Incentive Program ("EIP") Scotbilt Fund – This fund is used to account for proceeds and expenditures of the CDBG received from the Georgia Department of Community Affairs.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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.

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 September 30, 2020, 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. 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

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 a 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

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 to 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 $3,902,978 difference are as follows:

Capital leases payable	$ (522,550)
Bonds payable	(1,475,000)
Landfill post-closure costs	(1,669,223)
Compensated absences	(117,882)
Net pension liability	(118,323)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (3,902,978)

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 $88,399 difference are as follows:

Capital outlay	$ 208,600
Depreciation expense	(173,399)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 35,201

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 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 $6,323 difference are as follows:

Compensated absences	$ (6,323)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (6,323)

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.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

Excess of Expenditures Over Appropriations

For the year ended September 30, 2020, expenditures exceeded budget, as follows:

Fund or Department	Excess
General Fund:	
Board of Commissioners	$ 59,464
Tax commissioner	6,451
Tax assessor	9,280
County buildings	9,226
Probate court	3,043
Landfill	890
Health department	271
Mental health clinic	123
Transportation program	2,413
Senior citizens program	28,726
Libraries	3,431
Development Authority	26,220

The over-expenditures in the General Fund were funded by under-expenditures in other departments 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 September 30, 2020, 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 September 30, 2020, 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 September 30, 2020:

	General	SPLOST VII Capital Projects Fund	TSPLOST Discretionary Fund	Total
Receivables:				
Taxes	$ 81,165	$ -	$ -	$ 81,165
Accounts	30,940	-	-	30,940
Total receivables	$ 112,105	$ -	$ -	$ 112,105

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 453,590	$ -	$ -	$ -	$ 453,590
Total	453,590	-	-	-	453,590
Capital assets, being depreciated:					
Buildings	8,566,435	-	-	-	8,566,435
Vehicles	1,183,900	85,000	-	-	1,268,900
Roads and infrastructure	7,591,504	-	-	-	7,591,504
Machinery and equipment	4,421,685	123,600	-	-	4,545,285
Total	21,763,524	208,600	-	-	21,972,124
Less accumulated depreciation for:					
Buildings	1,928,455	34,037	-	-	1,962,492
Vehicles	849,408	19,136	-	-	868,544
Roads and infrastructure	1,511,742	67,089	-	-	1,578,831
Machinery and equipment	3,618,111	53,137	-	-	3,671,248
Total	7,907,716	173,399	-	-	8,081,115
Total capital assets, being depreciated, net	13,855,808	35,201	-	-	13,891,009
Governmental activities capital assets, net	$ 14,309,398	$ 35,201	$ -	$ -	$ 14,344,599

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

Governmental activities:	
General government	$ 14,911
Judicial	459
Public safety	45,305
Public works	76,700
Health and welfare	3,706
Culture and recreation	6,070
Conservation of natural resources	565
Housing and development	25,683
Total depreciation expense - governmental activities	$ 173,399

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 September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Landfill post-closure	$ 1,669,223	$ 11,936	$ 11,936	$ 1,669,223	$ 100,000
Capital leases	522,550	-	-	522,550	63,795
General obligation bonds	1,475,000	-	-	1,475,000	230,000
Compensated absences	111,559	26,454	20,131	117,882	29,471
Net pension liability	118,323	-	-	118,323	-
Totals	$ 3,896,655	$ 38,390	$ 32,067	$ 3,902,978	$ 423,266

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 September 30, 2020, are as follows:

Fiscal Year ending June 30,	Principal	Interest
2021	$ 230,000	$ 33,962
2022	235,000	28,155
2023	240,000	22,222
2024	250,000	16,115
2025	255,000	8,795
2026	265,000	3,301
	$ 1,475,000	$ 112,550

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 $423,465 with current year depreciation of $19,776 (cost of $643,786 less accumulated depreciation of $220,321). 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
2021	$ 63,795	$ 13,580
2022	65,516	11,859
2023	67,284	10,091
2024	69,098	8,276
2025	70,963	6,412
2026 – 2028	185,894	7,539
	$ 522,550	$ 57,757

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

NOTE 8. PROPERTY TAXES

The County property taxes are based on assessments of property values on January 1, 2019, assessed by the County 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 2019.

The tax billing cycle for the fiscal year 2020 is as follows:

	Real/Personal Property
Assessment date	August 30, 2019
Levy date	November 7, 2019
Due date and collection date	January 20, 2020
Tax execution date/lien date	Staggered

NOTE 9. 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.

Plan Membership

As of January 1, 2019, pension plan membership consisted of the following:

Retirees, beneficiaries and disabled receiving benefits	24
Terminated plan participants entitled to but not yet receiving benefits	24
Active employees participating in the Plan	31
Total number of Plan Participants	79

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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 September 30, 2020, the County's contribution rate was 0% of annual payroll. The County contributions to the Plan were $0 for the year ended September 30, 2020.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	1.50% - 3.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Mortality rates were based on the Pub-2010 GE (50%) and PS (50%) Amt-Weighted with Scale AA to 2020 (Pre-Retirement: Employee, Post-Retirement: Retiree)

The actuarial assumptions used in the January 1, 2019 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, 2019, are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed Income:	30 %	25% - 35%
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 9. 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 September 30, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	$ 3,276,788	$ 3,158,465	$ 118,323
No Activity for three month period	-	-	-
Net changes	-	-	-
Balances at September 30, 2020	$ 3,276,788	$ 3,158,465	$ 118,323

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

NOTE 9. 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	$ 411,745	$ 118,323	$ (139,772)

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, 2019, 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 September 30, 2020, the County recognized pension expense of $0. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 200,700
Changes in actuarial assumptions	99,444	-
Net difference between projected and actual earnings on pension plan investments	-	160,829
Total	$ 99,444	$ 361,529

NOTE 9. 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:	
2021	$ (92,636)
2022	(82,735)
2023	(13,493)
2024	(73,221)
	$ (262,085)

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The 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 Plan's adoption agreement are required to contribute 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 five-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 ended September 30, 2020, the County's contribution to the 401(a) plan was $13,607. The amount contributed by employees was $13,607.

NOTE 11. 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 September 30, 2020 totaled $11,936. The remaining estimated liability for landfill closure and post-closure care is $1,669,223.

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 12. 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 September 30, 2020, the County paid $0 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (“O.C.G.A.”) §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. §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 13. 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 $3,838 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 14. 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 costs 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.

NOTE 15. TAX ABATEMENT AGREEMENTS

In June of 2016, the Development Authority entered into an agreement with Hectate Energy for the purpose of constructing a solar farm. The agreement requires Hectate Energy to pay an annual fee of $5,000 to the Development Authority in exchange for a $47,000,000 tax abatement maturing in June 2026 on 236 acres of land. Hectate Energy will receive a 40% tax abatement from 2017 – 2023 and a declining abatement from 2024 – 2026. Hectate Energy will pay 100% in 2026 and thereafter.

The Development Authority originally held a tax abatement agreement with Carbo Ceramics. In December 2018, Carbo was bought out by US Silica, a manufacturer of products used in counter tops. The abatement agreement was transferred with the following terms: US Silica must pay the Development Authority an annual fee of $25,000 in exchange for savings starting at 70% for 2019 and decreasing each year to 7.76% in 2027. This applies to all valorem property taxes. US Silica also received the bond agreement from Carbo Ceramics which had a value of $33 million at the time of acquisition.

In January 2018, the Development Authority entered into an agreement with ScotBilt Homes, for the purpose of economic growth and job creation in the County. This provided a $5 million bond and no annual fee to the Development Authority in exchange for a floating rate tax abatement starting at 6.67% in 2019 and increasing to 93.33% in 2032 and thereafter.

During the year ended September 30, 2020, the County abated an estimated $50,346 in property taxes. These abatements during the current year represent 60% of the estimated assessed property values for the three-month period.

REQUIRED SUPPLEMENTARY INFORMATION

JENKINS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 507,210	$ 507,210	$ 48,325	$ (458,885)
Sales taxes	130,000	130,000	141,932	11,932
Other taxes	328,269	328,269	182,257	(146,012)
Licenses and permits	2,075	2,075	10,505	8,430
Intergovernmental	56,655	56,655	341,690	285,035
Fines and forfeitures	216,500	216,500	156,971	(59,529)
Charges for services	155,675	155,675	169,137	13,462
Investment income	275	275	392	117
Miscellaneous	286,985	286,985	174,194	(112,791)
Total revenues	1,683,644	1,683,644	1,225,403	(458,241)
Expenditures:				
Current:				
General government:				
Board of Commissioners	116,325	116,325	175,789	(59,464)
Elections	16,325	16,325	6,522	9,803
Tax commissioner	33,978	33,978	40,429	(6,451)
Tax assessor	65,389	65,389	74,669	(9,280)
County buildings	22,316	22,316	31,542	(9,226)
General administration	19,555	19,555	2,136	17,419
Unallocated expenses	13,752	13,752	-	13,752
Total general government	287,640	287,640	331,087	(43,447)
Judicial:				
Superior court	105,230	105,230	99,031	6,199
Magistrate court	25,568	25,568	25,547	21
Probate court	43,291	43,291	46,334	(3,043)
Total judicial	174,089	174,089	170,912	3,177

(Continued)

JENKINS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Public safety:				
Law enforcement administration	$ 249,369	$ 249,369	$ 241,783	$ 7,586
Jail operations	750	750	-	750
Adult probation and parole	26,967	26,967	24,377	2,590
Fire	18,941	18,941	15,124	3,817
Ambulance	171,004	171,004	169,128	1,876
Coroner	5,400	5,400	3,849	1,551
Emergency management	4,685	4,685	4,070	615
Total public safety	477,116	477,116	458,331	18,785
Public works:				
Road department	228,721	228,721	180,806	47,915
Landfill	143,738	143,738	144,628	(890)
Total public works	372,459	372,459	325,434	47,025
Health and welfare:				
Hospital authority	65,000	65,000	-	65,000
Health department	11,101	11,101	11,372	(271)
Mental health clinic	352	352	475	(123)
Learning center	1,244	1,244	556	688
Transportation program	12,444	12,444	14,857	(2,413)
Senior citizens program	52,471	52,471	81,197	(28,726)
Family and children services	2,153	2,153	2,100	53
Total health and welfare	144,765	144,765	110,557	34,208
Culture and recreation:				
Recreation centers	61,682	61,682	54,370	7,312
Libraries	27,423	27,423	30,854	(3,431)
Total culture and recreation	89,105	89,105	85,224	3,881
Economic development:				
Development Authority	33,780	33,780	60,000	(26,220)
Airport	65,520	65,520	3,391	62,129
Total culture and recreation	99,300	99,300	63,391	35,909

(Continued)

JENKINS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Conservation of natural resources:				
County agent	$ 21,262	$ 21,262	$ 10,254	$ 11,008
Forestry supplemental services	3,660	3,660	3,660	-
ASCS	14,248	14,248	9,427	4,821
Total conservation of natural resources	39,170	39,170	23,341	15,829
Total expenditures	1,683,644	1,683,644	1,568,277	115,367
Deficiency of revenues under expenditures	-	-	(342,874)	(342,874)
Net change in fund balance	-	-	(342,874)	(342,874)
Fund balance, beginning of year	2,172,208	2,172,208	2,172,208	-
Fund balance, end of year	$ 2,172,208	$ 2,172,208	$ 1,829,334	$ (342,874)

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 SEPTEMBER 30,

	2020	2019	2018
Total pension liability			
Service cost	**$ 34,077**	**$** 54,163	$ 40,622
Interest on total pension liability	**225,812**	274,980	273,940
Differences between expected and actual experience	**(245,781)**	(98,623)	(22,335)
Changes of assumptions	**122,103**	19,758	8,631
Plan change	**(543,240)**	-	-
Benefit payments, including refunds of employee contributions	**(170,606)**	(377,355)	(195,672)
Net change in total pension liability	**(577,635)**	(127,077)	105,186
Total pension liability - beginning	**3,854,423**	3,981,500	3,876,314
Total pension liability - ending (a)	**3,276,788**	3,854,423	3,981,500
Plan fiduciary net position			
Contributions - employer	**72,415**	29,197	148,752
Net investment income	**564,233**	(130,236)	453,137
Benefit payments, including refunds of employee contributions	**(170,606)**	(377,355)	(195,672)
Administrative expenses	**(20,265)**	(10,142)	(7,477)
Other	**(13,951)**	(51,065)	(18,878)
Net change in fiduciary net position	**431,826**	(539,601)	379,862
Plan fiduciary net position - beginning	**2,726,639**	3,266,240	2,886,378
Plan fiduciary net position - ending (b)	**3,158,465**	2,726,639	3,266,240
County's net pension liability - ending (a) - (b)	**$ 118,323**	$ 1,127,784	$ 715,260
Plan fiduciary net position as a percentage of total pension liability	**96.39%**	70.74%	82.04%
Covered-employee payroll	**$ 976,270**	**$** 1,112,884	$ 968,042
County's net pension liability as a percentage of covered-employee payroll	**12.12%**	101.34%	73.89%

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

2017	2016	2015
$ 44,633	$ 41,623	$ 41,386
269,046	247,558	238,472
(35,124)	30,191	-
103,772	143,117	-
-	-	-
(186,583)	(165,379)	(152,036)
195,744	297,110	127,822
3,680,570	3,383,460	3,255,638
3,876,314	3,680,570	3,383,460
156,082	151,069	165,000
193,532	23,790	189,693
(186,583)	(165,379)	(152,036)
(11,458)	(7,763)	(7,377)
(39,107)	(19,238)	(18,751)
112,466	(17,521)	176,529
2,773,912	2,791,433	2,614,904
2,886,378	2,773,912	2,791,433
$ 989,936	$ 906,658	$ 592,027
74.46%	75.37%	82.50%
$ 1,048,413	$ 975,934	$ 977,609
94.42%	92.90%	60.56%

JENKINS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30,

	2020	2019	2018
Actuarially determined contribution	**$ 63,222**	$ 114,935	$ 141,959
Contributions in relation to the actuarially determined contribution	**72,415**	29,197	148,752
Contribution deficiency (excess)	**$ (9,193)**	$ 85,738	$ (6,793)
Covered-employee payroll	**$ 978,385**	$ 976,270	$ 1,112,884
Contributions as a percentage of Covered-employee payroll	**7.40%**	2.99%	13.37%

Notes to the Schedule

Valuation Date	January 1, 2019
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.

2017	2016	2015	2014
$ 153,870	$ 144,935	$ 136,557	$ 157,856
156,082	144,935	165,000	162,818
$ (2,212)	$ -	$ (28,443)	$ (4,962)
$ 968,042	$ 1,048,413	$ 975,934	$ 977,609
16.12%	13.82%	16.91%	16.65%

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 Treatment and Education 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 Tax 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.

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.

JENKINS COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue			
	Jail Improvement Fund	Law Library Fund	Drug Abuse T & E Fund	Juvenile Program Fund
ASSETS				
Cash	$ 95,692	$ 53,462	$ 148,093	$ 1,168
Total assets	$ 95,692	$ 53,462	$ 148,093	$ 1,168
FUND BALANCES				
Restricted for:				
Judicial	$ -	$ 53,462	$ -	$ -
Public safety	95,692	-	148,093	1,168
Total fund balances	$ 95,692	$ 53,462	$ 148,093	$ 1,168

Special Revenue			Debt Service	
Forfeitures Fund	Hotel/Motel Tax Fund	E911 Fund	Debt Service Fund	Totals
$ 13,819	$ -	$ 6,608	$ -	$ 318,842
$ 13,819	$ -	$ 6,608	$ -	$ 318,842
$ -	$ -	$ -	$ -	$ 53,462
13,819	-	6,608	-	265,380
$ 13,819	$ -	$ 6,608	$ -	$ 318,842

JENKINS COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue			
	Jail Improvement Fund	Law Library Fund	Drug Abuse T & E Fund	Juvenile Program Fund
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Fines and forfeitures	17,773	1,539	4,124	150
Investment income	-	-	-	-
Total revenues	17,773	1,539	4,124	150
Expenditures:				
Current:				
Public safety	18,514	-	1,695	-
Economic development	-	-	-	-
Total expenditures	18,514	-	1,695	-
Excess (deficiency) of revenues over (under) expenditures	(741)	1,539	2,429	150
Net change in fund balances	(741)	1,539	2,429	150
Fund balances, beginning of year	96,433	51,923	145,664	1,018
Fund balances, end of year	$ 95,692	$ 53,462	$ 148,093	$ 1,168

Special Revenue			Debt Service	
Forfeitures Fund	Hotel/Motel Tax Fund	E911 Fund	Debt Service Fund	Totals
$ -	$ 3,838	$ -	$ -	$ 3,838
-	-	-	-	23,586
1	-	-	-	1
1	3,838	-	-	27,425
-	-	7,756	-	27,965
-	3,838	-	-	3,838
-	3,838	7,756	-	31,803
1	-	(7,756)	-	(4,378)
1	-	(7,756)	-	(4,378)
13,818	-	14,364	-	323,220
$ 13,819	$ -	$ 6,608	$ -	$ 318,842

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2008 ISSUE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
General government					
Buildings and improvements	$ 578,000	$ 640,179	$ 809,649	$ -	$ 809,649
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	453,078	123,599	576,677
Public works					
Buildings and improvements	100,000	94,062	94,062	-	94,062
Vehicles and equipment	559,000	559,000	230,662	-	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	$ 4,280,202	$ 4,005,628	$ 123,599	$ 4,129,227

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2014 ISSUE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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	454,934	-	454,934
Pubilc safety					
Buildings	1,650,000	1,650,000	1,138,634	-	1,138,634
Vehicles and equipment	295,000	295,000	192,298	-	192,298
Roads and bridges	8,000	8,000	-	-	-
Health and welfare	65,000	65,000	36,005	-	36,005
Economic development	54,000	54,000	-	-	-
City of Millen	997,500	997,500	979,295	-	979,295
Total	$ 4,500,000	$ 4,500,000	$ 3,359,999	$ -	$ 3,359,999

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2018 ISSUE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Level One Projects					
Jail	$ 300,000	$ 300,000	$ -	$ -	$ -
Courthouse Remodel	400,000	400,000	-	-	-
Health Department Remodel	200,000	200,000	-	-	-
Pubilc safety					
Vehicles and equipment	395,000	395,000	-	-	-
General government					
Vehicles and equipment	128,000	128,000	-	-	-
Buildings and improvements	200,000	200,000	-	-	-
Public works					
Vehicles and equipment	1,005,000	1,005,000	-	-	-
Roads	150,000	150,000	-	-	-
Roads and bridges	95,000	95,000	-	-	-
Recreation department	150,000	150,000	-	-	-
Economic development	100,000	100,000	-	-	-
City of Millen	1,197,000	997,500	40,008	57,932	97,940
Total	$ 4,320,000	$ 4,120,500	$ 40,008	$ 57,932	$ 97,940

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
SEPTEMBER 30, 2020

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 218,633	$ 141,502	$ 1,687	$ 10,380
Taxes receivable	93,514	-	-	-
Total assets	$ 312,147	$ 141,502	$ 1,687	$ 10,380
LIABILITIES				
Due to others	$ 312,147	$ 141,502	$ 1,687	$ 10,380

Sheriff	Probation	Total
$ 484,484	$ 14,476	$ 871,162
-	-	93,514
$ 484,484	$ 14,476	$ 964,676
$ 484,484	$ 14,476	$ 964,676

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 three months ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 29, 2021. 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) as a basis for designing 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 9.30.2020-002 to be a 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 9.30.2020-001 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 financial statements. 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
September 29, 2021

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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 September 30, 2020 due to the total amount expended being less than $750,000.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPEMBER 30, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

9.30.2020-001. 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.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPEMBER 30, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

9.30.2020-002. 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, TSPLOST Discretionary Fund, SPLOST VI, Hotel/Motel Tax Fund as of September 30, 2020.

Context: We addressed this matter with the County to determine the appropriate amounts to record as of and for the year ended September 30, 2020.

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 $63,879.
- TSPLOST Discretionary Fund – decrease in accounts payable and expenditures of $20,347.
- SPLOST VII Fund – increase in accounts payable and expenditures of $17,924.
- CDBG-EIP Scotbilt Fund – decrease in accounts payable and expenditures of $214,148.
- LMIG Fund – decrease in accounts payable and expenditures of $173,373.

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 SEPEMBER 30, 2020

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

JENKINS COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPEMBER 30, 2020

2020-001. 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: For the fiscal year ended June 30, 2020, 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.

Auditee Response/Status: Unresolved. See current year finding 9.30.2020-001.

2020-002. 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, TSPLOST Discretionary Fund, CDBG EIP Grant, LMIG, and SPLOST VII as of June 30, 2020.

Auditee Response/Status: Unresolved. See current year finding 9.30.2020-002.