LAMAR COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

LAMAR COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents ..... i and ii

FINANCIAL SECTION

Independent Auditor's Report ..... 1 – 3
Management's Discussion and Analysis ..... 4 – 10

Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position ..... 11 and 12
Statement of Activities ..... 13 and 14
Fund Financial Statements:
Balance Sheet – Governmental Funds ..... 15 and 16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ..... 17 and 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 19
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual ..... 20 – 22
E911 Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 23
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds 24
Notes to Financial Statements ..... 25 – 52

Required Supplementary Information:
Schedule of Changes in the County's Net Pension Liability and Related Ratios 53
Schedule of County Contributions 54
Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet – Nonmajor Governmental Funds 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 56
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2011 Issue 57
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2017 Issue 58

LAMAR COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (Continued)

Community Development Block Grant Program Source and Application of Funds Schedule 59

Community Development Block Grant Program Project Cost Schedule 60

Combining Balance Sheet – Agency Funds 61

COMPLIANCE SECTION

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* ..... 62 and 63

Schedule of Findings and Responses ..... 64 – 76

Schedule of Prior Year Findings ..... 77 and 78

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Lamar County, Georgia
Barnesville, 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 Lamar County, Georgia (the "County"), as of and for the year ended December 31, 2019, 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 ("GAAP"); 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 Lamar County Department of Public Health (the "Department of Public Health") or the Barnesville Lamar County Library (the "Library"), which represents 5.3%, 15.8%, and 32.3%, respectively, of the assets, net position, and revenues of the 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 Department of Public Health and the Library, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 reports 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 December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the General Fund and the E911 Fund for the year then ended in accordance with GAAP.

Other Matters

Required Supplementary Information

GAAP requires that the Management's Discussion and Analysis ("MD&A") (on pages 4 through 10), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 53), and the Schedule of County Contributions (on page 54) 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 ("GASB"), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the source and application of funds schedule, and the project costs schedule, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for the purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121, as listed in the table of contents, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, the source and application of funds schedule, and the project costs schedule 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, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, the source and application of funds schedule, and the project costs schedule 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 October 12, 2020, 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 Lamar County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
October 12, 2020

LAMAR COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

This section of Lamar County, Georgia's (the "County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets of the County exceeded its liabilities at December 31, 2019, by $14,993,740 (net position) of which $13,352,828 is net investment in capital assets, $1,230,286 is restricted for specific purposes, leaving unrestricted net position of $410,626.

- At fiscal year-end December 31, 2019, the County's General Fund reported a total fund balance of $1,797,666.

Overview of the Financial Statements

This management's discussion and analysis ("MD&A") is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference among the items being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, recreation, and housing and development.

The government-wide financial statements include not only the County itself (known as the primary government), but also the Lamar County Department of Public Health (the "Department of Public Health"), Lamar County Regional Solid Waste Authority (the "LCRSWA"), and the Barnesville-Lamar County Library (the "Library"). These are legally separate entities that are discretely component units of the County due to the significance of its operational and financial relationship with the County. Financial information of the component units are reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Lamar County maintains governmental funds to account for the following activities: **General**; **Special Revenue** ("E-911", "Drug Seizure", "Law Library", and "Drug Court"); and **Capital Projects** ("SPLOST 2017 Fund", "SPLOST 2011 Fund", and the "Capital Projects Fund").

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, SPLOST 2017, E911 Fund, and Capital Projects Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The County adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

Fiduciary Funds. Agency funds are custodial in nature; the only required financial statements are the balance sheet and statement of fiduciary assets and liabilities. Fiduciary funds are not reflected in the government-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $14,993,740 at the close of the most recent fiscal year.

A large portion of the County's net position, 89%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Lamar County Net Position

	Governmental Activities		Percentage Change
	2019	2018	**2018-2019**
Current and other assets	**$ 4,279,159**	$ 3,029,034	41.27 %
Capital assets	**13,734,343**	17,869,767	(23.14)
Total assets	**18,013,502**	20,898,801	(13.81)
Deferred outflows of resources	**421,860**	658,957	(35.98)
Long-term liabilities outstanding	**1,618,784**	1,875,665	(13.70)
Other liabilities	**1,748,440**	335,849	420.60
Total liabilities	**3,367,224**	2,211,514	52.26
Deferred inflows of resources	**74,398**	281,280	(73.55)
Net position:			
Net investment in capital assets	**13,352,828**	17,583,575	(24.06)
Restricted for:			
Public safety	**198,316**	50,716	291.03
Judicial	**11,505**	-	100.00
Capital projects	**1,020,465**	1,377,878	(25.94)
Unrestricted	**410,626**	52,795	677.77
Total net position	**$ 14,993,740**	$ 19,064,964	(21.35)

Lamar County's Changes in Net Position

	Governmental Activities		Percentage Change
Revenues	**2019**	2018	**2018-2019**
Program revenues:			
Charges for services	**$ 2,151,879**	$ 1,556,882	38.22 %
Operating grants and contributions	**156,312**	242,424	(35.52)
Capital grants and contributions	**1,048,674**	818,562	28.11
General revenues:			
Property taxes	**6,969,300**	6,484,546	7.48
Sales taxes	**3,045,938**	3,013,680	1.07
Other taxes	**917,075**	822,526	11.49
Unrestricted investment earnings	**1,316**	307,485	(99.57)
Gain on sale of assets	**11,792**	-	100.00
Total revenues	**14,302,286**	13,246,105	7.97
Expenses			
General government	**3,203,067**	3,078,703	4.04
Judicial	**1,220,582**	1,202,321	1.52
Public safety	**4,743,831**	4,661,571	1.76
Public works	**2,403,620**	1,534,917	56.60
Health and welfare	**388,307**	321,633	20.73
Culture and recreation	**851,129**	833,721	2.09
Housing and development	**351,570**	361,894	(2.85)
Interest on long-term debt	**67,757**	14,653	362.41
Total expenses	**13,229,863**	12,009,413	10.16
Change in net position	**1,072,423**	1,236,692	(13.28)
Net position, beginning of year, as restated	**13,921,317**	17,724,583	(21.46)
Net position, end of year	**$ 14,993,740**	$ 18,961,275	(20.92)

The changes in net position between fiscal years 2019 and 2018, were affected by the following:

- Net change in total revenues is an increase of 7.97%.
- Charges for services increased 38.22% from the prior year. This was the result of normal fluctuations in the charges for services provided by the City.
- Operating grants and contributions decreased 35.52% due to a decrease in transportation tax contributions.
- Capital grants and contributions increased 28.11% due to an increase in the County's capital projects grants during the current year.

- Increase to public works expenses of 57.76%, was the result of increased capital outlay for various projects during the current year, which was not capitalized at the government wide level.
- Increase to health and welfare expenses of 20.73%, which was the result of increased capital outlay during the current year, which was not capitalized at the government wide level.
- Ultimately, the County reported an increase in net position of $1,072,423 for the year ended December 31, 2019.

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, non-spendable fund balance was $845 for inventories and unassigned was $1,796,821, while the total fund balance was $1,797,666.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Non-spendable fund balance represents .01% of total general fund expenditures and unassigned fund balance represents 17.22%, while total fund balance represents 17.23% of that same amount.

E-911 Fund

The E-911 Fund is special revenue fund of the County used to account for the operations of the County's E911 system. At the end of the current fiscal year, the fund balance was $138,781, which was restricted for public safety.

SPLOST 2017 Fund

The Special Purpose Local Option Sales Tax ("SPLOST") referendum was passed in fiscal year 2017 to provide proceeds of $9,366,409 in order to fund multiple capital projects. At the end of the current fiscal year, the SPLOST fund reported expenditures of $1,540,368 and revenues in the amount of $1,953,140 resulting in an ending fund balance of $1,020,465.

Capital Projects Fund

The Capital Projects Fund accounts for the activity of the County's purchase of capital assets that are not acquired with SPLOST monies. Expenditures increased during the current year as a result of increased construction and ongoing projects during the current year. As a result of the increase in expenditures, the Capital Projects Fund reported a decrease in fund balance during the current year of $370,011.

General Fund Budgetary Highlights

Over the course of the year, the Board of Commissioners revised the County budget on multiple occasions to avoid budget overruns.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of December 31, 2019, amounts to $13,7 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

Lamar County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Percentage Change
	2019	2018	**2018-2019**
Land	**$ 1,593,967**	$ 1,593,967	- %
Construction in progress	**-**	1,708,500	(100.00)
Buildings and improvements	**5,891,437**	4,952,563	18.96
Machinery and equipment	**224,371**	272,685	(17.72)
Vehicles	**969,066**	389,924	148.53
Infrastructure	**5,055,502**	3,797,210	33.14
Total	**$ 13,734,343**	$ 12,714,849	8.02

The majority of the increase is the result of the capital asset purchased exceeding depreciation during the current year. Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term Debt. The County's long-term debt for the year ended December 31, 2019, is summarized below.

	(As restated) Beginning Balance	**Additions**	**Reductions**	**Ending Balance**
Governmental Activities:				
Capital leases	$ 286,192	$ 342,324	$ 140,231	$ 488,285
Landfill post-closure costs	424,979	9,350	-	434,329
Net Pension liability	835,721	761,566	210,348	1,386,939
Total	$ 1,546,892	$ 1,113,240	$ 350,579	$ 2,309,553

Long-term Debt (Continued). Increases to the County's debt were the result of a new capital lease being entered into by the County. Additionally, the net pension liability increased as a result actuarial changes made during the current year.

Additional information regarding the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets

- The millage rate was not increased from the prior year. It remained at 15.38 mills.
- No new grants are anticipated.

These items were taken into account when adopting the General Fund budget for 2021.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Manager, Lamar County Board of Commissioners, 408 Thomaston Street, Suite E, Barnesville, Georgia 30204.

BASIC FINANCIAL STATEMENTS

LAMAR COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government	Component Units		
	Governmental Activities	Lamar County Department of Public Health	Lamar County Regional Solid Waste Authority	Barnesville Lamar County Library
ASSETS				
Cash and cash equivalents	$ 3,288,626	$ 343,519	$ 592,492	$ 65,945
Investments	-	-	-	173,030
Taxes receivable	676,015	-	-	-
Accounts receivable, net of allowances	3,398	90,589	209,048	-
Due from other governments	310,275	-	-	-
Inventories	845	-	-	-
Prepaid items	-	-	26,478	-
Restricted assets, cash	-	-	524,047	-
Capital assets, nondepreciable	1,593,967	-	18,086,336	-
Capital assets, depreciable, net of accumulated depreciation	12,140,376	21,456	5,122,020	532,187
Total assets	18,013,502	455,564	24,560,421	771,162
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	-	48,979	-	-
Pension	421,860	89,875	36,684	-
Total deferred outflows of resources	421,860	138,854	36,684	-
LIABILITIES				
Accounts payable	706,258	19,813	65,235	1,080
Accrued liabilities	218,518	-	3,341	-
Unearned revenues	-	-	87,073	-
Due to other governments	126,405	-	-	-
Accrued interest	6,490	-	829,513	-
Capital leases due within one year	256,440	-	-	-
Capital leases due in more than one year	231,845	-	-	-
Compensated absences due within one year	-	13,706	-	-
Compensated absences due in more than one year	-	19,992	-	-
Notes payable due in more than one year	-	-	18,837,526	-
Bonds payable due within one year	-	-	265,000	-
Bonds payable due in more than one year	-	-	275,000	-
Landfill post-closure costs due in more than one year	434,329	-	614,729	-
Net OPEB liability	-	175,250	-	-
Net pension liability	1,386,939	339,119	120,603	-
Total liabilities	$ 3,367,224	$ 567,880	$ 21,098,020	$ 1,080

(Continued)

LAMAR COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government	Component Units		
	Governmental Activities	Lamar County Department of Public Health	Lamar County Regional Solid Waste Authority	Barnesville Lamar County Library
DEFERRED INFLOWS OF RESOURCES				
Pension	$ 74,398	$ 26,271	$ 6,470	$ -
OPEB	-	115,069	-	-
Total deferred inflows of resources	74,398	141,340	6,470	-
NET POSITION				
Net investment in capital assets	13,352,828	21,456	3,830,830	532,187
Restricted for:				
Capital projects	1,020,465	-	-	-
Judicial	11,505	-	-	-
Public safety	198,316	-	-	-
Other	-	255,410	-	72
Unrestricted	410,626	(391,668)	(338,215)	237,823
Total net position	$ 14,993,740	$ (114,802)	$ 3,492,615	$ 770,082

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

LAMAR COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,203,067	$ 991,291	$ -	$ -
Judicial	1,220,582	806,217	-	-
Public safety	4,743,831	354,371	156,312	-
Public works	2,403,620	-	-	186,725
Health and welfare	388,307	-	-	-
Culture and recreation	851,129	-	-	-
Housing and development	351,570	-	-	861,949
Interest on long-term debt	67,757	-	-	-
Total primary government	$ 13,229,863	$ 2,151,879	$ 156,312	$ 1,048,674
Component units:				
Lamar County Department of Public Health	$ 575,017	$ 372,810	$ 322,806	$ -
Lamar County Regional Solid Waste Authority	2,316,100	2,070,993	-	-
Barnesville-Lamar County Library	290,582	13,421	269,454	-
Total component units	$ 3,181,699	$ 2,457,224	$ 592,260	$ -
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of assets				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
	Component Units		
Governmental Activities	Lamar County Department of Public Health	Lamar County Regional Solid Waste Authority	Barnesville Lamar County Library
$ (2,211,776)	$ -	$ -	$ -
(414,365)	-	-	-
(4,233,148)	-	-	-
(2,216,895)	-	-	-
(388,307)	-	-	-
(851,129)	-	-	-
510,379	-	-	-
(67,757)	-	-	-
(9,872,998)	-	-	-
-	120,599	-	-
-	-	(245,107)	-
-	-	-	(7,707)
-	120,599	(245,107)	(7,707)
6,969,300	-	-	-
3,045,938	-	-	-
917,075	-	-	-
1,316	3,378	2,256	3,004
11,792	-	20,327	14,000
10,945,421	3,378	22,583	17,004
1,072,423	123,977	(222,524)	9,297
13,921,317	(238,779)	3,715,139	760,785
$ 14,993,740	$ (114,802)	$ 3,492,615	$ 770,082

LAMAR COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	E-911 Fund	SPLOST 2017 Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,592,324	$ 106,770	$ 1,193,835	$ 345,892	$ 49,805	$ 3,288,626
Taxes receivable	676,015	-	-	-	-	676,015
Accounts receivable	-	-	-	-	3,398	3,398
Due from other governments	91,040	56,900	162,335	-	-	310,275
Due from other funds	-	-	-	-	18,237	18,237
Inventories	845	-	-	-	-	845
Total assets	$ 2,360,224	$ 163,670	$ 1,356,170	$ 345,892	$ 71,440	$ 4,297,396
LIABILITIES						
Accounts payable	$ 90,489	$ 11,291	$ 209,300	$ 394,778	$ 400	$ 706,258
Accrued liabilities	204,920	13,598	-	-	-	218,518
Due to other governments	-	-	126,405	-	-	126,405
Due to other funds	18,237	-	-	-	-	18,237
Total liabilities	313,646	24,889	335,705	394,778	400	1,069,418
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	248,912	-	-	-	-	248,912
Total deferred inflows of resources	$ 248,912	$ -	$ -	$ -	$ -	$ 248,912

(Continued)

LAMAR COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	E-911 Fund	SPLOST 2017 Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Inventories	$ 845	$ -	$ -	$ -	$ -	$ 845
Restricted for:						
Capital projects	-	-	1,020,465	-	-	1,020,465
Judicial	-	-	-	-	11,505	11,505
Public safety	-	138,781	-	-	59,535	198,316
Unassigned	1,796,821	-	-	(48,886)	-	1,747,935
Total fund balances	1,797,666	138,781	1,020,465	(48,886)	71,040	2,979,066
Total liabilities, deferred inflows of resources, and fund balances	$ 2,360,224	$ 163,670	$ 1,356,170	$ 345,892	$ 71,440	
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.						13,734,343
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						248,912
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.						421,860
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.						(74,398)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(2,316,043)
Net position of governmental activities						$ 14,993,740

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

LAMAR COUNTY, GEORGIA

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

	General Fund	E-911 Fund	SPLOST 2017 Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 8,913,246	$ -	$ 1,951,513	$ -	$ -	$ 10,864,759
Licenses and permits	183,610	-	-	-	-	183,610
Intergovernmental	156,312	-	-	861,014	-	1,017,326
Fines and forfeitures	494,624	-	-	-	311,593	806,217
Charges for services	572,718	354,371	-	-	-	927,089
Investment income	1,278	306	1,627	935	38	4,184
Contributions	184,792	-	-	-	-	184,792
Miscellaneous	234,963	-	-	-	-	234,963
Total revenues	10,741,543	354,677	1,953,140	861,949	311,631	14,222,940
Expenditures						
Current:						
General government	2,585,273	-	-	-	-	2,585,273
Judicial	1,219,823	-	-	-	-	1,219,823
Public safety	4,206,900	374,045	-	-	306,996	4,887,941
Public works	947,124	-	-	478,487	-	1,425,611
Health and welfare	272,449	-	-	1,041,131	-	1,313,580
Culture and recreation	807,590	-	-	11,454	-	819,044
Housing and development	346,538	-	-	-	-	346,538
Intergovernmental	-	-	780,605	-	-	780,605
Capital outlay	-	-	607,803	-	-	607,803
Debt service:						
Principal	-	-	140,231	-	-	140,231
Interest and fiscal charges	49,538	-	11,729	-	-	61,267
Total expenditures	10,435,235	374,045	1,540,368	1,531,072	306,996	14,187,716
Excess (deficiency) of revenues over (under) expenditures	306,308	(19,368)	412,772	(669,123)	4,635	35,224

(Continued)

LAMAR COUNTY, GEORGIA

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

	General Fund	E-911 Fund	SPLOST 2017 Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)						
Proceeds from sale of assets	$ 11,792	$ -	$ -	$ -	$ -	$ 11,792
Issuance of debt	342,324	-	-	-	-	342,324
Transfers in	213,313	1,118,165	-	299,112	15,689	1,646,279
Transfers out	(1,432,966)	-	-	-	(213,313)	(1,646,279)
Total other financing sources, net	(865,537)	1,118,165	-	299,112	(197,624)	354,116
Net change in fund balances	(559,229)	1,098,797	412,772	(370,011)	(192,989)	389,340
Fund balance (deficit), beginning of year, as restated	2,356,895	(960,016)	607,693	321,125	264,029	2,589,726
Fund balance (deficit) end of year	$ 1,797,666	$ 138,781	$ 1,020,465	$ (48,886)	$ 71,040	$ 2,979,066

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

LAMAR 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 DECEMBER 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds.	$	389,340
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,019,494
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		67,554
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(211,443)
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.		(192,522)
Change in net position - governmental activities	$	1,072,423

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

LAMAR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 5,093,545	$ 5,093,545	$ 6,901,746	$ 1,808,201
Sales taxes	922,166	922,166	1,094,425	172,259
Other taxes	2,507,467	2,507,467	917,075	(1,590,392)
Licenses and permits	136,500	136,500	183,610	47,110
Intergovernmental	191,338	191,338	156,312	(35,026)
Fines and forfeitures	470,000	470,000	494,624	24,624
Charges for services	376,650	376,650	572,718	196,068
Investment income	-	-	1,278	1,278
Contributions	-	-	184,792	184,792
Miscellaneous	92,038	92,038	234,963	142,925
Total revenues	9,789,704	9,789,704	10,741,543	951,839
Expenditures				
Current				
General government:				
County commissioners/administration	75,388	75,388	108,376	(32,988)
General administration	837,899	837,899	526,514	311,385
Board of elections	136,652	136,652	145,883	(9,231)
Financial administration	-	-	389,903	(389,903)
Courthouse	267,925	267,925	243,258	24,667
Data processing	80,588	80,588	151,939	(71,351)
Tax commissioner	281,189	281,189	263,251	17,938
Tax assessor	359,809	359,809	350,591	9,218
Board of equalization	4,950	4,950	3,389	1,561
Risk management	221,028	221,028	230,252	(9,224)
Accountability court	13,600	13,600	9,706	3,894
Administration building	26,145	26,145	29,611	(3,466)
Senior center building	21,808	21,808	34,743	(12,935)
Service center building	37,876	37,876	29,090	8,786
Tag office building	13,115	13,115	14,706	(1,591)
Fire headquarters	36,434	36,434	25,914	10,520
Library building	-	-	107	(107)
Health department building	-	-	28,040	(28,040)
Total general government	2,414,406	2,414,406	2,585,273	(170,867)
Judicial:				
Superior court	453,396	453,396	422,529	30,867
Clerk of courts	391,336	391,336	377,676	13,660
District attorney	24,718	24,718	37,274	(12,556)
Magistrate court	148,875	148,875	141,151	7,724
Probate court	250,278	250,278	241,193	9,085
Total judicial	1,268,603	1,268,603	1,219,823	48,780

(Continued)

LAMAR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public safety:				
Sheriff's office	$ 2,171,717	$ 2,171,717	$ 2,275,308	$ (103,591)
Jail	1,057,093	1,057,093	1,034,242	22,851
Jail building	110,175	110,175	105,045	5,130
Fire	350,813	350,813	703,228	(352,415)
Coroner	29,594	29,594	28,127	1,467
E911	262,505	262,505	7,500	255,005
Emergency management	100,527	100,527	53,450	47,077
Total public safety	4,082,424	4,082,424	4,206,900	(124,476)
Public works:				
Administration	905,353	905,353	947,124	(41,771)
Total public works	905,353	905,353	947,124	(41,771)
Health and welfare:				
Public health administration	105,000	105,000	105,000	-
Department of family/children	16,500	16,500	15,500	1,000
Senior citizens center	184,312	184,312	146,699	37,613
Public transportation	5,250	5,250	5,250	-
Total health and welfare	311,062	311,062	272,449	38,613
Culture and recreation:				
Recreation department	404,071	404,071	491,696	(87,625)
Recreation sports	42,313	42,313	49,549	(7,236)
Old jail musuem	1,259	1,259	1,226	33
Library	265,119	265,119	265,119	-
Total culture and recreation	712,762	712,762	807,590	(94,828)
Housing and development:				
Agricultural resources	72,744	72,744	73,458	(714)
Conservation	37,654	37,654	32,789	4,865
Forest resources	8,901	8,901	9,158	(257)
Planning and zoning	109,199	109,199	159,750	(50,551)
Code enforcement	-	-	1,383	(1,383)
Economic development	70,000	70,000	70,000	-
Total housing and development	298,498	298,498	346,538	(48,040)
Debt service:				
Interest and fiscal charges	-	-	49,538	(49,538)
Total debt service	-	-	49,538	(49,538)

(Continued)

LAMAR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Total expenditures	$ 9,993,108	$ 9,993,108	$ 10,435,235	$ (442,127)
Excess (deficiency) of revenues over (under) expenditures	(203,404)	(203,404)	306,308	509,712
Other financing sources (uses)				
Issuance of debt	-	-	342,324	342,324
Proceeds from sale of assets	115,900	115,900	11,792	(104,108)
Transfers in	-	-	213,313	213,313
Transfers out	-	-	(1,432,966)	(1,432,966)
Total other financing sources (uses)	115,900	115,900	(865,537)	(981,437)
Net change in fund balance	(87,504)	(87,504)	(559,229)	(471,725)
Fund balance, beginning of year, as restated	2,356,895	2,356,895	2,356,895	-
Fund balance, end of year	$ 2,269,391	$ 2,269,391	$ 1,797,666	$ (471,725)

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

LAMAR COUNTY, GEORGIA

E-911 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ 228,810	$ 228,810	$ 354,371	$ 125,561
Investment income	-	-	306	306
Total revenues	228,810	228,810	354,677	125,867
Expenditures				
Current				
Public safety				
E911	228,810	228,810	374,045	(145,235)
Total public safety	228,810	228,810	374,045	(145,235)
Total expenditures	228,810	228,810	374,045	(145,235)
Deficiency of revenues under expenditures	-	-	(19,368)	(19,368)
Other financing sources				
Transfers in	-	-	1,118,165	1,118,165
Total other financing sources	-	-	1,118,165	1,118,165
Net change in fund balance	-	-	1,098,797	1,098,797
Fund deficit, beginning of year, as restated	(960,016)	(960,016)	(960,016)	-
Fund balance (deficit) , end of year	$ (1,920,032)	$ (1,920,032)	$ 138,781	$ 1,098,797

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

LAMAR COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Agency Funds
ASSETS	
Cash	$ 1,127,207
Taxes receivable	960,204
Total assets	$ 2,087,411
LIABILITIES	
Due to others	$ 2,087,411

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lamar 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. The Reporting Entity

The County, which was founded in 1921, has a population of 16,000 plus living within an area of 185.8 square miles. The County is a Georgia municipal corporation and operates under County Administrator/ Chairman and Commissioner Form of government. The County provides the following services as authorized by state law: public safety, roads, public improvements, planning and zoning, courts, tax assessment and collection, health and social services, culture-recreation, and general administrative services.

As required by GAAP, the financial statements of the reporting entity include those of the County, (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

Discretely Presented Component Unit **–** A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Following is a brief review of the discretely presented component unit.

Lamar County Department of Public Health

Lamar County Department of Public Health (the "Department of Health") provides medical services and health education to the citizens of Lamar County. The County Board of Commissioner has the authority to modify and approve the Department of Health's budget. The financial statements have been prepared separately for the Lamar County Department of Public Health and can be obtained at the following address:

Lamar County Department of Public Health
118 Academy Drive
Barnesville, Georgia 30204

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Lamar County Regional Solid Waste Authority

Lamar County Regional Solid Waste Authority (the "LCRSWA") provides residents and surrounding areas with disposal service of residential and commercial solid waste. The County Board of Commissioners has the authority to modify the LCRSWA's budget. The financial statements have been prepared separately for the LCRSWA and can be obtained at the following address:

Lamar County Regional Solid Waste Authority
172 Roger Brown Drive
Barnesville, Georgia 30204

Barnesville-Lamar County Library

Barnesville-Lamar County Library (the "Library") provides residents and surrounding areas with educational, research, recreational reading material, as well as computer services. The County approves the annual funding portion of the budget requested by the Library. In addition, the County provides substantial funding for the operations of the Library; therefore, the Library is considered to be fiscally dependent on the County. The financial statements have been prepared separately for the Library and can be obtained at the following address:

Barnesville-Lamar County Library
401 Thomaston St.
Barnesville, Georgia 30204

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are revenues normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Property taxes, sales tax, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis ("MD&A") which includes an analytical overview of the County's financial activity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports the following major governmental funds:

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

The ***E-911 Fund*** is used account for the operations of the County's E911 system.

The ***SPLOST 2017 Fund*** is used to account for the financial resources provided from the 2017 1% Special Purpose Local Option Sales Tax.

The ***Capital Projects Fund*** is used for the acquisition of specific capital assets and construction or improvement of major capital projects.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** are used to account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Projects Funds*** account for the acquisition of capital assets and construction or improvement of major capital projects.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

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

State statutes authorize the County and the discretely presented component unit to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1. Investments are stated at fair value.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $2,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Buildings and improvements	20 – 50
Machinery and equipment	5 – 10
Vehicles	5 – 10
Infrastructure	40 – 50

I. Compensated Absences

Vacation and sick leave benefits due at termination have been accrued. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the liable fund.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County also has deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on investments and actual return on those investments is also deferred and amortized against expense over the expected remaining service lives of plan members.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County also has deferred inflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Other than the items relating to the changes in the net pension liability as discussed on the following page, the County has one item that qualifies for reporting in this category, which arises only under a modified accrual basis of accounting. Accordingly, the item, u*navailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

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

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

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Use of Estimates

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

N. 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 County Commissioners of Georgia Lamar County Defined Benefit Plan (the “Plan”) and additions to or 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 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 difference are as follows:

Capital leases payable	$ (488,285)
Landfill post-closure costs	(434,329)
Accrued interest	(6,490)
Net pension liability	(1,386,939)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (2,316,043)

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 difference are as follows:

Capital outlay	$ 1,808,582
Depreciation expense	(789,088)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 1,019,494

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

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

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this difference are as follows:

Debt incurred:		
Capital leases	$	(342,324)
Principal repayments:		
Capital leases		140,231
Landfill post-closure costs		(9,350)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(211,443)

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 difference are as follows:

Net pension liability	$	(551,218)
Accrued interest		(6,490)
Deferred outflows of resources		227,478
Deferred inflows of resources		137,708
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(192,522)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgetary Data

The County adopts an annual operating budget for the general fund, each special revenue fund and debt service fund. A project budget is adopted for each projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds' budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The County Administrator may transfer funds from one object or purpose to another within the same
- department
- The Board of Commissioners may amend the budget by motion during the fiscal year.
- Appropriations must equal the anticipated funding sources of each fund.
- Actual expenditures of each fund may not exceed actual funding sources.

Formal budgetary integration is employed as management control device during the year for all budgeted funds.

B. Deficit Fund Balance

The Capital Projects Fund had a deficit fund balance of $48,886 as of December 31, 2019. The County plans to eliminate this deficit through transfers from the General Fund.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures over Appropriations

Department	Excess
General Fund	
General Government	
County commissioners/administration	$ (32,988)
Board of elections	(9,231)
Financial adminstration	(389,903)
Data processing	(71,351)
Risk management	(9,224)
Administration building	(3,466)
Senior center building	(12,935)
Tag office building	(1,591)
Library building	(107)
Health department building	(28,040)
Judicial	
District attorney	(12,556)
Public safety	
Sheriff's office	(103,591)
Fire	(352,415)
Public works	
Administration	(41,771)
Culture and recreation	
Recreation department	(87,625)
Recreation sports	(7,236)
Housing and development	
Agricultural resources	(714)
Forest resources	(257)
Planning and zoning	(50,551)
Code enforcement	(1,383)
E-911 Fund	
Public Safety	
E911	(145,235)

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2019, are summarized as follows:

Balances per statement of net position:		
Cash - Primary government	$	3,288,626
Balances per statement of fiduciary net position:		
Cash - Agency funds		1,127,207
	$	4,415,833
Cash deposited with financial institutions	$	4,415,833
	$	4,415,833

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. As of December 31, 2019, the County had no investments.

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 December 31, 2019, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at December 31, 2019, consist of the following:

	General Fund	E911 Fund	SPLOST 2017 Fund	Nonmajor Funds	Total
Receivables:					
Taxes	$ 676,015	$ -	$ -	$ -	$ 676,015
Accounts	-	-	-	3,398	3,398
Due from other governments	91,040	56,900	162,335	-	310,275
Gross receivables	767,055	56,900	162,335	3,398	989,688
Less allowance	-	-	-	-	-
Net receivables	$ 767,055	$ 56,900	$ 162,335	$ 3,398	$ 989,688

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the tax assessors of the County.

Normally, property tax levies are set by the County Commissioners in August of each year for collection in the following year beginning January 1. The County spreads levies over assessable property. Taxes are levied annually by the County and for the year ended December 31, 2019, the levy occurred on October 14, 2019. Real and personal property taxes were due on November 4, 2019. Property taxes receivable become a lien on March 4, 2020.

NOTE 6. CAPITAL ASSETS

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

Governmental activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,593,967	$ -	$ -	$ -	$ 1,593,967
Construction in progress	1,708,500	1,035,113	-	(2,743,613)	-
Total	3,302,467	1,035,113	-	(2,743,613)	1,593,967
Capital assets, being depreciated:					
Buildings and improvements	13,505,326	-	-	1,260,929	14,766,255
Machinery and equipment	3,457,373	52,849	-	-	3,510,222
Vehicles	2,278,579	696,577	-	-	2,975,156
Infrastructure	49,376,150	24,043	-	1,482,684	50,882,877
Total	68,617,428	773,469	-	2,743,613	72,134,510
Less accumulated depreciation for:					
Buildings and improvements	8,552,763	322,055	-	-	8,874,818
Machinery and equipment	3,184,688	101,163	-	-	3,285,851
Vehicles	1,888,655	117,435	-	-	2,006,090
Infrastructure	45,578,940	248,435	-	-	45,827,375
Total	59,205,046	789,088	-	-	59,994,134
Total capital assets, being depreciated, net	9,412,382	1,562,557	-	2,743,613	12,140,376
Governmental activities capital assets, net	$ 12,714,849	$ 2,597,670	$ -	$ -	$ 13,734,343

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

Governmental activities:	
General government	$ 22,785
Judicial	759
Public safety	267,995
Public works	350,592
Health and welfare	109,840
Culture and recreation	32,085
Housing and development	5,032
Total depreciation expense - governmental activities	$ 789,088

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the fiscal year ended December 31, 2019:

	(As restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases	$ 286,192	$ 342,324	$ 140,231	$ 488,285	$ 256,440
Landfill post-closure costs	424,979	9,350	-	434,329	-
Net pension liability	835,721	761,566	210,348	1,386,939	-
Totals	$ 1,546,892	$ 1,113,240	$ 350,579	$ 2,309,553	$ 256,440

For governmental activities, net pension liability is ordinarily liquidated by the General Fund.

Capital Leases

Governmental Activities

The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions.

The following is an analysis of leased assets under capital leases as of December 31, 2019:

	Governmental Activities
Equipment	$ 748,317
Less: Accumulated depreciation	(141,873)
	$ 606,444

The County reported $95,388 of depreciation expense for governmental activities on the above leased assets for the fiscal year ended of December 31, 2019.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

The County's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities
Fiscal Year Ending Decenber 31,	
2020	$ 273,564
2021	121,604
2022	121,604
Total minimum lease payments	516,772
Less amount representing interest	(28,487)
Present value of future minimum lease payments	$ 488,285

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2019, is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor governmental funds	General fund	$ 18,237
		$ 18,237

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
E-911 fund	General fund	$ 1,118,165
Capital projects fund	General fund	299,112
Nonmajor governmental funds	General fund	15,689
General fund	Nonmajor governmental funds	213,313
		$ 1,646,279

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

NOTE 9. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in a ten-county central Georgia area, is a member of the Three Rivers Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended December 31, 2019, the County paid $16,787 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. The RC Board membership is made up of representatives appointed by each county seat and respective county government member and also includes private citizen and minority representatives. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Information concerning the financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Association County Commissioners of Georgia ("ACCG") Lamar 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 ACCG Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the 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 the 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, 2018, pension plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	35
Inactive plan member entitled to but not receiving benefits	83
Active plan members	85
	203

NOTE 10. 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 December 31, 2019, the County's contribution rate was 7.55% of annual payroll. County contributions to the Plan were $216,833 for the year ended December 31, 2019.

Net Pension Liability of the County

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

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

Inflation	3.00%
Salary increases	2.00% – 4.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table projected with Scale AA to 2018.

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

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued): 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	30 %	3.07 %
Large Cap	30	1.97
International	15	0.86
Mid Cap	5	0.30
Small Cap	5	0.52
REIT	5	0.47
Multi Cap	5	0.51
Global Allocation	5	0.58
	100 %	

* Rates shown are net of the 3.00% assumed rate of inflation.

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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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 December 31, 2019, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	$ 5,770,378	$ 4,852,003	$ 918,375
Changes for the year:			
Service cost	139,786	-	139,786
Interest	410,218	-	410,218
Differences between expected and actual experience	6,527	-	6,527
Assumption changes	(15,616)	-	(15,616)
Contributions - employer	-	223,006	(223,006)
Net investment income	-	(213,053)	213,053
Benefit payments, including refunds of employee contributions	(214,190)	(224,377)	10,187
Administrative expenses	-	(18,833)	18,833
Other changes	-	(29,185)	29,185
Net changes	326,725	(262,442)	589,167
Balances at December 31, 2019	$ 6,097,103	$ 4,589,561	$ 1,507,542

Governmental activities	$ 1,386,939
Lamar County Regional Solid Waste Authority	120,603
	$ 1,507,542

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 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's proportionate share of net pension liability	$ 2,184,113	$ 1,386,939	$ 736,038
Lamar County Regional Solid Waste Authority's proportionate share of net pension liability	189,923	120,603	64,003
Total net pension liability	$ 2,374,036	$ 1,507,542	$ 800,041

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

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

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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

For the year ended December 31, 2019, the County recognized pension expense of $381,817. At December 31, 2019, the County and the Lamar County Regional Solid Waste Authority (the "Authority") reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

Lamar County - Governmental Activities

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,896	$ (48,899)
Changes in actuarial assumptions	103,168	(25,499)
Net difference between projected and actual earnings on pension plan investments	299,796	-
County's portion of the pension plan	$ 421,860	$ (74,398)

Component Unit - Lamar County Regional Solid Waste Authority

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,643	$ (4,253)
Changes in actuarial assumptions	8,970	(2,217)
Net difference between projected and actual earnings on pension plan investments	26,071	-
Authority's portion of the pension plan	$ 36,684	$ (6,470)

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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

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

Year ending August 31,	
2020	$ 176,382
2021	70,588
2022	17,487
2023	113,219
	$ 377,676

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

NOTE 11. RISK MANAGEMENT (CONTINUED)

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 12. CONTINGENCIES AND COMMITMENTS

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NOTE 13. SHORT-TERM DEBT

On January 15, 2019, the Board of Commissioners approved a resolution authorizing a tax anticipation note for the borrowing of $3,800,000 at an interest rate of 3.09%. This note was repaid in December 2019.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax Anticipation Note	$ -	$ 3,413,000	$ 3,413,000	$ -

NOTE 14. TAX ABATEMENT AGREEMENTS

During the year ended December 31, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues. As of December 31, 2019, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

NOTE 15. LANDFILL POST-CLOSURE COSTS

Effective November 1, 2002, the Lamar County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of approximately $434,329 over the remaining sixteen year period. These costs are based on what it would cost to perform all post-closure care in 2019. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 16. RESTATEMENT OF ERRORS IN PRIOR YEAR REPORTING

Government-wide Level Restatements

The County has determined that a restatement to beginning net position of governmental activities was required as of December 31, 2018.

	Primary Government
	Governmental Activities
Net position, as previously reported	$ 19,064,964
Adjustments to beginning net position to reflect corrections of error, net	
Adjustment to property taxes receivable	265,739
Adjustment to net pension liability	498,582
Adjustment to cash balance	(155,576)
Adjustment to LOST receivable	89,231
Adjustment to accounts payable	(80,171)
Adjustment to accrued salaries	(181,555)
Adjustment to capital assets	(5,154,918)
Adjustment to landfill liability - post closure costs	(424,979)
Net position, as restated	$ 13,921,317

NOTE 16. RESTATEMENT OF ERRORS IN PRIOR YEAR REPORTING (CONTINUED)

Fund Level Restatements

The County has determined a restatement was required to the beginning fund balance for the General Fund, E-911 Fund, and the SPLOST 2017 Fund as of December 31, 2018.

	Governmental Funds		
	Major Fund	Major Fund	Major Fund
	General Fund	E-911 Fund	SPLOST 2017 Fund
Fund balance, as previously reported	$ 2,351,239	$ (946,417)	$ 843,440
Adjustments to beginning fund balance to reflect corrections of error, net			
Adjustment to cash balance	-	-	(155,576)
Adjustment to LOST receivable	89,231	-	-
Adjustment to property taxes receivable and deferred inflows of resources	84,381	-	-
Adjustment to accounts payable	-	-	(80,171)
Adjustment to accrued salaries	(167,956)	(13,599)	-
Fund balance, as restated	$ 2,356,895	$ (960,016)	$ 607,693

REQUIRED SUPPLEMENTARY INFORMATION

LAMAR COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016
Total pension liability				
Service cost	**$ 139,786**	$ 136,419	$ 131,307	$ 128,514
Interest on total pension liability	**410,218**	395,817	375,770	336,764
Differences between expected and actual experience	**6,527**	(81,033)	(22,380)	72,166
Changes of assumptions	**(15,616)**	(28,998)	184,524	177,715
Benefit payments	**(214,190)**	(222,755)	(217,138)	(172,990)
Net change in total pension liability	**326,725**	199,450	452,083	542,169
Total pension liability - beginning, as restated	**5,770,378**	5,570,928	5,118,845	4,576,676
Total pension liability - ending (a)	**6,097,103**	5,770,378	5,570,928	5,118,845
Plan fiduciary net position				
Contributions - employer	**$ 223,006**	$ 272,873	$ 271,122	$ 253,939
Net investment income	**(213,053)**	650,125	283,889	26,025
Benefit payments	**(224,377)**	(222,755)	(217,138)	(172,990)
Administrative expenses	**(18,833)**	(16,314)	(19,861)	(17,135)
Other	**(29,185)**	(29,096)	(42,563)	(56,527)
Net change in fiduciary net position	**(262,442)**	654,833	275,449	33,312
Plan fiduciary net position - beginning, as restated	**4,852,003**	4,197,170	3,921,721	3,888,409
Plan fiduciary net position - ending (b)	**4,589,561**	4,852,003	4,197,170	3,921,721
County's net pension liability - ending (a) - (b)	**$ 1,507,542**	$ 918,375	$ 1,373,758	$ 1,197,124
Plan fiduciary net position as a percentage of total pension liability	**75.27%**	84.08%	75.34%	76.61%
Covered payroll	**$ 2,818,110**	$ 2,687,509	$ 2,686,516	$ 2,845,426
County's net pension liability as a percentage of covered payroll	**53.49%**	34.17%	51.14%	42.07%

Notes to the Schedule

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

LAMAR COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016	2015
Actuarially determined contribution	**$ 223,006**	$ 272,873	$ 271,122	$ 253,939	$ 249,930
Contributions in relation to the actuarially determined contribution	**223,006**	272,873	271,122	253,939	249,930
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -
Covered payroll	**$ 2,955,058**	$ 2,818,110	$ 2,687,509	$ 2,686,516	$ 2,845,426
Contributions as a percentage of covered payroll	**7.55%**	9.68%	10.09%	9.45%	8.78%

Notes to the Schedule

Valuation Date	January 1, 2018
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	3.00% – 4.00% (including 3.00% 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Drug Seizure Fund – To account for monies deemed as forfeited property by courts to Lamar County from cases related to illegal drug activity.

Law Library Fund – To account for costs of operating and maintaining the County Law Library.

Drug Court Fund – To account for the expenditures of monies from the County Drug Abuse Treatment Fund. Financing is provided by the collection of an add-on fine as allowed by state law.

Capital Projects Funds

SPLOST 2011 Fund – To account for the financial resources provided from the 2011 1% Special Purpose Local Option Sales Tax.

LAMAR COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds			Capital Projects Fund	
	Drug Seizure Fund	Law Library Fund	Drug Court Fund	SPLOST 2011 Fund	Totals
ASSETS					
Cash	$ 20,073	$ 11,905	$ 17,827	$ -	$ 49,805
Accounts receivable	-	-	3,398	-	3,398
Due from other funds	-	-	18,237	-	18,237
Total assets	20,073	11,905	39,462	-	71,440
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	400	-	-	400
Total liabilities	-	400	-	-	400
FUND BALANCES					
Restricted for:					
Judicial	-	11,505	-	-	11,505
Public safety	20,073	-	39,462	-	59,535
Total fund balances	20,073	11,505	39,462	-	71,040
Total liabilities and fund balances	$ 20,073	$ 11,905	$ 39,462	$ -	$ 71,440

LAMAR COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds			Capital Projects Fund	
	Drug Seizure Fund	Law Library Fund	Drug Court Fund	SPLOST 2011 Fund	Totals
Revenues					
Fines and forfeitures	$ 287,096	$ 8,512	$ 15,985	$ -	$ 311,593
Investment income	-	-	38	-	38
Total revenues	287,096	8,512	16,023	-	311,631
Expenditures					
Current:					
Public safety	283,077	8,793	15,126	-	306,996
Total expenditures	283,077	8,793	15,126	-	306,996
Excess (deficiency) of revenues over (under) expenditures	4,019	(281)	897	-	4,635
Other financing sources (uses)					
Transfers in	-	-	15,689	-	15,689
Transfers out	-	-	-	(213,313)	(213,313)
Total other financing sources (uses)	-	-	15,689	(213,313)	(197,624)
Net change in fund balances	4,019	(281)	16,586	(213,313)	(192,989)
Fund balances, beginning of year	16,054	11,786	22,876	213,313	264,029
Fund balances, end of year	$ 20,073	$ 11,505	$ 39,462	$ -	$ 71,040

LAMAR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Revised Prior Years	Current Year	Total
City of Barnesville	$ 3,730,162	$ 3,730,162	$ 3,660,867	$ -	$ 3,660,867
City of Milner	382,581	382,581	382,581	-	382,581
Town of Aldora	95,645	95,645	95,345	-	95,345
Lamar County					
Service Center	250,000	250,000	231,971	-	231,971
Recreation facilities	350,000	350,000	369,273	-	369,273
Fire truck	680,000	680,000	510,000	-	510,000
Fire protection improvements	50,000	50,000	50,000	-	50,000
Public works equipment	660,000	660,000	701,854	-	701,854
Roads and bridges	3,366,131	3,366,131	3,417,706	-	3,417,706
Bank charges	-	-	197	-	197
Total	$ 9,564,519	$ 9,564,519	$ 9,419,794	$ -	$ 9,419,794
		Reconciling items:			
		Transfers out		213,313	
				$ 213,313	

LAMAR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Project Description	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Revised Prior Years	Current Year	Total
City of Barnesville	$ 3,559,235	$ 3,559,235	$ 612,134	$ 780,605	$ 1,392,739
City of Milner	374,656	374,656	374,656	-	374,656
Town of Aldora	93,664	93,664	93,664	-	93,664
Lamar County					
Tax Assessors	28,000	28,000	-	-	-
Code Enforcement	28,000	28,000	-	-	-
Administration	28,000	28,000	-	-	-
Maintenance	28,000	28,000	-	-	-
Facilities improvements	93,300	93,300	-	-	-
Sheriff	696,000	696,000	369,951	189,378	559,329
Detention center	85,000	85,000	-	-	-
Fire equipment	500,000	500,000	-	-	-
Roads and bridges	2,755,450	2,755,450	97,391	533,517	630,908
Public works equipment	379,000	379,000	220,350	33,173	253,523
Recreation and parks	465,000	465,000	-	3,695	3,695
Animal shelter	253,104	253,104	13,094	-	13,094
Total	$ 9,366,409	$ 9,366,409	$ 1,781,240	$ 1,540,368	$ 3,321,608

LAMAR COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Recipient Name: **Lamar County, Georgia**
Grant Award Number: **17P-Y-085-1-5943**
For the Year Ending: **December 31, 2019 (Cumulative)**

	Balance
Total Fiscal Year 2017 CDBG Awarded to Recipient	$ 750,000
Total Amount Drawdown by Recipient from DCA in Fiscal Year 2017	18,193
Less: CDBG Funds Expended by Recipient in Fiscal Year 2017	(18,193)
Amount of Fiscal Year 2017 CDBG Funds Held by Recipient as of December 31, 2017	$ -
Total Amount Drawdown by Recipient from DCA in Fiscal Year 2018	63,063
Less: CDBG Funds Expended by Recipient in Fiscal Year 2018	(63,063)
Amount of Fiscal Year 2017 CDBG Funds Held by Recipient as of December 31, 2018	$ -
Total Amount Drawdown by Recipient from DCA in Fiscal Year 2019	668,744
Less: CDBG Funds Expended by Recipient in Fiscal Year 2019	(668,744)
Amount of Fiscal Year 2017 CDBG Funds Held by Recipient as of December 31, 2019	$ -

LAMAR COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Recipient Name: **Lamar County, Georgia**
Grant Award Number: **17P-Y-085-1-5943**
For the Year Ending: **December 31, 2019**

CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures to Date
C-022-00	$ 30,000	$ 30,000
S-03P-00	54,618	54,618
P-03P-02	627,882	627,882
A-21-A-00	37,500	37,500
Total	$ 750,000	$ 750,000

AGENCY FUNDS

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

LAMAR COUNTY, GEORGIA

AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2019

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 521,770	$ 141,892	$ 98,943	$ 51,700	$ 312,902	$ 1,127,207
Taxes receivable	960,204	-	-	-	-	960,204
Total assets	$ 1,481,974	$ 141,892	$ 98,943	$ 51,700	$ 312,902	$ 2,087,411
LIABILITIES						
Due to others	$ 1,481,974	$ 141,892	$ 98,943	$ 51,700	$ 312,902	$ 2,087,411

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 Lamar County, Georgia
Barnesville, 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 Lamar County, Georgia (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 12, 2020. Our report includes a reference to other auditors who audited the financial statements of the Lamar County Department of Public Health (the "Department of Public Health") and the Barnesville-Lamar County Library (the "Library"), as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned responses as items 2019-001 through 2019-011 that we consider to be material weaknesses.

Compliance and Other Matters

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

Lamar 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 it.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
October 12, 2020

LAMAR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

There was not an audit of major federal award programs as of December 31, 2019 due to the total amount expended being less than $750,000.

LAMAR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2019-001 – Proper Recognition of Cash in the SPLOST 2017 Fund

Criteria: Internal controls should be in place to ensure that all bank accounts belonging to the County are identified and recorded for financial reporting. Additionally, internal controls should be in place to ensure that all cash receipts and disbursements are recorded in the proper account in the proper period.

Condition: During the prior year, the County did not properly record cash balances for the SPLOST 2017 Fund.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: Prior period restatements were required of the County to properly record cash and fund balance at the fund level and net position at the government-wide level as of December 31, 2018. These adjustments were as follows:

- Fund Level (SPLOST III or SPLOST 2017 Fund) – prior period restatement to decrease fund balance and cash by $155,576 as of January 1, 2019.
- Government-wide Level (Governmental Activities) – prior period restatement to decrease (net between General Fund and SPLOST Fund) net position and cash by $155,576 as of January 1, 2019.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure cash balances were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all cash accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-002 – Proper Recognition of Accrued Payroll

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: During the prior year, the County did not properly record accrued payroll balances for both the General Fund and the E911 Fund.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: Prior period restatements were required to record accrued payroll and fund balance at the fund level and net position at the government-wide level as of December 31, 2018. These adjustments were as follows:

- Fund Level (General Fund) – prior period restatement to increase accrued payroll and decrease fund balance by $167,956 as of January 1, 2019.
- Fund Level (E911 Fund) – prior period restatement to increase accrued payroll and decrease fund balance by $13,599 as of January 1, 2019.
- Government-wide Level (Governmental Activities) – prior period restatement to increase accrued liabilities and decrease net position by $181,555 as of January 1, 2019.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure accrued liabilities were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all accrued payroll accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-003 – Proper Recognition of Receivables and Deferred Inflows of Resources

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Additionally, an allowance should be recorded if amounts are deemed to be uncollectible, if applicable.

Condition: During the prior year, the County did not properly record receivables and deferred inflows of resources – unavailable revenues balances for the General Fund.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: Prior period restatements were required of the County to properly record receivables, deferred inflows of resources – unavailable revenues, and fund balance at the fund level. In addition, prior period restatements were required to receivables and net position at the government-wide level as of December 31, 2018. These adjustments were as follows:

- Fund Level (General Fund) – prior period restatement to increase taxes receivable by $265,739; increase deferred inflow of resources by $181,358; and increase fund balance by $84,381 as of January 1, 2019.
- Government-wide Level (Governmental Activities) – prior period restatement to increase taxes receivable by $265,739 and increase net position by $265,739 as of January 1, 2019.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure receivables and deferred inflows of resources – unavailable revenues accounts were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all receivables and deferred inflows of resources – unavailable revenues accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

LAMAR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-004 – Proper Recognition of Net Pension Liability and Deferred Inflows and Outflows of Resources

Criteria: The net pension liability for a defined benefit pension plan should be calculated by taking the actuarial determined total pension liability ("TPL") and reducing the TPL by the pension plan's fiduciary net position, to arrive at the net pension liability ("NPL").

Condition: During the prior year, the City improperly recorded the net pension liability, deferred inflows of resources, deferred outflows of resources, and net position at the government-wide level based on the incorrect measurement date of December 31, 2018. As of the date of County's prior year audit report, it was noted the fiduciary net position of the County's pension plan had not been audited until September 27, 2019. The County's prior year audit report was issued before the pension plan's fiduciary net position was audited, which was incorrect. This required the County to change the measurement date to the proper date of December 31, 2017 for the prior year.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: Prior period restatements were required to record net pension liability, deferred inflows of resources, deferred outflows of resources, and net position at the government-wide level as of December 31, 2018. These adjustments were as follows:

- Net pension liability (governmental activities) – an adjustment to decrease by $893,983
- Deferred outflows of resources (governmental activities) – an adjustment to decrease by $464,575
- Deferred inflows of resources (governmental activities) – an adjustment to decrease by $69,174
- Net position (governmental activities) – an adjustment to increase by $498,582

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure pension related balances were properly reconciled and recorded.

Recommendation: We recommend the County carefully review the net pension liability and all related accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-005 – Proper Recognition of Receivables – LOST

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Additionally, an allowance should be recorded if amounts are deemed to be uncollectible, if applicable.

Condition: During the prior year, the County did not properly record receivables from LOST for the General Fund.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: Prior period restatements were required of the County to properly record receivables and fund balance at the fund level and net position at the government-wide level for the correction of an error.

- Fund Level (General Fund) – prior period restatement to increase taxes receivable and fund balance by $89,231 as of January 1, 2019.
- Government-wide Level (Governmental activities) – prior period restatement to increase taxes receivable and net position by $89,231 as of January 1, 2019.
-

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure receivables were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all receivables to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-006 – Proper Recognition of Payables

Criteria: Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the related cash flows.

Condition: During the prior year, the County did not properly record payables for the SPLOST 2017 Fund.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: Prior period restatements were required to record payables and fund balance at the fund level and net position at the government-wide level as of December 31, 2018. These adjustments were as follows:

- Fund Level (SPLOST 2017 Fund) – prior period restatement to increase intergovernmental payable by $123,193 and reduce accounts payable by $43,022 and reduce fund balance by $80,171 as of January 1, 2019.
- Government-wide Level (Governmental activities) – prior period restatement to increase intergovernmental payable by $123,193 and reduce accounts payable by $43,022 and reduce net position by $80,171 as of January 1, 2019.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure payable balances were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all payable accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

LAMAR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-007 – Proper Recognition of Capital Assets

Criteria: Internal controls should in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with GAAP.

Condition: During the prior year, the County did not properly recognize capital assets for governmental activities, which did not agree to the County's capital assets listing.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Effects: A prior period restatement to reduce capital assets and net position in the amount of $5,154,918 was required to be recorded at the government-wide level as of December 31, 2018.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure capital assets were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all capital assets to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-008 – 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: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in various funds administered by the County. Further, we noted a general lack of segregation of duties. We noted bank statements were being reconciled by employees of the elected officials' and the County office with no consistent review of the reconciled statements being performed. Specifically, we noted the following:

- Sheriff's Office – one individual with the authority to prepare and make deposits, posts transactions to the general ledger also reconciles bank statements.
- Tax Commissioner Office – one individual with the authority to prepare and sign checks, prepare and make deposits also reconciles the bank statement. In addition, we noted no independent review of the reconciled bank statements. This is due to staff limitations.
- Magistrate Court – one individual with the authority to prepare and sign checks also has the authority to prepare and make deposits. In addition, we noted no independent review of the reconciled bank statements. This is due to staff limitations. We also noted the court had excess funds
- Probate Court – one individual with the authority to prepare and sign checks, prepare and make deposits also reconciles the bank statement. In addition, we noted no review of the reconciled bank statements. This is due to staff limitations.
- Superior Court – one individual with the authority to prepare and sign checks also has the authority to prepare and make deposits. We also noted the bank accounts are not reconciled. In addition, we noted funds collected by the Clerk are not being handled properly and are not being disbursed to the proper parties in a timely manner, as required.
- County Finance Office – one individual with the authority to open the mail, distribute mail, post transactions to the general ledger, prepare deposits and make deposits.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effects: Failure to properly segregate duties can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is primarily due to the limited number of individuals in each office available to perform all of the duties.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-008 – Segregation of Duties (Continued)

Recommendation: We recommend the County carefully review all cash accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

2019-009 – Management of Interfund Transactions

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the County. In addition, internal controls should be in place to provide reasonable assurance that interfund transactions are properly recorded.

Condition: We noted the County did not account for and use due to/from accounts and transfers properly within the operations of the County.

Context: We addressed the matter with the County to determine the appropriate adjustments so as to properly state the balance of due to/from accounts and interfund transfer accounts at December 31, 2019.

Effects: The effect of the above condition resulted in a significant amount of adjustments after year end.

In order to properly document the due to/from and interfund transfer balances as of December 31, 2019, a significant number of adjustments were recognized with the total net effect of interfund activity for each fund noted below:

- General Fund – $1,374,585
- E-911 Fund – $1,077,098
- SPLOST 2011 Fund - $213,313
- Capital Projects Fund – ($299,112)

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to necessary to record all of the necessary interfund activity.

Recommendation: We recommend the County carefully review all interfund accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-010 – General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted an inordinate amount of accounting, reporting and reconciling was not properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2019 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed December 31, 2019. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to prepare their bank reconciliations in a timely manner for all accounts;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the County's capital assets;
- to properly maintain general ledgers, subsidiary ledgers, and related reconciliations;
- to properly capture all activity related to the County's grants within the general ledger;
- to properly write checks without back-dating both the checks and accounts payable in the system; and
- to close-out and report activities, events and transactions on a periodic basis

We believe it important to note that we observed a genuine interest by the County's accounting personnel in their desire to learn and assume greater responsibilities for the County's accounting and financial reporting and noticed great improvement subsequent to the current year's audit.

Context: We addressed the matter with the County to determine the appropriate actions are taken so as to properly complete general accounting matters/close-out procedures at December 31, 2019.

Effects: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to properly maintain financial and non-financial information and to properly close out the year end.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-010 – General Accounting Matters/Close-Out Procedures (Continued)

Recommendation: We recommend the County consider a variety of options to addressing the above condition. In no particular order, the County needs to look at the respective staffing of the accounting function, and determine if an adequate number of qualified people are currently available to address the condition. The County also needs to consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of County operations and financial and non-financial activities. We also recommend the County seek the expertise of a technician to come in and diagnose the issues with the County's accounting software related to the accounts payable and capital assets to improve the overall audit.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

2019-011 – Proper Recognition of Landfill Liability

Criteria: Generally accepted accounting principles require landfill closure and post-closure costs to be estimated for accounting and financial reporting purposes based on a number of requirements: (1) estimate should include certain items that normally would be capitalized, (2) estimate should be based on current cost, (3) estimate should reflect all approved legal requirements, even those not yet in force, and (4) re-measurement annually.

Condition: During the prior year, the County did not properly record accrued landfill post-closure costs liability at the government-wide level for governmental activities as calculated by the State EPD's engineering studies estimate of post-closure costs as of December 31, 2018.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended J December 31, 2018.

Effects: A prior period restatement was required to properly record landfill post-closure costs and net position at the government-wide level as of December 31, 2018. This adjustment was as follows:

- Government-wide Level (Governmental Activities) – prior period restatement to increase landfill post-closure costs and decrease net position by $424,979 as of January 1, 2019.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure landfill post-closure costs were properly reconciled and recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-011 – Proper Recognition of Landfill Liability (Continued)

Recommendation: We recommend the County carefully review all landfill post-closure costs accounts to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

LAMAR COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

2018-001 – Financial Statements

Criteria: All journal entries should be reviewed and approved before entry, then once entered, the affected accounts should be reviewed for accuracy.

Condition: Incorrect- journal entries were posted to the General Fund, SPLOST Funds and Capital Project Funds.

Status: Unresolved – See Finding 2019-010.

2018-002 – Financial Statements/General Ledger

Criteria: All funds should balance, i.e., all debits should equal all credits.

Condition: Several funds did not balance.

Status: Unresolved – See Finding 2019-010.

2018-003 – Internal Controls

Criteria: Internal control should exist for depositing correctly and timely, timely financial reporting, timely fund disbursements, security of petty cash, accounting for fees, and fees remitted.

Condition: The clerk of Superior Court's office lacks internal controls over depositing funds, financial reporting, monthly disbursing, petty cash, accounting for fees, and fines remitted.

Status: Unresolved – See Finding 2019-008.

2018-004 – Bank Reconciliation

Criteria: The prudent business practice is to reconcile each bank account monthly in a timely manner.

Condition: Bank reconciliations were not prepared for any bank accounts of the Lamar County Clerk of Superior Court for the calendar year ending December 31, 2018.

Status: Unresolved – See Finding 2019-010.

LAMAR COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

2018-005 – Disbursement of Funds

Criteria: The Clerk of Superior Court is required to disburse the funds no later than fifteen days after the month in which they are received.

Condition: The clerk of Superior Court received juvenile funds on two separate cases in the amounts of $1,800 and $1,335 in February 2018 and May 2018 respectively. The funds were for restitution; the funds have not been disbursed as of June 21, 2019.

Status: Unresolved – See Finding 2019-008.

2018-006 – Disbursement of Funds

Criteria: The funds received by the Clerk of Superior Court are to be disbursed to the proper entities within fifteen days of the subsequent month.

Condition: The funds received for the Civil, Real Estate Transfer Tax, Intangible, and Criminal Accounts are not disbursed to the proper entities by the fifteenth of the following month.

Status: Unresolved – See Finding 2019-008.

2018-007 – Deposit of Funds

Criteria: Funds remitted to the Clerk of Superior Court is to be deposited within two weeks of reception.

Condition: The funds received for the Criminal Account for April and May 2018 were deposited in June 2018; the funds received for October, November, and December 2018 were deposited in January and February 2019.

Status: Unresolved – See Finding 2019-008.

2018-008 – SPLOST Funds

Criteria: SPLOST funds should not be commingled with other government funds per OCGA § 48-8-111

Condition: The cash balance of the SPLOST 2011 at December 2017 was transferred to the General Fund in January 2019.

Status: Resolved.