LONG COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

LONG COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Long County, Georgia
Ludowici, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Long County, Georgia** (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Long County Board of Health, which represents 100% of the assets, deferred outflows of resources, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Long County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and the budgetary comparisons for the General Fund, E911 Fund, and the Development Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 4 – 10) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 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 Long County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 2, 2020

LONG COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Within this section of Long County, Georgia's (the "County") annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the year ended June 30, 2020. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

The County's net position is $13,017,680 for the year reported. This compares to the previous year when net position was $13,947,989.

Total net position is comprised of the following:

1. Net investment in capital assets of $8,174,107 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $1,017,171 is restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net position of $3,826,402 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported total ending fund balance of $3,942,404 for the fiscal year ended June 30, 2020, a decrease of $232,540 over the prior year.

At the end of the current period, unassigned fund balance for the General Fund was a positive $2,031,845.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 11 and 12 provide information about the activities of the County as a whole and present a longer term view of the County's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as trustee or agent for the benefit of those outside of the government.

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 County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide financial statements is the Statement of Net Position. This is the county-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification to the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the County's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt. The County's fiduciary activities simply hold resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently or provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a Board of Directors that the County Commission has appointed. The County Health Department is reported separately from the primary government, though included in the County's overall reporting entity.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

All the funds of the County can be divided into categories: 1) governmental funds, and 2) fiduciary funds.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different, with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spending resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes a long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statement is presented on page 20 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are presented on pages 21 – 38 of this report.

Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and accompanying note disclosures, this report also presents this Management's Discussion and Analysis which is required supplementary information. Additionally, the County reports the combining and individual statements and schedules for non-major funds and the schedule of expenditures of special purpose local option sales tax proceeds as supplementary information which begins on page 39 of this report.

Financial Analysis of the County's Government-Wide Financial Statements

The County's assets exceeded its liabilities by $13,017,680 at June 30, 2020. This is a $930,309 decrease over the prior year. Assets decreased primarily as the result of decreased cash during 2020. Liabilities increased as a result of increased long term debt (leases and notes payable) at the end of fiscal year 2020. The following table provides a summary of the County's net position:

	Summary of Net Position Governmental Activities	
	2020	2019
Assets		
Current and other assets	**$ 5,421,459**	$ 5,465,879
Capital assets	**10,332,321**	10,564,888
Total assets	**15,753,780**	16,030,767
Liabilities		
Long-term debt outstanding	**2,158,214**	1,535,365
Other liabilities	**577,886**	547,413
Total liabilities	**2,736,100**	2,082,778
Net position		
Net investment in capital assets	**8,174,107**	9,029,523
Restricted	**1,017,171**	733,592
Unrestricted	**3,826,402**	4,184,874
Total net position	**$ 13,017,680**	$ 13,947,989

Financial Analysis of the County's Government-Wide Financial Statements (Continued)

The County reported positive balances in net position for fiscal year 2020. As noted previously, net position decreased by $930,309 over that of the prior year. While revenues increased in the current year, expenses increased significantly more than revenues, resulting in the decrease in net position for the fiscal year ended June 30, 2020.

	Summary of Statement of Activities Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	**$ 2,916,439**	$ 3,046,384
Operating grants and contributions	**230,789**	304,014
Capital grants and contributions	**469,122**	387,240
General revenues:		
Property taxes	**6,070,283**	5,385,108
Other taxes	**2,020,440**	1,839,963
Interest	**154,467**	158,702
Other revenues	**34,061**	35,047
Total revenues	**11,895,601**	11,156,458
Expenses		
General government	**2,919,199**	2,627,701
Judicial	**1,159,949**	1,014,251
Public safety	**4,519,606**	3,631,562
Public works	**2,855,287**	2,372,561
Health and welfare	**392,272**	638,314
Culture and recreation	**386,635**	452,722
Housing and development	**494,750**	368,306
Interest on long-term debt	**98,212**	75,750
Total expenses	**12,825,910**	11,181,167
Change in net position	**(930,309)**	(24,709)
Net position, beginning	**13,947,989**	13,972,698
Net position, end of year	**$ 13,017,680**	$ 13,947,989

Financial Analysis of the County's Fund Level Financial Statements

Governmental funds

As discussed, governmental funds are reported in the fund statements with a current financial resources measurement focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The general fund reported ending fund balance of $2,181,562. Of this year-end total, $2,031,845 is unassigned. The remaining $149,717 is reported as non-spendable related to prepaid items.

The County reports three additional major governmental funds in addition to the General Fund – the E911 Fund, the Development Authority Fund and the SPLOST Fund. All three funds reported increases to fund balance in fiscal year 2020. Fund balance for the E911 Fund increased $42,181 as a result of decreased E911 costs in the current year. Fund balance for the Development Authority Fund increased $403,264 as a result of the proceeds received to purchase land held for resale. Fund balance for the SPLOST Fund increased $299,571 as a result of increased SPLOST collections and decreased project expenditures.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets, net of accumulated depreciation, as of June 30, 2020, was $10,332,321. The decrease was the result of current year depreciation expense exceeding additions. Significant current year additions included equipment for public works.

	Capital Asset Activitiy Governmental Activities	
	2020	2019
Land	**$ 873,755**	$ 873,755
Buildings and improvements	**1,756,505**	1,837,619
Machinery, equipment and vehicles	**2,121,484**	2,158,379
Infrastructure	**5,580,577**	5,695,135
	$ 10,332,321	$ 10,564,888

See Note 6 for additional information about the County's capital assets.

Long-term debt

At the end of the year, the County had total long-term debt outstanding of $2,158,214. The increase from the prior year was the result of new lease agreements and a note payable entered into by the County during the fiscal year ended June 30, 2020.

The County's long-term debt relates to capital leases and a note payable.

	Long-term Debt Activity Governmental Activities	
	2020	2019
Capital leases	**$ 1,754,950**	$ 1,535,365
Note payable	**403,264**	-
	$ 2,158,214	$ 1,535,365

See Note 7 for additional information about the County's long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the year ended June 30, 2020 budget and tax rates. General Fund revenues and expenditures were budgeted with a 2.4% and 3.4% increase, respectively, when compared to the previous year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Long County Board of Commissioners
P.O. Box 476
Ludowici, Georgia 31316

BASIC FINANCIAL STATEMENTS

LONG COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government	Component Unit
	Governmental Activities	Long County Board of Health
ASSETS		
Cash and cash equivalents	$ 3,489,703	$ 517,825
Receivables, net	1,267,075	3,126
Due from other governments	111,700	19,765
Prepaid items	149,717	-
Assets held for resale	403,264	-
Capital assets, non-depreciable	873,755	-
Capital assets, depreciable, net of accumulated depreciation	9,458,566	3,931
Total assets	15,753,780	544,647
DEFERRED OUTFLOWS OF RESOURCES		
Pension	-	105,560
OPEB	-	18,983
Total deferred outflows of resources	-	124,543
LIABILITIES		
Accounts payable	428,124	2,014
Accrued liabilities	141,913	4,219
Due to other governments	7,849	19,765
Capital leases due within one year	441,008	-
Capital leases due in more than one year	1,313,942	-
Note payable due within one year	21,629	-
Note payable due in more than one year	381,635	-
Net pension liability due in more than one year	-	213,754
Net OPEB liability due in more than one year	-	57,548
Other noncurrent liabilities due in more than one year	-	16,875
Total liabilities	2,736,100	314,175
DEFERRED INFLOWS OF RESOURCES		
Pension	-	6,654
OPEB	-	107,898
Total deferred inflows of resources	-	114,552
NET POSITION		
Net investment in capital assets	8,174,107	3,931
Restricted for:		
Capital projects	720,196	-
Judicial	16,234	-
Public safety	280,741	-
Prior year program income	-	140,719
Unrestricted	3,826,402	95,813
Total net position	$ 13,017,680	$ 240,463

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

LONG COUNTY, GEORGIA

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit Long County Board of Health
Primary government						
Governmental activities:						
General government	$ 2,919,199	$ 488,596	$ 196,886	$ -	$ (2,233,717)	$ -
Judicial	1,159,949	740,386	-	-	(419,563)	-
Public safety	4,519,606	818,496	16,353	-	(3,684,757)	-
Public works	2,855,287	791,579	-	424,122	(1,639,586)	-
Health and welfare	392,272	34,980	17,550	-	(339,742)	-
Culture and recreation	386,635	36,041	-	-	(350,594)	-
Housing and development	494,750	6,361	-	45,000	(443,389)	-
Interest on long-term debt	98,212	-	-	-	(98,212)	-
Total governmental activities	12,825,910	2,916,439	230,789	469,122	(9,209,560)	-
Component unit						
Long County Board of Health	448,114	140,720	259,281	-	-	(48,113)
Total component unit	$ 448,114	$ 140,720	$ 259,281	$ -	-	(48,113)
General revenues:						
Property taxes					6,070,283	-
Sales taxes					1,111,820	-
Other taxes					908,620	-
Unrestricted investment earnings					154,467	-
Gain on sale of capital assets					34,061	-
Intra/inter agency					-	102,396
Other local funds					-	373
Total general revenues					8,279,251	102,769
Change in net position					(930,309)	54,656
Net position, beginning of year, as restated					13,947,989	185,807
Net position, end of year					$ 13,017,680	$ 240,463

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

LONG COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	E911	Development Authority	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,069,699	$ 251,422	$ 177,116	$ 661,159	$ 330,307	$ 3,489,703
Receivables, net of allowances	1,220,112	22,866	-	-	24,097	1,267,075
Due from other governments	44,814	-	-	66,886	-	111,700
Due from other funds	-	-	-	-	52,000	52,000
Assets held for resale	-	-	403,264	-	-	403,264
Prepaid items	149,717	-	-	-	-	149,717
Total assets	$ 3,484,342	$ 274,288	$ 580,380	$ 728,045	$ 406,404	$ 5,473,459
LIABILITIES						
Accounts payable	$ 207,698	$ 220,426	$ -	$ -	$ -	$ 428,124
Accrued liabilities	121,281	-	-	-	-	121,281
Due to other funds	52,000	-	-	-	-	52,000
Intergovernmental payable	-	-	-	7,849	-	7,849
Total liabilities	380,979	220,426	-	7,849	-	609,254
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue						
Property taxes	921,801	-	-	-	-	921,801
Total deferred inflow of resources	921,801	-	-	-	-	921,801
FUND BALANCES						
Nonspendable:						
Prepaid items	149,717	-	-	-	-	149,717
Restricted for:						
Judicial	-	-	-	-	16,234	16,234
Public safety programs	-	53,862	-	-	226,879	280,741
Capital projects	-	-	-	720,196	-	720,196
Assigned for:						
Industrial development	-	-	580,380	-	163,291	743,671
Unassigned	2,031,845	-	-	-	-	2,031,845
Total fund balances	2,181,562	53,862	580,380	720,196	406,404	3,942,404
Total liabilities, deferred inflow of resources and and fund balances	$ 3,484,342	$ 274,288	$ 580,380	$ 728,045	$ 406,404	

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.	10,332,321
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	921,801
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(2,158,214)
Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.	(20,632)
Net position of governmental activities	$ 13,017,680

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

LONG COUNTY, GEORGIA

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

	General	E911	Development Authority	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 7,249,282	$ -	$ -	$ 663,162	$ -	$ 7,912,444
Licenses and permits	291,273	-	-	-	-	291,273
Intergovernmental	652,659	-	45,000	-	-	697,659
Charges for services	1,917,115	265,710	-	-	257,715	2,440,540
Fines and forfeitures	32,626	-	-	-	34,980	67,606
Investment earnings	152,484	-	620	2,252	1,363	156,719
Miscellaneous	110,659	-	6,361	-	-	117,020
Total revenues	10,406,098	265,710	51,981	665,414	294,058	11,683,261
Expenditures						
Current:						
General government	2,864,907	-	-	-	-	2,864,907
Judicial	1,164,214	-	-	-	19,259	1,183,473
Public safety	4,006,078	449,778	-	-	131,809	4,587,665
Public works	2,467,264	-	-	-	-	2,467,264
Health and welfare	362,811	-	-	-	-	362,811
Culture and recreation	250,253	-	-	-	-	250,253
Housing and development	425,297	-	67,331	-	-	492,628
Intergovernmental	86,992	-	-	77,880	-	164,872
Capital outlay	-	-	-	83,386	37,872	121,258
Debt service:						
Principal	122,355	31,541	-	169,519	-	323,415
Interest and fiscal charges	15,548	5,069	-	56,963	-	77,580
Total expenditures	11,765,719	486,388	67,331	387,748	188,940	12,896,126
Excess (deficiency) of revenues over (under) expenditures	(1,359,621)	(220,678)	(15,350)	277,666	105,118	(1,212,865)
Other financing sources						
Proceeds from sale of capital assets	34,061	-	-	-	-	34,061
Loan proceeds	-	-	403,264	-	-	403,264
Capital leases	318,000	225,000	-	-	-	543,000
Transfers in	-	37,859	90,625	21,905	-	150,389
Transfers out	(150,389)	-	-	-	-	(150,389)
Total other financing sources	201,672	262,859	493,889	21,905	-	980,325
Net change in fund balances	(1,157,949)	42,181	478,539	299,571	105,118	(232,540)
Fund balances, beginning of year	3,339,511	11,681	101,841	420,625	301,286	4,174,944
Fund balances, end of year	$ 2,181,562	$ 53,862	$ 580,380	$ 720,196	$ 406,404	$ 3,942,404

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

LONG COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (232,540)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 687,591	
Depreciation expense	(920,158)	(232,567)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the funds.		178,279
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Lease proceeds	$ (543,000)	
Note proceeds	(403,264)	
Lease principal payments	323,415	(622,849)
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.		
Accrued interest		(20,632)
		$ (930,309)

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

LONG COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 7,091,666	$ 7,091,666	$ 7,249,282	$ 157,616
Licenses and permits	532,300	532,300	291,273	(241,027)
Intergovernmental	480,500	320,500	652,659	332,159
Charges for services	1,780,400	1,940,400	1,917,115	(23,285)
Fines and forfeitures	62,000	62,000	32,626	(29,374)
Investment income	181,000	181,000	152,484	(28,516)
Miscellaneous	125,100	125,100	110,659	(14,441)
Total revenues	10,252,966	10,252,966	10,406,098	153,132
Expenditures				
General government:				
Legislative	388,206	460,756	594,549	(133,793)
Clerk of commissioners	347,764	347,764	259,056	88,708
County administrator	90,419	114,499	99,334	15,165
Elections	183,074	183,074	156,280	26,794
Financial administration	151,398	151,398	159,562	(8,164)
Tax commissioner	281,614	281,614	306,813	(25,199)
Tax assessor	257,510	257,510	239,414	18,096
Risk management	100,000	100,000	158,030	(58,030)
Government buildings	439,666	439,666	891,869	(452,203)
Total general government	2,239,651	2,336,281	2,864,907	(528,626)
Judicial:				
Superior court	92,405	92,405	82,529	9,876
Clerk of superior court	335,342	335,342	355,298	(19,956)
District attorney	57,892	57,892	57,232	660
State court	62,066	62,066	56,805	5,261
Misdemeanor probation	155,691	155,691	101,001	54,690
Solicitor	47,248	47,248	45,779	1,469
Magistrate/Probate court	294,730	294,730	299,354	(4,624)
Juvenile court	57,050	57,050	38,304	18,746
Public defender	145,716	145,716	127,912	17,804
Total judicial	1,248,140	1,248,140	1,164,214	83,926
Public safety:				
Sheriff	2,424,249	2,645,249	2,648,316	(3,067)
Housing of prisoners	497,500	497,500	486,898	10,602
Fire department	426,874	426,874	481,116	(54,242)
Emergency medical services	308,100	308,100	278,850	29,250
Coroner	37,731	37,751	48,104	(10,353)
Emergency management	76,780	76,780	62,794	13,986
Total public safety	3,771,234	3,992,254	4,006,078	(13,824)
Public works:				
Street department	1,004,170	1,004,170	1,368,125	(363,955)
Sanitation department	917,278	917,278	1,099,139	(181,861)
Total public works	$ 1,921,448	$ 1,921,448	$ 2,467,264	$ (545,816)

(Continued)

LONG COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Health and welfare:				
Public welfare	$ 123,000	$ 123,000	$ 125,869	$ (2,869)
Meals programs	176,906	176,906	187,375	(10,469)
Transportation services	23,782	23,782	49,567	(25,785)
Total health and welfare	323,688	323,688	362,811	(39,123)
Culture and recreation:				
Recreation	333,482	333,482	250,253	83,229
Total culture and recreation	333,482	333,482	250,253	83,229
Housing and development:				
County extension	43,622	43,622	27,522	16,100
Forestry conservation	24,227	24,227	42,147	(17,920)
Planning and zoning	50,617	50,617	29,804	20,813
Code enforcement	296,895	296,895	325,824	(28,929)
Total housing and development	415,361	415,361	425,297	(9,936)
Debt service:				
Principal	-	-	122,355	(122,355)
Interest and fiscal charges	-	-	15,548	(15,548)
Total debt service	-	-	137,903	(137,903)
Intergovernmental assistance	80,300	80,300	86,992	(6,692)
Total expenditures	10,333,304	10,650,954	11,765,719	(1,114,765)
Deficiency of revenues under expenditures	(80,338)	(397,988)	(1,359,621)	(961,633)
Other financing sources:				
Sale of general capital assets	34,000	34,000	34,061	61
Capital leases	-	317,650	318,000	350
Transfers out	(127,750)	(127,750)	(150,389)	22,639
Total other financing sources	(93,750)	223,900	201,672	23,050
Net change in fund balances	(174,088)	(174,088)	(1,157,949)	(983,861)
Fund balance, beginning of year	3,339,511	3,339,511	3,339,511	-
Fund balance, end of year	$ 3,165,423	$ 3,165,423	$ 2,181,562	$ (983,861)

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

LONG COUNTY, GEORGIA

E911 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ 275,000	$ 275,000	$ 265,710	$ (9,290)
Total revenues	275,000	275,000	265,710	(9,290)
Expenditures				
Current:				
Public safety	275,000	275,000	449,778	(174,778)
Debt service:				
Principal	-	-	31,541	(31,541)
Interest	-	-	5,069	(5,069)
Total expenditures	275,000	275,000	486,388	(211,388)
Deficiency of revenues under expenditures	-	-	(220,678)	(220,678)
Other financing sources:				
Capital leases	-	-	225,000	225,000
Transfers in	-	-	37,859	37,859
			262,859	262,859
Net change in fund balances	-	-	42,181	42,181
Fund balance, beginning of year	11,681	11,681	11,681	-
Fund balance, end of year	$ 11,681	$ 11,681	$ 53,862	$ 42,181

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

LONG COUNTY, GEORGIA

DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 45,000	$ 45,000
Investment earnings	-	-	620	620
Miscellaneous	-	-	6,361	6,361
Total revenues	-	-	51,981	51,981
Expenditures				
Current:				
Housing and development	70,920	70,920	67,331	3,589
Total expenditures	70,920	70,920	67,331	3,589
Deficiency of revenues under expenditures	(70,920)	(70,920)	(15,350)	55,570
Other financing sources:				
Loan proceeds	-	-	403,264	403,264
Transfers in	70,920	70,920	90,625	19,705
	70,920	70,920	493,889	422,969
Net change in fund balances	-	-	478,539	478,539
Fund balance, beginning of year	101,841	101,841	101,841	-
Fund balance, end of year	$ 101,841	$ 101,841	$ 580,380	$ 478,539

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

LONG COUNTY, GEORGIA

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

	Agency Funds
ASSETS	
Cash	$ 677,273
Taxes receivable	843,739
Total assets	$ 1,521,012
LIABILITIES	
Due to others	$ 677,273
Due to other governments	843,739
Total liabilities	$ 1,521,012

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and Fund Financial Statements

The government-wide statements (i.e. the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Long County, Georgia (the "County") does not maintain any business-type activities. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The County was incorporated in 1921 under the provisions of the laws of the State of Georgia. The County operates under a Board of Commissioners, which consists of a Chairman and four Commissioners and provides the following services: public safety, highways and streets, public improvements, and general and administrative services. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in a separate column of the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component unit – Long County Development Authority (the "Authority") – included based on funding of budget requirements and the Authority provides services almost entirely to the benefit of the County. This unit is blended into the financial statements as a special revenue fund.

Discretely presented component unit – *Long County Board of Health D/B/A Long County Public Health Center (the "Center")* – The Center provides various health services for citizens in the County under a contract with the Georgia Department of Human Resources ("DHR"). The County Commission approves a majority of the board members of the Board of Health and approves the budget for its operations.

Complete financial statements for the Long County Board of Health may be obtained at the following address: Long County Board of Health, District Health Director, District 9, Unit 1, 150 Scranton Connector, Brunswick, Georgia 31525-0540.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

The ***E911 Fund*** accounts for all financial resources related to the Enhanced 911 system ("E911") that are legally restricted to expenditures for operation of the system.

The ***Development Authority Fund*** accounts for the promotion and expansion of industry and trade within Long County.

The ***Special Purpose Local Option Sales Tax*** **("SPLOST")** ***Fund*** is used to account for 1% sales tax proceeds restricted for the acquisition or construction of specific capital projects as authorized by local referendum.

Additionally, the government reports the following fund types:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

Agency Funds – used to account for, on a temporary basis, amounts collected by the sheriff, tax commissioner, clerk of court, magistrate court and probate court that ultimately are transferred to the general fund or distributed to others.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Property taxes, sales taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenue 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 agency funds do not have a measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Cash Equivalents

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

State statutes authorize the County to invest in obligations of the United States Government and agencies or corporations of the United States Government; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC of FSLIC; prime bankers acceptances; repurchase agreements; and Georgia Fund 1. The local government investment pool, ("Georgia Fund 1"), created by the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. Georgia Fund 1 is not registered with the Securities and Exchange Commission ("SEC") as an investment company. Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. Georgia Fund 1 is exempt from any disclosure of custodial credit risk.

All investments are stated at fair value.

G. Receivables

In the fund financial statements, material receivables include revenue accruals such as property taxes, franchise fees, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are reported as deferred inflows of resources in the fund financial statements. Accounts receivable includes unpaid sanitation charges. Property taxes and trade receivables are shown net of an allowance for uncollectibles.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

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

I. Capital Assets

In the government-wide financial statements, capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported as assets in the governmental activities statement of net position. Capital assets, other than infrastructure assets, are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Infrastructure assets are defined by the County as assets with a cost of more than $100,000. Pursuant to the Governmental Accounting Standards Board ("GASB") Statement 34, the County has reported infrastructure completed during the year and included construction in progress in its capital assets. Infrastructure completed prior to implementation of GASB 34 has not been reported. As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical costs. The reported value excludes normal maintenance and repairs which are essentially amount spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the County values these capital assets at their acquisition value on the date of donation.

Depreciation has been calculated on each class of depreciable property, using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	20 – 50 years
Infrastructure	20 – 35 years
Machinery, equipment and vehicles	5 – 10 years

J. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease, discounted at the implicit rate of interest in the lease.

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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had no items that required reporting in this category.

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 the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Equity Classifications

Equity is classified as net position and displayed in three components in the government-wide financial statements.

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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

- **Unrestricted net position** consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets”. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either: a) not in spendable form – prepaid costs or inventories; or b) legally or contractually required to be maintained intact.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- **Restricted fund balance** reflects the constraints imposed on resources either: a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance** can only be used for specific purposes pursuant to constraints imposed by formal resolution or ordinances of the County Commission – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County Commission removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- **Assigned fund balance** reflects the amounts constrained by the County's "intent" to be used for a specific purpose, but are neither restricted nor committed. The County Commission and the County Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

- **Unassigned fund balance** is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

At June 30, 2020, the County did not have committed amounts. The County's restricted fund balance consisted of SPLOST resources restricted for capital projects and fines and forfeitures resources restricted for judiciary and public safety purposes. The County's assigned fund balance consisted of resources assigned to economic development.

M. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

P. Program Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

Q. Property Taxes

Property taxes were levied on October 20, 2019, on property values assessed as of January 1, 2019. A millage rate of 15.695 was adopted on September 3, 2019. Property tax bills were mailed on October 20, 2019 and were considered past due on January 1, 2020, at which time the applicable property was subject to lien, and penalties and interest are assessed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Compensated Absences

Employees can earn vacation leave at the rate of five days during the first two years of employment; ten days after three through six years of employment; and 15 days after seven years of employment. Vacation leave may not be carried from one anniversary year to the next. Unused vacation is forfeited. Employees resigning voluntarily and in good standings from County service will be paid for earned, unused vacation leave. Employees dismissed or not resigning in good standing will not be paid for earned, unused vacation leave. The County does not record a liability for vested vacation leave. Expenses are recognized in the financial statements at the time of payment.

Employees can earn sick leave at the rate of five days during the first two years of employment and ten days after two years of service. Ten days is the maximum leave which can be earned per year. Sick leave may be accumulated up to a maximum of 60 days. Unused sick leave will not be paid upon the employee's termination. Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

State law requires that the County adopt by ordinance or resolution an annual balanced budget for the General Fund and all special revenue funds. A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control over expenditures is exercised by the County at the department level for its General and special revenue funds. Appropriations lapse at year-end.

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

- Prior to year-end, the Finance Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
- Prior to July 1, the budget is legally enacted through approval by the Board of Commissioners.
- Budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles ("GAAP").

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

The Board of Commissioners has the authority to amend its budget as follows:

Any increase in appropriation for a department, whether accomplished through a change in anticipated revenue or through a transfer of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

B. Excess Expenditures over Appropriations

For the fiscal year ended June 30, 2020, expenditures exceeded appropriations at the legal level of budgetary control (department) as follows:

General Fund		
General government		
Legislative	$	133,793
Financial administration		8,164
Tax commissioner		25,199
Risk management		58,030
Government buildings		452,203
Judicial		
Clerk of superior court		19,956
Magistrate/Probate court		4,624
Public safety		
Sheriff		3,067
Fire department		54,242
Coroner		10,353
Public works		
Street department		363,955
Sanitation department		181,861
Health and welfare		
Public welfare		2,869
Meals programs		10,469
Transportation services		25,785
Housing and development		
Forestry conservation		17,920
Code enforcement		28,929
E911 Fund		
Public safety		174,778

Overspending in the General Fund was funded by underspending in other departments. E911 overspending was funded by lease proceeds.

NOTE 3. CASH AND INVESTMENTS

At year-end the carrying amount of the County's deposits, including its agency funds, was $4,166,976. As of June 30, 2020, the entire bank balance was insured and collateralized with securities held by the pledging financial institution’s trust department or agent in the government’s name.

Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The County has no custodial credit risk policy that would require additional collateral requirements.

As of June 30, 2020, the County had the following investment:

Investment	Average Credit Rating	Fair Value	Weighted Average Maturity (in days)
Georgia Fund 1	AAAf	$ 11,337	38

Deposit and investment transactions are subject to a variety of risks. The County seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform to legal requirements.

Interest rate risk is the risk that changes in interest rates that will adversely affect the value of an investment. The County does not have a policy that addresses this risk.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a policy that addresses this risk.

NOTE 4. RECEIVABLES

Receivables as of June 30, 2020, including the applicable allowances for uncollectible accounts are as follows:

Receivable	General	E911	SPLOST	Nonmajor Governmental	Total
Taxes	$ 1,158,929	$ -	$ -	$ -	$ 1,158,929
Due from other governments	44,814	-	66,886	-	111,700
Accounts	206,253	22,866	-	24,097	253,216
Gross Receivables	1,409,996	22,866	66,886	24,097	1,523,845
Less: Allowances for uncollectibles	(145,070)	-	-	-	(145,070)
Net Receivables	$ 1,264,926	$ 22,866	$ 66,886	$ 24,097	$ 1,378,775

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly 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. The General Fund owed the nonmajor governmental funds $52,000 as of June 30, 2020.

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in the other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The General Fund transferred $37,859 to the E911 Fund, $90,625 to the Development Authority Fund, and $21,905 to the SPLOST Fund during the fiscal year ended June 30, 2020.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 873,755	$ -	$ -	$ 873,755
Total	873,755	-	-	873,755
Capital assets, being depreciated				
Buildings and improvements	4,183,636	37,624	-	4,221,260
Machinery, equipment and vehicles	6,464,813	581,953	-	7,046,766
Infrastructure	7,234,819	68,014	-	7,302,833
Total	17,883,268	687,591	-	18,570,859
Less accumulated depreciation for:				
Buildings and improvements	(2,346,017)	(118,738)	-	(2,464,755)
Machinery, equipment and vehicles	(4,306,434)	(618,848)	-	(4,925,282)
Infrastructure	(1,539,684)	(182,572)	-	(1,722,256)
Total	(8,192,135)	(920,158)	-	(9,112,293)
Total capital assets, being depreciated, net	9,691,133	(232,567)	-	9,458,566
Governmental activities capital assets, net	$ 10,564,888	$ (232,567)	$ -	$ 10,332,321

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

General government	$ 35,520
Judicial	7,196
Public safety	337,074
Public works	372,403
Health and welfare	29,461
Culture and recreation	136,382
Housing and development	2,122
Total depreciation expense - governmental activities	$ 920,158

NOTE 7. LONG-TERM DEBT

Note Payable

In April 2020, the County entered into a note payable agreement with Ameris Bank to finance the acquisition of public safety radio and phone equipment. Payments in the amount of $2,796 are due monthly through May 10, 2035. The note bears interest at a rate of 3%.

The debt service requirements for the County's note payable are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2021	$ 21,629	11,926	$ 33,555
2022	22,296	11,259	33,555
2023	22,984	10,571	33,555
2024	23,666	9,889	33,555
2025	24,423	9,132	33,555
2026 – 2030	133,871	33,904	167,775
2031 – 2035	154,395	16,177	170,572
	$ 403,264	$ 102,858	$ 506,122

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of land, buildings, vehicles, and other equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets have been recorded at the present value of the future minimum lease payments as of the inception date in the general capital assets. The amortization of assets recorded under capital leases is included with depreciation expense in the amount of $295,538.

The assets acquired through capital leases are as follows:

Asset Class	Governmental Activities
Machinery and equipment	$ 2,161,510
Less: Accumulated depreciation	(1,098,226)
Total	$ 1,063,284

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Fiscal year ending June 30,	Governmental Activities
2021	$ 514,359
2022	375,300
2023	543,386
2024	500,515
2025	12,203
Total minimum lease payments	1,945,763
Less: Amounts representing interest	(190,813)
Present value of future minimum lease payments	1,754,950
Less current portion	(441,008)
Long-term portion of leases	$ 1,313,942

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	$ 1,535,365	$ 543,000	$ (323,415)	$ 1,754,950	$ 441,008
Note payable from direct borrowing	-	403,264	-	403,264	21,629
Total long-term liabilities	$ 1,535,365	$ 946,264	$ (323,415)	$ 2,158,214	$ 462,637

NOTE 8. 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 workers compensation for which the County carries the following insurance coverages:

The County joined the Georgia Interlocal Risk Management Agency (“GIRMA”). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by County’s management based on the anticipated needs. The County is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA’s responsibility includes paying claims and representing the County in defense and settlement of claims. GIRMA’s basis for estimating the liabilities for unpaid claims is “IBNR” established by an actuary. The County has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year.

NOTE 8. RISK MANAGEMENT (CONTINUED)

The County is unaware of any claims which the County is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2020. No provisions have been made in the financial statements for the year ended June 30, 2020, for any estimate of potential unpaid claims.

The County has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund ("GMAWCSIF"), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the County has no legal obligation to pay its own workers' compensation claims. The County is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the County's annual contribution, the County has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

The County pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The County has participated in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Such audits could result in request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The amount of expenditures which may be disallowed by granting agencies cannot be determined at this time; although, the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. The County estimates that the potential claims from the pending lawsuits against the County, not covered by insurance, would not materially affect the financial statements of the County.

In October 2003, the County entered into a third-party leasing arrangement with the Georgia Department of Human Services Division of Family and Children Services to fund the debt service on the building housing the Georgia Department of Family and Children Services in Long County. The arrangement is renewed on an annual basis. The County expects the arrangement to continue for the term of the debt obligation. In the event that the Georgia Department of Human Resources does not renew the third-party leasing arrangement, the County is obligated to make payments sufficient to pay the principal and interest on the debt obligation. Annual debt service on the building is $111,541. The debt obligation matures on April 1, 2024. At June 30, 2020, the outstanding amount of the debt totaled $390,942.

NOTE 10. EMPLOYEE RETIREMENT PLAN

ACCG 457(b) Deferred Compensation Plan for Long County Employees

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, a defined contribution plan, is available to all County employees and permits employees to defer a portion of their salary until future years. Plan provisions and contribution requirements are established/amended by the Long County Board of County Commissioners. The County matches the first $20 of each employee's deferral. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted to any other purpose. The plan is administered by the Government Employee Benefits Corporation of Georgia. Actual contributions to the plan by plan members were $80,364 and employer contributions were $29,943 for the fiscal year ended June 30, 2020.

NOTE 11. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

Under Georgia law, the County, in conjunction with other cities and counties in the Coastal Georgia area, is a member of the Coastal Regional Commission of Georgia ("CRC") and is required to pay annual dues thereto. Membership in a CRC is automatic for each municipality and county of the State. The O.C.G.A. §50-8-34 (Georgia Planning Act of 1989) provides for the organization structure of the CRC's. Each county and municipality in the State is required by law to pay minimum annual dues to the CRC based on population. The Board of the CRC includes elected officials from Member counties and cities and nonpublic appointed members. The law defines CRC's as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a CRC beyond its resources. Complete financial statements of the CRC can be obtained from: Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

NOTE 12. RESTATEMENT OF BEGINNING NET POSITION – DISCRETELY PRESENTED COMPONENT UNIT

The Long County Board of Health D/B/A Long County Public Health Center (the "Center"), a discretely presented component unit of Long County, Georgia required a restatement of its net position as of July 1, 2019. This restatement was the result of a correction of an error and is as follows:

	Long County Public Health Center
Begnning net position, July 1, 2019	$ 73,165
Prior period adjustment to increase net position for encumbrances treated as expenditures in prior years.	112,642
Beginning net position, July 1, 2019, as restated	$ 185,807

LONG COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Jail Fund is used to account for proceeds from jail inmate commissary sales.

Drug Abuse and Treatment Fund is used to account for the collection of additional penalties for certain drug related crimes, donations related to drug education and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances.

Seized Assets Fund is used to account for monies confiscated under federal and state law by Long County law enforcement officers related to controlled substance offenses. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.

CAPITAL PROJECTS FUND

Impact Fees Fund is used to account for the receipt and disbursement of impact fees collected in the County.

LONG COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue				Capital Projects	
	Law Library	Jail	Drug Abuse and Treatment	Seized Assets	Impact Fees	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 16,234	$ 182,988	$ 39,804	$ 3,990	$ 87,291	$ 330,307
Receivables	-	-	97	-	24,000	24,097
Due from other funds	-	-	-	-	52,000	52,000
Total assets	$ 16,234	$ 182,988	$ 39,901	$ 3,990	$ 163,291	$ 406,404
FUND BALANCES						
Restricted for:						
Judicial	16,234	-	-	-	-	16,234
Public safety	-	182,988	39,901	3,990	-	226,879
Assigned for:						
Industrial development	-	-	-	-	163,291	163,291
Total fund balances	$ 16,234	$ 182,988	$ 39,901	$ 3,990	$ 163,291	$ 406,404

LONG COUNTY, GEORGIA

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

	Special Revenue				Capital Projects	
	Law Library	Jail	Drug Abuse and Treatment	Seized Assets	Impact Fees	Total Nonmajor Governmental Funds
Revenues						
Fines and forfeitures	$ 14,945	$ -	$ 11,600	$ 8,435	$ -	$ 34,980
Intergovernmental	-	-	-	-	-	-
Charges for services	-	56,631	-	-	201,084	257,715
Interest income	16	1,140	128	-	79	1,363
Miscellaneous	-	-	-	-	-	-
Total revenues	14,961	57,771	11,728	8,435	201,163	294,058
Expenditures						
Current:						
Judicial	19,259	-	-	-	-	19,259
Public safety	-	96,994	18,815	16,000	-	131,809
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	37,872	37,872
Total expenditures	19,259	96,994	18,815	16,000	37,872	188,940
Net change in fund balances	(4,298)	(39,223)	(7,087)	(7,565)	163,291	105,118
Fund balances, beginning of year	20,532	222,211	46,988	11,555	-	301,286
Fund balances, end of year	$ 16,234	$ 182,988	$ 39,901	$ 3,990	$ 163,291	$ 406,404

LONG COUNTY, GEORGIA

AGENCY FUNDS

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

LONG COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2020

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 508,316	$ 115,612	$ 5,296	$ 1,388	$ 46,661	$ 677,273
Taxes receivable	843,739	-	-	-	-	843,739
Total assets	$ 1,352,055	$ 115,612	$ 5,296	$ 1,388	$ 46,661	$ 1,521,012
LIABILITIES						
Due to others	$ 508,316	$ 115,612	$ 5,296	$ 1,388	$ 46,661	$ 677,273
Due to other governments	843,739	-	-	-	-	843,739
Total liabilities	$ 1,352,055	$ 115,612	$ 5,296	$ 1,388	$ 46,661	$ 1,521,012

LONG COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
SPLOST:					
Road, street, bridge improvements					
Long County	$ 1,764,000	$ 1,022,741	$ 2,300,449	$ 62,386	$ 2,362,835
City of Ludowici	336,000	336,000	452,585	77,880	530,465
Long County Recreation Complex	875,000	580,449	747,722	-	747,722
Public safety vehicles and equipment					
Long County	441,000	341,469	759,596	21,000	780,596
City of Ludowici	84,000	84,000	79,861	-	79,861
Debt Service					
Road, street, bridge equipment	-	741,259	1,052,329	-	1,052,329
Recreation complex equipment	-	294,551	284,303	-	284,303
Public safety vehicles and equipment	-	99,531	99,531	-	99,531
Total	$ 3,500,000	$ 3,500,000	$ 5,776,376	$ 161,266	$ 5,937,642

Reconciliation of SPLOST schedule to financial statements:	
Total of SPLOST Fund expenditures	$ 387,748
Less debt service payments on equipment included on schedule	(226,482)
	$ 161,266

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 Long County, Georgia
Ludowici, Georgia

We have audited, in accordance with the 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 discretely presented component unit, each major fund and the aggregate remaining fund information of Long County, Georgia (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 2, 2020. Our report includes a reference to other auditors who audited the financial statements of the Long County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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, as described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Long County, Georgia's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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

Savannah, Georgia
December 2, 2020

LONG COUNTY, GEORGIA

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

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes X No
Noncompliance material to financial statements noted?	____ Yes X No

Federal Awards

There was not an audit of major federal award programs as of June 30, 2020 due to the total amount expended being less than $750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001. Segregation of Duties

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

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the elected officials.

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

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

Cause: The lack of segregation of duties is due to the lack of a properly developed integrated work plan with appropriate controls. In addition, in certain circumstances there are a limited number of trained individuals in each office available to perform all of the duties.

LONG COUNTY, GEORGIA

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-001. Segregation of Duties (Continued)

Recommendation: We recommend the duties of recording, distributing, and reconciling of accounts be segregated among employees. Also, we recommend greater segregation of duties relative to: making deposits, opening mail, posting receipts, and signing of checks.

Views of Responsible Officials and Planned Corrective Action: We concur. The County is in the process of reviewing their respective systems and processes to evaluate and determine the most efficient and effective solution to properly segregate duties among all County functions to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

2020-002. Due to Others – Agency Funds

Criteria: Internal controls and effective procedures should be in place to ensure accurate supporting records are maintained to support financial statement amounts. Specifically, as to who cash amounts held by the elected official offices are owed at any given time.

Condition: Records of who cash amounts on hand were owed are not maintained by the respective elected official offices of the County.

Context: See condition above.

Effect: Failure to properly segregate amounts owed to the County, other governments, entities or individuals can lead to misappropriation of funds that are not detected during the normal course of business.

Cause: The lack of maintenance of supporting schedules for amounts held by the elected officials.

Recommendation: We recommend all elected officials maintain records as to who cash amounts are owed to ensure amounts are paid to the respective entities they are due on a timely basis.

Views of Responsible Officials and Planned Corrective Action: We concur. Elected Officials are in the process of developing procedures to properly maintain records of who cash amounts on hand are owed to.

LONG COUNTY, GEORGIA

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

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

LONG COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

2019-001. Segregation of Duties

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

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County and elected officials. Additionally, there is a lack of approval of manual journal entries posted to the accounting system.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures. Journal entries are not approved or reviewed prior to posting.

Auditee Response/Status: Unresolved. See current year finding 2020-001.

2019-002. Due to Others – Agency Funds

Criteria: Internal controls and effective procedures should be in place to ensure accurate supporting records are maintained to support financial statement amounts. Specifically, as to who cash amounts held by the elected official offices are owed at any given time.

Condition/Context: Records of who cash amounts on hand were owed are not maintained by the respective elected official offices of the County.

Auditee Response/Status: Unresolved. See current year finding 2020-002.

2019-003. Special Revenue Fund Budgets

Criteria: In accordance with state law, all local governments shall operate under an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund in use by the local government.

Condition/Context: Management has not adopted an annual budget for the Development Authority Fund.

Auditee Response/Status: Resolved.